

AMENDED IN ASSEMBLY JANUARY 7, 2008

AMENDED IN ASSEMBLY MAY 1, 2007

AMENDED IN ASSEMBLY APRIL 10, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 158

Introduced by Assembly Member Ma

January 18, 2007

~~An act to add Part 8 (commencing with Section 122430.10) to Division 105 of the Health and Safety Code, relating to public health, and making an appropriation therefor. An act to add Article 4.6 (commencing with Section 14146) to Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, relating to Medi-Cal.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 158, as amended, Ma. ~~Public health. Medi-Cal: benefits for nondisabled persons infected with hepatitis B.~~

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income persons receive health care benefits. Counties are responsible for making eligibility determinations under the Medi-Cal program. One of the methods by which services are provided under the Medi-Cal program is through enrollment of recipients in Medi-Cal managed care plans.

This bill would require the State Department of Health Care Services to expand eligibility for benefits under the existing Medi-Cal program to include nondisabled persons with hepatitis B who would be eligible for Medi-Cal if disabled. This bill would provide that the expansion would be implemented on the date all applicable federal waivers are

granted, as specified. The bill would provide that enrollment in Medi-Cal pursuant to the bill would be limited pursuant to an allocation system to be developed by the department. The bill would require the department to meet federal revenue neutrality requirements through the savings generated by voluntary enrollment into Medi-Cal managed care of persons who are disabled as a result of hepatitis B, and who are either receiving Medi-Cal benefits on a fee-for-service basis as of January 1, 2009, or who become eligible to receive Medi-Cal benefits on or after that date. The bill would condition its implementation upon the receipt of federal financial participation and would prohibit the department from enrolling persons in the program established by this bill until the department can ensure sufficient savings equal to or greater than the cost of providing benefits to these persons.

By increasing counties' responsibilities for Medi-Cal eligibility determinations, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

~~Existing law establishes the State Department of Public Health and sets forth its duties and responsibilities, including, but not limited to, responsibilities related to the development and implementation of a hepatitis C public education and outreach program.~~

~~This bill would require the department to establish a hepatitis B and C prevention and management pilot program within its Office of Multicultural Health to provide matching grants to public and not-for-profit organizations in the Los Angeles area and the San Francisco Bay area for the purposes of providing culturally and language appropriate public awareness and other activities relating to the prevention and management of hepatitis B and C.~~

~~This bill would establish the Hepatitis B Prevention and Management Pilot Program Fund, the moneys in which would be used by the department exclusively for purposes of this bill, and would appropriate \$4,000,000 from the General Fund to the department for deposit into the fund. The bill would require the department to report to the Legislature by January 1, 2011.~~

Vote: $\frac{2}{3}$ -majority. Appropriation: ~~yes~~-no. Fiscal committee:
yes. State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

1 SECTION 1. Article 4.6 (commencing with Section 14146) is
2 added to Chapter 7 of Part 3 of Division 9 of the Welfare and
3 Institutions Code, to read:

4
5 Article 4.6. *Medi-Cal Managed Care Benefits for Nondisabled*
6 *Persons with Hepatitis B*
7

8 14146. (a) *It is the intent of the Legislature in enacting this*
9 *article to expand eligibility for Medi-Cal benefits to persons with*
10 *hepatitis B who are not disabled, but who, if disabled, would*
11 *qualify for Medi-Cal benefits.*

12 (b) *It is further the intent of the Legislature that this expansion*
13 *of the existing Medi-Cal program be funded by cost savings*
14 *achieved through the voluntary enrollment into the existing*
15 *Medi-Cal managed care program of persons who are disabled as*
16 *a result of hepatitis B, and who are either receiving Medi-Cal*
17 *benefits on a fee-for-service basis as of January 1, 2009, or who*
18 *become eligible to receive Medi-Cal benefits on or after January*
19 *1, 2009.*

20 (c) *It is further the intent of the Legislature that the department*
21 *encourage the voluntary enrollment into the existing Medi-Cal*
22 *managed care program of persons described in subdivision (b) in*
23 *order to obtain sufficient cost savings to provide Medi-Cal benefits*
24 *to the maximum feasible number of persons with hepatitis B subject*
25 *to the constraints of this article.*

26 (d) *It is further the intent of the Legislature that all protections*
27 *of state and federal law and regulations that apply to the state's*
28 *Medi-Cal managed care program shall apply to those persons*
29 *who become eligible for Medi-Cal pursuant to this article.*

30 14146.1. (a) *Subject to subdivisions (b) and (c), paragraph*
31 *(2) of subdivision (f), and subdivision (k), the department shall,*
32 *commencing July 1, 2009, or the date that all necessary federal*
33 *waivers have been obtained, whichever is later, expand eligibility*
34 *for benefits under this chapter to any person with hepatitis B who*

1 would otherwise qualify for Medi-Cal benefits if the person were
2 disabled as defined in subdivision (h).

3 (b) Any person eligible for benefits pursuant to subdivision (a),
4 and seeking enrollment in Medi-Cal pursuant to this article shall
5 be enrolled on a first-come-first-served basis pursuant to an
6 allocation mechanism that shall be developed by the department.

7 (c) Any person who is eligible for enrollment in Medi-Cal
8 pursuant to this article shall be required to elect a Medi-Cal
9 managed care plan in those counties in which a managed care
10 plan is available, unless the department determines that the
11 cost-neutrality requirements provided for in subdivision (f) and
12 the enrollment goals provided for in this article can be achieved
13 without this requirement.

14 (d) In implementing this article, the department shall ensure
15 that all of the following standards are met:

16 (1) All state and federal laws and regulations that apply to the
17 state's Medi-Cal managed care program shall apply to the
18 expansion provided by this article and to the beneficiaries eligible
19 for Medi-Cal pursuant to this article.

20 (2) All participating plans that assume full risk for all health
21 care services, including inpatient and outpatient services, shall
22 be licensed pursuant to the Knox-Keene Health Care Service Plan
23 Act of 1975 (Chapter 2.2 (commencing with Section 1340) of
24 Division 2 of the Health and Safety Code), except as provided in
25 Section 1343 of the Health and Safety Code.

26 (3) Health care service plans participating in the Medi-Cal
27 managed care program shall comply with the applicable sections
28 of the Knox-Keene Health Care Service Plan Act of 1975 (Chapter
29 2.2 (commencing with Section 1340) of Division 2 of the Health
30 and Safety Code), including Sections 1367 and 1374.16 of the
31 Health and Safety Code and the regulations adopted pursuant to
32 Section 1374.16 of the Health and Safety Code.

33 (4) Primary care case management plans participating in the
34 Medi-Cal managed care program shall comply with the applicable
35 sections of Article 2.9 (commencing with Section 14088). Primary
36 care case management plans are required to maintain grievance
37 and appeal procedures consistent with the existing Medi-Cal
38 managed care program, to address beneficiary grievances.

39 (e) The department shall establish capitation rates to be paid
40 to Medi-Cal managed care plans for services provided pursuant

1 to this section. These capitation rates may not exceed 95 percent
2 of the fee-for-service equivalent costs to the Medi-Cal program
3 for medical services for persons with hepatitis B.

4 (f) (1) The department shall meet federal revenue neutrality
5 requirements through the savings generated by the voluntary
6 enrollment into Medi-Cal managed care of persons who are
7 disabled as a result of hepatitis B, and who are either receiving
8 Medi-Cal benefits on a fee-for-service basis as of January 1, 2009,
9 or who become eligible to receive Medi-Cal benefits on or after
10 January 1, 2009. The savings generated by increased voluntary
11 enrollments in Medi-Cal managed care shall be used to fund
12 enrollment by individuals eligible for the expansion of Medi-Cal
13 eligibility provided for pursuant to subdivision (a). Nothing in this
14 subdivision shall preclude the department from implementing other
15 means of meeting the federal revenue neutrality requirements,
16 provided that all requirements of this article are met.

17 (2) The department shall not enroll individuals described in
18 subdivision (a) until the department can ensure sufficient savings,
19 pursuant to paragraph (1), equal to or greater than the cost of
20 providing benefits to these individuals.

21 (g) The department shall encourage the voluntary enrollment
22 into Medi-Cal managed care of persons who are disabled as a
23 result of hepatitis B. The department shall conduct all outreach
24 and awareness activities necessary to implement this requirement
25 in a manner consistent with Section 14407 to ensure that persons
26 who enroll in managed care do so voluntarily. These outreach and
27 awareness activities shall include information on how electing
28 managed care may alter provider relationships and how persons
29 may revert to fee-for-service if they prefer to return to
30 fee-for-service.

31 (h) For the purposes of this section, “disabled” means a person
32 who meets the eligibility criteria for the federal Supplemental
33 Security Income for the Aged, Blind and Disabled program
34 (Subchapter 16 (commencing with Section 1381) of Chapter 7 of
35 Title 42 of the United States Code).

36 (i) Notwithstanding Chapter 3.5 (commencing with Section
37 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
38 the department shall implement this article, without taking any
39 regulatory action, by means of an all-county letter or similar
40 instruction. Thereafter, the department shall adopt regulations in

1 accordance with the requirements of Chapter 3.5 (commencing
 2 with Section 11340) of Part 1 of Division 3 of Title 2 of the
 3 Government Code.

4 (j) Commencing January 1, 2009, the department shall seek the
 5 appropriate federal waiver under Section 1115 of the Social
 6 Security Act (42 U.S.C. Sec. 1315) to implement the expansion of
 7 eligibility provided for pursuant to this section. The department
 8 shall maximize the federal reimbursement received for services
 9 provided under this article to those eligible pursuant to this section.

10 (k) This article shall be implemented only if, and to the extent
 11 that, the department determines that federal financial participation
 12 is available pursuant to Title XIX of the federal Social Security
 13 Act (42 U.S.C. Sec. 1396 et seq.).

14 SEC. 2. If the Commission on State Mandates determines that
 15 this act contains costs mandated by the state, reimbursement to
 16 local agencies and school districts for those costs shall be made
 17 pursuant to Part 7 (commencing with Section 17500) of Division
 18 4 of Title 2 of the Government Code.

19 SECTION 1. ~~Part 8 (commencing with Section 122430.10) is~~
 20 ~~added to Division 105 of the Health and Safety Code, to read:~~

21
 22 **PART 8. HEPATITIS B**

23
 24 ~~122430.10. The Legislature finds and declares all of the~~
 25 ~~following:~~

26 (a) ~~Approximately 1.4 million Americans are chronically~~
 27 ~~infected with the hepatitis B virus (HBV).~~

28 (b) ~~HBV is extremely infectious, transmitted from mother to~~
 29 ~~newborn at birth, through infected blood or injections contaminated~~
 30 ~~by infected blood, and through unprotected sex.~~

31 (c) ~~Persons chronically infected with HBV are at a higher risk~~
 32 ~~of developing cirrhosis of the liver or liver cancer.~~

33 (d) ~~Asian Pacific Islander Americans make up more than~~
 34 ~~one-half of HBV carriers in the United States.~~

35 (e) ~~Liver cancer that is primarily caused by HBV is the leading~~
 36 ~~cause of cancer death among Asian Pacific Islander men living in~~
 37 ~~California and is the most significant health disparity between~~
 38 ~~Asian Pacific Islanders and Caucasians.~~

39 (f) ~~Chinese Americans have a three to four times higher risk for~~
 40 ~~liver cancer caused by HBV than Caucasian Americans.~~

1 ~~(g) Korean Americans have a five to six times higher risk for~~
2 ~~liver cancer caused by HBV than Caucasian Americans.~~

3 ~~(h) Vietnamese Americans have a seven to eight times higher~~
4 ~~risk for liver cancer caused by HBV than Caucasian Americans.~~

5 ~~(i) There exists a vaccination for HBV that is safe, effective,~~
6 ~~and widely available.~~

7 ~~(j) Early diagnosis of HBV can reduce the risk of further~~
8 ~~transmission and, where appropriate, treatment can reduce the risk~~
9 ~~of progression to liver cancer. HBV diagnosis can be made with~~
10 ~~a simple blood test.~~

11 ~~(k) Regular monitoring of those chronically infected with HBV~~
12 ~~can lead to the detection of liver cancer at a stage where cure is~~
13 ~~still possible.~~

14 ~~(l) The annual health care cost attributable to HBV in the United~~
15 ~~States is estimated to be approximately \$2.5 billion.~~

16 ~~122430.15. (a) The State Department of Public Health shall~~
17 ~~establish within its Office of Multicultural Health, a hepatitis B~~
18 ~~and C prevention and management pilot program to provide~~
19 ~~education, outreach, counseling, and social services to ethnic~~
20 ~~populations that are at high risk of hepatitis B and C infection and~~
21 ~~to individuals among those populations suffering from this disease.~~

22 ~~(b) The program shall utilize existing programs and systems~~
23 ~~operated by public and not-for-profit organizations to provide the~~
24 ~~services described in subdivision (a).~~

25 ~~(c) The department shall make and administer grants to the~~
26 ~~public and not-for-profit organizations from funds appropriated~~
27 ~~by the Legislature or donated to the state in order to provide these~~
28 ~~services.~~

29 ~~122430.20. (a) There is hereby established the Hepatitis B and~~
30 ~~C Prevention and Management Pilot Program Fund.~~

31 ~~(b) The fund shall be available to the Office of Multicultural~~
32 ~~Health in the department, upon appropriation of the Legislature,~~
33 ~~exclusively for to the support of existing and ongoing programs~~
34 ~~operated by nonprofit or academic organizations that provide~~
35 ~~culturally and language appropriate health education, public~~
36 ~~awareness campaigns, and community outreach activities,~~
37 ~~especially to the ethnic communities with high rates of hepatitis~~
38 ~~B and C infection and other high-risk groups, to promote public~~
39 ~~awareness and knowledge about the value of hepatitis B and C~~
40 ~~immunization, risk factors, the transmission and prevention of~~

- 1 hepatitis B and C, and the value of screening for early detection
2 of hepatitis B and C infection, and to conduct at least two of the
3 following:
- 4 (1) Testing programs to screen the high chronic hepatitis B or
5 C prevalence populations in order to identify chronically infected
6 individuals, and provide vaccines to protect susceptible adults.
- 7 (2) Programs for high-prevalence populations that provide
8 client-centered information, education, and counseling
9 concentrating on any of the following:
- 10 (A) Testing of family members.
- 11 (B) Modifying behaviors that place individuals at risk of
12 hepatitis B or C virus infection.
- 13 (C) Reducing the risk of dying from end-stage liver disease or
14 liver cancer among individuals with hepatitis B or C.
- 15 (D) Culturally appropriate health information for pregnant
16 women or those of childbearing age who are chronically infected
17 with hepatitis B or C to alleviate their fears of becoming pregnant
18 or raising a family.
- 19 (E) Referring persons with chronic hepatitis B or C for further
20 medical evaluation, monitoring, and treatment, as appropriate.
- 21 (3) The training of health care professionals and health educators
22 to make them aware of the high rates of chronic hepatitis B or C
23 in certain adult ethnic populations, and the importance of
24 prevention, detection, and medical management of hepatitis B and
25 C and of liver cancer screening.
- 26 (e) Funds appropriated to the fund shall be distributed to
27 nonprofit or academic organizations in the greater Los Angeles
28 and San Francisco Bay areas that during 2008 met the requirement
29 set forth in subdivision (b) and have conducted at least two or more
30 of the programs set forth in subdivision (b).
- 31 (d) In order to receive distributions from the fund, a recipient
32 organization shall do all of the following:
- 33 (1) Submit audited financial statements setting forth its
34 expenditures made in 2008 for activities described in subdivision
35 (b) to demonstrate a history of successfully providing those
36 services, including, but not limited to, conducting two or more of
37 the programs as set forth in subdivision (b), along with a report
38 on the specific activities engaged in and an analysis of the impact
39 of the programs and activities.

1 ~~(2) Commit to using all distributions from the fund in the~~
2 ~~2009-10 fiscal year to meet the requirements of subdivision (b);~~
3 ~~including conducting two or more of the programs set forth in~~
4 ~~subdivision (b).~~

5 ~~(3) Submit audited financial statements setting forth~~
6 ~~expenditures made in the 2009-10 fiscal year demonstrating that~~
7 ~~it has met the requirements of subdivision (b), including, but not~~
8 ~~limited to, successfully conducting two or more of the programs~~
9 ~~set forth in subdivision (b) during that fiscal year.~~

10 ~~122430.25. Distributions from the fund shall be on a matching~~
11 ~~dollar-for-dollar basis for each organization's expenditures up to~~
12 ~~the total amount of funds available in the fund. However, funds~~
13 ~~shall be distributed equally between the two geographic areas.~~

14 ~~122430.30. The department shall report to the Legislature by~~
15 ~~January 1, 2011, regarding implementation of, and~~
16 ~~recommendations for, the pilot program. The department may~~
17 ~~contract with another entity to draft the report.~~

18 ~~SEC. 2. The sum of four million dollars (\$4,000,000) is hereby~~
19 ~~appropriated from the General Fund to the State Department of~~
20 ~~Public Health for deposit into the Hepatitis B and C Prevention~~
21 ~~and Management Pilot Program Fund established pursuant to~~
22 ~~Section 122430.20 of the Health and Safety Code.~~