

AMENDED IN SENATE SEPTEMBER 10, 2009

AMENDED IN SENATE SEPTEMBER 2, 2009

AMENDED IN ASSEMBLY JUNE 1, 2009

AMENDED IN ASSEMBLY MAY 6, 2009

AMENDED IN ASSEMBLY APRIL 16, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 411

Introduced by Assembly ~~Member De La Torre~~ *Members Garrick
and Harkey*

(~~Coauthor: Assembly Member Jones~~)
(~~Coauthors: Senators Alquist and Strickland~~)

February 23, 2009

~~An act to amend Sections 1324.20, 1324.21, and 1324.27 of the Health and Safety Code, and to amend Section 14126.033 of the Welfare and Institutions Code, relating to skilled nursing facilities, and declaring the urgency thereof, to take effect immediately. An act relating to health facilities.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 411, as amended, ~~De La Torre Garrick. Skilled nursing facilities: quality assurance fee: Medi-Cal reimbursement. Health facilities: seismic safety.~~

Existing law, the Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983, establishes, under the jurisdiction of the Office of Statewide Health Planning and Development, a program of seismic safety building standards for certain hospitals constructed on and after March 7, 1973.

Existing law authorizes the office to assess an application fee for the review of facilities' design and construction, and requires that full and complete plans be submitted to the office for review and approval.

Existing law requires that, after January 1, 2008, any general acute care hospital building that is determined to be a potential risk of collapse or pose significant loss of life be used only for nonacute care hospital purposes, except that the office may grant an extension under prescribed circumstances. Existing law allows certain hospital owners who do not have the financial capacity to bring certain buildings into compliance by 2013 to, instead, replace those buildings by January 1, 2020.

This bill would require a health care district that has been denied an extension of the seismic retrofit and replacement deadlines to make a specified report to the office, on or before March 1, 2010.

Because this bill would impose additional duties upon local officials, this bill would create 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, as long as prescribed conditions are met, provides for the imposition of a uniform quality assurance fee on skilled nursing facilities, subject to prescribed exemptions, to be administered by the Director of Health Care Services and deposited in the State Treasury to be available to enhance federal financial participation in the Medi-Cal program or to provide additional reimbursement to, and support facility quality improvement efforts in, licensed skilled nursing facilities. Existing law provides that the quality assurance fee shall be based upon the entire net revenue of all skilled nursing facilities subject to the fee, except an exempt facility, as defined to include, among other facilities, a skilled nursing facility that is part of a continuing care retirement community. Violation of these provisions is a misdemeanor.~~

~~This bill would eliminate the exemption for a skilled nursing facility that is part of a continuing care retirement community. By changing the definition of a crime, this bill would impose a state-mandated local program.~~

Existing law provides that for the 2005–06 rate year and subsequent rate years through and including the 2010–11 rate year, the net revenue projected for all skilled nursing facilities subject to the fee shall be based on the prior rate year’s data.

This bill would require the prior rate year’s data to be updated to the midpoint of the upcoming rate year.

Existing law, the Medi-Cal Long-Term Reimbursement Act, requires the department to implement a cost-based reimbursement rate methodology for freestanding skilled nursing facilities, excluding skilled nursing facilities that are a distinct part of a facility that is licensed as a general acute care hospital. Reimbursement rates for these facilities are funded by a combination of federal funds and moneys collected pursuant to the above-described uniform quality assurance fees. Existing law provides that this rate methodology shall cease to be implemented on July 31, 2011, with these provisions to be repealed on January 1, 2012. Existing law provides, for the 2009–10 and 2010–11 rate years, that the weighted average Medi-Cal reimbursement rate required for purposes of the above-described provisions shall not be increased with respect to the weighted average Medi-Cal reimbursement rate for the 2008–09 rate year.

This bill would, instead, provide that for the 2009–10 rate year, the weighted average Medi-Cal reimbursement rate required for purposes of the above-described provisions shall not exceed 2.5% of the weighted average Medi-Cal reimbursement rate for the prior fiscal year.

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 no reimbursement is required by this act for a specified reason.

This bill would declare that it is to take effect immediately as an urgency statute.

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

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

- 1 SECTION 1. On or before March 1, 2010, a health care district
- 2 established pursuant to Division 23 (commencing with Section
- 3 32000) of the Health and Safety Code that owns or operates a
- 4 general acute care hospital building and has been denied a request

1 *for an extension of the seismic retrofit and replacement deadlines*
2 *shall report to the Office of Statewide Health Planning and*
3 *Development both of the following:*

4 *(a) The health care district's efforts to comply with the seismic*
5 *retrofit and replacement deadlines, including, but not limited to,*
6 *the reassessment of the structural performance level of a general*
7 *acute care hospital building owned by the health care district.*

8 *(b) The health care district's efforts to secure passage of a local*
9 *bond measure to fund seismic safety compliance, including the*
10 *failure or passage of a ballot measure to approve the issuance of*
11 *these bonds, the extent to which the number of voters who voted*
12 *in favor the ballot measure exceeded 50 percent of the votes cast*
13 *but failed to reach the percentage of votes required for passage*
14 *and the extent to which the vote requirement is a barrier to the*
15 *ability of the health care district to obtain necessary revenues to*
16 *comply with the seismic safety deadlines and standards.*

17 *SEC. 2. If the Commission on State Mandates determines that*
18 *this act contains costs mandated by the state, reimbursement to*
19 *local agencies and school districts for those costs shall be made*
20 *pursuant to Part 7 (commencing with Section 17500) of Division*
21 *4 of Title 2 of the Government Code.*

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24 **All matter omitted in this version of the bill**
25 **appears in the bill as amended in the**
26 **Senate, September 2, 2009 (JR11)**
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