

ASSEMBLY BILL

No. 272

Introduced by Assembly Member Monning

February 7, 2011

An act to amend Section 12923.5 of, and to repeal Sections 12693.925 and 12693.95 of, the Insurance Code, and to amend Section 14148.8 of the Welfare and Institutions Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 272, as introduced, Monning. Health care coverage: agency: reports.

Existing law requires the Managed Risk Medical Insurance Board to, by January 20, 2004, report to the Legislature specified information with regard to the State Children's Health Insurance Program. Existing law requires the board to provide, by April 15, 1998, a proposal relating to drug and alcohol treatment programs for children.

This bill would delete those obsolete provisions.

Existing law requires the Department of Managed Health Care and the Department of Insurance to maintain a joint senior level working group to ensure clarity for health care consumers about who enforces their patient rights and consistency in the regulations of these departments. Existing law requires the working group to report its findings for review by the Insurance Commissioner and the Director of the Department of Managed Health Care for review and approval and submission every 5 years to the Legislature.

This bill would delete those reporting requirements.

Existing law requires the State Department of Health Care Services to provide the Legislature an annual report summarizing data reported by alternative birth centers, as specified.

This bill would delete that reporting requirement.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

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

1 SECTION 1. Section 12693.925 of the Insurance Code is
2 repealed.

3 ~~12693.925.— (a) The Managed Risk Medical Insurance Board~~
4 ~~shall report to the Legislature on or before January 30, 2004, the~~
5 ~~following information with respect to the State Children’s Health~~
6 ~~Insurance Program:~~

7 ~~(1) A list of the categories of vulnerable children who should~~
8 ~~be the targets of public health initiatives, including, but not limited~~
9 ~~to, immigrant children, homeless children, and other children that~~
10 ~~face health disparities.~~

11 ~~(2) Recommendations on innovative methods available under~~
12 ~~the federal program for addressing health needs and barriers to~~
13 ~~care for the identified groups of vulnerable children. The board~~
14 ~~shall report as many recommendations as possible that are available~~
15 ~~under the federal program and the expected impact of each~~
16 ~~recommendation.~~

17 ~~(3) Recommendations on innovative methods available under~~
18 ~~the federal program for developing in urban areas initiatives similar~~
19 ~~to the rural demonstration projects. The board shall report as many~~
20 ~~recommendations as possible that are available under the federal~~
21 ~~program and the expected impact of each recommendation.~~

22 ~~(b) The board shall seek input, at regularly scheduled meetings~~
23 ~~of the board, from the Healthy Families Advisory Panel and~~
24 ~~stakeholder organizations, including, but not limited to,~~
25 ~~organizations that represent immigrant and homeless populations,~~
26 ~~other communities that experience health disparities, and traditional~~
27 ~~providers of care to low-income populations.~~

28 ~~(c) This section shall be implemented only to the extent that~~
29 ~~federal financial participation is obtained.~~

30 SEC. 2. Section 12693.95 of the Insurance Code is repealed.

31 ~~12693.95.— (a) The board in consultation with the Department~~
32 ~~of Alcohol and Drug Programs shall provide the Legislature by~~
33 ~~April 15, 1998, a proposal assessing the viability of providing~~

1 additional drug and alcohol treatment services for children enrolled
2 in the program.

3 If the board determines that it is feasible to provide additional
4 federal funds received pursuant to Title XXI (commencing with
5 Section 2101) of the Social Security Act to counties to finance
6 drug and alcohol services and required federal approval is obtained,
7 the board shall negotiate with participating health plans to establish
8 memoranda of understanding between plans and counties to
9 facilitate referral of children in need of these services.

10 (b) Based on the April 15, 1998, report by the board to the
11 Legislature, the Legislature finds and declares that there is a
12 statewide gap in publicly funded alcohol and other drug treatment
13 for adolescents which is significant and systemic.

14 (1) Therefore, the Department of Alcohol and Drug Programs,
15 in cooperation with the board, shall do the following:

16 (A) Review capacity needs for the Healthy Families Program
17 target group after year one data has been collected and an
18 assessment of the adequacy of the benefit can be made.

19 (B) Request that counties provide data on the number of
20 adolescents requesting alcohol and other drug treatment and
21 whether they are participating in the Healthy Families Program.

22 (2) The board shall do the following:

23 (A) Request the participating health plans to voluntarily collect
24 data, as prescribed by the board, on the number of children needing
25 services that exceed the substance abuse benefit in their plan.

26 (B) Upon contract renewal, require participating health plans
27 to collect and report the data.

28 (C) By September 1, 1999, provide the policy and fiscal
29 committees of the Legislature with an analysis of the data obtained
30 by the Department of Alcohol and Drug Programs and from the
31 participating health plans.

32 SEC. 3. Section 12923.5 of the Insurance Code is amended to
33 read:

34 12923.5. (a) The Department of Managed Health Care and the
35 Department of Insurance shall maintain a joint senior level working
36 group to ensure clarity for health care consumers about who
37 enforces their patient rights and consistency in the regulations of
38 these departments.

39 (b) The joint working group shall undertake a review and
40 examination of the Health and Safety Code, the Insurance Code,

1 and the Welfare and Institutions Code as they apply to the
2 Department of Managed Health Care and the Department of
3 Insurance to ensure consistency in consumer protection.

4 (c) The joint working group shall review and examine all of the
5 following processes in each department:

6 (1) Grievance and consumer complaint processes, including,
7 but not limited to, outreach, standard complaints, including
8 coverage and medical necessity complaints, independent medical
9 review, and information developed for consumer use.

10 (2) The processes used to ensure enforcement of the law,
11 including, but not limited to, the medical survey and audit process
12 in the Health and Safety Code and market conduct exams in the
13 Insurance Code.

14 (3) The processes for regulating the timely payment of claims.

15 ~~(d) The joint working group shall report its findings to the~~
16 ~~Insurance Commissioner and the Director of the Department of~~
17 ~~Managed Health Care for review and approval. The commissioner~~
18 ~~and the director shall submit the approved final report under~~
19 ~~signature to the Legislature by January 1 of every year for five~~
20 ~~years.~~

21 SEC. 4. Section 14148.8 of the Welfare and Institutions Code
22 is amended to read:

23 14148.8. (a) The State Department of Health *Care* Services
24 shall provide Medi-Cal reimbursements to alternative birth centers
25 for facility-related delivery costs at a statewide all-inclusive rate
26 per delivery that shall not exceed 80 percent of the average
27 Medi-Cal reimbursement received by general acute care hospitals
28 with Medi-Cal contracts and shall be based on an average hospital
29 length of stay of 1.7 days. The reimbursement rate shall be updated
30 annually and shall be based on the California Medical Assistance
31 Commission's annually published legislative report of average
32 contract rates for general acute care hospitals with Medi-Cal
33 contracts. However, the reimbursement shall not exceed the
34 alternative birth center's charges to any non-Medi-Cal patient for
35 similar services.

36 (b) In order to be eligible for reimbursement pursuant to this
37 section, an alternative birth center shall satisfy the following criteria
38 as determined by the state department:

1 (1) At least 150 patients or 50 percent of the patient caseload
2 served at the center each year, whichever is less, shall be Medi-Cal
3 patients and low-income patients.

4 (2) The facility shall be currently certified as a comprehensive
5 perinatal services provider. If not currently certified, the facility
6 shall be certified with the first year of operation.

7 (3) The facilities may utilize certified nurse midwives, certified
8 nurse practitioners, and clinical nurse specialists where appropriate.

9 (4) The facility shall meet the standards for certification
10 established by the National Association of Childbearing Centers,
11 including those relating to the proximity and involvement of
12 hospitals, obstetricians, and pediatricians.

13 (5) The facility shall establish and maintain a quality assurance
14 program.

15 (6) The facility shall maintain newborn followup care for at
16 least one year.

17 (7) The gathering of data and preparing reports as required in
18 subdivision (c).

19 (c) (1) Each alternative birth center awarded reimbursement
20 pursuant to this section shall gather data and annually report
21 outcome measures relating to the safety, cost-effectiveness, and
22 patient acceptance of the center to the department to be made
23 available upon request.

24 (2) The report shall include data on the incidence of maternal
25 and infant death, preterm newborns, low birth weight newborns,
26 maternal complications, newborn complications, cesarean sections,
27 forcep-assisted deliveries, deliveries involving use of anesthesia,
28 months of prenatal care, family involvement in childbirth,
29 breast-feeding, infant immunizations, well baby care, adjusted cost
30 per case for deliveries performed at the center, and cost per case
31 for women transferred to hospitals for delivery.

32 ~~(3) The department shall provide the Legislature with an annual~~
33 ~~report summarizing the data reported by the centers.~~

34 ~~(4)~~

35 (3) The department shall, to the extent information and resources
36 are available, as determined by the department, compare the data
37 provided by the centers with information furnished by other
38 providers of prenatal and delivery services. The department shall
39 use the comparative data to determine for the Medi-Cal program
40 whether alternative birth centers are cost-effective, improve access

1 to prenatal care, reduce the anticipated incidence of maternal and
2 newborn complications, and have a high degree of patient
3 acceptance.

4 (d) The director shall administer this section and establish
5 standards, procedures, and reimbursement rates, as the director
6 deems necessary in carrying out this section. The establishment
7 of the reimbursement rates is not required to be adopted as
8 regulations pursuant to the Administrative Procedure Act (Chapter
9 3.5 (commencing with Section 11340) of Part 1 of Division 3 of
10 Title 2 of the Government Code).

11 (e) Nothing in this act shall alter the scope of practice for any
12 health care professional or authorize the delivery of health care
13 services in a setting or in a manner not authorized by the Health
14 and Safety Code or the Business and Professions Code.