

ASSEMBLY BILL

No. 784

Introduced by Assembly Members Yamada and Knight

February 17, 2011

An act to amend Section 14043.46 of the Welfare and Institutions Code, relating to care facilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 784, as introduced, Yamada. Adult day health care centers.

Existing law, the California Adult Day Health Care Act, provides for the licensure and regulation of adult day health care centers, with administrative responsibility for the adult day health care program shared among the State Department of Public Health, the State Department of Health Care Services, and the California Department of Aging pursuant to an interagency agreement.

Existing law, the Adult Day Health Medi-Cal Law, establishes adult day health care services as a Medi-Cal benefit for Medi-Cal beneficiaries who meet certain criteria. Under existing law, participation in an adult day health care program requires prior authorization by the State Department of Health Care Services.

Existing law authorizes the State Department of Health Care Services to implement a moratorium on the certification and enrollment into the Medi-Cal program of new adult day health care centers on a statewide basis or within a geographic area, subject to certain limitations. Existing law provides that the moratorium shall not apply to certain applicants.

This bill would add 2 specified veterans homes of California to the list of applicants that are not subject to the moratorium, and also would make technical, nonsubstantive changes to these provisions. This bill

would provide that it would be implemented only to the extent that funds for its purposes are appropriated in the annual Budget Act.

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 14043.46 of the Welfare and Institutions
2 Code is amended to read:
3 14043.46. (a) Notwithstanding any other provision of law, on
4 the effective date of the act adding this section, the department
5 may implement a one-year moratorium on the certification and
6 enrollment into the Medi-Cal program of new adult day health
7 care centers on a statewide basis or within a geographic area.
8 (b) The moratorium shall not apply to the following:
9 (1) Programs of All-Inclusive Care for the Elderly (PACE)
10 established pursuant to Chapter 8.75 (commencing with Section
11 14590).
12 (2) An organization that currently holds a designation as a
13 federally qualified health center as defined in Section 1396d(l)(2)
14 of Title 42 of the United States Code.
15 (3) An organization that currently holds a designation as a
16 federally qualified rural health clinic as defined in Section
17 1396d(l)(1) of Title 42 of the United States Code.
18 (4) An applicant with the physical location of the center in an
19 unserved area, which is defined as a county having no licensed
20 and certified adult day health care center within its geographic
21 boundary.
22 (5) Commencing May 1, 2006, an applicant for certification
23 that meets all of the following:
24 (A) Is serving persons discharged into community housing from
25 a nursing facility operated by the City and County of San Francisco.
26 (B) Has submitted, after December 31, 2005, but prior to
27 February 1, 2006, an application for certification that has not been
28 denied.
29 (C) Meets all criteria for certification imposed under this article
30 and is licensed as an adult day health care center pursuant to
31 Chapter 3.3 (commencing with Section 1570) of Division 2 of the
32 Health and Safety Code.

1 (6) An applicant that is requesting ~~expansion~~ or *expansion*,
2 relocation, or both, that has been Medi-Cal certified as an adult
3 day health care center for at least four years, is expanding or
4 relocating within the same county, and that meets one of the
5 following population-based criteria as reported in the California
6 Long Term Care County Data Book, 2002:

7 (A) The county is ranked number one or two for having the
8 highest ratio of persons over 65 years of age receiving Medi-Cal
9 benefits.

10 (B) The county is ranked number one or two for having the
11 highest ratio of persons over 85 years of age residing in the county.

12 (C) The county is ranked number one or two for having the
13 greatest ratio of persons over 65 years of age living in poverty.

14 (7) An applicant for certification that is currently licensed and
15 located in a county with a population that exceeds 9,000,000 and
16 meets the following criteria:

17 (A) The applicant has identified a special population of regional
18 center consumers whose individual program plan calls for the
19 specialized health and social services that are uniquely provided
20 within the adult day health care center, in order to prevent
21 deterioration of the special population's health status.

22 (B) The referring regional center submits a letter to the Director
23 of Health Care Services supporting the applicant for certification
24 as an adult day health care provider for this special population.

25 (C) The applicant is currently providing services to the special
26 population as a vendor of the referring regional center.

27 (D) The participants in the center are clients of the referring
28 regional center and are not residing in a health facility licensed
29 pursuant to subdivision (c), (d), (g), (h), or (k) of Section 1250 of
30 the Health and Safety Code.

31 (8) *The William J. "Pete" Knight Veterans Home of California,*
32 *Lancaster; and the Veterans Home of California, Ventura. This*
33 *paragraph shall only be implemented to the extent that funds for*
34 *this purpose are appropriated in the annual Budget Act.*

35 (c) The moratorium shall not prohibit the department from
36 approving a change of ownership, relocation, or increase in capacity
37 for an adult day health care center if the following conditions are
38 met:

39 (1) For an application to change ownership, the adult day health
40 care center meets all of the following conditions:

1 (A) Has been licensed and certified prior to the effective date
2 of this section.

3 (B) Has a license in good standing.

4 (C) Has a record of substantial compliance with certification
5 laws and regulations.

6 (D) Has met all requirements for the change *of ownership*
7 application.

8 (2) For an application to relocate an existing facility, the
9 relocation center ~~must~~ *shall* meet all of the conditions of paragraph
10 (1) and both of the following conditions:

11 (A) ~~Must be~~ *Be* located in the same county as the existing
12 licensed center.

13 (B) ~~Must be~~ *Be* licensed for the same capacity as the existing
14 licensed center, unless the relocation center is located in an
15 underserved area, which is defined as a county having 2 percent
16 or fewer Medi-Cal beneficiaries over ~~the age of~~ 65 years *of age*
17 using adult day health care services, based on 2002 calendar year
18 Medi-Cal utilization data.

19 (3) For an application to increase the capacity of an existing
20 facility, the center ~~must~~ *shall* meet all of the conditions of
21 paragraph (1) and ~~must~~ *shall* be located in an underserved area,
22 which is defined as a county having 2 percent or fewer Medi-Cal
23 beneficiaries over ~~the age of~~ 65 years *of age* using adult day health
24 care services, based on 2002 calendar year Medi-Cal utilization
25 data.

26 (d) Following the first 180 days of the moratorium period, the
27 department may make exceptions to the moratorium for new adult
28 day health care centers that are located in underserved areas if the
29 center's application was on file with the department on or before
30 the effective date of the act adding this section. In order to apply
31 for this exemption, an applicant or licensee ~~must~~ *shall* meet all of
32 the following criteria:

33 (1) The applicant has control of a facility, either by ownership
34 or lease agreement, that will house the adult day health care center,
35 has provided to the department all necessary documents and fees,
36 and has completed and submitted all required fingerprinting forms
37 to the department.

38 (2) The physical location of the applicant's or licensee's adult
39 day health care center is in an underserved area, which is defined
40 as a county having 2 percent or fewer Medi-Cal beneficiaries over

1 ~~the age of~~ 65 years *of age* using adult day health care services,
2 based on 2002 calendar year Medi-Cal utilization data.

3 (e) During the period of the moratorium, a licensee or applicant
4 that meets the criteria for an exemption as defined in subdivision
5 (d) may submit a written request for an exemption to the director.

6 (f) If the director determines that a new adult day health care
7 licensee or applicant meets the exemption criteria, the director
8 may certify the licensee or applicant, once licensed, for
9 participation in the Medi-Cal program.

10 (g) The director may extend this moratorium, if necessary, to
11 coincide with the implementation date of the adult day health care
12 waiver.

13 (h) The authority granted in this section shall not be interpreted
14 as a limitation on the authority granted to the department in any
15 other section.