

AMENDED IN ASSEMBLY MARCH 29, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2608

Introduced by Assembly Member Bonilla

February 24, 2012

An act to amend Section ~~10721~~ 14115.8 of the Welfare and Institutions Code, relating to ~~health care~~ *Medi-Cal*.

LEGISLATIVE COUNSEL'S DIGEST

AB 2608, as amended, Bonilla. ~~State Department of Health Care Services: administration.~~ *Medi-Cal: local educational agency billing option.*

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. ~~Existing law requires the Director of Health Care Services to administer various programs relating to the delivery of health care services and medical assistance, including the Medi-Cal program. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. Existing law provides that specified services provided by local educational agencies (LEAs) are covered Medi-Cal benefits, and requires the department to perform various activities with respect to the billing option for services provided by LEAs. Existing law establishes the Local Educational Agency Medi-Cal Recovery Fund, which consists of proportionately reduced federal Medicaid funds allocable to LEAs, to be used, upon appropriation by the Legislature, only to support the department, until January 1, 2013, to meet the requirements relating to the LEA billing option, the annual amount of which may not exceed \$1,500,000. Existing law requires, as of January 1, 2013, that all moneys~~

in the fund be returned proportionally to all LEAs whose federal Medicaid funds were used to create the fund.

~~This bill would make technical, nonsubstantive changes to that provision.~~

This bill would delete the repeal of these provisions and would require the department to amend the Medicaid state plan and regulatory requirements pertaining to the provision of medical transportation services by LEAs to be no more restrictive than federal requirements. This bill would provide that the payments allocable to LEAs that are reduced pursuant to these provisions shall be reduced no more than as specified and would require that the department provide an accounting of funds collected as a result of those reductions in its annual report submitted to the Legislature. It would also require the department to collaborate with the State Department of Education to help ensure LEA compliance with state and federal Medicaid requirements.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes. State-mandated local program: no.

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

1 *SECTION 1. Section 14115.8 of the Welfare and Institutions*
2 *Code is amended to read:*

3 14115.8. (a) (1) The department shall amend the Medicaid
4 state plan with respect to the billing option for services by local
5 educational agencies (LEAs), to ensure that schools shall be
6 reimbursed for all eligible services that they provide that are not
7 precluded by federal requirements.

8 (2) The department shall examine methodologies for increasing
9 school participation in the Medi-Cal billing option for ~~local~~
10 ~~educational agencies~~ LEAs so that schools can meet the health care
11 needs of their students.

12 (3) The department, to the extent possible shall simplify claiming
13 processes for ~~local educational agency~~ LEA billing.

14 (4) The department shall eliminate and modify state plan and
15 regulatory requirements that exceed federal requirements when
16 they are unnecessary.

17 (5) *The department shall amend the Medicaid state plan and*
18 *regulatory requirements pertaining to the provision of medical*
19 *transportation services by LEAs to be no more restrictive than*
20 *federal requirements in order to allow LEAs to seek reimbursement*

1 *for school transportation services that are not precluded by federal*
2 *requirements.*

3 (b) If a rate study for the LEA Medi-Cal billing option is
4 completed pursuant to Section 52 of Chapter 171 of the Statutes
5 of 2001, the department, in consultation with the entities named
6 in subdivision (c), shall implement the recommendations from the
7 study, to the extent feasible and appropriate.

8 (c) In order to assist the department in formulating the state plan
9 amendments required by subdivisions (a) and (b), the department
10 shall regularly consult with the State Department of Education,
11 representatives of urban, rural, large and small school districts,
12 and county offices of education, the local education consortium,
13 and local educational agencies. It is the intent of the Legislature
14 that the department also consult with staff from Region IX of the
15 federal Centers for Medicare and Medicaid Services, experts from
16 the fields of both health and education, and state legislative staff.

17 (d) Notwithstanding any other ~~provision of law~~, or any other
18 contrary state requirement, the department shall take whatever
19 action is necessary to ensure that, to the extent there is capacity in
20 its certified match, ~~a local educational agency~~ *an LEA* shall be
21 reimbursed retroactively for the maximum period allowed by the
22 federal government for any department change that results in an
23 increase in reimbursement to local educational agency providers.

24 (e) The department may undertake all necessary activities to
25 recoup matching funds from the federal government for
26 reimbursable services that have already been provided in the state's
27 public schools. The department shall prepare and take whatever
28 action is necessary to implement all regulations, policies, state
29 plan amendments, and other requirements necessary to achieve
30 this purpose.

31 (f) The department shall file an annual report with the
32 Legislature that shall include at least all of the following:

33 (1) A copy of the annual comparison required by subdivision
34 (i).

35 (2) A state-by-state comparison of school-based Medicaid total
36 and per eligible child claims and federal revenues. The comparison
37 shall include a review of the most recent two years for which
38 completed data is available.

39 (3) A summary of department activities and an explanation of
40 how each activity contributed toward narrowing the gap between

1 California’s per eligible student federal fund recovery and the per
 2 student recovery of the top three states.

3 (4) A listing of all school-based services, activities, and
 4 providers approved for reimbursement by the federal Centers for
 5 Medicare and Medicaid Services in other state plans that are not
 6 yet approved for reimbursement in California’s state plan and the
 7 service unit rates approved for reimbursement.

8 (5) The official recommendations made to the department by
 9 the entities named in subdivision (c) and the action taken by the
 10 department regarding each recommendation.

11 (6) A one-year timetable for state plan amendments and other
 12 actions necessary to obtain reimbursement for those items listed
 13 in paragraph (4).

14 (7) ~~Identify~~ *Identification of* any barriers to local educational
 15 agency reimbursement, including those specified by the entities
 16 named in subdivision (c), that are not imposed by federal
 17 requirements, and ~~describe a description of~~ the actions that have
 18 been, and will be, taken to eliminate them.

19 (8) *An accounting of funds collected from federal Medicaid*
 20 *payments allocable to LEAs pursuant to subdivision (g). The report*
 21 *shall detail amounts withheld from federal Medicaid payments to*
 22 *each participating LEA for the year.*

23 (g) (1) These activities shall be funded and staffed by
 24 proportionately reducing federal Medicaid payments allocable to
 25 ~~local educational agencies LEAs~~ *LEAs* for the provision of benefits
 26 funded by the federal Medicaid program under the billing option
 27 for services by ~~local educational agencies LEAs~~ *LEAs* specified in this
 28 section. Moneys collected as a result of the reduction in federal
 29 Medicaid payments allocable to ~~local educational agencies LEAs~~ *LEAs*
 30 shall be deposited into the Local Educational Agency Medi-Cal
 31 Recovery Fund, which is hereby established in the Special Deposit
 32 Fund established pursuant to Section 16370 of the Government
 33 Code. These funds shall be used, upon appropriation by the
 34 Legislature, only to support the department to meet all the
 35 requirements of this section. ~~As of January 1, 2013, unless the~~
 36 ~~Legislature enacts a new statute or extends the repeal date in~~
 37 ~~subdivision (j) If at any time this section is repealed, it is the intent~~
 38 ~~of the Legislature that all funds in the Local Educational Agency~~
 39 ~~Medi-Cal Recovery Fund shall be returned proportionally to all~~

1 ~~local educational agencies LEAs~~ whose federal Medicaid funds
2 were used to create this fund. ~~The~~

3 (A) *Federal Medicaid payments allocable to LEAs under this*
4 *section shall be reduced by no more than 1 percent for the purpose*
5 *of funding administrative and processing services costs related to*
6 *the management of the LEA Medi-Cal Billing Option Program.*

7 (B) *In addition to the amounts described in subparagraph (A),*
8 *federal Medicaid payments allocable to LEAs under this section*
9 *shall be reduced for the purpose of supporting the department to*
10 *meet all of the requirements of this section. The annual amount*
11 *funded pursuant to this subparagraph shall not exceed one million*
12 *five hundred thousand dollars (\$1,500,000).*

13 ~~(2) Funding received pursuant to paragraph (1) shall derive only~~
14 ~~from federal Medicaid funds that exceed the baseline amount of~~
15 ~~local educational agency Medicaid billing option revenues for the~~
16 ~~2000-01 fiscal year.~~

17 (C) *In addition to the amounts described in subparagraphs (A)*
18 *and (B), federal Medicaid payments allocable to LEAs under this*
19 *section shall be reduced by no more than 1 percent for the purpose*
20 *of funding the work and related administrative costs associated*
21 *with audit requirements to ensure the fiscal accountability of the*
22 *Medi-Cal billing option for LEAs and to comply with the Medicaid*
23 *state plan. The annual amount funded pursuant to this*
24 *subparagraph shall not exceed six hundred fifty thousand dollars*
25 *(\$650,000).*

26 (2) *Moneys collected under paragraph (1) shall be*
27 *proportionately reduced from federal Medicaid payments to all*
28 *participating LEAs so that no one LEA loses a disproportionate*
29 *share of its federal Medicaid payments.*

30 (h) (1) The department may enter into a sole source contract
31 to comply with the requirements of this section.

32 (2) The level of additional staff to comply with the requirements
33 of this section, including, but not limited to, staff for which the
34 department has contracted for pursuant to paragraph (1), shall be
35 limited to that level that can be funded with revenues derived
36 pursuant to subdivision (g).

37 (i) The activities of the department shall include all of the
38 following:

39 (1) An annual comparison of the school-based Medicaid systems
40 in comparable states.

1 (2) Efforts to improve communications with the federal
2 government, the State Department of Education, and local
3 educational agencies.

4 (3) The development and updating of written guidelines to local
5 educational agencies regarding best practices to avoid audit
6 exceptions, as needed.

7 (4) The establishment and maintenance of a local educational
8 agency user-friendly, interactive Internet Web site.

9 ~~(j) This section shall remain in effect only until January 1, 2013,
10 and as of that date is repealed, unless a later enacted statute, that
11 is enacted before January 1, 2013, deletes or extends that date.~~

12 *(5) Collaboration with the State Department of Education to*
13 *help ensure LEA compliance with state and federal Medicaid*
14 *requirement and to help improve LEA participation in the Medi-Cal*
15 *billing option for LEAs.*

16 ~~SECTION 1. Section 10721 of the Welfare and Institutions
17 Code is amended to read:~~

18 ~~10721. The director shall administer Chapter 7 (commencing
19 with Section 14000) and Chapter 8 (commencing with Section
20 14200) of Part 3 and any other law pertaining to the administration
21 of health care services and medical assistance. He or she shall
22 perform other duties as may be prescribed by law and shall observe
23 and report to the Secretary of California Health and Human
24 Services and the Governor on the condition of health care services
25 and medical assistance throughout the state.~~