

AMENDED IN SENATE AUGUST 20, 2014  
AMENDED IN SENATE JUNE 24, 2013  
AMENDED IN ASSEMBLY MAY 24, 2013  
AMENDED IN ASSEMBLY MAY 8, 2013  
AMENDED IN ASSEMBLY APRIL 24, 2013  
AMENDED IN ASSEMBLY APRIL 9, 2013  
AMENDED IN ASSEMBLY FEBRUARY 27, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 39**

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**Introduced by Assembly Member Skinner**  
*(Principal coauthor: Senator Hancock)*  
*(Coauthor: Senator DeSaulnier)*

December 3, 2012

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~~An act to amend Section 25421 of the Public Resources Code, relating to energy, and making an appropriation therefor. An act to amend Section 14166.1 of, and to add Section 14182.6 to, the Welfare and Institutions Code, relating to Medi-Cal, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 39, as amended, Skinner. ~~Energy: conservation: financial assistance. Medi-Cal: designated public hospitals.~~

*Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under*

*which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions.*

*Existing law establishes the Medi-Cal Hospital/Uninsured Care Demonstration Project Act, which revises hospital supplemental payment methodologies under the Medi-Cal program in order to maximize the use of federal funds consistent with federal Medicaid law and to stabilize the distribution of funding for hospitals that provide care to Medi-Cal beneficiaries and uninsured patients. Existing law requires the department to seek a successor demonstration project or federal waiver of Medicaid law to implement specified objectives, which may include better care coordination for seniors, persons with disabilities, and children with special health care needs. Existing law provides that to the extent the provisions under the Medi-Cal Hospital/Uninsured Care Demonstration Project Act do not conflict with the provisions of, or the Special Terms and Conditions of, this demonstration project, the provisions of the Medi-Cal Hospital/Uninsured Care Demonstration Project Act apply. Existing law also defines designated public hospital for purposes of these provisions and requires that designated public hospitals be eligible for specified payments under the demonstration project.*

*This bill would require the department to seek federal approval to add Doctors Medical Center, operated by West Contra Costa Healthcare District, to the list of designated public hospital for purposes of the demonstration project. The bill would provide that it is the intent of the Legislature that Doctors Medical Center be eligible for any funding available to designated public hospitals under the demonstration project.*

*The bill would appropriate \$3,000,000 from the General Fund to the West Contra Costa Healthcare District for support of the Doctors Medical Center.*

*This bill would make legislative findings and declarations as to the necessity of a special statute relating to the Doctors Medical Center, operated by the West Contra Costa Healthcare District.*

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

~~The Energy Conservation Assistance Act of 1979 requires, until January 1, 2018, the State Energy Resources Conservation and Development Commission to administer the State Energy Conservation Assistance Account, a continuously appropriated account to provide~~

~~grants and loans to local governments and public institutions to maximize energy use savings.~~

~~This bill would extend the operation of the act to January 1, 2020, and would thereby make an appropriation by extending the time during which the funds in a continuously appropriated account are made available.~~

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

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

1     SECTION 1. Section 14166.1 of the Welfare and Institutions  
2     Code is amended to read:  
3     14166.1. For purposes of this article, the following definitions  
4     shall apply:  
5     (a) "Allowable costs" means those costs recognized as allowable  
6     under Medicare reasonable cost principles and additional costs  
7     recognized under the demonstration project and successor  
8     demonstration project, including those expenditures identified in  
9     Appendix D to the Special Terms and Conditions for the  
10    demonstration project and successor demonstration project.  
11    Allowable costs under this subdivision shall be determined in  
12    accordance with the Special Terms and Conditions and  
13    implementation documents for the demonstration project and  
14    successor demonstration project approved by the federal Centers  
15    for Medicare and Medicaid Services.  
16    (b) "Base year private DSH hospital" means a nonpublic  
17    hospital, nonpublic-converted hospital, or converted hospital, as  
18    those terms are defined in paragraphs (26), (27), and (28),  
19    respectively, of subdivision (a) of Section 14105.98, that was an  
20    eligible hospital under paragraph (3) of subdivision (a) of Section  
21    14105.98 for the 2004–05 state fiscal year.  
22    (c) "Demonstration project" means the Medi-Cal  
23    Hospital/Uninsured Care Demonstration, Number 11-W-00193/9,  
24    as approved by the federal Centers for Medicare and Medicaid  
25    Services, effective for the period of September 1, 2005, through  
26    October 31, 2010.  
27    (d) "Designated public hospital" means any one of the following  
28    hospitals to the extent identified in Attachment C,  
29    "Government-operated Hospitals to be Reimbursed on a Certified

- 1 Public Expenditure Basis,” to the Special Terms and Conditions  
2 for the demonstration project and successor demonstration project,  
3 as applicable, issued by the federal Centers for Medicare and  
4 Medicaid Services:
- 5 (1) UC Davis Medical Center.
  - 6 (2) UC Irvine Medical Center.
  - 7 (3) UC San Diego Medical Center.
  - 8 (4) UC San Francisco Medical Center.
  - 9 (5) UC Los Angeles Medical Center, including Santa  
10 Monica/UCLA Medical Center.
  - 11 (6) LA County Harbor/UCLA Medical Center.
  - 12 (7) LA County Martin Luther King Jr.-Harbor Hospital.
  - 13 (8) LA County Olive View UCLA Medical Center.
  - 14 (9) LA County Rancho Los Amigos National Rehabilitation  
15 Center.
  - 16 (10) LA County University of Southern California Medical  
17 Center.
  - 18 (11) Alameda County Medical Center.
  - 19 (12) Arrowhead Regional Medical Center.
  - 20 (13) Contra Costa Regional Medical Center.
  - 21 (14) Kern Medical Center.
  - 22 (15) Natividad Medical Center.
  - 23 (16) Riverside County Regional Medical Center.
  - 24 (17) San Francisco General Hospital.
  - 25 (18) San Joaquin General Hospital.
  - 26 (19) San Mateo Medical Center.
  - 27 (20) Santa Clara Valley Medical Center.
  - 28 (21) Tuolumne General Hospital.
  - 29 (22) Ventura County Medical Center.
  - 30 (23) *Doctors Medical Center*.
- 31 (e) “Federal medical assistance percentage” means the federal  
32 medical assistance percentage applicable for federal financial  
33 participation purposes for medical services under the Medi-Cal  
34 state plan pursuant to Section 1396b(a) of Title 42 of the United  
35 States Code.
- 36 (f) “Nondesignated public hospital” means a public hospital  
37 defined in paragraph (25) of subdivision (a) of Section 14105.98,  
38 excluding designated public hospitals.

1 (g) “Project year” means the applicable state fiscal year of the  
2 Medi-Cal Hospital/Uninsured Care Demonstration Project through  
3 October 31, 2010.

4 (h) “Project year private DSH hospital” means a nonpublic  
5 hospital, nonpublic-converted hospital, or converted hospital, as  
6 those terms are defined in paragraphs (26), (27), and (28),  
7 respectively, of subdivision (a) of Section 14105.98, that was an  
8 eligible hospital under paragraph (3) of subdivision (a) of Section  
9 14105.98, for the particular project year.

10 (i) “Prior supplemental funds” means the Emergency Services  
11 and Supplemental Payments Fund, the Medi-Cal Medical Education  
12 Supplemental Payment Fund, the Large Teaching Emphasis  
13 Hospital and Children’s Hospital Medi-Cal Medical Education  
14 Supplemental Payment Fund, and the Small and Rural Hospital  
15 Supplemental Payments Fund, established under Sections 14085.6,  
16 14085.7, 14085.8, and 14085.9, respectively.

17 (j) “Private hospital” means a nonpublic hospital,  
18 nonpublic-converted hospital, or converted hospital, as those terms  
19 are defined in paragraphs (26) to (28), inclusive, respectively, of  
20 subdivision (a) of Section 14105.98.

21 (k) “Safety net care pool” means the federal funds available  
22 under the Medi-Cal Hospital/Uninsured Care Demonstration  
23 Project and the successor demonstration project to ensure continued  
24 government support for the provision of health care services to  
25 uninsured populations.

26 (l) “Uninsured” shall have the same meaning as that term has  
27 in the Special Terms and Conditions issued by the federal Centers  
28 for Medicare and Medicaid Services for the demonstration project  
29 and the successor demonstration project.

30 (m) “Successor demonstration project” means the Medicaid  
31 demonstration project entitled “California’s Bridge to Reform,”  
32 No. 11-W-00193/9, as approved by the federal Centers for  
33 Medicare and Medicaid Services, effective for the period of  
34 November 1, 2010, through October 31, 2015.

35 (n) “Successor demonstration year” means the demonstration  
36 year as identified in the Special Terms and Conditions for the  
37 successor demonstration project that corresponds to a specific  
38 period of time as follows:

39 (1) Successor demonstration year 6 corresponds to the period  
40 of November 1, 2010, through June 30, 2011.

1 (2) Successor demonstration year 7 corresponds to the period  
2 of July 1, 2011, through June 30, 2012.

3 (3) Successor demonstration year 8 corresponds to the period  
4 of July 1, 2012, through June 30, 2013.

5 (4) Successor demonstration year 9 corresponds to the period  
6 of July 1, 2013, through June 30, 2014.

7 (5) Successor demonstration year 10 corresponds to July 1,  
8 2014, through October 31, 2015.

9 (o) “Low Income Health Program” means the county-based  
10 elective program to provide benefits for low-income individuals  
11 that is authorized by the successor demonstration project and  
12 implemented by Part 3.6 (commencing with Section 15909).

13 (p) “Delivery system reform incentive pool” means the separate  
14 federal funding pool created within the safety net care pool under  
15 the successor demonstration project that is available to support  
16 programs of activity to enhance the quality of care and health of  
17 patients served by designated public hospitals and nonhospital  
18 clinics and other provider types with which they are affiliated, and,  
19 under specified conditions and approval of the federal Centers for  
20 Medicare and Medicaid Services, to private disproportionate share  
21 hospitals and nondesignated public hospitals.

22 *SEC. 2. Section 14182.6 is added to the Welfare and Institutions*  
23 *Code, to read:*

24 *14182.6. (a) The department shall seek federal approval to*  
25 *amend the demonstration project described in Section 14180 to*  
26 *add the Doctors Medical Center, operated by the West Contra*  
27 *Costa Healthcare District, to the list of designated public hospitals*  
28 *identified in Attachment C, “Government Hospitals to be*  
29 *Reimbursed on a Certified Public Expenditure Basis,” to the*  
30 *Special Terms and Conditions for the demonstration project.*

31 *(b) It is the intent of the Legislature that Doctors Medical Center*  
32 *be eligible for any funding available to designated public hospitals*  
33 *under the demonstration project, including payments described in*  
34 *subdivision (b) of Section 14166.35.*

35 *SEC. 3. The sum of three million dollars (\$3,000,000) is hereby*  
36 *appropriated from the General Fund to the West Contra Costa*  
37 *Healthcare District for support of the Doctors Medical Center.*

38 *SEC. 4. The Legislature finds and declares that a special law*  
39 *is necessary and that a general law cannot be made applicable*  
40 *within the meaning of Section 16 of Article IV of the California*

1 *Constitution because of the unique circumstances regarding*  
2 *financing of the West Contra Costa Healthcare District.*

3 *SEC. 5. This act is an urgency statute necessary for the*  
4 *immediate preservation of the public peace, health, or safety within*  
5 *the meaning of Article IV of the Constitution and shall go into*  
6 *immediate effect. The facts constituting the necessity are:*

7 *In order to prevent the imminent closure of a critical component*  
8 *of the West Contra Costa County safety net by providing funding*  
9 *comparable to other safety net hospitals, it is necessary that this*  
10 *act take effect immediately.*

11 ~~SECTION 1. Section 25421 of the Public Resources Code is~~  
12 ~~amended to read:~~

13 ~~25421. (a) Except as provided in subdivision (b), this chapter~~  
14 ~~shall remain in effect only until January 1, 2020, and as of that~~  
15 ~~date is repealed, unless a later enacted statute, which is enacted~~  
16 ~~before January 1, 2020, deletes or extends that date.~~

17 ~~(b) Except as specified in subdivisions (c) and (d), all loans~~  
18 ~~outstanding as of January 1, 2020, shall continue to be repaid on~~  
19 ~~a semiannual basis, as specified in Section 25415, until paid in~~  
20 ~~full. All unexpended funds in the State Energy Conservation~~  
21 ~~Assistance Account on January 1, 2020, and thereafter shall revert~~  
22 ~~to the General Fund.~~

23 ~~(c) To the extent required under applicable bond obligations,~~  
24 ~~unexpended funds from the proceeds of bonds sold pursuant to~~  
25 ~~Section 25417.5 that remain in the State Energy Conservation~~  
26 ~~Assistance Account on January 1, 2020, shall remain in the~~  
27 ~~account. These funds shall be expended pursuant to the applicable~~  
28 ~~requirements for bond proceeds. Once all applicable bond~~  
29 ~~obligations have been satisfied, unexpended funds shall revert to~~  
30 ~~the General Fund.~~

31 ~~(d) Unexpended funds from the federal American Recovery and~~  
32 ~~Reinvestment Act of 2009 (Public Law 111-5) remaining in the~~  
33 ~~State Energy Conservation Assistance Account on January 1, 2020,~~  
34 ~~shall revert to the Federal Trust Fund.~~

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- 2 **CORRECTIONS:**
- 3 **Heading—Line 3.**
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