

AMENDED IN ASSEMBLY APRIL 19, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 900

Introduced by Assembly Member Alejo
(Coauthors: Assembly Members Ammiano, Chesbro, and Perea)

February 22, 2013

An act to add Section 14105.194 to the Welfare and Institutions Code, relating to Medi-Cal, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 900, as amended, Alejo. Medi-Cal: reimbursement: ~~distinct part nursing facilities: provider payments.~~

Existing law provides for the Medi-Cal program, *The Medi-Cal Act establishes 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 requires, except as otherwise provided, Medi-Cal provider payments to be reduced by 1% or 5%, and provider payments for specified non-Medi-Cal programs to be reduced by 1%, for dates of service on and after March 1, 2009, and until June 1, 2011. Existing law requires, except as otherwise provided, Medi-Cal provider payments and payments for specified non-Medi-Cal programs to be reduced by 10% for dates of service on and after June 1, 2011.

This bill would instead require ~~that~~ *that, to the extent permitted by federal law, this payment reduction not apply to skilled nursing facilities or subacute care units that are a distinct part of a general acute care hospital hospital, or to specified Medi-Cal provider payments for*

fee-for-service benefits, including payments to pharmacies, for dates of service on or after June 1, 2011. The bill would also provide that this payment reduction shall not apply to managed health care plans for dates of service after the effective date of the bill.

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

Vote: $\frac{2}{3}$. 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 14105.194 is added to the Welfare and
2 Institutions Code, to read:
3 14105.194. (a) Notwithstanding Section 14105.192, except as
4 otherwise provided in this section, payments for fee-for-service
5 benefits for dates of service on or after June 1, 2011, shall be
6 determined without application of the reductions in Section
7 14105.192.
8 (b) Notwithstanding Sections 14105.191 and 14105.192, except
9 as otherwise provided in this section, payments for the classes of
10 providers specified in subparagraphs (B) and (D) of paragraph
11 (2) and paragraph (3) of subdivision (b) of Section 14105.191 for
12 dates of service on or after June 1, 2011, shall be determined
13 without application of the reductions set forth in Sections
14 14105.191 and 14105.192.
15 (c) Notwithstanding subdivisions (a) and (b), for dates of service
16 prior to the effective date of the act adding this section, in no event
17 shall the payments exceed the reimbursement rate at which
18 payment has been made by the department prior to the effective
19 date of the act adding this section.
20 (d) Notwithstanding Section 14105.192, except as otherwise
21 provided in this section, for managed care health plans that
22 contract with the department pursuant to this chapter or Chapter
23 8 (commencing with Section 14200), payments for dates of service
24 following the effective date of the act adding this section shall be
25 determined without application of the reductions in Section
26 14105.192.
27 (e) The director shall implement subdivisions (a), (b), and (d)
28 to the maximum extent permitted by law and for the maximum time

1 *period for which the director obtains federal approval for federal*
2 *financial participation for the increase provided for in this section.*

3 *(f) The director shall promptly seek all necessary federal*
4 *approvals to implement this section.*

5 *(g) Notwithstanding Chapter 3.5 (commencing with Section*
6 *11340) of Part 1 of Division 3 of Title 2 of the Government Code,*
7 *the department may implement this section by means of provider*
8 *bulletins or notices, policy letters, or other similar instructions,*
9 *without taking regulatory action.*

10 SECTION 1. ~~Section 14105.194 is added to the Welfare and~~
11 ~~Institutions Code, to read:~~

12 ~~14105.194. (a) Notwithstanding Sections 14105.191 and~~
13 ~~14105.192, reimbursement for services provided by skilled nursing~~
14 ~~facilities that are distinct parts of general acute care hospitals shall~~
15 ~~be determined, for dates of service on or after June 1, 2011, without~~
16 ~~application of the reductions set forth in Sections 14105.191 and~~
17 ~~14105.192.~~

18 ~~(b) The director shall do all of the following in the event that~~
19 ~~he or she is prevented from implementing subdivision (a) for any~~
20 ~~dates of service on or after June 1, 2011:~~

21 ~~(1) Implement subdivision (a) to the maximum extent permitted~~
22 ~~by law and for the maximum time period for which the director~~
23 ~~obtains necessary federal approval.~~

24 ~~(2) Increase payments to facilities described in subdivision (a)~~
25 ~~for services provided on or after June 1, 2011, or on or after the~~
26 ~~first date of service permitted by law and for which federal financial~~
27 ~~participation is available, until the date the total amount of~~
28 ~~Medi-Cal payments to those facilities for services provided on or~~
29 ~~after June 1, 2011, is not less than the payments the facilities would~~
30 ~~have received if the reductions in Sections 14105.191 and~~
31 ~~14105.192 had not been imposed for dates of service on or after~~
32 ~~June 1, 2011. The director shall increase payments under this~~
33 ~~paragraph for the shortest period of time possible.~~

34 ~~(c) The director shall promptly seek all necessary federal~~
35 ~~approvals to implement this section.~~

36 ~~(d) Notwithstanding Chapter 3.5 (commencing with Section~~
37 ~~11340) of Part 1 of Division 3 of Title 2 of the Government Code,~~
38 ~~the department may implement this section by means of provider~~
39 ~~bulletins or notices, policy letters, or other similar instructions,~~
40 ~~without taking regulatory action.~~

1 SEC. 2. This act is an urgency statute necessary for the
2 immediate preservation of the public peace, health, or safety within
3 the meaning of Article IV of the Constitution and shall go into
4 immediate effect. The facts constituting the necessity are:

5 In order to ensure and maintain access to medically necessary
6 care for the patients and residents needing skilled nursing services
7 *or subacute care*, it is necessary that this act take effect
8 immediately.

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