

AMENDED IN ASSEMBLY MAY 23, 2014

AMENDED IN ASSEMBLY MARCH 19, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1559

Introduced by Assembly Member Pan

**(Principal coauthor: *coauthors: Assembly Member Fox Members
Fox and Gatto*)**

**(Coauthors: Assembly Members Bloom, Brown, Chesbro,
Maienschein, Nazarian, and Wieckowski)**

(Coauthors: Senators Fuller, Hill, Vidak, and Wyland)

January 28, 2014

An act to amend Sections 124977 and 125001 of the Health and Safety Code, relating to public health, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1559, as amended, Pan. Newborn screening program.

Existing law requires the State Department of Public Health to establish a program for the development, provision, and evaluation of genetic disease testing.

Existing law establishes the continuously appropriated Genetic Disease Testing Fund (GDTF), consisting of fees paid for newborn screening tests and states the intent of the Legislature that all costs of the genetic disease testing program be fully supported by fees paid for newborn screening tests, which are deposited in the GDTF. Existing law also authorizes moneys in the GDTF to be used for the expansion of the Genetic Disease Branch Screening Information System to include cystic fibrosis, biotinidase, and severe combined immunodeficiency (SCID)

and exempts the expansion of contracts for this purpose from certain provisions of the Public Contract Code, the Government Code, and the State Administrative Manual, as specified.

This bill would require the department to expand statewide screening of newborns to include screening for adrenoleukodystrophy (ALD). By expanding the purposes for which moneys from the fund may be expended, this bill would make an appropriation.

Vote: majority. 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 124977 of the Health and Safety Code
2 is amended to read:
3 124977. (a) It is the intent of the Legislature that, unless
4 otherwise specified, the genetic disease testing program carried
5 out pursuant to this chapter be fully supported from fees collected
6 for services provided by the program.
7 (b) (1) The department shall charge a fee to all payers for any
8 tests or activities performed pursuant to this chapter. The amount
9 of the fee shall be established by regulation and periodically
10 adjusted by the director in order to meet the costs of this chapter.
11 Notwithstanding any other ~~provision~~ provision of law, any fees charged for
12 prenatal screening and followup services provided to persons
13 enrolled in the Medi-Cal program, health care service plan
14 enrollees, or persons covered by health insurance policies, shall
15 be paid in full and deposited in the Genetic Disease Testing Fund
16 or the Birth Defects Monitoring Fund consistent with this section,
17 subject to all terms and conditions of each enrollee's or insured's
18 health care service plan or insurance coverage, whichever is
19 applicable, including, but not limited to, copayments and
20 deductibles applicable to these services, and only if these
21 copayments, deductibles, or limitations are disclosed to the
22 subscriber or enrollee pursuant to the disclosure provisions of
23 Section 1363.
24 (2) The department shall expeditiously undertake all steps
25 necessary to implement the fee collection process, including
26 personnel, contracts, and data processing, so as to initiate the fee
27 collection process at the earliest opportunity.

1 (3) Effective for services provided on and after July 1, 2002,
2 the department shall charge a fee to the hospital of birth, or, for
3 births not occurring in a hospital, to families of the newborn, for
4 newborn screening and followup services. The hospital of birth
5 and families of newborns born outside the hospital shall make
6 payment in full to the Genetic Disease Testing Fund. The
7 department shall not charge or bill Medi-Cal beneficiaries for
8 services provided under this chapter.

9 (4) (A) The department shall charge a fee for prenatal screening
10 to support the pregnancy blood sample storage, testing, and
11 research activities of the Birth Defects Monitoring Program.

12 (B) The prenatal screening fee for activities of the Birth Defects
13 Monitoring Program shall be ten dollars (\$10).

14 (5) The department shall set guidelines for invoicing, charging,
15 and collecting from approved researchers the amount necessary
16 to cover all expenses associated with research application requests
17 made under this section, data linkage, retrieval, data processing,
18 data entry, reinventory, and shipping of blood samples or their
19 components, and related data management.

20 (6) The only funds from the Genetic Disease Testing Fund that
21 may be used for the purpose of supporting the pregnancy blood
22 sample storage, testing, and research activities of the Birth Defects
23 Monitoring Program are those prenatal screening fees assessed
24 and collected prior to the creation of the Birth Defects Monitoring
25 Program Fund specifically to support those Birth Defects
26 Monitoring Program activities.

27 (7) The Birth Defects Monitoring Program Fund is hereby
28 created as a special fund in the State Treasury. Fee revenues that
29 are collected pursuant to paragraph (4) shall be deposited into the
30 fund and shall be available upon appropriation by the Legislature
31 to support the pregnancy blood sample storage, testing, and
32 research activities of the Birth Defects Monitoring Program.
33 Notwithstanding Section 16305.7 of the Government Code, interest
34 earned on funds in the Birth Defects Monitoring Program Fund
35 shall be deposited as revenue into the fund to support the Birth
36 Defects Monitoring Program.

37 (c) (1) The Legislature finds that timely implementation of
38 changes in genetic screening programs and continuous maintenance
39 of quality statewide services requires expeditious regulatory and
40 administrative procedures to obtain the most cost-effective

1 electronic data processing, hardware, software services, testing
2 equipment, and testing and followup services.

3 (2) The expenditure of funds from the Genetic Disease Testing
4 Fund for these purposes shall not be subject to Section 12102 of,
5 and Chapter 2 (commencing with Section 10290) of Part 2 of
6 Division 2 of, the Public Contract Code, or to Division 25.2
7 (commencing with Section 38070). The department shall provide
8 the Department of Finance with documentation that equipment
9 and services have been obtained at the lowest cost consistent with
10 technical requirements for a comprehensive high-quality program.

11 (3) The expenditure of funds from the Genetic Disease Testing
12 Fund for implementation of the Tandem Mass Spectrometry
13 screening for fatty acid oxidation, amino acid, and organic acid
14 disorders, and screening for congenital adrenal hyperplasia may
15 be implemented through the amendment of the Genetic Disease
16 Branch Screening Information System contracts and shall not be
17 subject to Chapter 3 (commencing with Section 12100) of Part 2
18 of Division 2 of the Public Contract Code, Article 4 (commencing
19 with Section 19130) of Chapter 5 of Part 2 of Division 5 of Title
20 2 of the Government Code, and any policies, procedures,
21 regulations, or manuals authorized by those laws.

22 (4) The expenditure of funds from the Genetic Disease Testing
23 Fund for the expansion of the Genetic Disease Branch Screening
24 Information System to include cystic fibrosis, biotinidase, severe
25 combined immunodeficiency (SCID), and adrenoleukodystrophy
26 (ALD) may be implemented through the amendment of the Genetic
27 Disease Branch Screening Information System contracts, and shall
28 not be subject to Chapter 2 (commencing with Section 10290) or
29 Chapter 3 (commencing with Section 12100) of Part 2 of Division
30 2 of the Public Contract Code, Article 4 (commencing with Section
31 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of the
32 Government Code, or Sections 4800 to 5180, inclusive, of the
33 State Administrative Manual as they relate to approval of
34 information technology projects or approval of increases in the
35 duration or costs of information technology projects. This
36 paragraph shall apply to the design, development, and
37 implementation of the expansion, and to the maintenance and
38 operation of the Genetic Disease Branch Screening Information
39 System, including change requests, once the expansion is
40 implemented.

1 (d) (1) The department may adopt emergency regulations to
2 implement and make specific this chapter in accordance with
3 Chapter 3.5 (commencing with Section 11340) of Part 1 of Division
4 3 of Title 2 of the Government Code. For the purposes of the
5 Administrative Procedure Act, the adoption of regulations shall
6 be deemed an emergency and necessary for the immediate
7 preservation of the public peace, health and safety, or general
8 welfare. Notwithstanding Chapter 3.5 (commencing with Section
9 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
10 these emergency regulations shall not be subject to the review and
11 approval of the Office of Administrative Law. Notwithstanding
12 Sections 11346.1 and 11349.6 of the Government Code, the
13 department shall submit these regulations directly to the Secretary
14 of State for filing. The regulations shall become effective
15 immediately upon filing by the Secretary of State. Regulations
16 shall be subject to public hearing within 120 days of filing with
17 the Secretary of State and shall comply with Sections 11346.8 and
18 11346.9 of the Government Code or shall be repealed.

19 (2) The Office of Administrative Law shall provide for the
20 printing and publication of these regulations in the California Code
21 of Regulations. Notwithstanding Chapter 3.5 (commencing with
22 Section 11340) of Part 1 of Division 3 of Title 2 of the Government
23 Code, the regulations adopted pursuant to this chapter shall not be
24 repealed by the Office of Administrative Law and shall remain in
25 effect until revised or repealed by the department.

26 (3) The Legislature finds and declares that the health and safety
27 of California newborns is in part dependent on an effective and
28 adequately staffed genetic disease program, the cost of which shall
29 be supported by the fees generated by the program.

30 SEC. 2. Section 125001 of the Health and Safety Code is
31 amended to read:

32 125001. (a) The department shall establish a program for the
33 development, provision, and evaluation of genetic disease testing,
34 and may provide laboratory testing facilities or make grants to,
35 contract with, or make payments to, any laboratory that it deems
36 qualified and cost effective to conduct testing or with any metabolic
37 specialty clinic to provide necessary treatment with qualified
38 specialists. The program shall provide genetic screening and
39 followup services for persons who have the screening.

1 (b) The department shall expand statewide screening of
2 newborns to include tandem mass spectrometry screening for fatty
3 acid oxidation, amino acid, organic acid disorders, and congenital
4 adrenal hyperplasia as soon as possible. The department shall
5 provide information with respect to these disorders and available
6 testing resources to all women receiving prenatal care and to all
7 women admitted to a hospital for delivery. If the department is
8 unable to provide this statewide screening by August 1, 2005, the
9 department shall temporarily obtain these testing services through
10 a competitive bid process from one or more public or private
11 laboratories that meet the department's requirements for testing,
12 quality assurance, and reporting. If the department determines that
13 contracting for these services is more cost effective, and meets the
14 other requirements of this chapter, than purchasing the tandem
15 mass spectrometry equipment themselves, the department shall
16 contract with one or more public or private laboratories.

17 (c) The department shall expand statewide screening of
18 newborns to include screening for severe combined
19 immunodeficiency (SCID) as soon as possible. In implementing
20 the SCID screening test, the department shall also screen for other
21 T-cell lymphopenias that are detectable as a result of screening
22 for SCID, insofar as it does not require additional costs or
23 equipment beyond that needed to test for SCID.

24 (d) The department shall expand statewide screening of
25 newborns to include screening for adrenoleukodystrophy (ALD)
26 as soon as possible.