

AMENDED IN SENATE JULY 1, 2014  
AMENDED IN ASSEMBLY MAY 23, 2014  
AMENDED IN ASSEMBLY APRIL 21, 2014  
AMENDED IN ASSEMBLY MARCH 25, 2014  
CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1759**

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**Introduced by Assembly Members Pan and Skinner  
(Coauthor: Assembly Member Bonta)**

February 14, 2014

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An act to add Section 14105.197 to the Welfare and Institutions Code, relating to health care services.

LEGISLATIVE COUNSEL'S DIGEST

AB 1759, as amended, Pan. Medi-Cal: reimbursement rates: care: independent assessment.

Existing law establishes the Medi-Cal program, administered by the State Department of Health Care Services, under which basic health care services are provided to qualified low-income persons. The Medi-Cal program is, in part, governed and funded by federal Medicaid provisions. Existing law requires the director of the department to prescribe policies regarding the Medi-Cal program, including policies regarding rates of payment for health care services.

This bill would ~~request the University of California to annually conduct~~ *require the department to contract with an independent entity for purposes of conducting* an independent assessment of Medi-Cal provider reimbursement rates, access to care, and the quality of care received in the Medi-Cal program, reflecting the variety of providers

and services offered in the program. *The bill would exempt contracts entered into pursuant to these provisions from generally applicable provisions of law governing contracts for the acquisition of goods and services by state entities.* The bill would also require the director to annually review the findings and recommendations of that assessment and suggest adjustments to the reimbursement rates as necessary to ensure that quality and access in the Medi-Cal fee-for-service program and in Medi-Cal managed care plans are adequate to meet applicable state and federal standards. The bill would require that the findings and recommendations of the independent assessment and the director's suggested adjustments to provider reimbursement rates be submitted to the Legislature annually as part of the Governor's Budget. The bill would also create an advisory committee composed of 16 members appointed by the Governor and the Legislature, as specified, to ~~meet periodically with the University of California and~~ provide input on *the selection of the independent entity and the work of the independent entity.* *The bill would require the advisory committee to meet periodically with the independent entity selected and provide input on the assessment conducted pursuant to the bill's provisions. The bill would require meetings of the advisory committee to be open.*

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 14105.197 is added to the Welfare and  
 2 Institutions Code, to read:  
 3 14105.197. (a) ~~The Legislature requests the University of~~  
 4 ~~California to annually conduct an~~ *department shall contract with*  
 5 *an independent entity for purposes of conducting an annual*  
 6 *independent assessment of Medi-Cal provider reimbursement rates,*  
 7 *access to care, and the quality of care received in the Medi-Cal*  
 8 *program, which shall include the different geographic areas of the*  
 9 *state and the access to care and quality received by different*  
 10 *populations enrolled in the Medi-Cal program. The independent*  
 11 *entity assessment shall include, but not be limited to, the use of*  
 12 *existing quality measures and existing requirements for access to*  
 13 *care and timeliness of care.* The assessment should reflect the  
 14 variety of providers and services offered in the Medi-Cal program.

1 (b) (1) An advisory committee is hereby created to be composed  
2 of 16 members representing health care stakeholders, including,  
3 but not limited to, patients, providers, public and private health  
4 delivery systems, payers, and state officials *to provide input on*  
5 *the selection of the independent entity and the work of the*  
6 *independent entity*. The Governor shall appoint eight members,  
7 the Senate Committee on Rules shall appoint four members, and  
8 the Speaker of the Assembly shall appoint four members.

9 (2) Except for the initial appointments described in paragraph  
10 (3), members of the committee shall be appointed for a term of  
11 four years, and each member shall hold office until the appointment  
12 and qualification of his or her successor or until one year has  
13 elapsed since the expiration of the term for which he or she was  
14 appointed, whichever occurs first.

15 (3) (A) Of the initial members appointed by the Governor, two  
16 shall serve a term of one year, two shall serve a term of two years,  
17 two shall serve a term of three years, and two shall serve a term  
18 of four years.

19 (B) Of the initial members appointed by the Senate Committee  
20 on Rules, one shall serve a term of one year, one shall serve a term  
21 of two years, one shall serve a term of three years, and one shall  
22 serve a term of four years.

23 (C) Of the initial members appointed by the Speaker of the  
24 Assembly, one shall serve a term of one year, one shall serve a  
25 term of two years, one shall serve a term of three years, and one  
26 shall serve a term of four years.

27 (4) Members of the committee shall publicly report financial  
28 and other potential conflicts of interest.

29 (5) The committee shall establish an open process for the  
30 conduct of its affairs that enables all health care stakeholders to  
31 provide feedback on those affairs.

32 (6) The committee shall meet periodically with the ~~University~~  
33 ~~of California~~ *independent entity selected* and provide input to the  
34 ~~University of California~~ *independent entity* on the assessment  
35 conducted pursuant to subdivision (a).

36 (c) The director shall annually review the findings and  
37 recommendations of the assessment conducted under subdivision  
38 (a) and suggest adjustments to the reimbursement rates as necessary  
39 to ensure that quality and access in the Medi-Cal fee-for-service

1 program and in Medi-Cal managed care plans are adequate to meet  
2 applicable state and federal standards.

3 *(d) Meetings of the advisory committee shall be open for*  
4 *presentation, discussion, and public comment on each agenda*  
5 *item, and in accordance with the Bagley-Keene Open Meeting Act*  
6 *(Article 9 (commencing with Section 11120) of Chapter 1 of Part*  
7 *1 of Division 3 of Title 2 of the Government Code).*

8 *(e) In order to provide for quicker implementation of the*  
9 *independent assessment required by this section, contracts made*  
10 *under this section are exempt from Chapter 2 (commencing with*  
11 *Section 10290) of Part 2 of Division 2 of the Public Contract Code.*

12 ~~(f)~~

13 *(f) Notwithstanding Section 10231.5 of the Government Code,*  
14 *the findings and recommendations of the independent assessment*  
15 *conducted under subdivision (a) and the director's suggested*  
16 *adjustments to provider reimbursement rates provided pursuant to*  
17 *subdivision (c) shall be submitted to the Legislature annually as*  
18 *part of the Governor's Budget submitted pursuant to Section 13337*  
19 *of the Government Code.*