

AMENDED IN ASSEMBLY JUNE 18, 2014

AMENDED IN SENATE APRIL 17, 2013

SENATE BILL

No. 18

**Introduced by ~~Senator Hernandez~~ *Senators Hernandez and Leno*
(**Principal coauthor: Senator Monning**)**

December 3, 2012

An act to amend Section 127660 of the Health and Safety Code, relating to health care Medi-Cal, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 18, as amended, Hernandez. ~~California Health Benefits Review Program: health insurance-Medi-Cal renewal.~~

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 Healthcare Outreach and Medi-Cal Enrollment Account to collect and allocate non-General Fund public or private grant funds for expenditure, upon appropriation of the Legislature, for outreach to and enrollment of target Medi-Cal populations and to compensate Medi-Cal in-person assisters.

This bill would require the State Department of Health Care Services to accept contributions by private foundations in the amount of at least \$6,000,000 for the purpose of providing Medi-Cal renewal assistance payments, as specified. The bill would also appropriate \$6,000,000 from the Healthcare Outreach and Medi-Cal Enrollment Account, to be available for encumbrance or expenditure until December 31, 2016, and authorize the use of previously appropriated funds in that account

for this purpose. The bill would require the department to seek federal matching funds for the contributions to the extent permissible for training, testing, certifying, supporting and compensating persons and entities providing renewal assistance and for any other permissible renewal assistance related activities and to seek all necessary federal approvals for purposes of obtaining federal funding.

~~Existing law requests the University of California to establish the California Health Benefits Review Program to assess legislation proposing to mandate a benefit or service or to repeal a mandated benefit or service, and to prepare a written analysis with relevant data on specified areas, including public health, medical impacts, and financial impacts.~~

~~This bill would include essential health benefits and the impact on the California Health Benefit Exchange in the areas to be reported on by the California Health Benefits Review Program.~~

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

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

- 1 *SECTION 1. (a) (1) The State Department of Health Care*
- 2 *Services shall accept contributions by private foundations in the*
- 3 *amount of at least six million dollars (\$6,000,000) for the purpose*
- 4 *of providing Medi-Cal renewal assistance payments starting*
- 5 *January 1, 2015. These contributions shall be deposited in the*
- 6 *Healthcare Outreach and Medi-Cal Enrollment Account that has*
- 7 *been created in the Special Deposit Fund within the State Treasury*
- 8 *for the purposes specified in this section.*
- 9 *(2) Six million dollars is hereby appropriated to the State*
- 10 *Department of Health Care Services from the Healthcare Outreach*
- 11 *and Medi-Cal Enrollment Account for the purposes specified in*
- 12 *this section, to be available for encumbrance or expenditure until*
- 13 *December 31, 2016.*
- 14 *(3) The department may expend a portion of the five hundred*
- 15 *thousand dollars (\$500,000) authorized for expenditure in*
- 16 *subdivision (d) of Section 5 of Chapter 361 of the Statutes of 2013*
- 17 *to administer the activities described in this section. Private*
- 18 *foundation funding expended by the department to administer the*
- 19 *activities described in this section shall be expended only for filled*

1 *positions and administrative expenses directly related to this*
2 *section.*

3 *(b) (1) Notwithstanding any other law, and in a manner that*
4 *the Director of the State Department of Health Care Services shall*
5 *provide, the department may make allocations to fund Medi-Cal*
6 *renewal assistance activities as described in this section.*

7 *(2) The department may determine the number of allocations*
8 *and the application process. The director may consult or obtain*
9 *technical assistance from private foundations in implementation*
10 *of the application and allocation process.*

11 *(3) The director may, at his or her discretion, give consideration*
12 *to distributing funds to community-based organizations in an area*
13 *or region of the state if a county, or counties acting jointly do not*
14 *seek an allocation or funds are made available.*

15 *(c) Renewal assistance payments shall be distributed to*
16 *community-based organizations providing renewal assistance to*
17 *Medi-Cal beneficiaries. Authorized payments shall be made to*
18 *counties by the department for distribution of funds to*
19 *community-based organizations. Counties may retain an amount*
20 *for administrative costs that have been approved by the department.*

21 *(d) The department, in collaboration with the County Welfare*
22 *Directors Association, shall develop renewal assistance training*
23 *for employees of community-based organizations that shall be*
24 *consistent with the counties' human services agencies Medi-Cal*
25 *redetermination timeframes and process. In order to be eligible*
26 *for renewal assistance payments under this section, the*
27 *community-based organization's employees providing the*
28 *assistance shall have completed the renewal assistance training*
29 *developed under this subdivision.*

30 *(e) (1) The funds allocated under this section shall be used only*
31 *for the Medi-Cal renewal assistance activities and may supplement,*
32 *but shall not supplant, existing local, state, and foundation funding*
33 *of county renewal assistance activities.*

34 *(2) Notwithstanding Section 10744 of the Welfare and*
35 *Institutions Code, the department may recoup or withhold all or*
36 *part of an allocation for failure to comply with any requirements*
37 *or standards set forth by the department for the purposes of this*
38 *section.*

1 (f) The department shall require progress reports, in a manner
 2 as determined by the department, from those receiving allocations
 3 under this section.

4 (g) The department shall seek federal matching funds for the
 5 contributions to the extent permissible for training, testing,
 6 certifying, supporting, and compensating persons and entities
 7 providing renewal assistance and for any other permissible renewal
 8 assistance related activities and shall seek all necessary federal
 9 approvals for purposes of obtaining federal funding for activities
 10 conducted under this section.

11 (h) To the extent federal funding is received for the services
 12 specified in this section, reimbursements for costs incurred under
 13 the approved allocations shall be made in compliance with federal
 14 law.

15 (i) Notwithstanding Chapter 3.5 (commencing with Section
 16 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
 17 the department may implement, interpret, or make specific this
 18 section by means of all-county letters, provider bulletins, or similar
 19 instructions.

20 (j) This section shall cease to be implemented when all of the
 21 private contributions and any federal matching funds have been
 22 exhausted.

23 ~~SECTION 1. Section 127660 of the Health and Safety Code~~
 24 ~~is amended to read:~~

25 ~~127660. (a) The Legislature hereby requests the University of~~
 26 ~~California to establish the California Health Benefit Review~~
 27 ~~Program to assess legislation proposing to mandate a benefit or~~
 28 ~~service, as defined in subdivision (c), and legislation proposing to~~
 29 ~~repeal a mandated benefit or service, as defined in subdivision (d),~~
 30 ~~and to prepare a written analysis with relevant data on the~~
 31 ~~following:~~

32 ~~(1) Public health impacts, including, but not limited to, all of~~
 33 ~~the following:~~

34 ~~(A) The impact on the health of the community, including the~~
 35 ~~reduction of communicable disease and the benefits of prevention~~
 36 ~~such as those provided by childhood immunizations and prenatal~~
 37 ~~care.~~

38 ~~(B) The impact on the health of the community, including~~
 39 ~~diseases and conditions where gender and racial disparities in~~

1 outcomes are established in peer-reviewed scientific and medical
2 literature.

3 (C) The extent to which the benefit or service reduces premature
4 death and the economic loss associated with disease.

5 (2) Medical impacts, including, but not limited to, all of the
6 following:

7 (A) The extent to which the benefit or service is generally
8 recognized by the medical community as being effective in the
9 screening, diagnosis, or treatment of a condition or disease, as
10 demonstrated by a review of scientific and peer reviewed medical
11 literature.

12 (B) The extent to which the benefit or service is generally
13 available and utilized by treating physicians.

14 (C) The contribution of the benefit or service to the health status
15 of the population, including the results of any research
16 demonstrating the efficacy of the benefit or service compared to
17 alternatives, including not providing the benefit or service.

18 (D) The extent to which mandating or repealing the benefits or
19 services would not diminish or eliminate access to currently
20 available health care benefits or services.

21 (3) Financial impacts, including, but not limited to, all of the
22 following:

23 (A) The extent to which the coverage or repeal of coverage will
24 increase or decrease the benefit or cost of the benefit or service.

25 (B) The extent to which the coverage or repeal of coverage will
26 increase the utilization of the benefit or service, or will be a
27 substitute for, or affect the cost of, alternative benefits or services.

28 (C) The extent to which the coverage or repeal of coverage will
29 increase or decrease the administrative expenses of health care
30 service plans and health insurers and the premium and expenses
31 of subscribers, enrollees, and policyholders.

32 (D) The impact of this coverage or repeal of coverage on the
33 total cost of health care.

34 (E) The potential cost or savings to the private sector, including
35 the impact on small employers as defined in paragraph (1) of
36 subdivision (l) of Section 1357, the Public Employees' Retirement
37 System, other retirement systems funded by the state or by a local
38 government, individuals purchasing individual health insurance,
39 and publicly funded state health insurance programs, including
40 the Medi-Cal program and the Healthy Families Program.

1 ~~(F) The extent to which costs resulting from lack of coverage~~
2 ~~or repeal of coverage are or would be shifted to other payers,~~
3 ~~including both public and private entities.~~

4 ~~(G) The extent to which mandating or repealing the proposed~~
5 ~~benefit or service would not diminish or eliminate access to~~
6 ~~currently available health care benefits or services.~~

7 ~~(H) The extent to which the benefit or service is generally~~
8 ~~utilized by a significant portion of the population.~~

9 ~~(I) The extent to which health care coverage for the benefit or~~
10 ~~service is already generally available.~~

11 ~~(J) The level of public demand for health care coverage for the~~
12 ~~benefit or service, including the level of interest of collective~~
13 ~~bargaining agents in negotiating privately for inclusion of this~~
14 ~~coverage in group contracts, and the extent to which the mandated~~
15 ~~benefit or service is covered by self-funded employer groups.~~

16 ~~(K) In assessing and preparing a written analysis of the financial~~
17 ~~impact of legislation proposing to mandate a benefit or service and~~
18 ~~legislation proposing to repeal a mandated benefit or service~~
19 ~~pursuant to this paragraph, the Legislature requests the University~~
20 ~~of California to use a certified actuary or other person with relevant~~
21 ~~knowledge and expertise to determine the financial impact.~~

22 ~~(4) The impact on essential health benefits, as defined in Section~~
23 ~~1367.005 and Section 10112.27 of the Insurance Code, and the~~
24 ~~impact on California Health Benefit Exchange.~~

25 ~~(b) The Legislature requests that the University of California~~
26 ~~provide every analysis to the appropriate policy and fiscal~~
27 ~~committees of the Legislature not later than 60 days after receiving~~
28 ~~a request made pursuant to Section 127661. In addition, the~~
29 ~~Legislature requests that the university post every analysis on the~~
30 ~~Internet and make every analysis available to the public upon~~
31 ~~request.~~

32 ~~(e) As used in this section, “legislation proposing to mandate a~~
33 ~~benefit or service” means a proposed statute that requires a health~~
34 ~~care service plan or a health insurer, or both, to do any of the~~
35 ~~following:~~

36 ~~(1) Permit a person insured or covered under the policy or~~
37 ~~contract to obtain health care treatment or services from a particular~~
38 ~~type of health care provider.~~

39 ~~(2) Offer or provide coverage for the screening, diagnosis, or~~
40 ~~treatment of a particular disease or condition.~~

- 1 ~~(3) Offer or provide coverage of a particular type of health care~~
- 2 ~~treatment or service, or of medical equipment, medical supplies,~~
- 3 ~~or drugs used in connection with a health care treatment or service.~~
- 4 ~~(d) As used in this section, “legislation proposing to repeal a~~
- 5 ~~mandated benefit or service” means a proposed statute that, if~~
- 6 ~~enacted, would become operative on or after January 1, 2008, and~~
- 7 ~~would repeal an existing requirement that a health care service~~
- 8 ~~plan or a health insurer, or both, do any of the following:~~
- 9 ~~(1) Permit a person insured or covered under the policy or~~
- 10 ~~contract to obtain health care treatment or services from a particular~~
- 11 ~~type of health care provider.~~
- 12 ~~(2) Offer or provide coverage for the screening, diagnosis, or~~
- 13 ~~treatment of a particular disease or condition.~~
- 14 ~~(3) Offer or provide coverage of a particular type of health care~~
- 15 ~~treatment or service, or of medical equipment, medical supplies,~~
- 16 ~~or drugs used in connection with a health care treatment or service.~~