

Introduced by Senators Hernandez and SteinbergFebruary 12, 2013

An act relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 239, as introduced, Hernandez. Medi-Cal: hospital quality assurance fee.

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, subject to federal approval, imposes a quality assurance fee, as specified, on certain general acute care hospitals from July 1, 2011, through December 31, 2013. Existing law, subject to federal approval, requires the fee to be deposited into the Hospital Quality Assurance Revenue Fund, and requires that the moneys in the fund be used, upon appropriation by the Legislature, only for certain purposes, including, among other things, paying for health care coverage for children and making supplemental payments for certain services to private hospitals, increased capitation payments to Medi-Cal managed care plans, and increased payments to mental health plans.

This bill would state the intent of the Legislature to impose a quality assurance fee to be paid by hospitals, which would be used to increase federal financial participation in order to make supplemental Medi-Cal payments to hospitals for the period of January 1, 2014, through December 31, 2015, and to help pay for health care coverage for low-income children. This bill would require the department to make

every effort to obtain the necessary federal approvals to implement the quality assurance fee as described.

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

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

1 SECTION 1. The Legislature finds and declares both of the
2 following:

3 (a) The Legislature continues to recognize the essential role that
4 hospitals play in serving the state’s Medi-Cal beneficiaries. To
5 that end, it has been, and remains, the intent of the Legislature to
6 improve funding for hospitals and obtain all available federal funds
7 to make supplemental Medi-Cal payments to hospitals.

8 (b) It is the intent of the Legislature that funding provided to
9 hospitals through a hospital quality assurance fee be explored with
10 the goal of increasing access to care and improving hospital
11 reimbursement through supplemental Medi-Cal payments to
12 hospitals.

13 SEC. 2. (a) It is the intent of the Legislature to impose a quality
14 assurance fee to be paid by hospitals, which would be used to
15 increase federal financial participation in order to make
16 supplemental Medi-Cal payments to hospitals for the period of
17 January 1, 2014, through December 31, 2015, and to help pay for
18 health care coverage for low-income children.

19 (b) The State Department of Health Care Services shall make
20 every effort to obtain the necessary federal approvals to implement
21 the quality assurance fee described in subdivision (a) in order to
22 make supplemental Medi-Cal payments to hospitals for the period
23 of January 1, 2014, through December 31, 2015.

24 (c) It is the intent of the Legislature that the quality assurance
25 fee be implemented only if all of the following conditions are met:

26 (1) The quality assurance fee is established in consultation with
27 the hospital community.

28 (2) The quality assurance fee, including any interest earned after
29 collection by the department, is deposited into segregated funds
30 apart from the General Fund and used exclusively for supplemental
31 Medi-Cal payments to hospitals, health care coverage for
32 low-income children, and for the direct costs of administering the
33 program by the department.

1 (3) No hospital shall be required to pay the quality assurance
2 fee to the department unless and until the state receives and
3 maintains federal approval of the quality assurance fee and related
4 supplemental payments to hospitals.

5 (4) The full amount of the quality assurance fee assessed and
6 collected remains available only for the purposes specified by the
7 Legislature in this act.

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