

AMENDED IN SENATE MAY 1, 2013
AMENDED IN SENATE APRIL 15, 2013
AMENDED IN SENATE APRIL 3, 2013

SENATE BILL

No. 640

Introduced by Senator Lara
(Principal coauthor: Assembly Member Mitchell)

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

SB 640, as amended, Lara. Medi-Cal: reimbursement: provider payments.

The ~~Med-Cal~~ *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, 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, *intermediate care or other specified facilities serving developmentally disabled individuals*, 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 Sections 14105.07~~
4 *and* 14105.192, except as otherwise provided in this section,
5 payments for fee-for-service benefits for dates of service on or
6 after June 1, 2011, shall be determined without application of the
7 reductions in ~~Section Sections 14105.07 and~~ 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 (2)
11 and paragraph (3) of subdivision (b) of Section 14105.191 for dates
12 of service on or after June 1, 2011, shall be determined without
13 application of the reductions set forth in Sections 14105.191 and
14 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 Sections 14105.07 and~~ 14105.192,
21 except as otherwise provided in this section, for managed care
22 health plans that contract with the department pursuant to this
23 chapter or Chapter 8 (commencing with Section 14200), payments
24 for dates of service following the effective date of the act adding
25 this section shall be determined without application of the
26 reductions in ~~Section Sections 14105.07 and~~ 14105.192.

1 (e) The director shall implement subdivisions (a), (b), and (d)
2 to the maximum extent permitted by law and for the maximum
3 time period for which the director obtains federal approval for
4 federal financial participation for the increase provided for in this
5 section.

6 (f) The director shall promptly seek all necessary federal
7 approvals to implement this section.

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

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

17 In order to ensure and maintain access to medically necessary
18 care for ~~the patients and residents needing skilled nursing services~~
19 *Medi-Cal beneficiaries*, it is necessary that this act take effect
20 immediately.