

Introduced by Senator Lieu

February 10, 2014

An act to amend Section 14124.24 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 966, as introduced, Lieu. Drug Medi-Cal.

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 Drug Medi-Cal Treatment Program (Drug Medi-Cal) under which the department is authorized to enter into contracts with counties for the provision of various drug treatment services to Medi-Cal recipients, or is required to directly arrange for the provision of these services if a county elects not to do so. Existing law defines Drug Medi-Cal reimbursable services for purposes of these provisions.

This bill would make technical, nonsubstantive changes to that definition.

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. Section 14124.24 of the Welfare and Institutions
- 2 Code is amended to read:
- 3 14124.24. (a) For purposes of this section, "Drug Medi-Cal
- 4 reimbursable services" means the substance use disorder services

1 described in the California State Medicaid Plan and includes, but
2 is not limited to, all of the following services, administered by the
3 department, and to the extent consistent with state and federal law:

4 (1) Narcotic treatment program services, as set forth in Section
5 14021.51.

6 (2) Day care rehabilitative services.

7 (3) Perinatal residential services for pregnant women and women
8 in the postpartum period.

9 (4) Naltrexone services.

10 (5) Outpatient drug-free services.

11 (6) Other services upon approval of a federal Medicaid state
12 plan amendment or waiver authorizing federal financial
13 participation.

14 (b) (1) While seeking federal approval for any federal Medicaid
15 state plan amendment or waiver associated with Drug Medi-Cal
16 services, the department shall consult with the counties and
17 stakeholders in the development of the state plan amendment or
18 waiver.

19 (2) Upon federal approval of a federal Medicaid state plan
20 amendment authorizing federal financial participation in the
21 following services, and subject to appropriation of funds, ~~“drug~~
22 *“Drug Medi-Cal reimbursable services”* shall also include the
23 following services, administered by the department, and to the
24 extent consistent with state and federal law:

25 (A) Notwithstanding subdivision (a) of Section 14132.90, day
26 care habilitative services, which, for purposes of this paragraph,
27 are outpatient counseling and rehabilitation services provided to
28 persons with alcohol or other drug abuse diagnoses.

29 (B) Case management services, including supportive services
30 to assist persons with alcohol or other drug abuse diagnoses in
31 gaining access to medical, social, educational, and other needed
32 services.

33 (C) Aftercare services.

34 (c) (1) The nonfederal share for Drug Medi-Cal services shall
35 be funded through a county’s Behavioral Health Subaccount of
36 the Support Services Account of the Local Revenue Fund 2011,
37 and any other available county funds eligible under federal law
38 for federal Medicaid reimbursement. The funds contained in each
39 county’s Behavioral Health Subaccount of the Support Services
40 Account of the Local Revenue Fund 2011 shall be considered state

1 funds distributed by the principal state agency for the purposes of
2 receipt of the federal block grant funds for prevention and treatment
3 of substance abuse found at Subchapter XVII of Chapter 6A of
4 Title 42 of the United States Code. Pursuant to applicable federal
5 Medicaid law and regulations including Section 433.51 of Title
6 42 of the Code of Federal Regulations, counties may claim
7 allowable Medicaid federal financial participation for Drug
8 Medi-Cal services based on the counties certifying their actual
9 total funds expenditures for eligible Drug Medi-Cal services to
10 the department.

11 (2) (A) If the director determines that a county’s provision of
12 Drug Medi-Cal treatment services are disallowed by the federal
13 government or by state or federal audit or review, the impacted
14 county shall be responsible for repayment of all disallowed federal
15 funds. In addition to any other recovery methods available,
16 including, but not limited to, offset of Medicaid federal financial
17 participation funds owed to the impacted county, the director may
18 offset these amounts in accordance with Section 12419.5 of the
19 Government Code.

20 (B) A county subject to an action by the director pursuant to
21 subparagraph (A) may challenge that action by requesting a hearing
22 in writing no later than 30 days from receipt of notice of the
23 department’s action. The proceeding shall be conducted in
24 accordance with Chapter 5 (commencing with Section 11500) of
25 Part 1 of Division 3 of Title 2 of the Government Code, and the
26 director has all the powers granted therein. Upon a county’s timely
27 request for hearing, the county’s obligation to make payment as
28 determined by the director shall be stayed pending the county’s
29 exhaustion of administrative remedies provided herein but no
30 longer than will ensure the department’s compliance with Section
31 1903(d)(2)(C) of the federal Social Security Act (42 U.S.C. Sec.
32 1396b).

33 (d) Drug Medi-Cal services are only reimbursable to Drug
34 Medi-Cal providers with an approved Drug Medi-Cal contract.

35 (e) Counties shall negotiate contracts only with providers
36 certified to provide Drug Medi-Cal services.

37 (f) The department shall develop methods to ensure timely
38 payment of Drug Medi-Cal claims.

39 (g) (1) A county or a contracted provider, except for a provider
40 to whom subdivision (h) applies, shall submit accurate and

1 complete cost reports for the previous fiscal year by November 1,
2 following the end of the fiscal year. The department may settle
3 Drug Medi-Cal reimbursable services, based on the cost report as
4 the final amendment to the approved county Drug Medi-Cal
5 contract.

6 (2) Amounts paid for services provided to Drug Medi-Cal
7 beneficiaries shall be audited by the department in the manner and
8 form described in Section 14170.

9 (3) Administrative appeals to review grievances or complaints
10 arising from the findings of an audit or examination made pursuant
11 to this section shall be subject to Section 14171.

12 (h) Certified narcotic treatment program providers that are
13 exclusively billing the state or the county for services rendered to
14 persons subject to Section 1210.1 or 3063.1 of the Penal Code or
15 Section 14021.52 of this code shall submit accurate and complete
16 performance reports for the previous state fiscal year by November
17 1 following the end of that fiscal year. A provider to which this
18 subdivision applies shall estimate its budgets using the uniform
19 state daily reimbursement rate. The format and content of the
20 performance reports shall be mutually agreed to by the department,
21 the County Alcohol and Drug Program Administrators' Association
22 of California, and representatives of the treatment providers.

23 (i) Contracts entered into pursuant to this section shall be exempt
24 from the requirements of Chapter 1 (commencing with Section
25 10100) and Chapter 2 (commencing with Section 10290) of Part
26 2 of Division 2 of the Public Contract Code.

27 (j) Annually, the department shall publish procedures for
28 contracting for Drug Medi-Cal services with certified providers
29 and for claiming payments, including procedures and specifications
30 for electronic data submission for services rendered.