

AMENDED IN SENATE APRIL 10, 2014

SENATE BILL

No. 986

Introduced by Senator Hernandez

February 11, 2014

An act to amend Section 14182 of *add Section 14103.9* to the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 986, as amended, Hernandez. Medi-Cal: managed care: seniors and persons with disabilities: *exemption from plan enrollment.*

Existing law provides for the Medi-Cal program, 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. One of the methods by which these services are provided is pursuant to contracts with various types of managed care health plans. Existing law authorizes the department, in furtherance of a specified waiver or demonstration project, to require seniors and persons with disabilities who do not have other health coverage to be assigned as mandatory enrollees into new or existing managed care health plans. Existing law requires the department, in exercising its authority pursuant to these provisions, to, among other things, ensure that managed care health plans participating in the demonstration project provide access to out-of-network providers for new individual members and comply with continuity of care requirements, as specified.

This bill would instead require the department to ensure that the managed care health plans participating in the demonstration project provide timely access to out-of-network providers for new individual members and fully comply with the continuity of care requirements.

This bill would require that a Medi-Cal beneficiary who has received a medical exemption from enrollment in a Medi-Cal managed care plan and who is to receive or has received specified transplantations, including allogeneic bone marrow transplantation, receive an extension of the medical exemption for up to 12 months if the treating physician who provided or oversaw the transplantation or who is providing the followup care determines that it is medically necessary for the beneficiary to remain under the care of the treating physician. The bill would require, at the end of the extension, the treating physician to assess the beneficiary's condition to determine whether the beneficiary's condition has stabilized to a level that would enable the beneficiary to be safely transferred to a physician within a Medi-Cal managed care health plan without any deleterious effects to the beneficiary's health. If the condition is not stable enough to transfer, the medical exemption would be extended up to an additional 12 months. The bill would prohibit a beneficiary meeting the criteria of these provisions from being transitioned into a Medi-Cal managed care health plan until appeals and other specified means of redress have been exhausted. The bill would make related findings and declarations.

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. *The Legislature finds and declares all of the*
2 *following:*
3 (a) *Medi-Cal beneficiaries with severe conditions have*
4 *difficulties finding specialists and centers of excellence to treat*
5 *them. Even when they do find this care, Medi-Cal beneficiaries*
6 *often lose continuity of care with these providers due to regulations*
7 *pertaining to the medical exemption from enrollment in a Medi-Cal*
8 *managed care plan process, which leads to delays in obtaining*
9 *care, inability to maintain continuity with specialists with the*
10 *knowledge required to treat their conditions, and a painful and*
11 *costly worsening or relapse of their medical conditions.*
12 (b) *It is important that Medi-Cal beneficiaries maintain*
13 *continuity of care with their specialty care providers when the*
14 *beneficiary has been diagnosed with cancer or other*
15 *life-threatening blood disorders or undergone bone marrow, blood*
16 *stem cell, cord blood, or haploidentical transplantation.*

1 (c) Bone marrow, blood stem cell, cord blood, and
2 haploidentical transplantation, particularly allogeneic transplants
3 in which the marrow or stem cells of an unrelated donor are used,
4 can create significant complications for the patient long after the
5 initial hospital stay. Medi-Cal beneficiaries on immunosuppressive
6 medications, if not properly monitored, can suffer significant
7 adverse reactions, including relapses of their original cancer or
8 blood disorder, graft versus host disease, and rare infections that
9 can be severe, disabling, and fatal. When these complications
10 occur, they are not only significantly painful and distressing to
11 the beneficiary and his or her loved ones, but add tremendous,
12 preventable costs to the Medi-Cal system.

13 (d) Therefore, the Legislature finds that it is in the best interests
14 of Medi-Cal beneficiaries who have undergone allogeneic bone
15 marrow, blood stem cell, cord blood, or haploidentical
16 transplantations to maintain continuity of care with these specialty
17 care providers when those providers certify the need for continuity
18 and can appropriately monitor and treat their conditions and
19 comorbidities. The Legislature also finds that it in the best interests
20 of the beneficiaries, the Medi-Cal system, and the taxpayers of this
21 state that this more cost-effective continuity of care is maintained,
22 thereby preventing costly, disabling, and even fatal adverse
23 reactions, relapses, and infection.

24 SEC. 2. Section 14103.9 is added to the Welfare and Institutions
25 Code, to read:

26 14103.9. (a) A Medi-Cal beneficiary who has received a
27 medical exemption from enrollment in a Medi-Cal managed care
28 plan pursuant to the medical exemption request process, as
29 provided for in Section 53887 of Title 22 of the California Code
30 of Regulations, and who is to receive or has received an allogeneic
31 bone marrow transplantation, allogeneic blood stem cell
32 transplantation, cord blood transplantation, or haploidentical
33 transplantation shall receive an extension of the medical exemption
34 beyond the initial 12-month exemption period if the treating
35 physician who provided or oversaw the transplantation or who is
36 providing the followup care to the beneficiary determines that it
37 is medically necessary for the beneficiary to remain under the care
38 of the treating physician. The extension shall be provided for up
39 to 12 months, after which the treating physician who provided or
40 oversaw the transplant, or who is providing the followup care,

1 shall assess the beneficiary's condition to determine whether the
2 beneficiary's medical condition has stabilized to a level that would
3 enable the beneficiary to be safely transferred to a physician within
4 a managed care health plan without any deleterious effects to the
5 beneficiary's health.

6 (b) If, at the end of the extension pursuant to subdivision (a),
7 the treating physician determines that the beneficiary's condition
8 is not sufficiently stable to enable a transfer without deleterious
9 effects to the beneficiary, the medical exemption shall be extended
10 for up to an additional 12 months, after which another assessment
11 shall be conducted pursuant to the process described in subdivision
12 (a). A beneficiary meeting the criteria of subdivision (a) who
13 requests an extension of a medical exemption shall not be
14 transitioned into a Medi-Cal managed care plan until all appeals,
15 fair hearings processes, litigation, and other means of redress
16 have been exhausted.

17 (c) The existence of a contract between the provider or
18 provider's medical group and a Medi-Cal managed care plan, or
19 a contract between the hospital that provided the transplantation
20 or followup care and a Medi-Cal managed care plan, or the
21 beneficiary's prior enrollment in a managed care plan shall not
22 be considered as a factor in determining the extension of a medical
23 exemption request pursuant to this section for beneficiaries who
24 have received the procedures specified in subdivision (a). The
25 contracts shall not be used as a reason or basis for returning a
26 beneficiary who has received one or more of these procedures to
27 a Medi-Cal managed care plan.

28 (d) For the purposes of this section, the following definitions
29 shall apply:

30 (1) "Allogeneic bone marrow transplantation" means the
31 transplantation of bone marrow from an immunologically matched
32 sibling or an unrelated donor following treatment with one or
33 more of the following therapies: chemotherapy, radiation therapy,
34 or immunotherapy.

35 (2) "Allogeneic blood stem cell transplantation" means
36 transplantation of growth factor mobilized blood stem cells from
37 an immunologically matched sibling or unrelated donor following
38 treatment with one or more of the following therapies:
39 chemotherapy, radiation therapy, or immunotherapy.

1 (3) “Cord blood transplantation” means transplantation of
2 umbilical cord blood cells from partially or fully immunologically
3 matched and previously collected cord blood following treatment
4 with one or more of the following therapies: chemotherapy,
5 radiation therapy, or immunotherapy.

6 (4) “Haploidentical transplantation” means transplantation of
7 bone marrow or growth factor mobilized blood stem cells from a
8 partially matched familial donor following treatment with one or
9 more of the following therapies: chemotherapy, radiation therapy,
10 or immunotherapy.

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**All matter omitted in this version of the bill
appears in the bill as introduced in the
Senate, February 11, 2014. (JR11)**