

AMENDED IN SENATE MAY 27, 2014

AMENDED IN SENATE APRIL 10, 2014

**SENATE BILL**

**No. 986**

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**Introduced by Senator Hernandez**

February 11, 2014

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

LEGISLATIVE COUNSEL'S DIGEST

SB 986, as amended, Hernandez. Medi-Cal: managed care: 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.

This bill would, *until January 1, 2018*, 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 life-threatening  
15 blood disorders or undergone bone marrow, blood stem cell, cord  
16 blood, or haploidentical transplantation.

17 (c) Bone marrow, blood stem cell, cord blood, and haploidentical  
18 transplantation, particularly allogeneic transplants in which the  
19 marrow or stem cells of an unrelated donor are used, can create  
20 significant complications for the patient long after the initial  
21 hospital stay. Medi-Cal beneficiaries on immunosuppressive  
22 medications, if not properly monitored, can suffer significant  
23 adverse reactions, including relapses of their original cancer or  
24 blood disorder, graft versus host disease, and rare infections that  
25 can be severe, disabling, and fatal. When these complications  
26 occur, they are not only significantly painful and distressing to the

1 beneficiary and his or her loved ones, but add tremendous,  
2 preventable costs to the Medi-Cal system.

3 (d) Therefore, the Legislature finds that it is in the best interests  
4 of Medi-Cal beneficiaries who have undergone allogeneic bone  
5 marrow, blood stem cell, cord blood, or haploidentical  
6 transplantations to maintain continuity of care with these specialty  
7 care providers when those providers certify the need for continuity  
8 and can appropriately monitor and treat their conditions and  
9 comorbidities. The Legislature also finds that it in the best interests  
10 of the beneficiaries, the Medi-Cal system, and the taxpayers of  
11 this state that this more cost-effective continuity of care is  
12 maintained, thereby preventing costly, disabling, and even fatal  
13 adverse reactions, relapses, and infection.

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

16 14103.9. (a) A Medi-Cal beneficiary who has received a  
17 medical exemption from enrollment in a Medi-Cal managed care  
18 plan pursuant to the medical exemption request process, as  
19 provided for in Section 53887 of Title 22 of the California Code  
20 of Regulations, and who is to receive or has received an allogeneic  
21 bone marrow transplantation, allogeneic blood stem cell  
22 transplantation, cord blood transplantation, or haploidentical  
23 transplantation shall receive an extension of the medical exemption  
24 beyond the initial 12-month exemption period if the treating  
25 physician who provided or oversaw the transplantation or who is  
26 providing the followup care to the beneficiary determines that it  
27 is medically necessary for the beneficiary to remain under the care  
28 of the treating physician. The extension shall be provided for up  
29 to 12 months, after which the treating physician who provided or  
30 oversaw the transplant, or who is providing the followup care,  
31 shall assess the beneficiary's condition to determine whether the  
32 beneficiary's medical condition has stabilized to a level that would  
33 enable the beneficiary to be safely transferred to a physician within  
34 a managed care health plan without any deleterious effects to the  
35 beneficiary's health.

36 (b) If, at the end of the extension pursuant to subdivision (a),  
37 the treating physician determines that the beneficiary's condition  
38 is not sufficiently stable to enable a transfer without deleterious  
39 effects to the beneficiary, the medical exemption shall be extended  
40 for up to an additional 12 months, after which another assessment

1 shall be conducted pursuant to the process described in subdivision  
2 (a). A beneficiary meeting the criteria of subdivision (a) who  
3 requests an extension of a medical exemption shall not be  
4 transitioned into a Medi-Cal managed care plan until all appeals,  
5 fair hearings processes, litigation, and other means of redress have  
6 been exhausted.

7 (c) The existence of a contract between the provider or  
8 provider's medical group and a Medi-Cal managed care plan, or  
9 a contract between the hospital that provided the transplantation  
10 or followup care and a Medi-Cal managed care plan, or the  
11 beneficiary's prior enrollment in a managed care plan shall not be  
12 considered as a factor in determining the extension of a medical  
13 exemption request pursuant to this section for beneficiaries who  
14 have received the procedures specified in subdivision (a). The  
15 contracts shall not be used as a reason or basis for returning a  
16 beneficiary who has received one or more of these procedures to  
17 a Medi-Cal managed care plan.

18 (d) For the purposes of this section, the following definitions  
19 shall apply:

20 (1) "Allogeneic bone marrow transplantation" means the  
21 transplantation of bone marrow from an immunologically matched  
22 sibling or an unrelated donor following treatment with one or more  
23 of the following therapies: chemotherapy, radiation therapy, or  
24 immunotherapy.

25 (2) "Allogeneic blood stem cell transplantation" means  
26 transplantation of growth factor mobilized blood stem cells from  
27 an immunologically matched sibling or unrelated donor following  
28 treatment with one or more of the following therapies:  
29 chemotherapy, radiation therapy, or immunotherapy.

30 (3) "Cord blood transplantation" means transplantation of  
31 umbilical cord blood cells from partially or fully immunologically  
32 matched and previously collected cord blood following treatment  
33 with one or more of the following therapies: chemotherapy,  
34 radiation therapy, or immunotherapy.

35 (4) "Haploidentical transplantation" means transplantation of  
36 bone marrow or growth factor mobilized blood stem cells from a  
37 partially matched familial donor following treatment with one or  
38 more of the following therapies: chemotherapy, radiation therapy,  
39 or immunotherapy.

1     *(e) This section shall remain in effect only until January 1, 2018,*  
2     *and as of that date is repealed, unless a later enacted statute, that*  
3     *is enacted before January 1, 2018, deletes or extends that date.*

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