

**Senate Bill No. 1089**

CHAPTER 836

An act to amend Section 14053.8 of the Welfare and Institutions Code, and to amend Section 1 of Chapter 394 of the Statutes of 2011, relating to Medi-Cal.

[Approved by Governor September 29, 2014. Filed with Secretary of State September 29, 2014.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1089, Mitchell. Medi-Cal: juvenile inmates.

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 provisions. Existing federal law, with certain exceptions, excludes federal financial participation for medical care provided to any individual who is an inmate in a public institution. Existing law requires the State Department of Health Care Services to develop a process to allow counties to receive any available federal financial participation for acute inpatient hospital services and inpatient psychiatric services provided to juvenile inmates, as defined, who are admitted as inpatients in a medical institution, as prescribed. Existing law requires that the process be implemented in only those counties that elect to provide the nonfederal share of the state's administrative costs associated with the implementation of the process and the nonfederal share of the expenditures for those services provided.

This bill would instead provide that the process developed be implemented in only those counties that elect to provide the county's pro rata portion of the nonfederal share of the state's administrative costs.

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

SECTION 1. Section 14053.8 of the Welfare and Institutions Code is amended to read:

14053.8. (a) Notwithstanding any other law, the department shall develop a process to allow counties to receive any available federal financial participation for acute inpatient hospital services and inpatient psychiatric services provided to juvenile inmates who are admitted as inpatients in a medical institution off the grounds of the correctional facility, and who, but for their institutional status as inmates, are otherwise eligible for Medi-Cal benefits pursuant to this chapter. This process shall be coordinated, to the extent possible, with the processes and procedures established pursuant to

Section 14053.7 of this code and Section 5072 of the Penal Code. This section shall not be construed to alter or abrogate any obligation of the state pursuant to an administrative action or a court order that is final and no longer subject to appeal to reimburse counties for any acute inpatient hospital services or inpatient psychiatric services provided to a juvenile inmate.

(b) A juvenile inmate who is an inpatient in a medical institution off the grounds of the correctional facility shall not be denied eligibility for Medi-Cal benefits under this section because of his or her institutional status as an inmate of a public institution.

(c) The department shall consult with counties in the development of the process pursuant to this section.

(d) This section shall not be construed to limit the department's authority to suspend or terminate Medi-Cal eligibility pursuant to Section 14011.10, except during such times that the juvenile inmate is receiving acute inpatient hospital services or inpatient psychiatric services pursuant to subdivision (b).

(e) This section shall be implemented only if and to the extent that existing levels of federal financial participation are not otherwise jeopardized. To the extent that the department determines that existing levels of federal financial participation are jeopardized, this section shall no longer be implemented.

(f) The department shall seek any federal approvals necessary to implement the process developed pursuant to this section. This section shall be implemented only if and to the extent that any necessary federal approvals have been obtained, and only to the extent that federal financial participation is available.

(g) Notwithstanding any other law, as part of the process developed pursuant to this section, the department may exempt juvenile inmates from enrollment into new or existing managed care health plans.

(h) The process developed pursuant to this section shall be implemented in only those counties that elect to provide the county's pro rata portion of the nonfederal share of the state's administrative costs associated with implementation of this section and the nonfederal share of expenditures for acute inpatient hospital services and inpatient psychiatric services provided to eligible juvenile inmates described in subdivision (a).

(i) (1) The federal financial participation received pursuant to the process implemented under this section shall be paid to the participating counties for services rendered to the juvenile inmates. If a federal audit disallowance and interest results from claims made under the process created pursuant to this section, the department shall recoup from the county that received the disallowed funds the amount of the disallowance and any applicable interest.

(2) It is the intent of the Legislature that implementation of this section will result in no increased cost to the state General Fund.

(j) (1) If there is a final judicial determination made by any state or federal court that is not appealed, or by a court of appellate jurisdiction that is not further appealed, in any action by any party, or a final determination by the administrator of the federal Centers for Medicare and Medicaid

Services (CMS), that disallows, defers, or alters the implementation of this section or, to the extent applicable, Section 14053.7 of this code or Section 5072 of the Penal Code, including the rate methodology or payment process established by the department that limits or affects the department's authority to select the facilities used to provide acute inpatient hospital services and inpatient psychiatric services to juvenile inmates, then any provision of this section that is inconsistent with the final judicial or CMS determination shall have no force or effect.

(2) In addition, the department may, at its discretion, cease to implement any other part of this section that is implicated by the final judicial or CMS determination.

(k) For the purposes of Medi-Cal eligibility pursuant to this section, "juvenile inmate" means an individual under 21 years of age who is involuntarily residing in a public institution, including state and local institutions.

(l) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may, without taking any further regulatory action, implement this section by means of all-county letters or similar instructions.

SEC. 2. Section 1 of Chapter 394 of the Statutes of 2011 is amended to read:

Section 1. The Legislature finds and declares all of the following:

(a) Federal financial participation may be available for counties that provide health care services to juvenile inmates while the juveniles are admitted as patients in a medical institution.

(b) Current law provides that an individual under 21 years of age who is an inmate of a public institution shall have his or her Medi-Cal services suspended for up to one year.

(c) The eligibility procedures of the State Department of Health Care Services currently do not allow counties to obtain available federal financial participation for health care services provided to juvenile inmates when they have been transferred to a medical institution for inpatient services.

(d) Pursuant to Section 5072 of the Penal Code and Section 14053.7 of the Welfare and Institutions Code, the department is authorized to develop a process to maximize federal financial participation for inpatient hospital services to adult inmates residing in a state prison facility.

(e) To reduce the fiscal strain on counties, it is imperative that the department work with counties to develop and implement a similar process to allow counties to obtain federal financial participation based on county expenditures for inpatient hospital services provided to juveniles in their custody.

(f) It is not the intent of the Legislature to alter or abrogate any obligation of the state under federal or state law to reimburse under Medi-Cal any acute inpatient hospital services or inpatient psychiatric services provided to a juvenile inmate.