

AMENDED IN SENATE APRIL 8, 2014

**SENATE BILL**

**No. 1316**

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**Introduced by Senator Cannella**

February 21, 2014

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An act to amend Section 14132.27 of the Welfare and Institutions Code, relating to Medi-Cal; add and repeal Article 1.1 (commencing with Section 104260) to Chapter 4 of Part 1 of Division 103 of the Health and Safety Code, relating to diabetes.

LEGISLATIVE COUNSEL'S DIGEST

SB 1316, as amended, Cannella. ~~Medi-Cal: Disease Management Waiver. Diabetes: state programs.~~

Existing law establishes and sets forth the duties of the State Department of Health Care Services, the State Department of Public Health, and the Board of Administration of the Public Employees' Retirement System (PERS), relating to, among other duties, the administration of the Medi-Cal program, the administration of the California Diabetes Program, and the administration of the Public Employees' Medical and Hospital Care Act, respectively.

This bill would require those agencies to each submit a report to the Legislature, no later than July 1, 2015, that includes specified information, including the diabetes-related programs administered by each agency and the diabetes-related contractual or statutory requirements placed on a health care service plan contract or a health insurance policy in the Medi-Cal program or on a health care benefit plan or contract entered into with the Board of Administration of PERS. The bill would state the intent of the Legislature to coordinate a response that assesses the quality of care of, and manages the costs paid for by, state-financed health programs relating to the diabetes crisis.

~~Existing law establishes the Medi-Cal program, administered by the State Department of Health Care Services, under which basic health care services are provided to qualified low-income persons. Existing law requires the department to apply for a waiver of federal law to test the efficacy of providing a disease management benefit, as described, to specified beneficiaries under the Medi-Cal program.~~

~~This bill would make a technical, nonsubstantive change to these provisions:~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.  
 State-mandated local program: no.

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

1     SECTION 1. Article 1.1 (commencing with Section 104260) is  
 2     added to Chapter 4 of Part 1 of Division 103 of the Health and  
 3     Safety Code, to read:

4  
 5                     Article 1.1. General Provisions

6  
 7     104260. (a) *It is the intent of the Legislature to coordinate a*  
 8     *response that assesses the quality of, and manages the costs paid*  
 9     *for by, state-financed health programs relating to the diabetes*  
 10     *crisis.*

11     (b) *No later than July 1, 2015, the following state agencies shall*  
 12     *submit a report to the Legislature with the following information:*

13     (1) *The State Department of Public Health shall submit a report*  
 14     *that includes the diabetes-related programs administered by the*  
 15     *department.*

16     (2) *The State Department of Health Care Services shall submit*  
 17     *a report that includes all of the following:*

18     (A) *The diabetes-related programs administered by the*  
 19     *department.*

20     (B) *The diabetes-related contractual or statutory requirements*  
 21     *placed on a health care service plan contract or a health insurance*  
 22     *policy in the Medi-Cal program (Chapter 7 (commencing with*  
 23     *Section 14000) of Part 3 of Division 9 of the Welfare and*  
 24     *Institutions Code).*

25     (C) *The implementation of the requirements specified in*  
 26     *subparagraph (B) for each health care service plan contract or*  
 27     *health insurance policy.*

1 (3) *The Board of Administration of the Public Employees’*  
2 *Retirement System shall submit a report that includes all of the*  
3 *following:*

4 (A) *The diabetes-related programs administered by the board.*

5 (B) *The diabetes-related contractual or statutory requirements*  
6 *placed on a health care benefit plan or contract entered into with*  
7 *the board pursuant to the Public Employees’ Medical and Hospital*  
8 *Care Act (Part 5 (commencing with Section 22750) of Division 5*  
9 *of Title 2 of the Government Code).*

10 (C) *The implementation of the requirements specified in*  
11 *subparagraph (B) for each health care benefit plan or contract.*

12 (c) *A report submitted pursuant to subdivision (b) shall be*  
13 *submitted in compliance with Section 9795 of the Government*  
14 *Code.*

15 104261. *This article shall remain in effect only until July 1,*  
16 *2019, and as of that date is repealed, unless a later enacted statute,*  
17 *that is enacted before July 1, 2019, deletes or extends that date.*

18 SECTION 1. ~~Section 14132.27 of the Welfare and Institutions~~  
19 ~~Code is amended to read:~~

20 14132.27. (a) (1) ~~The department shall apply for a waiver of~~  
21 ~~federal law pursuant to Section 1396n of Title 42 of the United~~  
22 ~~States Code to test the efficacy of providing a disease management~~  
23 ~~benefit to beneficiaries under the Medi-Cal program. A disease~~  
24 ~~management benefit shall include, but not be limited to, the use~~  
25 ~~of evidence-based practice guidelines, supporting adherence to~~  
26 ~~care plans, and providing patient education, monitoring, and~~  
27 ~~healthy lifestyle changes.~~

28 (2) ~~The waiver developed pursuant to this section shall be known~~  
29 ~~as the Disease Management Waiver. The department shall submit~~  
30 ~~any necessary waiver applications or modifications to the Medicaid~~  
31 ~~State Plan to the federal Centers for Medicare and Medicaid~~  
32 ~~Services to implement the Disease Management Waiver, and shall~~  
33 ~~implement the waiver only to the extent federal financial~~  
34 ~~participation is available.~~

35 (b) ~~The Disease Management Waiver shall be designed to~~  
36 ~~provide eligible individuals with a range of services that enable~~  
37 ~~them to remain in the least restrictive and most homelike~~  
38 ~~environment while receiving the medical care necessary to protect~~  
39 ~~their health and well-being. Services provided pursuant to this~~  
40 ~~waiver program shall include only those not otherwise available~~

1 under the state plan, and may include, but are not limited to,  
2 medication management, coordination with a primary care  
3 provider, use of evidence-based practice guidelines, supporting  
4 adherence to a plan of care, patient education, communication and  
5 collaboration among providers, and process and outcome measures.  
6 Coverage for those services shall be limited by the terms,  
7 conditions, and duration of the federal waiver.

8 (e) Eligibility for the Disease Management Waiver shall be  
9 limited to those persons who are eligible for the Medi-Cal program  
10 as aged, blind, and disabled persons or those persons over 21 years  
11 of age who are not enrolled in a Medi-Cal managed care plan, or  
12 eligible for the federal Medicare program, and who are determined  
13 by the department to be at risk of, or diagnosed with, select chronic  
14 diseases, including, but not limited to, advanced atherosclerotic  
15 disease syndromes, congestive heart failure, and diabetes.  
16 Eligibility shall be based on the individual's medical diagnosis  
17 and prognosis, and other criteria, as specified in the waiver.

18 (d) The Disease Management Waiver shall test the effectiveness  
19 of providing a Medi-Cal disease management benefit. The  
20 department shall evaluate the effectiveness of the Disease  
21 Management Waiver.

22 (1) The evaluation shall include, but not be limited to, participant  
23 satisfaction, health and safety, the quality of life of the participant  
24 receiving the disease management benefit, and demonstration of  
25 the cost neutrality of the Disease Management Waiver as specified  
26 in federal guidelines.

27 (2) The evaluation shall estimate the projected savings, if any,  
28 in the budgets of state and local governments if the Disease  
29 Management Waiver was expanded statewide.

30 (3) The evaluation shall be submitted to the appropriate policy  
31 and fiscal committees of the Legislature on or before January 1,  
32 2008.

33 (e) The department shall limit the number of participants in the  
34 Disease Management Waiver during the initial three years of its  
35 operation to a number that will be statistically significant for  
36 purposes of the waiver evaluation and that meets any requirements  
37 of the federal government, including a request to waive statewide  
38 implementation requirements for the waiver during the initial years  
39 of evaluation.

1 ~~(f) In undertaking the Disease Management Waiver, the director~~  
2 ~~may enter into contracts for the purpose of directly providing~~  
3 ~~Disease Management Waiver services.~~

4 ~~(g) The department shall seek all federal waivers necessary to~~  
5 ~~allow for federal financial participation under this section.~~

6 ~~(h) The Disease Management Waiver shall be developed and~~  
7 ~~implemented only to the extent that funds are appropriated or~~  
8 ~~otherwise available for that purpose.~~

9 ~~(i) The department shall not implement this section if any of~~  
10 ~~the following apply:~~

11 ~~(1) The department's application for federal funds under the~~  
12 ~~Disease Management Waiver is not accepted.~~

13 ~~(2) Federal funding for the waiver ceases to be available.~~