

Introduced by Senator EvansFebruary 21, 2014

An act to amend Section 123929 of, and to add Section 125185 to, the Health and Safety Code, and to amend Section 14133.01 of the Welfare and Institutions Code, relating to medical care.

LEGISLATIVE COUNSEL'S DIGEST

SB 1457, as introduced, Evans. Medical care: electronic treatment authorization requests.

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 benefits. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. Existing law also requires the department to administer various health programs, including the California Children's Services Program and the Genetically Handicapped Person's Program.

This bill would, by July 1, 2015, or a subsequent date determined by the department, require requests for authorization for treatment or services to be submitted in an electronic format determined by the department via the department's Internet Web site or other electronic means. The bill would authorize the department to implement these provisions in phases and by means of all-county letters, plan letters, provider bulletins, or similar instructions, but would require the department to adopt regulations by July 1, 2017.

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. Section 123929 of the Health and Safety Code
2 is amended to read:

3 123929. (a) Except as otherwise provided in this section and
4 Section 14133.05 of the Welfare and Institutions Code, California
5 Children's Services Program services provided pursuant to this
6 article require prior authorization by the department or its designee.
7 Prior authorization is contingent on determination by the
8 department or its designee of all of the following:

9 (1) The child receiving the services is confirmed to be medically
10 eligible for the CCS program.

11 (2) The provider of the services is approved in accordance with
12 the standards of the CCS program.

13 (3) The services authorized are medically necessary to treat the
14 child's CCS-eligible medical condition.

15 (b) The department or its designee may approve a request for a
16 treatment authorization that is otherwise in conformance with
17 subdivision (a) for services for a child participating in the Healthy
18 Families Program or the AIM-Linked Infants Program pursuant
19 to clause (ii) of subparagraph (A) of paragraph (6) of subdivision
20 (a) of Section 12693.70 of the Insurance Code or Chapter 2
21 (commencing with Section ~~15850~~ 15810) of Part 3.3 of Division
22 9 of the Welfare and Institutions Code, received by the department
23 or its designee after the requested treatment has been provided to
24 the child.

25 (c) If a provider of services who meets the requirements of
26 paragraph (2) of subdivision (a) incurs costs for services described
27 in paragraph (3) of subdivision (a) to treat a child described in
28 subdivision (b) who is subsequently determined to be medically
29 eligible for the CCS program as determined by the department or
30 its designee, the department may reimburse the provider for those
31 costs. Reimbursement under this section shall conform to the
32 requirements of Section 14105.18 of the Welfare and Institutions
33 Code.

34 (d) (1) *Notwithstanding any other provision of law, by July 1,*
35 *2015, or a subsequent date determined by the department, requests*
36 *for authorization of services shall be submitted in an electronic*
37 *format determined by the department and shall be submitted via*
38 *the department's Internet Web site or other electronic means*

1 *designated by the department. The department may implement this*
2 *requirement in phases.*

3 *(2) The department may designate an alternate format for*
4 *submitting requests for authorization of services when the*
5 *department's Internet Web site or other electronic means*
6 *designated in paragraph (1) are unavailable due to an unplanned*
7 *disruption.*

8 *(3) Notwithstanding Chapter 3.5 (commencing with Section*
9 *11340) of Part 1 of Division 3 of Title 2 of the Government Code,*
10 *the department may, without taking regulatory action, implement,*
11 *interpret, or make specific this subdivision and any applicable*
12 *waivers and state plan amendments by means of all-county letters,*
13 *plan letters, plan or provider bulletins, or similar instructions.*
14 *Thereafter, the department shall adopt regulations by July 1, 2017,*
15 *in accordance with the requirements of Chapter 3.5 (commencing*
16 *with Section 11340) of Part 1 of Division 3 of Title 2 of the*
17 *Government Code. The department shall consult with interested*
18 *parties and appropriate stakeholders in implementing this*
19 *subdivision.*

20 SEC. 2. Section 125185 is added to the Health and Safety Code,
21 to read:

22 125185. (a) (1) Notwithstanding any other provision of law,
23 by July 1, 2015, or a subsequent date determined by the department,
24 Genetically Handicapped Persons Program (GHPP) requests for
25 authorization of services shall be submitted in an electronic format
26 determined by the department and shall be submitted via the
27 department's Internet Web site or other electronic means designated
28 by the department. The department may implement this
29 requirement in phases.

30 (2) The department may designate an alternate format for
31 submitting requests for authorization of services when the
32 department's Internet Web site or other electronic means designated
33 in paragraph (1) are unavailable due to an unplanned disruption.

34 (b) Notwithstanding Chapter 3.5 (commencing with Section
35 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
36 the department may, without taking regulatory action, implement,
37 interpret, or make specific this section and any applicable waivers
38 and state plan amendments by means of all-county letters, plan
39 letters, plan or provider bulletins, or similar instructions. Thereafter,
40 the department shall adopt regulations by July 1, 2017, in

1 accordance with the requirements of Chapter 3.5 (commencing
2 with Section 11340) of Part 1 of Division 3 of Title 2 of the
3 Government Code. The department shall consult with interested
4 parties and appropriate stakeholders in implementing this section.

5 SEC. 3. Section 14133.01 of the Welfare and Institutions Code
6 is amended to read:

7 14133.01. (a) Notwithstanding any other provision of law, the
8 director or his or her designee may apply prior authorization by
9 designing a sampling methodology that will result in a generally
10 acceptable audit standard for approval of a treatment authorization
11 request (TAR), or a class of TARs. The director or his or her
12 designee shall determine the applicable sampling methodology
13 based upon health care industry standards and discussions with
14 applicable Medi-Cal providers or their representatives. This
15 sampling methodology shall be implemented by no later than July
16 1, 2005, and an outline of it shall be provided to the fiscal and
17 policy committees of both houses of the Legislature. It is the intent
18 of the Legislature for the department to review the sampling
19 methodology on an ongoing basis and update it as applicable on
20 a periodic basis in order to keep abreast of health care industry
21 trends and the need to manage an efficient and effective Medi-Cal
22 program.

23 (b) The department shall pursue additional means to improve
24 and streamline the treatment authorization request process
25 including, where applicable, those identified by independent
26 analyses such as the July 2003 report by the California Healthcare
27 Foundation entitled Medi-Cal Treatment Authorizations and Claims
28 Processing: Improving Efficiency and Access to Care, and those
29 identified by Medi-Cal providers. It is the Legislature's intent that
30 any identified improvements be cost-beneficial to the state and to
31 the Medi-Cal program as a whole.

32 (c) (1) *Notwithstanding any other law, by July 1, 2015, or a*
33 *subsequent date determined by the department, treatment*
34 *authorization requests shall be submitted in an electronic format*
35 *determined by the department and shall be submitted via the*
36 *department's Internet Web site or other electronic means*
37 *designated by the department. The department may implement this*
38 *requirement in phases.*

39 (2) *The department may designate an alternate format for*
40 *submitting requests for authorization of services when the*

1 *department's Internet Web site or other electronic means*
2 *designated in paragraph (1) are unavailable due to an unplanned*
3 *disruption.*

4 (e)

5 (d) Notwithstanding Chapter 3.5 (commencing with Section
6 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
7 the department may, *without taking regulatory action*, implement,
8 interpret, or make specific, this section *and any applicable waivers*
9 *and state plan amendments* by means of all-county letters, *plan*
10 *letters, plan or provider bulletins*, or similar instructions.
11 Thereafter, the department ~~may~~ *shall* adopt regulations *by July 1,*
12 *2017*, in accordance with the requirements of Chapter 3.5
13 (commencing with Section 11340) of Part 1 of Division 3 of Title
14 2 of the Government Code.

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