

AMENDED IN SENATE JUNE 16, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 94**

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**Introduced by Committee on Budget (Assembly Members Weber (Chair), Bloom, Bonta, Campos, Chiu, Cooper, Gordon, Jones-Sawyer, McCarty, Mullin, Nazarian, O'Donnell, Rodriguez, Thurmond, Ting, and Williams)**

January 7, 2015

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*An act relating to the Budget Act of 2015.—An act to amend Section 1220 of the Business and Professions Code, to amend Sections 100504 and 100505 of the Government Code, to amend Sections 1266, 1279.2, 1367.54, 1373.622, 1420, 1423, 104150, 104322, 110050, 120960, 120962, 124040, and 124977 of, to amend the heading of Chapter 17 (commencing with Section 121348) of Part 4 of Division 105 of, and to add Section 120780.2, 121348.4, 122425, 122430, and 122435 to, the Health and Safety Code, to amend Sections 10123.184 and 10127.16 of the Insurance Code, to amend Section 19548.2 of the Revenue and Taxation Code, to amend Sections 4369, 4369.1, 4369.2, 4369.3, 4369.4, 4369.5, 14007.2, 14007.5, 14015.5, 14105.94, 14105.192, 14154, 14186, 14186.1, 14186.3, 15894, and 24005 of, to amend and repeal Section 14134 of, and to add Sections 14007.8 and 14127.7 to, the Welfare and Institutions Code, to amend Sections 70 and 71 of Chapter 23 of, and to amend Section 5 of Chapter 361 of, the Statutes of 2013, and to amend Section 1 of Chapter 551 of the Statutes of 2014, relating to health, and making an appropriation therefor, to take effect immediately, bill related to the budget.*

## LEGISLATIVE COUNSEL'S DIGEST

AB 94, as amended, Committee on Budget. ~~Budget Act of 2015.~~  
*Health.*

*(1) Under existing law, the State Department of Public Health licenses and regulates clinical laboratories and certain clinical laboratory personnel performing clinical laboratory tests or examinations, subject to certain exceptions. Existing law requires a clinical laboratory to perform all clinical laboratory tests or examinations classified as waived under the federal Clinical Laboratory Improvement Amendments of 1988 (CLIA) in conformity with the manufacturer's instructions. Existing law requires a clinical laboratory that performs tests or examinations that are not classified as waived under CLIA to establish and maintain a quality control program that meets specified CLIA standards.*

*This bill would provide that the quality control program may include the clinical laboratory's use of an alternative quality testing procedure recognized by the Centers for Medicare and Medicaid Services, including equivalent quality control procedures or an Individual Quality Control Plan, as specified.*

*(2) Existing federal law, the federal Patient Protection and Affordable Care Act (PPACA), enacts various health care coverage market reforms that took effect January 1, 2014. Among other things, PPACA requires each state, by January 1, 2014, to establish an American Health Benefit Exchange that facilitates the purchase of qualified health plans by qualified individuals and qualified small employers. Existing state law establishes the California Health Benefit Exchange (the Exchange) within state government for the purpose of facilitating the enrollment of qualified individuals and qualified small employers in qualified health plans, and specifies the powers and duties of the board governing the Exchange. Among other things, existing law grants the board the authority to standardize products to be offered through the Exchange, and requires the board to establish and use a competitive process to select participating carriers and any other contractors, as specified.*

*This bill would require any product standardized by the board to be discussed by the board during at least one properly noticed board meeting prior to the board meeting at which the board adopts the standardized products. The bill would require the board to adopt a Health Benefit Exchange Contracting Manual incorporating procurement and contracting policies and procedures that shall be*

*followed by the Exchange, as specified. The bill would also exempt any regulations adopted, amended, or repealed by the board to implement these provisions from the Administrative Procedure Act.*

*(3) Existing law authorizes the board of the Exchange to adopt emergency regulations until January 1, 2016. Existing law prohibits the Office of Administrative Law from repealing any emergency regulations adopted until revised or repealed by the board, except that existing law also requires any emergency regulation adopted by the board to be repealed by operation of law, except as specified. Existing law allows more than 2 readoptions of those emergency regulations until January 1, 2017, and allows the emergency regulations adopted by the board to remain in effect for 2 years, as specified.*

*This bill would extend the authority of the board of the Exchange to adopt emergency regulations until January 1, 2017. The bill would delete the prohibition against the office from repealing any emergency regulation of the board, but would continue to require any emergency regulation adopted by the board to be repealed by operation of law, except as specified. The bill would instead authorize the board to allow more than 2 readoptions of those emergency regulations until January 1, 2020, and would allow the emergency regulations adopted by the board to instead remain in effect for 3 years, as specified.*

*(4) Existing law provides for the licensure and regulation of health care facilities, including skilled nursing facilities and long-term health care facilities, as defined, by the State Department of Public Health. Existing law imposes specified fees for the licensure of skilled nursing facilities.*

*This bill would require the fees for the licensure of skilled nursing facilities to be increased in a specified manner to generate moneys for expenditure by the California Department of Aging for purposes of its Long Term Care Ombudsman Program for work related to investigating complaints against skilled nursing facilities and increasing visits to those facilities.*

*(5) Existing law requires the State Department of Public Health to follow specified procedures when the department receives a written or oral complaint about a long-term health care facility, as specified, including investigation procedures. Existing law requires the issuance of a citation under specified provisions to be served upon a facility within 3 working days of a final determination, unless a licensee agrees to an extension of time.*

*This bill would make changes to those investigation procedures, as specified, including, but not limited to, changing the time period for investigation of a complaint and authorizing an extension of that time period under extenuating circumstances. The bill would instead require a citation issued under those provisions to be served within 30 days of a final determination or completion of a complaint investigation, as specified. The bill would make conforming changes to a reporting requirement.*

*Existing law requires the State Department of Public Health, when it receives a complaint or report involving a general acute care hospital, acute psychiatric hospital, or special hospital, that indicates an ongoing threat of imminent danger of death or serious bodily harm, to complete an investigation of the complaint or report within 45 days.*

*If the department fails to meet those requirements, this bill would require the department to document the extenuating circumstances leading to the failure to meet the 45-day time period, and to provide written notice to the facility and the complainant of the extenuating circumstances and an anticipated completion date.*

*(6) Existing law requires the State Department of Health Care Services to perform various health functions, including providing for breast and cervical cancer screening and treatment for low-income individuals, prostate cancer screening and treatment for low-income and uninsured men, and specified family planning services.*

*This bill would require, with regard to the above health care programs, providers, or the enrolling entity, as applicable, to make available to all applicants and beneficiaries prior to, or concurrent with, enrollment, information on the manner in which to apply for insurance affordability programs, in a manner determined by the department. The information provided would be required to include the manner in which applications can be submitted for insurance affordability programs, information about the open enrollment periods for the Exchange, and the continuous enrollment aspect of the Medi-Cal program.*

*(7) Existing law creates the Food Safety Fund, as a special fund, and requires all moneys collected by the State Department of Public Health, pursuant to specified authority, to be deposited in the fund, for use by the department, upon appropriation by the Legislature, for the purposes of providing funds necessary to carry out and implement, among other things, inspection provisions relating to food, licensing, inspection, enforcement, and specified provisions relating to water.*

*This bill would require moneys awarded to the department pursuant to court orders or settlements for the use of food safety-related activities to be deposited in the fund for those same health and safety purposes.*

*(8) Existing law authorizes a public entity that receives General Fund money from the State Department of Public Health for HIV prevention and education to use that money to support clean needle and syringe exchange programs authorized pursuant to law. Existing law requires several conditions to be met for the use of funds in this manner, such as the amount used not exceeding 7.5% of the total amount of General Fund money received for HIV prevention and education.*

*This bill would authorize the State Department of Public Health to purchase sterile hypodermic needles and syringes, and other supplies, for distribution to syringe exchange programs, for the purpose of reducing the spread of HIV, hepatitis C, and other potentially deadly blood-borne pathogens.*

*(9) Existing law requires the State Public Health Officer to establish, and authorizes him or her to administer, a program to provide drug treatments to persons infected with HIV, to the extent that state and federal funds are appropriated. Existing law makes a person financially eligible to receive services under this program if his or her adjusted gross income does not exceed \$50,000 per year, and as specified. Existing law establishes a payment schedule to determine the payment obligation of a person receiving drugs under the program, except as specified. Existing law requires the State Department of Public Health and the Franchise Tax Board to exchange prescribed information in order to verify financial eligibility under the program. Existing law provides that this information constitutes confidential public health records, as specified.*

*This bill would instead make a person financially eligible to receive services under the program if his or her modified adjusted gross income, as defined, does not exceed 500% of the federal poverty level, as defined, per year based on family size and household income, as defined. The bill would make conforming changes to the provisions that establish a payment schedule and that require the department and the board to exchange information for purposes of determining eligibility.*

*(10) Existing law establishes various programs relating to treatment of persons with the human immunodeficiency virus (HIV) and the acquired immune deficiency syndrome (AIDS). Under existing law, the Office of AIDS, State Department of Public Health, is responsible for*

*coordinating state programs, services, and activities relating to HIV and AIDS, and AIDS-related conditions.*

*This bill would require the State Department of Public Health, upon an appropriation in the annual Budget Act, to establish the Pre-Exposure Prophylaxis (PrEP) Navigator Services Program, under which the department shall provide for specified activities relating to, among other things, oversight of the program and funding for community-based organizations and local health departments to provide outreach and education services to populations affected by HIV.*

*(11) Existing law requires the State Department of Public Health to make available protocols and guidelines developed by the National Institutes of Health, the University of California at San Francisco, and California legislative advisory committees on hepatitis C for educating physicians and health professionals and training community service professionals and training community service providers on the most recent scientific and medical information on hepatitis C detection, transmission, diagnosis, treatment, and therapeutic decisionmaking.*

*This bill would establish a 3-year Hepatitis C Linkage to Care demonstration pilot project to allow for innovative, evidence-based approaches to provide outreach, hepatitis C screening, and linkage to, and retention in, quality health care for the most vulnerable and underserved individuals living with, or at high risk for, hepatitis C viral infection. The bill would, upon appropriation, require the department to award funding to community-based organizations or local health jurisdictions to operate demonstration pilot projects, as specified.*

*(12) Existing law requires the governing board of a county to establish a community child health and disability prevention program for the purpose of providing early and periodic evaluation of the health status of children in the county. The program plan is required to include screening and evaluation for each child, including referrals to a dentist participating in the Medi-Cal program for all children 3 years of age and older who are eligible for Medi-Cal.*

*This bill would, instead, require the program plan to include referrals to a dentist for all children eligible for the Medi-Cal program one year of age and older. Because the bill would require expansion of the county program plan, it would create a state-mandated local program.*

*(13) Existing law requires the State Department of Public Health to establish a program for the development, provision, and evaluation of genetic disease testing. Existing law requires the department to charge a fee to all payers for certain genetic disease screening tests and*

*activities. Existing law requires fees charged for prenatal screening and followup services provided to persons enrolled in the Medi-Cal program, health care service plan enrollees, or persons covered by health insurance policies, to be paid in full and deposited in the Genetic Disease Testing Fund or the Birth Defects Monitoring Program Fund, as prescribed, subject to all terms and conditions of each enrollee's or insured's health care service plan or insurance coverage, including, but not limited to, applicable copayments and deductibles.*

*Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care. Existing law also provides for the regulation of health insurers by the Department of Insurance. Under existing law, a group or individual health care service plan contract, with designated exceptions, or a health insurer is required to include coverage for the statewide Expanded Alpha Feto Protein (AFP) genetic testing program.*

*This bill would prohibit coverage by a health care service plan or health insurer for these genetic testing services from being subject to copayment, coinsurance, deductible, or any other form of cost sharing. The services would be paid according to the fee amounts set under the department's genetic disease testing programs and applicable regulations. The bill also would make various technical and conforming changes.*

*Because existing law makes a willful violation of the provisions relating to health care services plans a crime, by expanding the definition of this crime, the bill would impose a state-mandated local program.*

*(14) Under existing law, a health care service plan and a health insurer are required to offer a standard benefit plan, as specified, under which health care service plans and insurers are required to continue to provide coverage under the same terms and conditions prescribed under a previously authorized pilot program. Under existing law, the State Department of Health Care Services is responsible for paying the costs of the coverage, completing periodic reconciliation reports with health care service plans and insurers, and adopting appropriate regulations. Existing law requires the department to complete reconciliation with a health care service program or insurer for a given reporting period within 6 months after receiving the plan's or insurer's conciliation report.*

*Existing law establishes the California Major Risk Medical Insurance Program (MRMIP), which is administered by the department, operative July 1, 2014. Under existing law, MRMIP provides major risk medical coverage to certain categories of individuals who have been rejected for coverage by at least one private health plan, and meet other program requirements. Existing law specifies the powers and duties of the department with respect to MRMIP. Existing law creates the Major Risk Medical Insurance Fund as a continuously appropriated fund for purposes of funding services under MRMIP and the standard benefit plans described above.*

*This bill would extend the time within which the department is required to complete reconciliation with plans and insurers, to 18 months after receiving the conciliation report. The bill would authorize the department to implement these provisions in a specified manner.*

*The bill would also establish procedures that would apply under circumstances in which the department and a health care service plan or health insurer have not agreed to a final reconciliation of the amount to be expended from the Major Risk Medical Insurance Fund or to be reimbursed to the fund for the purposes described above, including provisions relating to the payment of interest or the negotiation of payment plans, as specified.*

*(15) Existing law establishes the Office of Problem and Pathological Gambling within the State Department of Public Health. Under existing law, the office is responsible for developing programs for problem gambling prevention and treatment services for California residents. Existing law defines the terms “pathological gambling disorder” and “problem gambling” for these purposes.*

*This bill would rename that office the Office of Problem Gambling and would substitute the term “gambling disorder,” as defined, for the terms “pathological gambling disorder” and “problem gambling.” The bill would, among other things, additionally authorize the gambling disorder prevention and treatment programs to provide services to an affected individual, which the bill would define as a person who experiences adverse psychiatric or physical impacts due to another person’s gambling disorder. The bill would also authorize the treatment program to include research and training components, as specified.*

*(16) 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 Program provisions.*

*The federal Medicaid Program provisions prohibit payment to a state for medical assistance furnished to an alien who is not lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law.*

*This bill would extend eligibility for full-scope Medi-Cal benefits to individuals under 19 years of age who do not have, or are unable to establish, satisfactory immigration status. The bill would direct the State Department of Health Care Services to seek any necessary federal approvals to obtain federal financial participation for these services, and would require that these services be provided with state-only funds only if federal financial participation is not available. Because counties are required to make Medi-Cal eligibility determinations and this bill would expand Medi-Cal eligibility, the bill would impose a state-mandated local program.*

*(17) Existing law, until July 1, 2015, requires the department to retain or delegate the authority to perform Medi-Cal eligibility determinations as set forth in specified provisions related to electronic determination of eligibility.*

*This bill would delete the repeal date, and would thereby extend the operation of those provisions indefinitely.*

*(18) Existing law authorizes certain ground emergency medical transportation providers to receive supplemental Medi-Cal reimbursement in addition to the rate of payment that the provider would otherwise receive for those services. Existing law specifies the manner in which the supplemental reimbursement is calculated, and requires the nonfederal share of the supplemental reimbursement to be paid only with funds from specified governmental entities.*

*This bill would require the State Department of Health Care Services to develop a modified supplemental reimbursement program that would seek to increase the reimbursement to an eligible provider, as specified. The bill would provide that the department shall not implement the modified program unless it determines that the modified program would likely result in an overall increase to the supplemental reimbursement available under existing law, and the department receives all necessary federal approvals.*

*(19) Existing law requires, except as otherwise provided, Medi-Cal provider payments and payments for specified non-Medi-Cal programs to be reduced by 10% for dates of service on and after June 1, 2011,*

*and requires payments to Medi-Cal managed health care plans to be reduced by the actuarial equivalent amount of the payment reductions for fee-for-service Medi-Cal benefits, as specified.*

*This bill would exempt from the application of those reductions dental services and applicable ancillary services for dates of service on or after July 1, 2015, or the effective date of any necessary federal approvals, whichever is later. The bill would also exempt from the application of those reductions payments to dental managed care plans for contract amendments or change orders effective on or after July 1, 2015, or the effective date of any necessary federal approvals, whichever is later.*

*(20) Existing law authorizes the State Department of Health Care Services, subject to federal approval, to create a Health Home Program for Medi-Cal enrollees with chronic conditions, as prescribed, as authorized under federal law.*

*This bill would create the Health Home Program Account in the Special Deposit Fund within the State Treasury in order to collect and allocate non-General Fund public or private grant funds, to be expended upon allocation by the Legislature, for the purposes of implementing the Health Home Program. The bill would appropriate \$50,000,000 from the Health Home Program Account to the State Department of Health Care Services for the purposes of implementing the Health Home Program.*

*(21) Existing law requires Medi-Cal beneficiaries to make set copayments for specified services and, upon federal approval, existing law revises these copayment rates and makes other related changes, as specified.*

*This bill would delete the revised copayment rate provisions and would make a conforming change.*

*(22) Under existing law, the Legislature finds and declares that linking appropriate funding for county Medi-Cal administrative operations, including annual cost-of-doing-business adjustments, with performance standards will give counties the incentive to meet the performance standards and enable them to continue to do the work they do on behalf of the state. Existing law provides that it is the intent of the Legislature to provide appropriate funding to the counties for the effectual administration of the Medi-Cal program, except for specified fiscal years in regard to any cost-of-doing-business adjustment.*

*This bill would additionally provide that it is the intent of the Legislature to not appropriate funds for the cost-of-doing-business adjustment for the 2015–16 fiscal year.*

*(23) One of the methods by which Medi-Cal services are provided is pursuant to contracts with various types of managed care health plans. Existing federal law provides for the federal Medicare Program, which is a public health insurance program for persons who are 65 years of age or older and specified persons with disabilities who are under 65 years of age.*

*Existing law requires the State Department of Health Care Services to seek federal approval pursuant to a Medicare or Medicaid demonstration project or waiver, or a combination thereof, to establish a demonstration project, known as the Coordinated Care Initiative, that enables beneficiaries who are dually eligible for the Medi-Cal program and the Medicare Program to receive a continuum of services that maximizes access to, and coordination of, benefits between these programs. Existing law requires that Medi-Cal beneficiaries who have dual eligibility in the Medi-Cal and Medicare programs be assigned as mandatory enrollees into managed care health plans in counties participating in the demonstration project, and requires, beginning January 1, 2015, or 19 months after commencement of beneficiary enrollment into managed care, whichever is later, all Medi-Cal long-term services and supports, which includes Multipurpose Senior Services Program (MSSP) services, to be covered under managed care health contracts and only available through managed care health plans to beneficiaries residing in counties participating in the Coordinated Care Initiative.*

*This bill would extend the transition date MSSP services are required to be a Medi-Cal benefit only available through managed care health plans to no later than December 31, 2017, or on the date managed care health plans and MSSP providers jointly satisfy the readiness criteria developed by the department, and would make additional conforming changes. The bill would require the department to notify the appropriate fiscal and policy committees of the Legislature of its intent to transition MSSP services to managed care health plans at least 30 days before this transition occurs. The bill would require the department and the California Department of Aging, in consultation with specified entities, to develop readiness criteria, as specified. The bill would require the department to evaluate the readiness of the managed care health plans*

and MSSP providers to commence the transition of MSSP services to managed care health plans.

(24) Existing law requires the State Department of Health Care Services to accept contributions by private foundations in the amount of at least \$14,000,000 for purposes of making Medi-Cal in-person enrollment assistance payments to eligible entities and persons, as specified, and in the amount of at least \$12,500,000 to provide allocations for the management and funding of Medi-Cal outreach and enrollment activities, as specified. Existing law requires the department to seek federal matching funds for those purposes. Existing law establishes the Healthcare Outreach and Medi-Cal Enrollment Account in the Special Deposit Fund within the State Treasury in order to collect and allocate these funds, as specified.

This bill would require the department to make the in-person enrollment assistance payments described above for submitted applications received through June 30, 2015, that result in approved applications. Once all of those payments have been made, the bill would require the department to allocate any remaining funds accepted pursuant to the in-person enrollment assistance payment provisions to counties to be used for the Medi-Cal outreach and enrollment activities described above. The bill would require those remaining funds that are allocated to those counties to be distributed to community-based organizations providing enrollment assistance to prospective Medi-Cal enrollees, as specified. The bill would authorize those counties to retain a specified amount for administrative costs. The bill would require the department to make an initial allocation to counties for these funds no later than January 1, 2016, and the final allocation no later than June 30, 2016. The bill would make the in-person enrollment assistance provisions inoperative on a specified date.

(25) Existing law establishes the California Health Benefit Exchange within state government and specifies the powers and duties of the executive board governing the Exchange. Existing law requires the board to undertake outreach and enrollment activities that seek to assist enrollees and potential enrollees with enrolling in the Exchange, and requires the board to inform individuals of eligibility requirements for the Medi-Cal program, the Healthy Families Program, or any applicable state or local public program, and, if through screening of the application by the Exchange, the Exchange determines that an individual is eligible for of those programs, to enroll that individual in the program. Existing law requires the department to accept specified contributions

*by private foundations for purposes of making payments to entities and persons for Medi-Cal in-person enrollment assistance and renewal assistance, and to provide allocations for the management and funding of Medi-Cal outreach and enrollment plans, as specified. Existing law further requires the State Department of Health Care Services to immediately seek an equal amount of federal matching funds. Existing law appropriates specified funds to the department from the Healthcare Outreach and Medi-Cal Enrollment Account for the purposes described above, which are available for encumbrance or expenditure until June 30, 2016, and December 31, 2016, as specified.*

*This bill would make the requirement that the State Department of Health Care Services accept the private foundation funding for outreach and enrollment grants inoperative on June 30, 2018. The bill would extend the availability of amounts previously appropriated from the Healthcare Outreach and Medi-Cal Enrollment Account and the Federal Trust Fund to June 30, 2018, thereby making an appropriation.*

*(26) This bill would require, upon an appropriation of funds by the Legislature for this purpose, the State Department of Health Care Services to provide a grant to health benefit plans that meet certain criteria for purposes of funding health care coverage for agricultural employees and dependents, as specified.*

*(27) This bill, for the 2015–16 fiscal year and upon appropriation of funds by the Legislature for this purpose, would require the State Department of Health Care Services to provide a grant to LifeLong Medical Care, a federally qualified health center in Contra Costa County, to be used to support LifeLong Medical Care.*

*(28) Existing law, the Budget Act of 2013, appropriates \$142,000,000 to the California Health Facilities Financing Authority (CHFFA) for mental health wellness grants. Existing law, the Budget Act of 2013, authorizes these funds to be available for encumbrance or expenditure until June 30, 2016.*

*This bill would authorize CHFFA to use up to \$3,000,000 of these funds, if unencumbered, to develop peer respite sites. The bill would require any grant awards authorized by CHFFA for peer respite sites to be used to expand local resources for the development, capital, equipment acquisition, and applicable program startup or expansion costs to increase bed capacity for peer respite support services. The bill would authorize CHFFA to adopt emergency regulations relating to grants for peer respite sites in accordance with the Administrative Procedure Act.*

(29) *This bill would require the Office of System Integration to report to the Legislature by April 1, 2017, on the feasibility, benefits, costs, and risks of installing the Modified Adjusted Gross Income (MAGI) Eligibility Decision Engine in one, two, or all of the Statewide Automated Welfare System consortia systems.*

(30) *Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.*

*This bill would make legislative findings to that effect.*

(31) *This bill would make legislative findings and declarations as to the necessity of a special statute for LifeLong Medical Care and Contra Costa County.*

(32) *The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.*

*With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.*

(33) *This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.*

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2015.~~

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

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

- 1     SECTION 1. *It is the intent of the Legislature that, in enacting*
- 2     *the amendments made to Section 1420 of the Health and Safety*
- 3     *Code by the act that added this section, the State Department of*
- 4     *Public Health continue to seek to reduce long-term care compliant*
- 5     *investigation timelines to less than 60 days with a goal of meeting*
- 6     *a 45-day timeline.*

1     *SEC. 2. Section 1220 of the Business and Professions Code is*  
2 *amended to read:*

3     1220. (a) (1) Each clinical laboratory shall maintain records,  
4 equipment, and facilities that are adequate and appropriate for the  
5 services rendered.

6     (2) (A) Except for tests or examinations classified as waived  
7 under CLIA, each clinical laboratory shall enroll, and demonstrate  
8 successful participation, as defined under CLIA, for each specialty  
9 and subspecialty in which it performs clinical laboratory tests or  
10 examinations, in a proficiency testing program approved by the  
11 department or by HCFA, to the same extent as required by CLIA  
12 in Subpart H (commencing with Section 493.801) of Title 42 of  
13 the Code of Federal Regulations. This requirement shall not be  
14 interpreted to prohibit a clinical laboratory from performing clinical  
15 laboratory tests or examinations in a specialty or subspecialty for  
16 which there is no department or HCFA approved proficiency  
17 testing program.

18     (B) Each clinical laboratory shall authorize its proficiency test  
19 results to be reported to the department in an electronic format that  
20 is compatible with the department's proficiency testing data  
21 monitoring system and shall authorize the release of proficiency  
22 tests results to the public to the same extent required by CLIA.

23     (b) Each clinical laboratory shall be conducted, maintained, and  
24 operated without injury to the public health.

25     (c) (1) The department shall conduct inspections of licensed  
26 clinical laboratories no less than once every two years. The  
27 department shall maintain a record of those inspections and shall  
28 ensure that every licensed clinical laboratory in California is  
29 inspected at least that often.

30     (2) Registered clinical laboratories shall not be routinely  
31 inspected by the department.

32     (3) The department shall conduct an investigation of complaints  
33 received concerning any clinical laboratory, which may include  
34 an inspection of the laboratory.

35     (4) Each licensed or registered clinical laboratory shall be  
36 subject to inspections by HCFA or HCFA agents, as defined by  
37 CLIA, as a condition of licensure or registration.

38     (d) (1) Each clinical laboratory shall perform all clinical  
39 laboratory tests or examinations classified as waived under CLIA  
40 in conformity with the manufacturer's instructions.

1 (2) Except for those clinical laboratories performing only tests  
2 or examinations classified as waived under CLIA, each clinical  
3 laboratory shall establish and maintain all of the following:

4 (A) A patient test management system that meets the standards  
5 of CLIA in Subpart J (commencing with Section ~~493.1101~~)  
6 *493.1100*) of Title 42 of the Code of Federal Regulations.

7 (B) A quality control program that meets the requirements of  
8 CLIA in Subpart K (commencing with Section ~~493.1201~~)  
9 *493.1200*) of Title 42 of the Code of Federal ~~Regulations~~.  
10 *Regulations as in effect on January 1, 2015, and that may include*  
11 *the clinical laboratory's use of the following alternative quality*  
12 *control testing procedures recognized by the federal Centers for*  
13 *Medicare and Medicaid Services (CMS):*

14 (i) *Until December 31, 2015, equivalent quality control*  
15 *procedures.*

16 (ii) *Commencing January 1, 2016, an Individualized Quality*  
17 *Control Plan, as incorporated in Appendix C of the State*  
18 *Operations Manual adopted by CMS.*

19 (C) A comprehensive quality assurance program that meets the  
20 standards of CLIA in Subpart P (commencing with Section  
21 *493.1701*) of Title 42 of the Code of Federal Regulations.

22 *SEC. 3. Section 100504 of the Government Code is amended*  
23 *to read:*

24 100504. (a) The board may do the following:

25 (1) With respect to individual coverage made available in the  
26 Exchange, collect premiums and assist in the administration of  
27 subsidies.

28 (2) Enter into contracts.

29 (3) Sue and be sued.

30 (4) Receive and accept gifts, grants, or donations of moneys  
31 from any agency of the United States, any agency of the state, and  
32 any municipality, county, or other political subdivision of the state.

33 (5) Receive and accept gifts, grants, or donations from  
34 individuals, associations, private foundations, and corporations,  
35 in compliance with the conflict of interest provisions to be adopted  
36 by the board at a public meeting.

37 (6) Adopt rules and regulations, as necessary. Until January 1,  
38 ~~2016~~, *2017*, any necessary rules and regulations may be adopted  
39 as emergency regulations in accordance with the Administrative  
40 Procedure Act (Chapter 3.5 (commencing with Section 11340) of



1 Part 1 of Division 3 of Title 2). The adoption of these regulations  
2 shall be deemed to be an emergency and necessary for the  
3 immediate preservation of the public peace, health and safety, or  
4 general welfare. Notwithstanding Chapter 3.5 (commencing with  
5 Section 11340) of Part 1 of Division 3 of Title 2, including  
6 subdivisions (e) and (h) of Section 11346.1, any emergency  
7 regulation adopted pursuant to this section shall ~~not~~ be repealed  
8 ~~by the Office of Administrative Law until revised or repealed by~~  
9 ~~the board, except that an emergency regulation adopted pursuant~~  
10 ~~to this section shall be repealed by operation of law unless the~~  
11 adoption, amendment, or repeal of the regulation is promulgated  
12 by the board pursuant to Chapter 3.5 (commencing with Section  
13 11340) of Part 1 of Division 3 of Title 2 of the Government Code  
14 within ~~two~~ *three* years of the initial adoption of the emergency  
15 regulation. Notwithstanding subdivision (h) of Section 11346.1,  
16 until January 1, ~~2017~~, 2020, the Office of Administrative Law may  
17 approve more than two readoptions of an emergency regulation  
18 adopted pursuant to this section. *The amendments made to this*  
19 *paragraph by the act adding this sentence shall apply to any*  
20 *emergency regulation adopted pursuant to this section prior to*  
21 *the effective date of the Budget Act of 2015.*

22 (7) Collaborate with the State Department of Health Care  
23 Services and the Managed Risk Medical Insurance Board, to the  
24 extent possible, to allow an individual the option to remain enrolled  
25 with his or her carrier and provider network in the event the  
26 individual experiences a loss of eligibility of premium tax credits  
27 and becomes eligible for the Medi-Cal program or the Healthy  
28 Families Program, or loses eligibility for the Medi-Cal program  
29 or the Healthy Families Program and becomes eligible for premium  
30 tax credits through the Exchange.

31 (8) Share information with relevant state departments, consistent  
32 with the confidentiality provisions in Section 1411 of the federal  
33 act, necessary for the administration of the Exchange.

34 (9) Require carriers participating in the Exchange to make  
35 available to the Exchange and regularly update an electronic  
36 directory of contracting health care providers so that individuals  
37 seeking coverage through the Exchange can search by health care  
38 provider name to determine which health plans in the Exchange  
39 include that health care provider in their network. The board may  
40 also require a carrier to provide regularly updated information to

1 the Exchange as to whether a health care provider is accepting  
2 new patients for a particular health plan. The Exchange may  
3 provide an integrated and uniform consumer directory of health  
4 care providers indicating which carriers the providers contract with  
5 and whether the providers are currently accepting new patients.  
6 The Exchange may also establish methods by which health care  
7 providers may transmit relevant information directly to the  
8 Exchange, rather than through a carrier.

9 (10) Make available supplemental coverage for enrollees of the  
10 Exchange to the extent permitted by the federal act, provided that  
11 no General Fund money is used to pay the cost of that coverage.  
12 Any supplemental coverage offered in the Exchange shall be  
13 subject to the charge imposed under subdivision (n) of Section  
14 100503.

15 (b) The Exchange shall only collect information from individuals  
16 or designees of individuals necessary to administer the Exchange  
17 and consistent with the federal act.

18 (c) (1) The board shall have the authority to standardize  
19 products to be offered through the Exchange. *Any products*  
20 *standardized by the board pursuant to this subdivision shall be*  
21 *discussed by the board during at least one properly noticed board*  
22 *meeting prior to the board meeting at which the board adopts the*  
23 *standardized products to be offered through the Exchange.*

24 (2) *The adoption, amendment, or repeal of a regulation by the*  
25 *board to implement this subdivision is exempt from the rulemaking*  
26 *provisions of the Administrative Procedure Act (Chapter 3.5*  
27 *(commencing with Section 11340) of Part 1 of Division 3 of Title*  
28 *2).*

29 SEC. 4. *Section 100505 of the Government Code is amended*  
30 *to read:*

31 100505. (a) The board shall establish and use a competitive  
32 process to select participating carriers and any other contractors  
33 under this title. Any contract entered into pursuant to this title shall  
34 be exempt from Chapter 2 1 (commencing with Section 10100)  
35 of Part 2 of Division 2 of the Public Contract Code, and shall be  
36 exempt from the review or approval of any division of the  
37 Department of General Services. *The board shall adopt a Health*  
38 *Benefit Exchange Contracting Manual incorporating procurement*  
39 *and contracting policies and procedures that shall be followed by*  
40 *the Exchange. The policies and procedures in the manual shall be*

1 *substantially similar to the provisions contained in the State*  
2 *Contracting Manual.*

3 *(b) The adoption, amendment, or repeal of a regulation by the*  
4 *board to implement this section, including the adoption of a manual*  
5 *pursuant to subdivision (a) and any procurement process conducted*  
6 *by the Exchange in accordance with the manual, is exempt from*  
7 *the rulemaking provisions of the Administrative Procedure Act*  
8 *(Chapter 3.5 (commencing with Section 11340) of Part 1 of*  
9 *Division 3 of Title 2).*

10 *SEC. 5. Section 1266 of the Health and Safety Code is amended*  
11 *to read:*

12 1266. (a) The Licensing and Certification Division shall be  
13 supported entirely by federal funds and special funds by no earlier  
14 than the beginning of the 2009–10 fiscal year unless otherwise  
15 specified in statute, or unless funds are specifically appropriated  
16 from the General Fund in the annual Budget Act or other enacted  
17 legislation. For the 2007–08 fiscal year, General Fund support  
18 shall be provided to offset licensing and certification fees in an  
19 amount of not less than two million seven hundred eighty-two  
20 thousand dollars (\$2,782,000).

21 (b) (1) The Licensing and Certification Program fees for the  
22 2006–07 fiscal year shall be as follows:

23	Type of Facility	Fee	
24	General Acute Care Hospitals	\$ 134.10	per bed
25	Acute Psychiatric Hospitals	\$ 134.10	per bed
26	Special Hospitals	\$ 134.10	per bed
27	Chemical Dependency Recovery Hospitals	\$ 123.52	per bed
28	Skilled Nursing Facilities	\$ 202.96	per bed
29	Intermediate Care Facilities	\$ 202.96	per bed
30	Intermediate Care Facilities- Developmentally		
31	Disabled	\$ 592.29	per bed
32	Intermediate Care Facilities- Developmentally		
33	Disabled-Habilitative	\$1,000.00	per facility
34	Intermediate Care Facilities- Developmentally		
35	Disabled-Nursing	\$1,000.00	per facility
36	Home Health Agencies	\$2,700.00	per facility
37	Referral Agencies	\$5,537.71	per facility
38	Adult Day Health Centers	\$4,650.02	per facility
39	Congregate Living Health Facilities	\$ 202.96	per bed
40			

1	Psychology Clinics	\$ 600.00	per facility
2	Primary Clinics- Community and Free	\$ 600.00	per facility
3	Specialty Clinics- Rehab Clinics		
4	(For profit)	\$2,974.43	per facility
5	(Nonprofit)	\$ 500.00	per facility
6	Specialty Clinics- Surgical and Chronic	\$1,500.00	per facility
7	Dialysis Clinics	\$1,500.00	per facility
8	Pediatric Day Health/Respite Care	\$ 142.43	per bed
9	Alternative Birthing Centers	\$2,437.86	per facility
10	Hospice	\$1,000.00	per provider
11	Correctional Treatment Centers	\$ 590.39	per bed

12  
13 (2) (A) In the first year of licensure for intermediate care  
14 facility/developmentally disabled-continuous nursing (ICF/DD-CN)  
15 facilities, the licensure fee for those facilities shall be equivalent  
16 to the licensure fee for intermediate care facility/developmentally  
17 disabled-nursing facilities during the same year. Thereafter, the  
18 licensure fee for ICF/DD-CN facilities shall be established pursuant  
19 to the same procedures described in this section.

20 (B) In the first year of licensure for hospice facilities, the  
21 licensure fee shall be equivalent to the licensure fee for congregate  
22 living health facilities during the same year. Thereafter, the  
23 licensure fee for hospice facilities shall be established pursuant to  
24 the same procedures described in this section.

25 (c) *Commencing in the 2015–16 fiscal year, the fees for skilled*  
26 *nursing facilities shall be increased so as to generate four hundred*  
27 *thousand dollars (\$400,000) for the California Department of*  
28 *Ageing’s Long-Term Care Ombudsman Program for its work related*  
29 *to investigating complaints made against skilled nursing facilities*  
30 *and increasing visits to those facilities.*

31 (e)

32 (d) Commencing February 1, 2007, and every February 1  
33 thereafter, the department shall publish a list of estimated fees  
34 pursuant to this section. The calculation of estimated fees and the  
35 publication of the report and list of estimated fees shall not be  
36 subject to the rulemaking requirements of Chapter 3.5  
37 (commencing with Section 11340) of Part 1 of Division 3 of Title  
38 2 of the Government Code.

39 (d)

1 (e) Notwithstanding Section 10231.5 of the Government Code,  
2 by February 1 of each year, the department shall prepare the  
3 following reports and shall make those reports, and the list of  
4 estimated fees required to be published pursuant to subdivision  
5 (e), (d), available to the public by submitting them to the  
6 Legislature and posting them on the department's Internet Web  
7 site:

8 (1) A report of all costs for activities of the Licensing and  
9 Certification Program. At a minimum, this report shall include a  
10 narrative of all baseline adjustments and their calculations, a  
11 description of how each category of facility was calculated,  
12 descriptions of assumptions used in any calculations, and shall  
13 recommend Licensing and Certification Program fees in accordance  
14 with the following:

15 (A) Projected workload and costs shall be grouped for each fee  
16 category, including workload costs for facility categories that have  
17 been established by statute and for which licensing regulations  
18 and procedures are under development.

19 (B) Cost estimates, and the estimated fees, shall be based on  
20 the appropriation amounts in the Governor's proposed budget for  
21 the next fiscal year, with and without policy adjustments to the fee  
22 methodology.

23 (C) The allocation of program, operational, and administrative  
24 overhead, and indirect costs to fee categories shall be based on  
25 generally accepted cost allocation methods. Significant items of  
26 costs shall be directly charged to fee categories if the expenses can  
27 be reasonably identified to the fee category that caused them.  
28 Indirect and overhead costs shall be allocated to all fee categories  
29 using a generally accepted cost allocation method.

30 (D) The amount of federal funds and General Fund moneys to  
31 be received in the budget year shall be estimated and allocated to  
32 each fee category based upon an appropriate metric.

33 (E) The fee for each category shall be determined by dividing  
34 the aggregate state share of all costs for the Licensing and  
35 Certification Program by the appropriate metric for the category  
36 of licensure. Amounts actually received for new licensure  
37 applications, including change of ownership applications, and late  
38 payment penalties, pursuant to Section 1266.5, during each fiscal  
39 year shall be calculated and 95 percent shall be applied to the  
40 appropriate fee categories in determining Licensing and

1 Certification Program fees for the second fiscal year following  
2 receipt of those funds. The remaining 5 percent shall be retained  
3 in the fund as a reserve until appropriated.

4 (2) (A) A staffing and systems analysis to ensure efficient and  
5 effective utilization of fees collected, proper allocation of  
6 departmental resources to licensing and certification activities,  
7 survey schedules, complaint investigations, enforcement and appeal  
8 activities, data collection and dissemination, surveyor training,  
9 and policy development.

10 (B) The analysis under this paragraph shall be made available  
11 to interested persons and shall include all of the following:

12 (i) The number of surveyors and administrative support  
13 personnel devoted to the licensing and certification of health care  
14 facilities.

15 (ii) The percentage of time devoted to licensing and certification  
16 activities for the various types of health facilities.

17 (iii) The number of facilities receiving full surveys and the  
18 frequency and number of followup visits.

19 (iv) The number and timeliness of complaint ~~investigations.~~  
20 *investigations, including data on the department's compliance*  
21 *with the requirements of paragraphs (3), (4), and (5) of subdivision*  
22 *(a) of Section 1420.*

23 (v) Data on deficiencies and citations issued, and numbers of  
24 citation review conferences and arbitration hearings.

25 (vi) Other applicable activities of the licensing and certification  
26 division.

27 (3) The annual program fee report described in subdivision (d)  
28 of Section 1416.36.

29 ~~(e)~~

30 (f) The reports required pursuant to subdivision ~~(d)~~ (e) shall be  
31 submitted in compliance with Section 9795 of the Government  
32 Code.

33 ~~(f)~~

34 (g) (1) The department shall adjust the list of estimated fees  
35 published pursuant to subdivision ~~(e)~~(d) if the annual Budget Act  
36 or other enacted legislation includes an appropriation that differs  
37 from those proposed in the Governor's proposed budget for that  
38 fiscal year.

39 (2) The department shall publish a final fee list, with an  
40 explanation of any adjustment, by the issuance of an all facilities

1 letter, by posting the list on the department's Internet Web site,  
2 and by including the final fee list as part of the licensing application  
3 package, within 14 days of the enactment of the annual Budget  
4 Act. The adjustment of fees and the publication of the final fee list  
5 shall not be subject to the rulemaking requirements of Chapter 3.5  
6 (commencing with Section 11340) of Part 1 of Division 3 of Title  
7 2 of the Government Code.

8 ~~(g)~~

9 (h) (1) Fees shall not be assessed or collected pursuant to this  
10 section from any state department, authority, bureau, commission,  
11 or officer, unless federal financial participation would become  
12 available by doing so and an appropriation is included in the annual  
13 Budget Act for that state department, authority, bureau,  
14 commission, or officer for this purpose. Fees shall not be assessed  
15 or collected pursuant to this section from any clinic that is certified  
16 only by the federal government and is exempt from licensure under  
17 Section 1206, unless federal financial participation would become  
18 available by doing so.

19 (2) For the 2006–07 state fiscal year, a fee shall not be assessed  
20 or collected pursuant to this section from any general acute care  
21 hospital owned by a health care district with 100 beds or less.

22 ~~(h)~~

23 (i) The Licensing and Certification Program may change annual  
24 license expiration renewal dates to provide for efficiencies in  
25 operational processes or to provide for sufficient cashflow to pay  
26 for expenditures. If an annual license expiration date is changed,  
27 the renewal fee shall be prorated accordingly. Facilities shall be  
28 provided with a 60-day notice of any change in their annual license  
29 renewal date.

30 (j) *Commencing with the 2018–19 November Program estimate,*  
31 *the Licensing and Certification Program shall evaluate the*  
32 *feasibility of reducing investigation timelines based on experience*  
33 *with implementing paragraphs (3), (4), and (5) of subdivision (a)*  
34 *of Section 1420.*

35 *SEC. 6. Section 1279.2 of the Health and Safety Code is*  
36 *amended to read:*

37 1279.2. (a) (1) In any case in which the department receives  
38 a report from a facility pursuant to Section 1279.1, or a written or  
39 oral complaint involving a health facility licensed pursuant to  
40 subdivision (a), (b), or (f) of Section 1250, that indicates an

1 ongoing threat of imminent danger of death or serious bodily harm,  
2 the department shall make an onsite inspection or investigation  
3 within 48 hours or two business days, whichever is greater, of the  
4 receipt of the report or complaint and shall complete that  
5 investigation within 45 days.

6 (2) Until the department has determined by onsite inspection  
7 that the adverse event has been resolved, the department shall, not  
8 less than once a year, conduct an unannounced inspection of any  
9 health facility that has reported an adverse event pursuant to  
10 Section 1279.1.

11 (b) In any case in which the department is able to determine  
12 from the information available to it that there is no threat of  
13 imminent danger of death or serious bodily harm to that patient or  
14 other patients, the department shall complete an investigation of  
15 the report within 45 days.

16 (c) *If the department does not meet the timeframes established*  
17 *in subdivision (a), the department shall document the extenuating*  
18 *circumstances explaining why it could not meet the timeframes.*  
19 *The department shall provide written notice to the facility and the*  
20 *complainant, if any, of the basis for the extenuating circumstances*  
21 *and the anticipated completion date.*

22 (e)

23 (d) The department shall notify the complainant and licensee  
24 in writing of the department's determination as a result of an  
25 inspection or report.

26 (d)

27 (e) For purposes of this section, "complaint" means any oral or  
28 written notice to the department, other than a report from the health  
29 facility, of an alleged violation of applicable requirements of state  
30 or federal law or an allegation of facts that might constitute a  
31 violation of applicable requirements of state or federal law.

32 (e)

33 (f) The costs of administering and implementing this section  
34 shall be paid from funds derived from existing licensing fees paid  
35 by general acute care hospitals, acute psychiatric hospitals, and  
36 special hospitals.

37 (f)

38 (g) In enforcing this section and Sections 1279 and 1279.1, the  
39 department shall take into account the special circumstances of



1 small and rural hospitals, as defined in Section 124840, in order  
2 to protect the quality of patient care in those hospitals.

3 ~~(g)~~

4 (h) In preparing the staffing and systems analysis required  
5 pursuant to Section 1266, the department shall also report regarding  
6 the number and timeliness of investigations of adverse events  
7 initiated in response to reports of adverse events.

8 *SEC. 7. Section 1367.54 of the Health and Safety Code is*  
9 *amended to read:*

10 1367.54. (a) Every group health care service plan contract  
11 that provides maternity benefits, except for a specialized health  
12 care service plan contract, that is issued, amended, renewed, or  
13 delivered on or after January 1, 1999, and every individual health  
14 care service plan contract of a type and form first offered for sale  
15 on or after January 1, 1999, that provides maternity benefits, except  
16 a specialized health care service plan contract, shall provide  
17 coverage for participation in the ~~Expanded Alpha-Feto-Protein~~  
18 ~~(AFP) program, California Prenatal Screening Program~~, which  
19 is a statewide prenatal testing program administered by the State  
20 Department of ~~Health Services~~. *Public Health*, pursuant to Section  
21 124977. Notwithstanding any other provision of law, a health care  
22 service plan that provides maternity benefits shall not require  
23 participation in the statewide prenatal testing program administered  
24 by the State Department of *Public Health Services* as a prerequisite  
25 to eligibility for, or receipt of, any other service.

26 (b) *Coverage required by this section shall not be subject to*  
27 *copayment, coinsurance, deductible, or any other form of cost*  
28 *sharing.*

29 (c) *Reimbursement for services covered pursuant to this section*  
30 *shall be paid at the amount set pursuant to Section 124977 and*  
31 *regulations adopted thereunder.*

32 *SEC. 8. Section 1373.622 of the Health and Safety Code is*  
33 *amended to read:*

34 1373.622. (a) (1) After the termination of the pilot program  
35 under Section 1373.62, a health care service plan shall continue  
36 to provide coverage under the same terms and conditions specified  
37 in Section 1376.62 as it existed on January 1, 2007, including the  
38 terms of the standard benefit plan and the subscriber payment  
39 amount, to each individual who was terminated from the program  
40 pursuant to subdivision (f) of Section 12725 of the Insurance Code

1 during the term of the pilot program and who enrolled or applied  
2 to enroll in a standard benefit plan within 63 days of termination.  
3 ~~The Managed Risk Medical Insurance Board~~ *State Department of*  
4 *Health Care Services* shall continue to pay the amount described  
5 in Section 1376.62 for each of those individuals. A health care  
6 service plan shall not be required to offer the coverage described  
7 in Section 1373.62 after the termination of the pilot program to  
8 individuals not already enrolled in the program.

9 (2) Notwithstanding paragraph (1) of this subdivision or Section  
10 1373.62 as it existed on January 1, 2007, the following rules shall  
11 apply:

12 (A) (i) A health care service plan shall not be obligated to  
13 provide coverage to any individual pursuant to this section on or  
14 after January 1, 2014.

15 (ii) ~~The Managed Risk Medical Insurance Board~~ *State*  
16 *Department of Health Care Services* shall not be obligated to  
17 provide any payment to any health care service plan under this  
18 section for (I) health care expenses incurred on or after January 1,  
19 2014, or (II) the standard monthly administrative fee, as defined  
20 in Section 1373.62 as it existed on January 1, 2007, for any month  
21 after December 2013.

22 (B) Each health care service plan providing coverage pursuant  
23 to this section shall, on or before October 1, 2013, send a notice  
24 to each individual enrolled in a standard benefit plan that is in at  
25 least 12-point type and with, at minimum, the following  
26 information:

27 (i) Notice as to whether or not the plan will terminate as of  
28 January 1, 2014.

29 (ii) The availability of individual health coverage, including  
30 through Covered California, including at least all of the following:

31 (I) That, beginning on January 1, 2014, individuals seeking  
32 coverage may not be denied coverage based on health status.

33 (II) That the premium rates for coverage offered by a health  
34 care service plan or a health insurer cannot be based on an  
35 individual's health status.

36 (III) That individuals obtaining coverage through Covered  
37 California may, depending upon income, be eligible for premium  
38 subsidies and cost-sharing subsidies.

1 (IV) That individuals seeking coverage must obtain this coverage  
2 during an open or special enrollment period, and a description of  
3 the open and special enrollment periods that may apply.

4 (C) As a condition of receiving payment for a reporting period  
5 pursuant to this section, a health care service plan shall provide  
6 the ~~Managed Risk Medical Insurance Board~~ *State Department of*  
7 *Health Care Services* with a complete, final annual reconciliation  
8 report by the earlier of December 31, 2014, or an earlier date as  
9 prescribed by Section 1373.62, as it existed on January 1, 2007,  
10 for that reporting period. To the extent that it receives a complete,  
11 final reconciliation report for a reporting period by the date required  
12 pursuant to this subparagraph, the ~~Managed Risk Medical Insurance~~  
13 ~~Board~~ *State Department of Health Care Services* shall complete  
14 reconciliation with the health care service plan for that reporting  
15 period within ~~six~~ *18 months of* after receiving the report.

16 (b) If the state fails to expend, pursuant to this section, sufficient  
17 funds for the state's contribution amount to any health care service  
18 plan, the health care service plan may increase the monthly  
19 payments that its subscribers are required to pay for any standard  
20 benefit plan to the amount that the ~~Managed Risk Medical~~  
21 ~~Insurance Board~~ *State Department of Health Care Services* would  
22 charge without a state subsidy for the same plan issued to the same  
23 individual within the program.

24 (c) ~~The adoption and re-adoption, by the Managed Risk Medical~~  
25 ~~Insurance Board, Notwithstanding Chapter 3.5 (commencing with~~  
26 ~~Section 11340) of regulations implementing the amendments to~~  
27 ~~this section enacted by the legislation adding this subdivision shall~~  
28 ~~be deemed an emergency and necessary to avoid serious harm to~~  
29 ~~the public peace, health, safety, or general welfare for purposes~~  
30 ~~Part 1 of Sections 11346.1 and 11349.6 of Division 3 of Title 2 of~~  
31 ~~the Government Code, and the Managed Risk Medical Insurance~~  
32 ~~Board is hereby exempted from the requirement that it describe~~  
33 ~~facts showing the need for immediate action and from review by~~  
34 ~~the Office of Administrative Law. State Department of Health~~  
35 ~~Care Services may implement, interpret, or make specific this~~  
36 ~~section by means of all-county letters, plan letters, plan or provider~~  
37 ~~bulletins, or similar instructions, without taking regulatory action.~~

38 SEC. 9. Section 1420 of the Health and Safety Code is amended  
39 to read:

1 1420. (a) (1) Upon receipt of a written or oral complaint, the  
2 state department shall assign an inspector to make a preliminary  
3 review of the complaint and shall notify the complainant within  
4 two working days of the receipt of the complaint of the name of  
5 the inspector. Unless the state department determines that the  
6 complaint is willfully intended to harass a licensee or is without  
7 any reasonable basis, it shall make an onsite inspection or  
8 investigation within 10 working days of the receipt of the  
9 complaint. In any case in which the complaint involves a threat of  
10 imminent danger of death or serious bodily harm, the state  
11 department shall make an onsite inspection or investigation within  
12 24 hours of the receipt of the complaint. In any event, the  
13 complainant shall be promptly informed of the state department's  
14 proposed course of action and of the opportunity to accompany  
15 the inspector on the inspection or investigation of the facility. Upon  
16 the request of either the complainant or the state department, the  
17 complainant or his or her representative, or both, may be allowed  
18 to accompany the inspector to the site of the alleged violations  
19 during his or her tour of the facility, unless the inspector determines  
20 that the privacy of any patient would be violated thereby.

21 (2) When conducting an onsite inspection or investigation  
22 pursuant to this section, the state department shall collect and  
23 evaluate all available evidence and may issue a citation based  
24 upon, but not limited to, all of the following:

25 (A) Observed conditions.

26 (B) Statements of witnesses.

27 (C) Facility records.

28 (3) ~~Within 10 working days~~ (A) *For a complaint that involves a*  
29 *threat of imminent danger of death or serious bodily harm that is*  
30 *received on or after July 1, 2016, the state department shall*  
31 *complete an investigation of the complaint within 90 days of receipt*  
32 *of the complaint. At the completion of the complaint investigation,*  
33 *the state department shall notify the complainant and licensee in*  
34 *writing of the state department's determination as a result of the*  
35 *inspection or investigation.*

36 (B) *The time period described in subparagraph (A) may be*  
37 *extended up to an additional 60 days if the investigation cannot*  
38 *be completed due to extenuating circumstances. The state*  
39 *department shall document these circumstances in its final*

1 *determination and notify the facility and the complainant in writing*  
2 *of the basis for the extension and the estimated completion date.*

3 (4) (A) *For a complaint that does not involve a threat of*  
4 *imminent danger of death or serious bodily harm pursuant to*  
5 *paragraph (3) and that is received on or after July 1, 2017, and*  
6 *prior to July 1, 2018, the state department shall complete an*  
7 *investigation of the complaint within 90 days of receipt of the*  
8 *complaint. At the completion of the complaint investigation, the*  
9 *state department shall notify the complainant and licensee in*  
10 *writing of the state department's determination as a result of the*  
11 *inspection or investigation.*

12 (B) *The time period described in subparagraph (A) may be*  
13 *extended up to an additional 90 days if the investigation cannot*  
14 *be completed due to extenuating circumstances. The state*  
15 *department shall document these circumstances in its final*  
16 *determination and notify the facility and the complainant in writing*  
17 *of the basis for the extension and the estimated completion date.*

18 (5) (A) *For a complaint that is received on or after July 1, 2018,*  
19 *the state department shall complete an investigation of the*  
20 *complaint within 60 days of receipt of the complaint. At the*  
21 *completion of the complaint investigation, the state department*  
22 *shall notify the complainant and licensee in writing of the state*  
23 *department's determination as a result of the inspection or*  
24 *investigation.*

25 (B) *The time period described in subparagraph (A) may be*  
26 *extended up to an additional 60 days if the investigation cannot*  
27 *be completed due to extenuating circumstances. The state*  
28 *department shall document these circumstances in its final*  
29 *determination and notify the facility and the complainant in writing*  
30 *of the basis for the extension and the estimated completion date.*

31 (b) *Upon being notified of the state department's determination*  
32 *as a result of the inspection or investigation, a complainant who*  
33 *is dissatisfied with the state department's determination, regarding*  
34 *a matter which would pose a threat to the health, safety, security,*  
35 *welfare, or rights of a resident, shall be notified by the state*  
36 *department of the right to an informal conference, as set forth in*  
37 *this section. The complainant may, within five business days after*  
38 *receipt of the notice, notify the director in writing of his or her*  
39 *request for an informal conference. The informal conference shall*  
40 *be held with the designee of the director for the county in which*

1 the long-term health care facility which is the subject of the  
2 complaint is located. The long-term health care facility may  
3 participate as a party in this informal conference. The director's  
4 designee shall notify the complainant and licensee of his or her  
5 determination within 10 working days after the informal conference  
6 and shall apprise the complainant and licensee in writing of the  
7 appeal rights provided in subdivision (c).

8 (c) If the complainant is dissatisfied with the determination of  
9 the director's designee in the county in which the facility is located,  
10 the complainant may, within 15 days after receipt of this  
11 determination, notify in writing the Deputy Director of the  
12 Licensing and Certification Division of the state department, who  
13 shall assign the request to a representative of the Complainant  
14 Appeals Unit for review of the facts that led to both determinations.  
15 As a part of the Complainant Appeals Unit's independent  
16 investigation, and at the request of the complainant, the  
17 representative shall interview the complainant in the district office  
18 where the complaint was initially referred. Based upon this review,  
19 the Deputy Director of the Licensing and Certification Division  
20 of the state department shall make his or her own determination  
21 and notify the complainant and the facility within 30 days.

22 (d) Any citation issued as a result of a conference or review  
23 provided for in subdivision (b) or (c) shall be issued and served  
24 upon the facility within ~~three working~~ 30 days of the final  
25 ~~determination, unless the licensee agrees in writing to an extension~~  
26 ~~of this time.~~ *determination*. Service shall be effected either  
27 personally or by registered or certified mail. A copy of the citation  
28 shall also be sent to each complainant by registered or certified  
29 mail.

30 (e) A miniexit conference shall be held with the administrator  
31 or his or her representative upon leaving the facility at the  
32 completion of the investigation to inform him or her of the status  
33 of the investigation. The *state* department shall also state the items  
34 of noncompliance and compliance found as a result of a complaint  
35 and those items found to be in compliance, provided the disclosure  
36 maintains the anonymity of the complainant. In any matter in which  
37 there is a reasonable probability that the identity of the complainant  
38 will not remain anonymous, the state department shall also notify  
39 the facility that it is unlawful to discriminate or seek retaliation  
40 against a resident, employee, or complainant.

1 (f) Any citation issued as a result of the complaint investigation  
2 provided for in paragraph (3), (4), or (5) of subdivision (a), and  
3 in compliance with Section 1423, shall be issued and served upon  
4 the facility within 30 days of the completion of the complaint  
5 investigation.

6 ~~(f)~~

7 (g) For purposes of this section, “complaint” means any oral or  
8 written notice to the state department, other than a report from the  
9 facility of an alleged violation of applicable requirements of state  
10 or federal law or any alleged facts that might constitute such a  
11 violation.

12 (h) Nothing in this section shall be interpreted to diminish the  
13 state department’s authority and obligation to investigate any  
14 alleged violation of applicable requirements of state or federal  
15 law, or any alleged facts that might constitute a violation of  
16 applicable requirements of state or federal law, and to enforce  
17 applicable requirements of law.

18 SEC. 10. Section 1423 of the Health and Safety Code is  
19 amended to read:

20 1423. (a) If upon inspection or investigation the director  
21 determines that any nursing facility is in violation of any state or  
22 federal law or regulation relating to the operation or maintenance  
23 of the facility, or determines that any other long-term health care  
24 facility is in violation of any statutory provision or regulation  
25 relating to the operation or maintenance of the facility, the director  
26 shall promptly, but not later than 24 hours, excluding Saturday,  
27 Sunday, and holidays, after the director determines or has  
28 reasonable cause to determine that an alleged violation has  
29 occurred, issue a notice to correct the violation and of intent to  
30 issue a citation to the licensee. Before completing the investigation  
31 and making the *final* determination whether to issue a citation, the  
32 department shall hold an exit conference with the licensee to  
33 identify the potential for issuing a citation for any violation, discuss  
34 investigative findings, and allow the licensee to provide the  
35 department with additional information related to the violation.  
36 The department shall consider this additional information, in  
37 conjunction with information from the inspection or investigation,  
38 in determining whether to issue a citation, or whether other action  
39 would be appropriate. If the department determines that the

1 violation warrants the issuing of a citation and an exit conference  
2 has been completed it shall either:

3 (1) Recommend the imposition of a federal enforcement remedy  
4 or remedies on a nursing facility in accordance with federal law;  
5 or

6 (2) Issue a citation pursuant to state licensing laws, and if the  
7 facility is a nursing facility, may recommend the imposition of a  
8 federal enforcement remedy.

9 A state citation shall be served upon the licensee within ~~three~~  
10 30 days after completion of the ~~investigation, excluding Saturday,~~  
11 ~~Sunday, and holidays, unless the licensee agrees in writing to an~~  
12 ~~extension of time.~~ *investigation*. Service shall be effected either  
13 personally or by registered or certified mail. A copy of the citation  
14 shall also be sent to each complainant. Each citation shall be in  
15 writing and shall describe with particularity the nature of the  
16 violation, including a reference to the statutory provision, standard,  
17 rule, or regulation alleged to have been violated, the particular  
18 place or area of the facility in which it occurred, as well as the  
19 amount of any proposed assessment of a civil penalty. The name  
20 of any patient jeopardized by the alleged violation shall not be  
21 specified in the citation in order to protect the privacy of the  
22 patient. However, at the time the licensee is served with the  
23 citation, the licensee shall also be served with a written list of each  
24 of the names of the patients alleged to have been jeopardized by  
25 the violation, that shall not be subject to disclosure as a public  
26 record. The citation shall fix the earliest feasible time for the  
27 elimination of the condition constituting the alleged violation,  
28 when appropriate.

29 (b) Where no harm to patients, residents, or guests has occurred,  
30 a single incident, event, or occurrence shall result in no more than  
31 one citation for each statute or regulation violated.

32 (c) No citation shall be issued for a violation that has been  
33 reported by the licensee to the state department, or its designee,  
34 as an “unusual occurrence,” if all of the following conditions are  
35 met:

36 (1) The violation has not caused harm to any patient, resident,  
37 or guest, or significantly contributed thereto.

38 (2) The licensee has promptly taken reasonable measures to  
39 correct the violation and to prevent a recurrence.



1 (3) The unusual occurrence report was the first source of  
2 information reported to the state department, or its designee,  
3 regarding the violation.

4 *SEC. 11. Section 104150 of the Health and Safety Code is*  
5 *amended to read:*

6 104150. (a) (1) A provider or entity that participates in the  
7 grant made to the department by the federal Centers for Disease  
8 Control and Prevention breast and cervical cancer early detection  
9 program established under Title XV of the federal Public Health  
10 Service Act (42 U.S.C. Sec. 300k et seq.) in accordance with  
11 requirements of Section 1504 of that act (42 U.S.C. Sec. 300n)  
12 may only render screening services under the grant to an individual  
13 if the provider or entity determines that the individual's family  
14 income does not exceed 200 percent of the federal poverty level.

15 (2) *Providers, or the enrolling entity, shall make available to*  
16 *all applicants and beneficiaries prior to, or concurrent with*  
17 *enrollment, information on the manner in which to apply for*  
18 *insurance affordability programs, in a manner determined by the*  
19 *State Department of Health Care Services. The information shall*  
20 *include the manner in which applications can be submitted for*  
21 *insurance affordability programs, information about the open*  
22 *enrollment periods for the California Health Benefit Exchange,*  
23 *and the continuous enrollment aspect of the Medi-Cal program.*

24 (b) The department shall provide for breast cancer and cervical  
25 cancer screening services under the grant at the level of funding  
26 budgeted from state and other resources during the fiscal year in  
27 which the Legislature has appropriated funds to the department  
28 for this purpose. These screening services shall not be deemed to  
29 be an entitlement.

30 (c) To implement the federal breast and cervical cancer early  
31 detection program specified in this section, the department may  
32 contract, to the extent permitted by Section 19130 of the  
33 Government Code, with public and private entities, or utilize  
34 existing health care service provider enrollment and payment  
35 mechanisms, including the Medi-Cal program's fiscal intermediary.  
36 However, the Medi-Cal program's fiscal intermediary shall only  
37 be utilized if services provided under the program are specifically  
38 identified and reimbursed in a manner that does not claim federal  
39 financial reimbursement. Any contracts with, and the utilization  
40 of, the Medi-Cal program's fiscal intermediary shall not be subject

1 to Chapter 3 (commencing with Section 12100) of Part 2 of  
2 Division 2 of the Public Contract Code. Contracts to implement  
3 the federal breast and cervical cancer early detection program  
4 entered into by the department with entities other than the Medi-Cal  
5 program's fiscal intermediary shall not be subject to Part 2  
6 (commencing with Section 10100) of Division 2 of the Public  
7 Contract Code.

8 (d) The department shall enter into an interagency agreement  
9 with the State Department of Health Care Services to transfer that  
10 portion of the grant made to the department by the federal Centers  
11 for Disease Control and Prevention breast and cervical cancer early  
12 detection program established under Title XV of the federal Public  
13 Health Service Act (42 U.S.C. Sec. 300k et seq.) to the State  
14 Department of Health Care Services. The department shall have  
15 no other liability to the State Department of Health Care Services  
16 under this article.

17 *SEC. 12. Section 104322 of the Health and Safety Code is*  
18 *amended to read:*

19 104322. (a) (1) The State Department of Health Care Services  
20 shall develop and implement a program to provide quality prostate  
21 cancer treatment for low-income and uninsured men.

22 (2) The State Department of Health Care Services shall award  
23 one or more contracts to provide prostate cancer treatment through  
24 private or public nonprofit organizations, including, but not limited  
25 to, community-based organizations, local health care providers,  
26 the University of California medical centers, and the Charles R.  
27 Drew University of Medicine and Science, an affiliate of the David  
28 Geffen School of Medicine at the University of California at Los  
29 Angeles. Contracts awarded, subsequent to the effective date of  
30 the amendments to this section made during the 2005 portion of  
31 the 2005–06 Regular Session, pursuant to this paragraph shall be  
32 consistent with both of the following:

33 (A) Eighty-seven percent of the total contract funding shall be  
34 used for direct patient care.

35 (B) No less than 70 percent of the total contract funding shall  
36 be expended on direct patient care treatment costs, which shall be  
37 defined as funding to fee-for-service providers for Medi-Cal  
38 eligible services.

39 (3) The contracts described in paragraph (2) shall not be subject  
40 to Part 2 (commencing with Section 10100) of Division 2 of the

1 Public Contract Code. Commencing July 1, 2006, those contracts  
2 shall be entered into on a competitive bid basis.

3 (4) It is the intent of the Legislature to support the prostate  
4 cancer treatment program provided for pursuant to this section,  
5 and that the program be cost-effective and maximize the number  
6 of men served for the amount of funds appropriated. It is further  
7 the intent of the Legislature to ensure that the program has an  
8 adequate health care provider network to facilitate reasonable  
9 access to treatment.

10 (b) (1) Treatment provided under this chapter shall be provided  
11 to uninsured and underinsured men with incomes at or below 200  
12 percent of the federal poverty level. ~~Covered services shall be~~  
13 ~~limited to prostate cancer treatment and prostate cancer-related~~  
14 ~~services. Eligible men shall be enrolled in a 12-month treatment~~  
15 ~~regimen.~~

16 (2) *The enrolling entity shall make available to all applicants*  
17 *and beneficiaries prior to, or concurrent with enrollment,*  
18 *information on the manner in which to apply for insurance*  
19 *affordability programs, in a manner determined by the State*  
20 *Department of Health Care Services. The information provided*  
21 *shall include the manner in which applications can be submitted*  
22 *for insurance affordability programs, information about the open*  
23 *enrollment periods for the California Health Benefit Exchange,*  
24 *and the continuous enrollment aspect of the Medi-Cal program.*

25 (3) *Covered services shall be limited to prostate cancer*  
26 *treatment and prostate cancer-related services. Eligible men shall*  
27 *be enrolled in a 12-month treatment regimen.*

28 (c) The State Department of Health Care Services shall contract  
29 for prostate cancer treatment services only at the level of funding  
30 budgeted from state and other sources during a fiscal year in which  
31 the Legislature has appropriated funds to the department for this  
32 purpose.

33 (d) Notwithstanding subdivision (a) of Section 2.00 of the  
34 Budget Act of 2003 and any other provision of law, commencing  
35 with the 2003–04 fiscal year and for each fiscal year thereafter,  
36 any amount appropriated to the State Department of Health Care  
37 Services for the prostate cancer treatment program implemented  
38 pursuant to this chapter shall be made available, for purposes of  
39 that program, for encumbrance for one fiscal year beyond the year

1 of appropriation and for expenditure for two fiscal years beyond  
2 the year of encumbrance.

3 *SEC. 13. Section 110050 of the Health and Safety Code is*  
4 *amended to read:*

5 110050. The Food Safety Fund is hereby created as a special  
6 fund in the State Treasury. All moneys collected by the department  
7 under subdivision (c) of Section 110466 and Sections 110470,  
8 110471, 110485, 114365, 114365.6, 111130, and 113717, and  
9 under Article 7 (commencing with Section 110810) of Chapter 5  
10 *or awarded to the department pursuant to court orders or*  
11 *settlements for the use of food safety-related activities*, shall be  
12 deposited in the fund, for use by the department, upon appropriation  
13 by the Legislature, for the purposes of providing funds necessary  
14 to carry out and implement the inspection provisions of this part  
15 relating to food, licensing, inspection, enforcement, and other  
16 provisions of Article 12 (commencing with Section 111070) *of*  
17 *Chapter 5*, relating to water, the provisions relating to education  
18 and training in the prevention of microbial contamination pursuant  
19 to Section 110485, and the registration provisions of Article 7  
20 (commencing with Section 110810) of Chapter 5, and to carry out  
21 and implement the provisions of the California Retail Food Code  
22 (Part 7 (commencing with Section 113700) of Division 104).

23 *SEC. 14. Section 120780.2 is added to the Health and Safety*  
24 *Code, to read:*

25 120780.2. *In order to reduce the spread of HIV, hepatitis C,*  
26 *and other potentially deadly blood-borne pathogens, the State*  
27 *Department of Public Health may purchase sterile hypodermic*  
28 *needles and syringes, and other supplies, for distribution to syringe*  
29 *exchange programs authorized pursuant to law. Supplies provided*  
30 *to programs, including those administered by local health*  
31 *departments, are not subject to the formulas and limits of Section*  
32 *120780.1.*

33 *SEC. 15. Section 120960 of the Health and Safety Code is*  
34 *amended to read:*

35 120960. (a) The department shall establish uniform standards  
36 of financial eligibility for the drugs under the program established  
37 under this chapter.

38 (b) Nothing in the financial eligibility standards shall prohibit  
39 drugs to an otherwise eligible person whose *modified* adjusted  
40 gross income does not exceed ~~fifty thousand dollars (\$50,000)~~ 500

1 *percent of the federal poverty level per year.* *year based on family*  
2 *size and household income.* However, the director may authorize  
3 drugs for persons with incomes higher than ~~fifty thousand dollars~~  
4 ~~(\$50,000)~~ *500 percent of the federal poverty level per year based*  
5 *on family size and household income* if the estimated cost of those  
6 drugs in one year is expected to exceed 20 percent of the person's  
7 *modified* adjusted gross income.

8 (c) The department shall establish and may administer a payment  
9 schedule to determine the payment obligation of a person receiving  
10 drugs. No person shall be obligated for payment whose *modified*  
11 adjusted gross income is less than four times the federal poverty  
12 ~~level.~~ *level based on family size and household income.* The  
13 payment obligation shall be the lesser of the following:

14 (1) Two times the person's annual state income tax liability,  
15 less funds expended by the person for health insurance premiums.

16 (2) The cost of drugs.

17 (d) Persons who have been determined to have a payment  
18 obligation pursuant to subdivision (c) shall be advised by the  
19 department of their right to request a reconsideration of that  
20 determination to the department. Written notice of the right to  
21 request a reconsideration shall be provided to the person at the  
22 time that notification is given that he or she is subject to a payment  
23 obligation. The payment determination shall be reconsidered if  
24 one or more of the following apply:

25 (1) The determination was based on an incorrect calculation  
26 made pursuant to subdivision (b).

27 (2) There has been a substantial change in income since the  
28 previous eligibility determination that has resulted in a current  
29 income that is inadequate to meet the calculated payment  
30 obligation.

31 (3) Unavoidable family or medical expenses that reduce the  
32 disposable income and that result in current income that is  
33 inadequate to meet the payment obligation.

34 (4) Any other situation that imposes undue financial hardship  
35 on the person and would restrict his or her ability to meet the  
36 payment obligation.

37 (e) The department may exempt a person, who has been  
38 determined to have a payment obligation pursuant to subdivision  
39 (c), from the obligation if both of the following criteria are  
40 satisfied:

1 (1) One or more of the circumstances specified in subdivision  
2 (d) exist.

3 (2) The department has determined that the payment obligation  
4 will impose an undue financial hardship on the person.

5 (f) If a person requests reconsideration of the payment obligation  
6 determination, the person shall not be obligated to make any  
7 payment until the department has completed the reconsideration  
8 request pursuant to subdivision (d). If the department denies the  
9 exemption, the person shall be obligated to make payments for  
10 drugs received while the reconsideration request is pending.

11 (g) A county public health department administering this  
12 program pursuant to an agreement with the director pursuant to  
13 subdivision (b) of Section 120955 shall use no more than 5 percent  
14 of total payments it collects pursuant to this section to cover any  
15 administrative costs related to eligibility determinations, reporting  
16 requirements, and the collection of payments.

17 (h) A county public health department administering this  
18 program pursuant to subdivision (b) of Section 120955 shall  
19 provide all drugs added to the program pursuant to subdivision (a)  
20 of Section 120955 within 60 days of the action of the director,  
21 subject to the repayment obligations specified in subdivision (d)  
22 of Section 120965.

23 (i) *For purposes of this section, the following terms shall have*  
24 *the following meanings:*

25 (1) *“Family size” has the meaning given to that term in Section*  
26 *36B(d)(1) of the Internal Revenue Code of 1986, and shall include*  
27 *same or opposite sex married couples, registered domestic*  
28 *partners, and any tax dependents, as defined by Section 152 of the*  
29 *Internal Revenue Code of 1986, of either spouse or registered*  
30 *domestic partner.*

31 (2) *“Federal poverty level” refers to the poverty guidelines*  
32 *updated periodically in the Federal Register by the United States*  
33 *Department of Health and Human Services under the authority of*  
34 *Section 9902(2) of Title 42 of the United States Code.*

35 (3) *“Household income” means the sum of the applicant’s or*  
36 *recipient’s modified adjusted gross income, plus the modified*  
37 *adjusted gross income of the applicant’s or recipient’s spouse or*  
38 *registered domestic partner, and the modified adjusted gross*  
39 *incomes of all other individuals for whom the applicant or*  
40 *recipient, or the applicant’s or recipient’s spouse or registered*

1 *domestic partner, is allowed a federal income tax deduction for*  
2 *the taxable year.*

3 (4) *“Internal Revenue Code of 1986” means Title 26 of the*  
4 *United States Code, including all amendments enacted to that*  
5 *code.*

6 (5) *“Modified adjusted gross income” has the meaning given*  
7 *to that term in Section 36B(d)(2)(B) of the Internal Revenue Code*  
8 *of 1986.*

9 *SEC. 16. Section 120962 of the Health and Safety Code is*  
10 *amended to read:*

11 120962. (a) (1) For the purpose of verifying financial  
12 eligibility pursuant to Section 120960 and the federal Ryan White  
13 HIV/AIDS Treatment Extension Act of 2009 (42 U.S.C. Sec. 201  
14 et seq.), the department shall verify the accuracy of the adjusted  
15 gross income reported on an AIDS Drug Assistance Program  
16 application submitted by an applicant or recipient with data, if  
17 available, from the Franchise Tax Board.

18 (2) Notwithstanding any other law, the department shall disclose  
19 the name and individual taxpayer identification number (ITIN) or  
20 social security number of an applicant for, or recipient of, services  
21 under this chapter to the Franchise Tax Board for the purpose of  
22 verifying the adjusted gross income *of, any tax-exempt interest*  
23 *received by, any tax-exempt social security benefits received by,*  
24 *and any foreign earned income* of an applicant or recipient pursuant  
25 to subdivision (b) of Section 120960.

26 (b) (1) *The Franchise Tax Board, upon receipt of this*  
27 *information, shall inform the department of all of the following:*

28 (A) *The amount of the federal adjusted gross income as reported*  
29 *by the taxpayer to the Franchise Tax Board.*

30 (B) *The amount of the California adjusted gross income as*  
31 *reported by the taxpayer to the Franchise Tax Board or as adjusted*  
32 *by the Franchise Tax Board.*

33 (C) *The amount of any tax-exempt interest received by the*  
34 *taxpayer, as reported to the Franchise Tax Board.*

35 (D) *The amount of any tax-exempt social security benefits*  
36 *received by the taxpayer, as reported to the Franchise Tax Board.*

37 (E) *The amount of any foreign earned income of the taxpayer,*  
38 *as reported to the Franchise Tax Board.*

39 ~~(b)~~

1 (2) ~~The Franchise Tax Board, upon receipt of this information,~~  
 2 ~~shall inform the department of the amount of the federal adjusted~~  
 3 ~~gross income as reported by the taxpayer to the Franchise Tax~~  
 4 ~~Board, and the California adjusted gross income as reported by~~  
 5 ~~the taxpayer to the Franchise Tax Board or as adjusted by the~~  
 6 ~~Franchise Tax Board. The Franchise Tax Board shall provide the~~  
 7 information to the department for the most recent taxable year that  
 8 the Franchise Tax Board has information available, and shall  
 9 include the first and last name, date of birth, and the ITIN or social  
 10 security number of the taxpayer.

11 (c) (1) Information provided by the department pursuant to this  
 12 section shall constitute confidential public health records as defined  
 13 in Section 121035, and shall remain subject to the confidentiality  
 14 protections and restrictions on further disclosure by the recipient  
 15 under subdivisions (d) and (e) of Section 121025.

16 (2) To the extent possible, verification of financial eligibility  
 17 shall be done in a way to eliminate or minimize, by use of computer  
 18 programs or other electronic means, Franchise Tax Board staff  
 19 and contractors’ access to confidential public health records.

20 (3) Prior to accessing confidential HIV-related public health  
 21 records, Franchise Tax Board staff and contractors shall be required  
 22 to annually sign a confidentiality agreement developed by the  
 23 department that includes information related to the penalties under  
 24 Section 121025 for a breach of confidentiality and the procedures  
 25 for reporting a breach of confidentiality under subdivision (h) of  
 26 Section 121022. Those agreements shall be reviewed annually by  
 27 the department.

28 (4) The Franchise Tax Board shall return or destroy all  
 29 information received from the department after completing the  
 30 exchange of information.

31 (d) *For purposes of this section, “foreign earned income” also*  
 32 *includes any deduction taken for the housing expenses of an*  
 33 *individual while living abroad pursuant to Section 911 of Title 26*  
 34 *of the Internal Revenue Code.*

35 *SEC. 17. The heading of Chapter 17 (commencing with Section*  
 36 *121348) of Part 4 of Division 105 of the Health and Safety Code*  
 37 *is amended to read:*

38  
 39 CHAPTER 17. PRE- AND POST-EXPOSURE PROPHYLAXIS  
 40



1     *SEC. 18. Section 121348.4 is added to the Health and Safety*  
2     *Code, to read:*

3     *121348.4. Upon an appropriation in the annual Budget Act,*  
4     *the State Department of Public Health shall establish the*  
5     *Pre-Exposure Prophylaxis (PrEP) Navigator Services Program,*  
6     *under which the department shall provide for the following*  
7     *activities:*

8     *(a) Oversight and evaluation of the PrEP Navigator Services*  
9     *Program.*

10    *(b) Implementation of a process to request applications, and*  
11    *award funding on a competitive basis, to community-based*  
12    *organizations or local health departments. An eligible entity shall*  
13    *collaborate with the Office of AIDS to conduct outcome and*  
14    *process evaluation of navigator services. An entity in any county*  
15    *shall be eligible to receive funding if it can demonstrate all of the*  
16    *following:*

17    *(1) Capacity to ensure access for and serve the most vulnerable*  
18    *and underserved Californians at high risk for HIV.*

19    *(2) Ability to develop protocols to conduct outreach to targeted*  
20    *populations, to provide PrEP education to clients and providers,*  
21    *and to assess and refer persons to appropriate clinical care and*  
22    *prevention services.*

23    *(c) Development and distribution of PrEP education materials*  
24    *statewide, including providing training for and support of any*  
25    *additional activity that is consistent with the goals of this chapter.*

26    *SEC. 19. Section 122425 is added to the Health and Safety*  
27    *Code, to read:*

28    *122425. There is hereby established a three-year Hepatitis C*  
29    *Linkage to Care demonstration pilot project to allow for innovative,*  
30    *evidence-based approaches to provide outreach, hepatitis C*  
31    *screening, and linkage to, and retention in, quality health care for*  
32    *the most vulnerable and underserved individuals living with, or*  
33    *at high risk for, hepatitis C viral infection (HCV). This*  
34    *demonstration pilot project is authorized for fiscal years 2015–16,*  
35    *2016–17, and 2017–18.*

36    *SEC. 20. Section 122430 is added to the Health and Safety*  
37    *Code, to read:*

38    *122430. (a) Upon an appropriation for the purpose described*  
39    *in Section 122425 in the annual Budget Act for the 2015–16,*  
40    *2016–17, and 2017–18 fiscal years, the department shall award*

1 *funding, on a competitive basis, to community-based organizations*  
2 *or local health jurisdictions to operate demonstration pilot projects*  
3 *pursuant to this chapter. The department shall determine the*  
4 *funding levels of each demonstration project based on scope and*  
5 *geographic area. Funds may be used to support other activities*  
6 *consistent with the goals of this chapter, including the purchase*  
7 *of hepatitis C viral infection (HCV) test kits, syringe exchange*  
8 *supplies, or other HCV prevention and linkage to care materials*  
9 *and activities.*

10 *(b) An applicant for funding shall demonstrate each of the*  
11 *following qualifications:*

12 *(1) Leadership on access to HCV care and testing issues and*  
13 *experience addressing the needs of highly marginalized populations*  
14 *in accessing medical care and support.*

15 *(2) Experience with the target population or relationships with*  
16 *community-based organizations or nongovernmental organizations,*  
17 *or both, that demonstrates expertise, history, and credibility*  
18 *working successfully in engaging the target population.*

19 *(3) Experience working with nontraditional collaborators who*  
20 *work within and beyond the field of HCV education and outreach,*  
21 *including homeless services, veterans medical and service*  
22 *programs, substance use disorders treatment, syringe exchange*  
23 *programs, women's health, reproductive health, immigration,*  
24 *mental health, or human immunodeficiency virus (HIV) prevention*  
25 *and treatment.*

26 *(4) Strong relationships with community-based HCV health*  
27 *care providers that have the trust of the targeted population.*

28 *(5) Strong relationships with the state and local health*  
29 *departments.*

30 *(6) Capacity to coordinate a communitywide planning phase*  
31 *involving multiple community collaborators.*

32 *(7) Experience implementing evidence-based programs or*  
33 *generating innovative strategies, or both, with at least preliminary*  
34 *evidence of program effectiveness.*

35 *(8) Administrative systems and accountability mechanisms for*  
36 *grant management.*

37 *(9) Capacity to participate in evaluation activities.*

38 *(10) Strong communication systems that are in place to*  
39 *participate in public relations activities.*

1 SEC. 21. Section 122435 is added to the Health and Safety  
2 Code, to read:

3 122435. During the demonstration pilot project described in  
4 Section 122425, each demonstration pilot project shall prepare  
5 and disseminate information regarding best practices for, and the  
6 lessons learned regarding, providing outreach and education to  
7 the most vulnerable and underserved individuals living with  
8 hepatitis C viral infection (HCV) or at a high risk for HCV  
9 infection, for use by providers, the State Department of Public  
10 Health, including the Office of AIDS and the Office of Viral  
11 Hepatitis Prevention, federal departments and agencies, including  
12 the federal Department of Health and Human Services, and other  
13 national HIV/AIDS and viral hepatitis groups.

14 SEC. 22. Section 124040 of the Health and Safety Code is  
15 amended to read:

16 124040. (a) The governing body of each county or counties  
17 shall establish a community child health and disability prevention  
18 program for the purpose of providing early and periodic  
19 assessments of the health status of children in the county or  
20 counties by July 1, 1974. However, this shall be the responsibility  
21 of the department for all counties that contract with the state for  
22 health services. Contract counties, at the option of the board of  
23 supervisors, may provide services pursuant to this article in the  
24 same manner as other county programs, ~~provided if~~ the option is  
25 exercised prior to the beginning of each fiscal year. Each plan shall  
26 include, but is not limited to, the following requirements:

27 (1) Outreach and educational services.

28 (2) Agreements with public and private facilities and  
29 practitioners to carry out the programs.

30 (3) Health screening and evaluation services for all ~~children~~  
31 *children*, including a physical examination, immunizations  
32 appropriate for the child's age and health history, and laboratory  
33 procedures appropriate for the child's age and population group  
34 performed by, or under the supervision or responsibility of, a  
35 physician licensed to practice medicine in California or by a  
36 certified family nurse practitioner or a certified pediatric nurse  
37 practitioner.

38 (4) Referral for diagnosis or treatment when needed, including,  
39 for all children eligible for Medi-Cal, referral for treatment by a

1 provider participating in the Medi-Cal program of the conditions  
2 detected, and methods for assuring referral is carried out.

3 (5) Recordkeeping and program evaluations.

4 (6) The health screening and evaluation part of each community  
5 child health and disability prevention program plan shall include,  
6 but is not limited to, the following for each child:

7 (A) A health and development history.

8 (B) An assessment of physical growth.

9 (C) An examination for obvious physical defects.

10 (D) Ear, nose, mouth, and throat inspection, including inspection  
11 of teeth and gums, and for all children ~~three years~~ *one year* of age  
12 and older who are eligible for Medi-Cal, referral to a dentist  
13 participating in the Medi-Cal program.

14 (E) Screening tests for vision, hearing, anemia, tuberculosis,  
15 diabetes, and urinary tract conditions.

16 (7) An assessment of nutritional status.

17 (8) An assessment of immunization status.

18 (9) ~~Where~~ *If* appropriate, testing for sickle-cell trait, lead  
19 poisoning, and other tests that may be necessary to the  
20 identification of children with potential disabilities requiring  
21 diagnosis and possibly treatment.

22 (10) For all children eligible for Medi-Cal, necessary assistance  
23 with scheduling appointments for services and with transportation.

24 (b) Dentists receiving referrals of children eligible for Medi-Cal  
25 under this section shall employ procedures to advise the child's  
26 parent or parents of the need for and scheduling of annual  
27 appointments.

28 (c) Standards for procedures to carry out health screening and  
29 evaluation services and to establish the age at which particular  
30 tests should be carried out shall be established by the director. At  
31 the discretion of the department, these health screening and  
32 evaluation services may be provided at the frequency provided  
33 under the Healthy Families Program and permitted in managed  
34 care plans providing services under the Medi-Cal program, and  
35 shall be contingent upon appropriation in the annual Budget Act.  
36 Immunizations may be provided at the frequency recommended  
37 by the Committee on Infectious Disease of the American Academy  
38 of Pediatrics and the Advisory Committee on Immunization  
39 Practices of the Centers for Disease Control and Prevention.

1 (d) Each community child health and disability prevention  
2 program shall, pursuant to standards set by the director, establish  
3 a record system that contains a health case history for each child  
4 so that costly and unnecessary repetition of screening,  
5 immunization and referral will not occur and appropriate health  
6 treatment will be facilitated as specified in Section 124085.

7 *SEC. 23. Section 124977 of the Health and Safety Code is*  
8 *amended to read:*

9 124977. (a) It is the intent of the Legislature that, unless  
10 otherwise specified, the genetic disease testing program carried  
11 out pursuant to this chapter be fully supported from fees collected  
12 for services provided by the program.

13 (b) (1) The department shall charge a fee to all payers for any  
14 tests or activities performed pursuant to this chapter. The amount  
15 of the fee shall be established by regulation and periodically  
16 adjusted by the director in order to meet the costs of this chapter.  
17 Notwithstanding any other law, any fees charged for prenatal  
18 screening and followup services provided to persons enrolled in  
19 the Medi-Cal program, health care service plan enrollees, or  
20 persons covered by health insurance policies, shall be paid in full  
21 and deposited in the Genetic Disease Testing Fund or the Birth  
22 Defects Monitoring *Program* Fund consistent with this section,  
23 ~~subject to all terms and conditions of each enrollee's or insured's~~  
24 ~~health care service plan or insurance coverage, whichever is~~  
25 ~~applicable, including, but not limited to, copayments and~~  
26 ~~deductibles applicable to these services, and only if these~~  
27 ~~copayments, deductibles, or limitations are disclosed to the~~  
28 ~~subscriber or enrollee pursuant to the disclosure provisions of~~  
29 ~~Section 1363. section.~~

30 (2) The department shall expeditiously undertake all steps  
31 necessary to implement the fee collection process, including  
32 personnel, contracts, and data processing, so as to initiate the fee  
33 collection process at the earliest opportunity.

34 (3) Effective for services provided on and after July 1, 2002,  
35 the department shall charge a fee to the hospital of birth, or, for  
36 births not occurring in a hospital, to families of the newborn, for  
37 newborn screening and followup services. The hospital of birth  
38 and families of newborns born outside the hospital shall make  
39 payment in full to the Genetic Disease Testing Fund. The

1 department shall not charge or bill Medi-Cal beneficiaries for  
2 services provided under this chapter.

3 (4) (A) The department shall charge a fee for prenatal screening  
4 to support the pregnancy blood sample storage, testing, and  
5 research activities of the Birth Defects Monitoring Program.

6 (B) The prenatal screening fee for activities of the Birth Defects  
7 Monitoring Program shall be ten dollars (\$10).

8 (5) The department shall set guidelines for invoicing, charging,  
9 and collecting from approved researchers the amount necessary  
10 to cover all expenses associated with research application requests  
11 made under this section, data linkage, retrieval, data processing,  
12 data entry, reinventory, and shipping of blood samples or their  
13 components, and related data management.

14 (6) The only funds from the Genetic Disease Testing Fund that  
15 may be used for the purpose of supporting the pregnancy blood  
16 sample storage, testing, and research activities of the Birth Defects  
17 Monitoring Program are those prenatal screening fees assessed  
18 and collected prior to the creation of the Birth Defects Monitoring  
19 Program Fund specifically to support those Birth Defects  
20 Monitoring Program activities.

21 (7) The Birth Defects Monitoring Program Fund is hereby  
22 created as a special fund in the State Treasury. Fee revenues that  
23 are collected pursuant to paragraph (4) shall be deposited into the  
24 fund and shall be available upon appropriation by the Legislature  
25 to support the pregnancy blood sample storage, testing, and  
26 research activities of the Birth Defects Monitoring Program.  
27 Notwithstanding Section 16305.7 of the Government Code, interest  
28 earned on funds in the Birth Defects Monitoring Program Fund  
29 shall be deposited as revenue into the fund to support the Birth  
30 Defects Monitoring Program.

31 (c) (1) The Legislature finds that timely implementation of  
32 changes in genetic screening programs and continuous maintenance  
33 of quality statewide services requires expeditious regulatory and  
34 administrative procedures to obtain the most cost-effective  
35 electronic data processing, hardware, software services, testing  
36 equipment, and testing and followup services.

37 (2) The expenditure of funds from the Genetic Disease Testing  
38 Fund for these purposes shall not be subject to Section 12102 of,  
39 and Chapter 2 (commencing with Section 10290) of Part 2 of  
40 Division 2 of, the Public Contract Code, or to Division 25.2

1 (commencing with Section 38070). The department shall provide  
2 the Department of Finance with documentation that equipment  
3 and services have been obtained at the lowest cost consistent with  
4 technical requirements for a comprehensive high-quality program.

5 (3) The expenditure of funds from the Genetic Disease Testing  
6 Fund for implementation of the Tandem Mass Spectrometry  
7 screening for fatty acid oxidation, amino acid, and organic acid  
8 disorders, and screening for congenital adrenal hyperplasia may  
9 be implemented through the amendment of the Genetic Disease  
10 Branch Screening Information System contracts and shall not be  
11 subject to Chapter 3 (commencing with Section 12100) of Part 2  
12 of Division 2 of the Public Contract Code, Article 4 (commencing  
13 with Section 19130) of Chapter 5 of Part 2 of Division 5 of Title  
14 2 of the Government Code, and any policies, procedures,  
15 regulations, or manuals authorized by those laws.

16 (4) The expenditure of funds from the Genetic Disease Testing  
17 Fund for the expansion of the Genetic Disease Branch Screening  
18 Information System to include cystic fibrosis, biotinidase, severe  
19 combined immunodeficiency (SCID), and adrenoleukodystrophy  
20 (ALD) may be implemented through the amendment of the Genetic  
21 Disease Branch Screening Information System contracts, and shall  
22 not be subject to Chapter 2 (commencing with Section 10290) or  
23 Chapter 3 (commencing with Section 12100) of Part 2 of Division  
24 2 of the Public Contract Code, Article 4 (commencing with Section  
25 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of the  
26 Government Code, or Sections 4800 to 5180, inclusive, of the  
27 State Administrative Manual as they relate to approval of  
28 information technology projects or approval of increases in the  
29 duration or costs of information technology projects. This  
30 paragraph shall apply to the design, development, and  
31 implementation of the expansion, and to the maintenance and  
32 operation of the Genetic Disease Branch Screening Information  
33 System, including change requests, once the expansion is  
34 implemented.

35 (d) (1) The department may adopt emergency regulations to  
36 implement and make specific this chapter in accordance with  
37 Chapter 3.5 (commencing with Section 11340) of Part 1 of Division  
38 3 of Title 2 of the Government Code. For the purposes of the  
39 Administrative Procedure Act, the adoption of regulations shall  
40 be deemed an emergency and necessary for the immediate

1 preservation of the public peace, health and safety, or general  
2 welfare. Notwithstanding Chapter 3.5 (commencing with Section  
3 11340) of Part 1 of Division 3 of Title 2 of the Government Code,  
4 these emergency regulations shall not be subject to the review and  
5 approval of the Office of Administrative Law. Notwithstanding  
6 Sections 11346.1 and 11349.6 of the Government Code, the  
7 department shall submit these regulations directly to the Secretary  
8 of State for filing. The regulations shall become effective  
9 immediately upon filing by the Secretary of State. Regulations  
10 shall be subject to public hearing within 120 days of filing with  
11 the Secretary of State and shall comply with Sections 11346.8 and  
12 11346.9 of the Government Code or shall be repealed.

13 (2) The Office of Administrative Law shall provide for the  
14 printing and publication of these regulations in the California Code  
15 of Regulations. Notwithstanding Chapter 3.5 (commencing with  
16 Section 11340) of Part 1 of Division 3 of Title 2 of the Government  
17 Code, the regulations adopted pursuant to this chapter shall not be  
18 repealed by the Office of Administrative Law and shall remain in  
19 effect until revised or repealed by the department.

20 (3) The Legislature finds and declares that the health and safety  
21 of California newborns is in part dependent on an effective and  
22 adequately staffed genetic disease program, the cost of which shall  
23 be supported by the fees generated by the program.

24 *SEC. 24. Section 10123.184 of the Insurance Code is amended*  
25 *to read:*

26 10123.184. (a) Every group policy of disability insurance that  
27 covers hospital, medical, or surgical expenses, and that provides  
28 maternity benefits, that is issued, amended, renewed, or delivered  
29 on or after January 1, 1999, and every individual policy of  
30 disability insurance that covers hospital, medical, or surgical  
31 expenses, and that provides maternity benefits, that is of a type  
32 and form first offered for sale on or after January 1, 1999, shall  
33 provide coverage for participation in the ~~Expanded Alpha Feto~~  
34 ~~Protein (AFP) program,~~ *California Prenatal Screening Program,*  
35 which is a statewide prenatal testing program administered by the  
36 State Department of *Public Health, pursuant to Section 124977*  
37 *of the Health Services and Safety Code.* Notwithstanding any other  
38 provision of law, a disability insurer that provides coverage for  
39 maternity benefits shall not require participation in the statewide  
40 prenatal testing program administered by the State Department of



1 ~~Public Health Services~~ as a prerequisite to eligibility for, or receipt  
2 of, any other service.

3 (b) Coverage required under this section shall not be subject  
4 to copayment, coinsurance, deductible, or any other form of cost  
5 sharing.

6 (c) Reimbursement for services covered pursuant to this section  
7 shall be paid at the amount set pursuant to Section 124977 of the  
8 Health and Safety Code and regulations adopted thereunder.

9 SEC. 25. Section 10127.16 of the Insurance Code is amended  
10 to read:

11 10127.16. (a) (1) After the termination of the pilot program  
12 under Section 10127.15, a health insurer shall continue to provide  
13 coverage under the same terms and conditions specified in Section  
14 10127.15 as it existed on January 1, 2007, including the terms of  
15 the standard benefit plan and the subscriber payment amount, to  
16 each individual who was terminated from the program, pursuant  
17 to subdivision (f) of Section 12725 of the Insurance Code during  
18 the term of the pilot program and who enrolled or applied to enroll  
19 in a standard benefit plan within 63 days of termination. The  
20 ~~Managed Risk Medical Insurance Board~~ State Department of  
21 Health Care Services shall continue to pay the amount described  
22 in Section 10127.15 for each of those individuals. A health insurer  
23 shall not be required to offer the coverage described in Section  
24 10127.15 after the termination of the pilot program to individuals  
25 not already enrolled in the program.

26 (2) Notwithstanding paragraph (1) of this subdivision or Section  
27 10127.15 as it existed on January 1, 2007, the following rules shall  
28 apply:

29 (A) (i) A health insurer shall not be obligated to provide  
30 coverage to any individual pursuant to this section on or after  
31 January 1, 2014.

32 (ii) The ~~Managed Risk Medical Insurance Board~~ State  
33 Department of Health Care Services shall not be obligated to  
34 provide any payment to any health insurer under this section for  
35 (I) health care expenses incurred on or after January 1, 2014, or  
36 (II) the standard monthly administrative fee, as defined in Section  
37 10127.15 as it existed on January 1, 2007, for any month after  
38 December, 2013.

39 (B) Each health insurer providing coverage pursuant to this  
40 section shall, on or before October 1, 2013, send a notice to each

1 individual enrolled in a standard benefit plan that is in at least  
2 12-point type and with, at minimum, the following information:

3 (i) Notice as to whether or not the plan will terminate as of  
4 January 1, 2014.

5 (ii) The availability of individual health coverage, including  
6 through Covered California, including at least all of the following:

7 (I) That, beginning on January 1, 2014, individuals seeking  
8 coverage may not be denied coverage based on health status.

9 (II) That the premium rates for coverage offered by a health  
10 care service plan or a health insurer cannot be based on an  
11 individual's health status.

12 (III) That individuals obtaining coverage through Covered  
13 California may, depending upon income, be eligible for premium  
14 subsidies and cost-sharing subsidies.

15 (IV) That individuals seeking coverage must obtain this coverage  
16 during an open or special enrollment period, and a description of  
17 the open and special enrollment periods that may apply.

18 (C) As a condition of receiving payment for a reporting period  
19 pursuant to this section, a health insurer shall provide the ~~Managed  
20 Risk Medical Insurance Board~~ *State Department of Health Care  
21 Services* with a complete, final annual reconciliation report by the  
22 earlier of December 31, 2014, or an earlier date as prescribed by  
23 Section 10127.15, as it existed on January 1, 2007, for that  
24 reporting period. To the extent that it receives a complete, final  
25 reconciliation report for a reporting period by the date required  
26 pursuant to this subparagraph, the ~~Managed Risk Medical Insurance  
27 Board~~ *State Department of Health Care Services* shall complete  
28 reconciliation with the health insurer for that reporting period  
29 within ~~six~~ 18 months ~~of~~ *after* receiving the report.

30 (b) If the state fails to expend, pursuant to this section, sufficient  
31 funds for the state's contribution amount to any health insurer, the  
32 health insurer may increase the monthly payments that its  
33 subscribers are required to pay for any standard benefit plan to the  
34 amount that the ~~Managed Risk Medical Insurance Board~~ *State  
35 Department of Health Care Services* would charge without a state  
36 subsidy for the same insurance product issued to the same  
37 individual within the program.

38 (c) ~~The adoption and readoption, by the Managed Risk Medical  
39 Insurance Board, Notwithstanding Chapter 3.5 (commencing with  
40 Section 11340) of regulations implementing the amendments to~~

1 ~~this section enacted by the legislation adding this subdivision shall~~  
2 ~~be deemed an emergency and necessary to avoid serious harm to~~  
3 ~~the public peace, health, safety, or general welfare for purposes~~  
4 ~~Part 1 of Sections 11346.1 and 11349.6 of Division 3 of Title 2 of~~  
5 ~~the Government Code, and the Managed Risk Medical Insurance~~  
6 ~~Board is hereby exempted from the requirement that it describe~~  
7 ~~facts showing the need for immediate action and from review by~~  
8 ~~the Office of Administrative Law. State Department of Health~~  
9 ~~Care Services may implement, interpret, or make specific this~~  
10 ~~section by means of all-county letters, plan letters, plan or provider~~  
11 ~~bulletins, or similar instructions, without taking regulatory action.~~

12 *SEC. 26. Section 19548.2 of the Revenue and Taxation Code*  
13 *is amended to read:*

14 19548.2. (a) Notwithstanding any other law and in accordance  
15 with Section 120962 of the Health and Safety Code, the State  
16 Department of Public Health shall disclose the name and individual  
17 taxpayer identification number (ITIN) or social security number  
18 of an applicant for, or recipient of services pursuant to Chapter 6  
19 (commencing with Section 120950) of Part 4 of Division 105 of  
20 the Health and Safety Code to the Franchise Tax Board for the  
21 purpose of verifying the adjusted gross income *of, any tax-exempt*  
22 *interest received by, any tax-exempt social security benefits*  
23 *received by, and any foreign earned income* of an applicant or  
24 recipient.

25 *(b) (1) The Franchise Tax Board, upon receipt of this*  
26 *information, shall inform the State Department of Public Health*  
27 *of all of the following:*

28 *(A) The amounts of the federal adjusted gross income as*  
29 *reported by the taxpayer to the Franchise Tax Board.*

30 *(B) The amounts of the California adjusted gross income as*  
31 *reported by the taxpayer to the Franchise Tax Board or as adjusted*  
32 *by the Franchise Tax Board.*

33 *(C) The amount of any tax-exempt interest received by the*  
34 *taxpayer, as reported to the Franchise Tax Board.*

35 *(D) The amount of any tax-exempt social security benefits*  
36 *received by the taxpayer, as reported to the Franchise Tax Board.*

37 *(E) The amount of any foreign earned income of the taxpayer,*  
38 *as reported to the Franchise Tax Board.*

39 ~~(b)~~

1 (2) The Franchise Tax Board, upon receipt of this information,  
2 shall inform the State Department of Public Health of the amounts  
3 of the federal adjusted gross income as reported by the taxpayer  
4 to the Franchise Tax Board, and the California adjusted gross  
5 income as reported by the taxpayer to the Franchise Tax Board or  
6 as adjusted by the Franchise Tax Board. The Franchise Tax Board  
7 shall provide the information to the State Department of Public  
8 Health for the most recent taxable year that the Franchise Tax  
9 Board has information available, and shall include the first and  
10 last name, date of birth, and the ITIN or social security number of  
11 the taxpayer.

12 (c) (1) Information provided by the State Department of Public  
13 Health pursuant to this section shall constitute confidential public  
14 health records as defined in Section 121035 of the Health and  
15 Safety Code, and shall remain subject to the confidentiality  
16 protections and restrictions on further disclosure by the recipient  
17 under subdivisions (d) and (e) of Section 121025.

18 (2) Prior to accessing confidential HIV-related public health  
19 records, Franchise Tax Board staff and contractors shall be required  
20 to annually sign a confidentiality agreement developed by the State  
21 Department of Public Health that includes information related to  
22 the penalties under Section 121025 of the Health and Safety Code  
23 for a breach of confidentiality and the procedures for reporting a  
24 breach of confidentiality under subdivision (h) of Section 121022  
25 of the Health and Safety Code. Those agreements shall be reviewed  
26 annually by the State Department of Public Health.

27 (3) The Franchise Tax Board shall return or destroy all  
28 information received from the State Department of Public Health  
29 after completing the exchange of information.

30 (d) *For purposes of this section, "foreign earned income" also*  
31 *includes any deduction taken for the housing expenses of an*  
32 *individual while living abroad pursuant to Section 911 of Title 26*  
33 *of the Internal Revenue Code.*

34 *SEC. 27. Section 4369 of the Welfare and Institutions Code is*  
35 *amended to read:*

36 4369. There is within the State Department of Public Health,  
37 the Office of Problem and Pathological Gambling.

38 *SEC. 28. Section 4369.1 of the Welfare and Institutions Code*  
39 *is amended to read:*

1 4369.1. As used in this chapter, the following definitions shall  
2 apply:

3 (a) *“Affected individual” means a person who experiences*  
4 *adverse psychiatric or physical impacts due to another person’s*  
5 *gambling disorder.*

6 ~~(a)~~

7 (b) *“Department” means the State Department of Public Health.*

8 ~~(b) “Office” means the Office of Problem and Pathological~~  
9 ~~Gambling.~~

10 (c) ~~“Pathological gambling—“Gambling disorder”~~ means a  
11 ~~progressive mental disorder meeting condition that causes the~~  
12 ~~person to be unable to resist impulses to gamble, which can lead~~  
13 ~~to harmful negative consequences, and that meets the diagnostic~~  
14 ~~criteria set forth by in the American Psychiatric Association’s~~  
15 ~~Diagnostic and Statistical Manual, Fourth Manual of Mental~~  
16 ~~Disorders, Fifth Edition. Gambling disorder includes both~~  
17 ~~pathological and problem gambling behavior.~~

18 (d) ~~“Problem gambling” “Office” means participation in any~~  
19 ~~form of gambling to the extent that it creates a negative~~  
20 ~~consequence to the gambler, the gambler’s family, place Office of~~  
21 ~~employment, or community. This includes patterns of gambling~~  
22 ~~and subsequent related behaviors that compromise, disrupt, or~~  
23 ~~damage personal, family, educational, financial, or vocational~~  
24 ~~interests. The problem gambler does not meet the diagnostic criteria~~  
25 ~~for pathological gambling disorder. Problem Gambling.~~

26 (e) ~~“Problem gambling prevention programs” “Prevention~~  
27 ~~program” means programs a program designed to reduce the~~  
28 ~~prevalence of problem and pathological gambling disorders among~~  
29 ~~California residents. These programs The program shall include,~~  
30 ~~but are is not limited to, public education and awareness, outreach~~  
31 ~~to high-risk populations, early identification and responsible~~  
32 ~~gambling programs.~~

33 (f) *“Treatment program” means a program designed to assist*  
34 *individuals who experience harmful negative consequences related*  
35 *to gambling disorders. This program shall include, but is not*  
36 *limited to, training and educating providers, establishing a*  
37 *provider network for the provision of treatment services, and*  
38 *conducting research to ensure the delivery of evidence-based*  
39 *practices.*

1 SEC. 29. Section 4369.2 of the Welfare and Institutions Code  
2 is amended to read:

3 4369.2. (a) The office shall develop a ~~problem~~ gambling  
4 ~~disorder~~ prevention program, which shall be the first priority for  
5 funding appropriated to this office. The prevention program shall  
6 ~~be based upon the allocation priorities established by the~~  
7 ~~department and subject to funding being appropriated for the~~  
8 ~~purpose of this subdivision, and shall~~ consist of all of the following:

9 (1) A toll-free telephone service for immediate crisis  
10 management and containment with subsequent referral *referrals*  
11 of ~~problem gamblers~~ and ~~pathological gamblers affected~~  
12 *individuals* to health providers *at various levels of care* who can  
13 provide treatment for gambling *disorders and* related problems  
14 and to self-help groups.

15 (2) Public awareness campaigns that focus on prevention and  
16 education among the general public including, for example,  
17 dissemination of youth oriented preventive literature, educational  
18 experiences, and public service announcements in the media.

19 (3) Empirically driven research programs focusing on  
20 epidemiology/prevalence, etiology/causation, and best practices  
21 in prevention and treatment.

22 (4) Training of health care professionals and educators, and  
23 training for law enforcement agencies and nonprofit organizations  
24 in the identification of ~~problem~~ gambling ~~behavior~~ *disorders* and  
25 knowledge of referral services and treatment programs.

26 (5) Training of gambling industry personnel in identifying  
27 customers at risk for ~~problem and pathological~~ gambling *disorders*  
28 and knowledge of referral and treatment services.

29 (b) The office shall develop a ~~program to support~~ treatment  
30 ~~services program~~ for California residents ~~with problem and~~  
31 ~~pathological who have a~~ gambling issues. The program shall be  
32 ~~based upon the allocation priorities established by the department~~  
33 ~~and subject to funding being appropriated for the purposes of this~~  
34 ~~subdivision. These priorities shall also be based on the best~~  
35 ~~available existing state programs as well as on continuing research~~  
36 ~~into best practices and on the needs of California. The disorder or~~  
37 ~~who are affected individuals. The~~ treatment program ~~shall~~ *may*  
38 consist of all of the following components:

39 (1) *Training for licensed health providers, including screening*  
40 *and assessment of gambling disorders, the use of evidence-based*

1 *treatment modalities, and the administrative practices for treatment*  
2 *services implemented under this chapter.*

3 ~~(1) Treatment services~~

4 (2) *A network of licensed health providers authorized to receive*  
5 *reimbursement from the state for ~~problem and pathological~~*  
6 *~~gamblers and directly involved family members. These the~~*  
7 *provision of treatment services will services. This network may be*  
8 *created through partnerships with established health or substance*  
9 *use disorder facilities or individuals in private practice that can*  
10 *provide treatment for gambling-related problems, substance abuse*  
11 *facilities, and providers. disorders. State funded treatment services*  
12 *may include, but is are not limited to, the following:*  
13 *self-administered, home-based educational programs; telephone*  
14 *counseling; group treatment; outpatient treatment; ~~residential~~*  
15 *treatment; and inpatient residential treatment when medically*  
16 *necessary.*

17 (3) *A research program to conduct studies and develop*  
18 *evidence-based tools for use in treating gambling disorders.*

19 ~~(2)~~

20 (4) *A funding allocation methodology that ensures treatment*  
21 *services are delivered efficiently and effectively to areas of the*  
22 *state most in need.*

23 ~~(3)~~

24 (5) *Appropriate review and monitoring of the treatment*  
25 *programs program by the director of the office or a designated*  
26 *institution, including grant oversight and ~~monitoring~~, monitoring*  
27 *of contracts, the standards for treatment, and outcome monitoring.*

28 ~~(4)~~

29 (6) *Treatment efforts shall provide services that are relevant to*  
30 *the needs of a diverse multicultural population with attention to*  
31 *groups with unique needs, including female gamblers, underserved*  
32 *ethnic groups, the elderly, and the physically challenged.*

33 (c) *The office shall make information available as requested by*  
34 *the Governor and the Legislature with respect to the comprehensive*  
35 *program.*

36 *SEC. 30. Section 4369.3 of the Welfare and Institutions Code*  
37 *is amended to read:*

38 *4369.3. In designing and developing the overall program, the*  
39 *office shall do all of the following:*

1 (a) Develop a statewide plan to address ~~problem and~~  
2 ~~pathological gambling.~~ *gambling disorders.*

3 (b) Adopt any regulations necessary to administer the program.

4 (c) Develop priorities for funding services and criteria for  
5 distributing program funds.

6 (d) Monitor the expenditures of state funds by agencies and  
7 organizations receiving program funding.

8 (e) Evaluate the effectiveness of services provided through the  
9 program. *The department is authorized to contract with academic*  
10 *experts to perform these evaluations.*

11 (f) Notwithstanding any other provision of law, any contracts  
12 required to meet the requirements of this chapter are exempt from  
13 the requirements contained in the Public Contract Code and the  
14 State Administrative Manual, and are exempt from the approval  
15 of the Department of General Services.

16 ~~(g) The first and highest priority of the office with respect to~~  
17 ~~the use of any funds appropriated for the purposes of this chapter~~  
18 ~~shall be to carry out subdivision (a).~~

19 ~~(h)~~

20 (g) Administrative costs for the program may not exceed 10  
21 percent of the total funding budgeted for the program.

22 *SEC. 31. Section 4369.4 of the Welfare and Institutions Code*  
23 *is amended to read:*

24 4369.4. All state agencies, including, but not limited to, the  
25 California Horse Racing Board, the California Gambling Control  
26 Commission, the Department of Justice, and any other agency that  
27 regulates casino gambling or cardrooms within the state, and the  
28 Department of Corrections and Rehabilitation, the State Department  
29 of Public Health, the State Department of Health Care Services,  
30 and the California State Lottery, shall coordinate with the office  
31 to ensure that state programs take into account, as much as  
32 practicable, ~~problem and pathological gamblers.~~ *gambling*  
33 *disorders.* The office shall also coordinate and work with other  
34 entities involved in gambling and the treatment of ~~problem and~~  
35 ~~pathological gamblers.~~ *gambling disorders.*

36 *SEC. 32. Section 4369.5 of the Welfare and Institutions Code*  
37 *is amended to read:*

38 4369.5. (a) It is the intent of the Legislature that the Office of  
39 ~~Problem and Pathological Gambling~~ establish and maintain  
40 ongoing venues for system stakeholders to provide input into public



1 policy issues related to ~~problem gambling~~, *gambling disorders*,  
2 including, but not limited to, consumers of services and their  
3 families, providers of services and supports, and county  
4 representatives. It is further the intent of the Legislature that the  
5 Office of ~~Problem and Pathological~~ Gambling shall have input  
6 into policy discussions at the State Department of Public Health  
7 and at the California Health and Human Services Agency, when  
8 appropriate.

9 (b) It is the intent of the Legislature to ensure that the impacts  
10 of the transition of the Office of ~~Problem and Pathological~~  
11 Gambling from the State Department of Alcohol and Drug  
12 Programs to the State Department of Public Health are identified  
13 and evaluated, initially and over time. It is further the intent of the  
14 Legislature to establish a baseline for evaluating, on an ongoing  
15 basis, how and why services provided and overseen by the Office  
16 of ~~Problem and Pathological~~ Gambling were improved, or  
17 otherwise changed, as a result of this transition.

18 (c) (1) By April 1, 2014, and March 1 annually thereafter, the  
19 State Department of Public Health shall report to the Joint  
20 Legislative Budget Committee and the appropriate budget  
21 subcommittees and policy committees of the Legislature, and  
22 publicly post a report on the Office of ~~Problem and Pathological~~  
23 Gambling on its Internet Web site.

24 (1)

25 (2) The report shall contain all of the following:

26 (A) A description of education and outreach activities related  
27 to the prevention program and how the Office of ~~Problem and~~  
28 ~~Pathological~~ Gambling establishes linkages with State Department  
29 of Public Health partners, including local health officers and other  
30 relevant entities, in order to increase awareness of, and provide  
31 input to, the Office of ~~Problem and Pathological~~ Gambling, and  
32 how stakeholder involvement was changed, maintained, or  
33 enhanced after the transition.

34 (B) Beginning in the 2012–13 fiscal year, a description of  
35 year-over-year changes in the following: access to services,  
36 demographics of people served, the number of providers, and  
37 treatment program outcomes. The description of access to services  
38 shall include, but not be limited to, information regarding  
39 utilization of services and waiting lists for services. The description  
40 of providers shall include, but not be limited to, types and numbers

1 of providers, including ~~problem~~ gambling *disorder* counselors,  
2 training protocols for providers, and workforce trends. The  
3 description of demographics of people served shall include, but  
4 not be limited to, age, sex, ethnicity, economic status, and  
5 geographic regions. The description of treatment program outcomes  
6 shall include, but not be limited to, participation levels in programs,  
7 recidivism rates, and quality of life measures.

8 ~~(2) By November 30, 2013, the State Department of Public~~  
9 ~~Health shall consult with legislative staff and with system~~  
10 ~~stakeholders, including county representatives, to develop a~~  
11 ~~reporting format consistent with the Legislature's desired level of~~  
12 ~~outcome and reporting detail.~~

13 (d) This section shall become inoperative on July 1, 2018, and,  
14 as of January 1, 2019, is repealed, unless a later enacted statute,  
15 that becomes operative on or before January 1, 2019, deletes or  
16 extends the dates on which it becomes inoperative and is repealed.

17 *SEC. 33. Section 14007.2 of the Welfare and Institutions Code*  
18 *is amended to read:*

19 14007.2. (a) Any individual who is otherwise eligible for  
20 Medi-Cal services, but who does not meet the documentation  
21 requirements described in subdivision (e) of Section 14011.2, shall  
22 be eligible only for the scope of services made available to aliens  
23 under subdivision (d) of Section 14007.5, and Sections ~~14007.65~~  
24 ~~14007.65, 14007.7, and 14007.7. 14007.8.~~

25 (b) To the extent that federal financial participation is available  
26 to fund services described under subdivision (a), the department  
27 shall file all necessary state plan amendments *or waivers* to obtain  
28 that funding.

29 *SEC. 34. Section 14007.5 of the Welfare and Institutions Code*  
30 *is amended to read:*

31 14007.5. (a) Aliens shall be eligible for Medi-Cal, whether  
32 federally funded or state-funded, only to the same extent as  
33 permitted under federal law and regulations for receipt of federal  
34 financial participation under Title XIX of the federal Social  
35 Security Act, except as otherwise provided in this section and  
36 ~~Section 14007.7. elsewhere in this chapter.~~

37 (b) In accordance with Section 1903(v)(1) of the federal Social  
38 Security Act (42 U.S.C. Sec. 1396b(v)(1)), an alien shall only be  
39 eligible for the full scope of Medi-Cal benefits, if the alien has

1 been lawfully admitted for permanent residence, or is otherwise  
2 permanently residing in the United States under color of law.

3 For purposes of this section, aliens “permanently residing in the  
4 United States under color of law” shall be interpreted to include  
5 all aliens residing in the United States with the knowledge and  
6 permission of the United States Immigration and Naturalization  
7 Service and whose departure the United States Immigration and  
8 Naturalization Service does not contemplate enforcing and with  
9 respect to whom federal financial participation is available under  
10 Title XIX of the federal Social Security Act.

11 (c) Any alien whose immigration status has been adjusted either  
12 to lawful temporary resident or lawful permanent resident in  
13 accordance with the provisions of Section 210, 210A, or 245A of  
14 the federal Immigration and Nationality Act, and who meets all  
15 other eligibility requirements, shall be eligible only for care and  
16 services under Medi-Cal for which the alien is not disqualified  
17 pursuant to those sections of the federal act.

18 (d) Any alien who is otherwise eligible for Medi-Cal services,  
19 but who does not meet the requirements under subdivision (b) or  
20 (c), shall only be eligible for care and services that are necessary  
21 for the treatment of an emergency medical condition and medical  
22 care directly related to the emergency, as defined in federal law.  
23 For purposes of this section, the term “emergency medical  
24 condition” means a medical condition manifesting itself by acute  
25 symptoms of sufficient severity, including severe pain, such that  
26 the absence of immediate medical attention could reasonably be  
27 expected to result in any of the following:

28 (1) Placing the patient’s health in serious jeopardy.

29 (2) Serious impairment to bodily functions.

30 (3) Serious dysfunction to any bodily organ or part. It is the  
31 intent of this section to entitle eligible individuals to inpatient and  
32 outpatient services that are necessary for the treatment of the  
33 emergency medical condition in the same manner as administered  
34 by the department through regulations and provisions of federal  
35 law.

36 (e) Pursuant to Section 14001.2, each county department shall  
37 require that each applicant for, or beneficiary of, Medi-Cal,  
38 including a child, shall provide his or her social security number  
39 account number, or numbers, if he or she has more than one social  
40 security number.

1 (f) (1) In order to be eligible for benefits under subdivision (b)  
2 or (c), an alien applicant or beneficiary shall present alien  
3 registration documentation or other proof of satisfactory  
4 immigration status from the United States Immigration and  
5 Naturalization Service.

6 (2) Any alien who meets all other program requirements but  
7 who lacks documentation of alien registration or other proof of  
8 satisfactory immigration status shall be provided a reasonable  
9 opportunity to submit the evidence. For purposes of this paragraph,  
10 “reasonable opportunity” means 30 days or the time it actually  
11 takes the county to process the Medi-Cal application, whichever  
12 is longer.

13 (3) During the reasonable opportunity period under paragraph  
14 (2), the county department shall process the applicant’s application  
15 for medical assistance in a manner that conforms to its normal  
16 processing procedures and timeframes.

17 (g) (1) The county department shall grant only the Medi-Cal  
18 benefits set forth in subdivision (d) of this section or in Section  
19 14007.7 to any individual who, after 30 calendar days or the time  
20 it actually takes the county to process the Medi-Cal application,  
21 whichever is longer, has failed to submit documents constituting  
22 reasonable evidence indicating a satisfactory immigration status  
23 for Medi-Cal purposes, or who is reported by the United States  
24 Immigration and Naturalization Service to lack a satisfactory  
25 immigration status for Medi-Cal purposes.

26 (2) If an alien has been receiving Medi-Cal benefits based on  
27 eligibility established prior to the effective date of this section and  
28 that individual, upon redetermination of eligibility for benefits,  
29 fails to submit documents constituting reasonable evidence  
30 indicating a satisfactory immigration status for Medi-Cal purposes,  
31 the county department shall discontinue the Medi-Cal benefits,  
32 except for the care and services set forth in subdivision (d) of this  
33 section or in Section 14007.7. The county department shall provide  
34 adequate notice to the individual of any adverse action and shall  
35 accord the individual an opportunity for a fair hearing if he or she  
36 requests one.

37 (h) To the extent permitted by federal law and regulations, an  
38 alien applying for services under subdivisions (b) and (c) shall be  
39 granted eligibility for the scope of services to which he or she  
40 would otherwise be entitled if, at the time the county department

1 makes the determination about his or her eligibility, the alien meets  
2 either of the following requirements:

3 (1) He or she has not had a reasonable opportunity to submit  
4 documents constituting reasonable evidence indicating satisfactory  
5 immigration status.

6 (2) He or she has provided documents constituting reasonable  
7 evidence indicating a satisfactory immigration status, but the  
8 county department has not received timely verification of the  
9 alien's immigration status from the United States Immigration and  
10 Naturalization Service.

11 (3) The verification process shall protect the privacy of all  
12 participants. An alien's immigration status shall be subject to  
13 verification by the United States Immigration and Naturalization  
14 Service, to the extent required for receipt of federal financial  
15 participation in the Medi-Cal program.

16 (i) If an alien does not declare status as a lawful permanent  
17 resident or alien permanently residing under color of law, or as an  
18 alien legalized under Section 210, 210A, or 245A of the federal  
19 Immigration and Nationality Act—~~(P.L.~~ (*Public Law* 82-414),  
20 Medi-Cal coverage under subdivision (d) of this section or in  
21 Section 14007.7 shall be provided to the individual if he or she is  
22 otherwise eligible.

23 (j) If an alien subject to this section is not fluent in English, the  
24 county department shall provide an understandable explanation of  
25 the requirements of this section in a language in which the alien  
26 is fluent.

27 (k) Aliens who were receiving long-term care or renal dialysis  
28 services (1) on the day prior to the effective date of the amendment  
29 to paragraph (1) of subdivision (f) of Section 1 of Chapter 1441  
30 of the Statutes of 1988 at the 1991–92 Regular Session of the  
31 Legislature and (2) under the authority of paragraph (1) of  
32 subdivision (f) of Section 1 of Chapter 1441 of the Statutes of 1988  
33 as it read on June 30, 1992, shall continue to receive these services.  
34 The authority for continuation of long-term care or renal dialysis  
35 services in this subdivision shall not apply to any person whose  
36 long-term care or renal dialysis services end for any reason after  
37 the effective date of the amendment described in this subdivision.

38 *SEC. 35. Section 14007.8 is added to the Welfare and*  
39 *Institutions Code, to read:*

1     14007.8. (a) *After the director determines, and communicates*  
2 *that determination in writing to the Department of Finance, that*  
3 *systems have been programmed for implementation of this section,*  
4 *but no sooner than May 1, 2016, an individual who is under 19*  
5 *years of age and who does not have satisfactory immigration status*  
6 *or is unable to establish satisfactory immigration status as required*  
7 *by Section 14011.2 shall be eligible for the full scope of Medi-Cal*  
8 *benefits, if he or she is otherwise eligible for benefits under this*  
9 *chapter.*

10     (b) *To the extent permitted by state and federal law, an*  
11 *individual eligible under this section shall be required to enroll*  
12 *in a Medi-Cal managed care health plan in those counties in which*  
13 *a Medi-Cal managed care health plan is available.*

14     (c) *The department shall seek any necessary federal approvals*  
15 *to obtain federal financial participation in implementing this*  
16 *section. Benefits for services under this section shall be provided*  
17 *with state-only funds only if federal financial participation is not*  
18 *available for those services.*

19     (d) *The department shall maximize federal financial*  
20 *participation in implementing this section to the extent allowable.*

21     (e) *This section shall be implemented only to the extent it is in*  
22 *compliance with Section 1621(d) of Title 8 of the United States*  
23 *Code.*

24     (f) (1) *Notwithstanding Chapter 3.5 (commencing with Section*  
25 *11340) of Part 1 of Division 3 of Title 2 of the Government Code,*  
26 *the department, without taking any further regulatory action, shall*  
27 *implement, interpret, or make specific this section by means of*  
28 *all-county letters, plan letters, plan or provider bulletins, or similar*  
29 *instructions until the time any necessary regulations are adopted.*  
30 *Thereafter, the department shall adopt regulations in accordance*  
31 *with the requirements of Chapter 3.5 (commencing with Section*  
32 *11340) of Part 1 of Division 3 of Title 2 of the Government Code.*

33     (2) *Commencing six months after the effective date of this*  
34 *section, and notwithstanding Section 10231.5 of the Government*  
35 *Code, the department shall provide a status report to the*  
36 *Legislature on a semiannual basis, in compliance with Section*  
37 *9795 of the Government Code, until regulations have been adopted.*

38     (g) *In implementing this section, the department may contract,*  
39 *as necessary, on a bid or nonbid basis. This subdivision establishes*  
40 *an accelerated process for issuing contracts pursuant to this*

1 *section. Those contracts, and any other contracts entered into*  
2 *pursuant to this subdivision, may be on a noncompetitive bid basis*  
3 *and shall be exempt from the following:*

4 *(1) Part 2 (commencing with Section 10100) of Division 2 of*  
5 *the Public Contract Code and any policies, procedures or*  
6 *regulations authorized by that part.*

7 *(2) Article 4 (commencing with Section 19130) of Chapter 5 of*  
8 *Part 2 of Division 5 of Title 2 of the Government Code.*

9 *(3) Review or approval of contracts by the Department of*  
10 *General Services.*

11 *SEC. 36. Section 14015.5 of the Welfare and Institutions Code*  
12 *is amended to read:*

13 14015.5. (a) Notwithstanding any other ~~provision of~~ state law,  
14 the department shall retain or delegate the authority to perform  
15 Medi-Cal eligibility determinations as set forth in this section.

16 (b) If after an assessment and verification for potential eligibility  
17 for Medi-Cal benefits using the applicable MAGI-based income  
18 standard of all persons that apply through an electronic or a paper  
19 application processed by CalHEERS, which is jointly managed  
20 by the department and the Exchange, and to the extent required  
21 by federal law and regulation is completed, the Exchange and the  
22 department is able to electronically determine the applicant's  
23 eligibility for Medi-Cal benefits using only the information initially  
24 provided online, or through the written application submitted by,  
25 or on behalf of, the applicant, and without further staff review to  
26 verify the accuracy of the submitted information, the Exchange  
27 and the department shall determine that applicant's eligibility for  
28 the Medi-Cal program using the applicable MAGI-based income  
29 standard.

30 (c) Except as provided in subdivision (b) and Section 14015.7,  
31 the county of residence shall be responsible for eligibility  
32 determinations and ongoing case management for the Medi-Cal  
33 program.

34 (d) (1) Notwithstanding any other ~~provision of~~ state law, the  
35 Exchange shall be authorized to provide information regarding  
36 available Medi-Cal managed health care plan selection options to  
37 applicants determined to be eligible for Medi-Cal benefits using  
38 the MAGI-based income standard and allow those applicants to  
39 choose an available managed health care plan.

1 (2) The Exchange is authorized to record an applicant's health  
2 plan selection into CalHEERS for reporting to the department.  
3 CalHEERS shall have the ability to report to the department the  
4 results of an applicant's health plan selection.

5 (e) 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, without taking any further regulatory action, shall  
8 implement, interpret, or make specific this section by means of  
9 all-county letters, plan letters, plan or provider bulletins, or similar  
10 instructions until the time regulations are adopted. Thereafter, the  
11 department shall adopt regulations in accordance with the  
12 requirements of Chapter 3.5 (commencing with Section 11340) of  
13 Part 1 of Division 3 of Title 2 of the Government Code. Beginning  
14 six months after the effective date of this section, and  
15 notwithstanding Section 10231.5 of the Government Code, the  
16 department shall provide a status report to the Legislature on a  
17 semiannual basis until regulations have been adopted.

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

20 (1) "ACA" means the federal Patient Protection and Affordable  
21 Care Act (Public Law 111-148), as amended by the federal Health  
22 Care and Education Reconciliation Act of 2010 (Public Law  
23 111-152).

24 (2) "CalHEERS" means the California Healthcare Eligibility,  
25 Enrollment, and Retention System developed under Section 15926.

26 (3) "Exchange" means the California Health Benefit Exchange  
27 established pursuant to Section 100500 of the Government Code.

28 (4) "MAGI-based income" means income calculated using the  
29 financial methodologies described in Section 1396a(e)(14) of Title  
30 42 of the United States Code as added by ACA and any subsequent  
31 amendments.

32 (g) This section shall be implemented only if and to the extent  
33 that federal financial participation is available and any necessary  
34 federal approvals have been obtained.

35 (h) This section shall become operative on October 1, 2013.

36 ~~(i) This section shall remain in effect only until July 1, 2015,~~  
37 ~~and as of that date is repealed, unless a later enacted statute, that~~  
38 ~~is enacted before July 1, 2015, deletes or extends that date.~~

39 *SEC. 37. Section 14105.94 of the Welfare and Institutions Code*  
40 *is amended to read:*



1 14105.94. (a) An eligible provider, as described in subdivision  
2 (b), may, in addition to the rate of payment that the provider would  
3 otherwise receive for Medi-Cal ground emergency medical  
4 transportation services, receive supplemental Medi-Cal  
5 reimbursement to the extent provided in this section.

6 (b) A provider shall be eligible for supplemental reimbursement  
7 only if the provider has all of the following characteristics  
8 continuously during a state fiscal year:

9 (1) Provides ground emergency medical transportation services  
10 to Medi-Cal beneficiaries.

11 (2) Is a provider that is enrolled as a Medi-Cal provider for the  
12 period being claimed.

13 (3) Is owned or operated by the state, a city, county, city and  
14 county, fire protection district organized pursuant to Part 2.7  
15 (commencing with Section 13800) of Division 12 of the Health  
16 and Safety Code, special district organized pursuant to Chapter 1  
17 (commencing with Section 58000) of Division 1 of Title 6 of the  
18 Government Code, community services district organized pursuant  
19 to Part 1 (commencing with Section 61000) of Division 3 of Title  
20 6 of the Government Code, health care district organized pursuant  
21 to Chapter 1 (commencing with Section 32000) of Division 23 of  
22 the Health and Safety Code, or a federally recognized Indian tribe.

23 (c) An eligible provider's supplemental reimbursement pursuant  
24 to this section shall be calculated and paid as follows:

25 (1) The supplemental reimbursement to an eligible provider, as  
26 described in subdivision (b), shall be equal to the amount of federal  
27 financial participation received as a result of the claims submitted  
28 pursuant to paragraph (2) of subdivision (f).

29 (2) In no instance shall the amount certified pursuant to  
30 paragraph (1) of subdivision (e), when combined with the amount  
31 received from all other sources of reimbursement from the  
32 Medi-Cal program, exceed 100 percent of actual costs, as  
33 determined pursuant to the Medi-Cal State Plan, for ground  
34 emergency medical transportation services.

35 (3) The supplemental Medi-Cal reimbursement provided by this  
36 section shall be distributed exclusively to eligible providers under  
37 a payment methodology based on ground emergency medical  
38 transportation services provided to Medi-Cal beneficiaries by  
39 eligible providers on a per-transport basis or other federally  
40 permissible basis. The department shall obtain approval from the

1 federal Centers for Medicare and Medicaid Services for the  
2 payment methodology to be utilized, and may not make any  
3 payment pursuant to this section prior to obtaining that approval.

4 (d) (1) It is the Legislature's intent in enacting this section to  
5 provide the supplemental reimbursement described in this section  
6 without any expenditure from the General Fund. An eligible  
7 provider, as a condition of receiving supplemental reimbursement  
8 pursuant to this section, shall enter into, and maintain, an agreement  
9 with the department for the purposes of implementing this section  
10 and reimbursing the department for the costs of administering this  
11 section.

12 (2) The nonfederal share of the supplemental reimbursement  
13 submitted to the federal Centers for Medicare and Medicaid  
14 Services for purposes of claiming federal financial participation  
15 shall be paid only with funds from the governmental entities  
16 described in paragraph (3) of subdivision (b) and certified to the  
17 state as provided in subdivision (e).

18 (e) Participation in the program by an eligible provider described  
19 in this section is voluntary. If an applicable governmental entity  
20 elects to seek supplemental reimbursement pursuant to this section  
21 on behalf of an eligible provider owned or operated by the entity,  
22 as described in paragraph (3) of subdivision (b), the governmental  
23 entity shall do all of the following:

24 (1) Certify, in conformity with the requirements of Section  
25 433.51 of Title 42 of the Code of Federal Regulations, that the  
26 claimed expenditures for the ground emergency medical  
27 transportation services are eligible for federal financial  
28 participation.

29 (2) Provide evidence supporting the certification as specified  
30 by the department.

31 (3) Submit data as specified by the department to determine the  
32 appropriate amounts to claim as expenditures qualifying for federal  
33 financial participation.

34 (4) Keep, maintain, and have readily retrievable, any records  
35 specified by the department to fully disclose reimbursement  
36 amounts to which the eligible provider is entitled, and any other  
37 records required by the federal Centers for Medicare and Medicaid  
38 Services.

39 (f) (1) The department shall promptly seek any necessary federal  
40 approvals for the implementation of this section. The department

1 may limit the program to those costs that are allowable  
2 expenditures under Title XIX of the federal Social Security Act  
3 (42 U.S.C. 1396 et seq.). If federal approval is not obtained for  
4 implementation of this section, this section shall not be  
5 implemented.

6 (2) The department shall submit claims for federal financial  
7 participation for the expenditures for the services described in  
8 subdivision (e) that are allowable expenditures under federal law.

9 (3) The department shall, on an annual basis, submit any  
10 necessary materials to the federal government to provide assurances  
11 that claims for federal financial participation will include only  
12 those expenditures that are allowable under federal law.

13 (g) (1) If either a final judicial determination is made by any  
14 court of appellate jurisdiction or a final determination is made by  
15 the administrator of the federal Centers for Medicare and Medicaid  
16 Services that the supplemental reimbursement provided for in this  
17 section must be made to any provider not described in this section,  
18 the director shall execute a declaration stating that the  
19 determination has been made and on that date this section shall  
20 become inoperative.

21 (2) The declaration executed pursuant to this subdivision shall  
22 be retained by the director, provided to the fiscal and appropriate  
23 policy committees of the Legislature, the Secretary of State, the  
24 Secretary of the Senate, the Chief Clerk of the Assembly, and the  
25 Legislative Counsel, and posted on the department's Internet Web  
26 site.

27 (h) Notwithstanding Chapter 3.5 (commencing with Section  
28 11340) of Part 1 of Division 3 of Title 2 of the Government Code,  
29 the department may implement and administer this section by  
30 means of provider bulletins, or similar instructions, without taking  
31 regulatory action.

32 (i) (1) *Upon the effective date of the act that added this*  
33 *subdivision, the department shall develop, in consultation with the*  
34 *providers described in subdivision (b), and seek any necessary*  
35 *federal approvals for, a modified program for the supplemental*  
36 *reimbursement authorized by this section that will seek to provide*  
37 *increased reimbursement to an eligible provider that participates*  
38 *in the program. The nonfederal share of any supplemental*  
39 *reimbursement provided under the modified program shall be*  
40 *derived from voluntary intergovernmental transfers of local funds.*

1 *The department shall otherwise develop the modified program*  
2 *consistent with the requirements of this section, except for*  
3 *paragraph (2) of subdivision (c), and only to the extent that federal*  
4 *financial participation is available.*

5 (2) *The department shall be reimbursed for costs associated*  
6 *with administering the modified program described in paragraph*  
7 *(1) in accordance with subdivision (d). The department shall not*  
8 *otherwise assess a percentage fee in connection with any*  
9 *intergovernmental transfer of funds made pursuant to this*  
10 *subdivision.*

11 (3) *The department shall not implement the modified program*  
12 *described in paragraph (1) until it obtains all necessary federal*  
13 *approvals. Until those federal approvals are obtained,*  
14 *supplemental reimbursement shall continue to be available*  
15 *pursuant to the provisions of this section that were operative prior*  
16 *to the effective date of the act that added this subdivision.*

17 (j) *The department shall not implement the modified program*  
18 *described in paragraph (1) of subdivision (i) unless it determines*  
19 *that the modified program will likely result in an overall increase*  
20 *to the supplemental reimbursement available pursuant to the*  
21 *provisions of this section that were operative prior to the effective*  
22 *date of the act that added this subdivision.*

23 SEC. 38. *Section 14105.192 of the Welfare and Institutions*  
24 *Code is amended to read:*

25 14105.192. (a) The Legislature finds and declares the  
26 following:

27 (1) Costs within the Medi-Cal program continue to grow due  
28 to the rising cost of providing health care throughout the state and  
29 also due to increases in enrollment, which are more pronounced  
30 during difficult economic times.

31 (2) In order to minimize the need for drastically cutting  
32 enrollment standards or benefits during times of economic crisis,  
33 it is crucial to find areas within the program where reimbursement  
34 levels are higher than required under the standard provided in  
35 Section 1902(a)(30)(A) of the federal Social Security Act and can  
36 be reduced in accordance with federal law.

37 (3) The Medi-Cal program delivers its services and benefits to  
38 Medi-Cal beneficiaries through a wide variety of health care  
39 providers, some of which deliver care via managed care or other

1 contract models while others do so through fee-for-service  
2 arrangements.

3 (4) The setting of rates within the Medi-Cal program is complex  
4 and is subject to close supervision by the United States Department  
5 of Health and Human Services.

6 (5) As the single state agency for Medicaid in California, the  
7 department has unique expertise that can inform decisions that set  
8 or adjust reimbursement methodologies and levels consistent with  
9 the requirements of federal law.

10 (b) Therefore, it is the intent of the Legislature for the  
11 department to analyze and identify where reimbursement levels  
12 can be reduced consistent with the standard provided in Section  
13 1902(a)(30)(A) of the federal Social Security Act and consistent  
14 with federal and state law and policies, including any exemptions  
15 contained in the provisions of the act that added this section,  
16 provided that the reductions in reimbursement shall not exceed 10  
17 percent on an aggregate basis for all providers, services and  
18 products.

19 (c) Notwithstanding any other ~~provision~~ of law, the director  
20 shall adjust provider payments, as specified in this section.

21 (d) (1) Except as otherwise provided in this section, payments  
22 shall be reduced by 10 percent for Medi-Cal fee-for-service benefits  
23 for dates of service on and after June 1, 2011.

24 (2) For managed health care plans that contract with the  
25 department pursuant to this chapter or Chapter 8 (commencing  
26 with Section 14200), except contracts with Senior Care Action  
27 Network and AIDS Healthcare Foundation, payments shall be  
28 reduced by the actuarial equivalent amount of the payment  
29 reductions specified in this section pursuant to contract  
30 amendments or change orders effective on July 1, 2011, or  
31 thereafter.

32 (3) Payments shall be reduced by 10 percent for non-Medi-Cal  
33 programs described in Article 6 (commencing with Section 124025)  
34 of Chapter 3 of Part 2 of Division 106 of the Health and Safety  
35 Code, and Section 14105.18, for dates of service on and after June  
36 1, 2011. This paragraph shall not apply to inpatient hospital  
37 services provided in a hospital that is paid under contract pursuant  
38 to Article 2.6 (commencing with Section 14081).

39 (4) (A) Notwithstanding any other ~~provision~~ of law, the director  
40 may adjust the payments specified in paragraphs (1) and (3) of

1 this subdivision with respect to one or more categories of Medi-Cal  
2 providers, or for one or more products or services rendered, or any  
3 combination thereof, so long as the resulting reductions to any  
4 category of Medi-Cal providers, in the aggregate, total no more  
5 than 10 percent.

6 (B) The adjustments authorized in subparagraph (A) shall be  
7 implemented only if the director determines that, for each affected  
8 product, service, or provider category, the payments resulting from  
9 the adjustment comply with subdivision (m).

10 (e) Notwithstanding any other provision of this section,  
11 payments to hospitals that are not under contract with the State  
12 Department of Health Care Services pursuant to Article 2.6  
13 (commencing with Section 14081) for inpatient hospital services  
14 provided to Medi-Cal beneficiaries and that are subject to Section  
15 14166.245 shall be governed by that section.

16 (f) Notwithstanding any other provision of this section, the  
17 following shall apply:

18 (1) Payments to providers that are paid pursuant to Article 3.8  
19 (commencing with Section 14126) shall be governed by that article.

20 (2) (A) Subject to subparagraph (B), for dates of service on and  
21 after June 1, 2011, Medi-Cal reimbursement rates for intermediate  
22 care facilities for the developmentally disabled licensed pursuant  
23 to subdivision (e), (g), or (h) of Section 1250 of the Health and  
24 Safety Code, and facilities providing continuous skilled nursing  
25 care to developmentally disabled individuals pursuant to the pilot  
26 project established by Section 14132.20, as determined by the  
27 applicable methodology for setting reimbursement rates for these  
28 facilities, shall not exceed the reimbursement rates that were  
29 applicable to providers in the 2008–09 rate year.

30 (B) (i) If Section 14105.07 is added to the Welfare and  
31 Institutions Code during the 2011–12 Regular Session of the  
32 Legislature, subparagraph (A) shall become inoperative.

33 (ii) If Section 14105.07 is added to the Welfare and Institutions  
34 Code during the 2011–12 Regular Session of the Legislature, then  
35 for dates of service on and after June 1, 2011, payments to  
36 intermediate care facilities for the developmentally disabled  
37 licensed pursuant to subdivision (e), (g), or (h) of Section 1250 of  
38 the Health and Safety Code, and facilities providing continuous  
39 skilled nursing care to developmentally disabled individuals  
40 pursuant to the pilot project established by Section 14132.20, shall

1 be governed by the applicable methodology for setting  
2 reimbursement rates for these facilities and by Section 14105.07.

3 (g) The department may enter into contracts with a vendor for  
4 the purposes of implementing this section on a bid or nonbid basis.  
5 In order to achieve maximum cost savings, the Legislature declares  
6 that an expedited process for contracts under this subdivision is  
7 necessary. Therefore, contracts entered into to implement this  
8 section and all contract amendments and change orders shall be  
9 exempt from Chapter 2 (commencing with Section 10290) of Part  
10 2 Division 2 of the Public Contract Code.

11 (h) To the extent applicable, the services, facilities, and  
12 payments listed in this subdivision shall be exempt from the  
13 payment reductions specified in subdivision (d) as follows:

14 (1) Acute hospital inpatient services that are paid under contracts  
15 pursuant to Article 2.6 (commencing with Section 14081).

16 (2) Federally qualified health center services, including those  
17 facilities deemed to have federally qualified health center status  
18 pursuant to a waiver pursuant to subsection (a) of Section 1115 of  
19 the federal Social Security Act (42 U.S.C. Sec. 1315(a)).

20 (3) Rural health clinic services.

21 (4) Payments to facilities owned or operated by the State  
22 Department of State Hospitals or the State Department of  
23 Developmental Services.

24 (5) Hospice services.

25 (6) Contract services, as designated by the director pursuant to  
26 subdivision (k).

27 (7) Payments to providers to the extent that the payments are  
28 funded by means of a certified public expenditure or an  
29 intergovernmental transfer pursuant to Section 433.51 of Title 42  
30 of the Code of Federal Regulations. This paragraph shall apply to  
31 payments described in paragraph (3) of subdivision (d) only to the  
32 extent that they are also exempt from reduction pursuant to  
33 subdivision (l).

34 (8) Services pursuant to local assistance contracts and  
35 interagency agreements to the extent the funding is not included  
36 in the funds appropriated to the department in the annual Budget  
37 Act.

38 (9) Breast and cervical cancer treatment provided pursuant to  
39 Section 14007.71 and as described in paragraph (3) of subdivision  
40 (a) of Section 14105.18 or Article 1.5 (commencing with Section

1 104160) of Chapter 2 of Part 1 of Division 103 of the Health and  
2 Safety Code.

3 (10) The Family Planning, Access, Care, and Treatment (Family  
4 PACT) Program pursuant to subdivision (aa) of Section 14132.

5 (11) (A) *Effective for dates of service on or after July 1, 2015,*  
6 *or the effective date of any necessary federal approvals as required*  
7 *by subdivisions (n) and (o), whichever is later, dental services and*  
8 *applicable ancillary services.*

9 (B) *For dental managed care plans that contract with the*  
10 *department pursuant to this chapter or Chapter 8 (commencing*  
11 *with Section 14200), payments pursuant to contract amendments*  
12 *or change orders effective on or after July 1, 2015, or the effective*  
13 *date of any necessary federal approvals as required by subdivisions*  
14 *(n) and (o), whichever is later.*

15 (i) Subject to the exception for services listed in subdivision  
16 (h), the payment reductions required by subdivision (d) shall apply  
17 to the benefits rendered by any provider who may be authorized  
18 to bill for the service, including, but not limited to, physicians,  
19 podiatrists, nurse practitioners, certified nurse-midwives, nurse  
20 anesthetists, and organized outpatient clinics.

21 (j) Notwithstanding any other ~~provision~~ of law, for dates of  
22 service on and after June 1, 2011, Medi-Cal reimbursement rates  
23 applicable to the following classes of providers shall not exceed  
24 the reimbursement rates that were applicable to those classes of  
25 providers in the 2008–09 rate year, as described in subdivision (f)  
26 of Section 14105.191, reduced by 10 percent:

27 (1) Intermediate care facilities, excluding those facilities  
28 identified in paragraph (2) of subdivision (f). For purposes of this  
29 section, “intermediate care facility” has the same meaning as  
30 defined in Section 51118 of Title 22 of the California Code of  
31 Regulations.

32 (2) Skilled nursing facilities that are distinct parts of general  
33 acute care hospitals. For purposes of this section, “distinct part”  
34 has the same meaning as defined in Section 72041 of Title 22 of  
35 the California Code of Regulations.

36 (3) Rural swing-bed facilities.

37 (4) Subacute care units that are, or are parts of, distinct parts of  
38 general acute care hospitals. For purposes of this subparagraph,  
39 “subacute care unit” has the same meaning as defined in Section  
40 51215.5 of Title 22 of the California Code of Regulations.



1 (5) Pediatric subacute care units that are, or are parts of, distinct  
2 parts of general acute care hospitals. For purposes of this  
3 subparagraph, “pediatric subacute care unit” has the same meaning  
4 as defined in Section 51215.8 of Title 22 of the California Code  
5 of Regulations.

6 (6) Adult day health care centers.

7 (7) Freestanding pediatric subacute care units, as defined in  
8 Section 51215.8 of Title 22 of the California Code of Regulations.

9 (k) Notwithstanding Chapter 3.5 (commencing with Section  
10 11340) of Part 1 of Division 3 of Title 2 of the Government Code,  
11 the department may implement and administer this section by  
12 means of provider bulletins or similar instructions, without taking  
13 regulatory action.

14 (l) The reductions described in this section shall apply only to  
15 payments for services when the General Fund share of the payment  
16 is paid with funds directly appropriated to the department in the  
17 annual Budget Act and shall not apply to payments for services  
18 paid with funds appropriated to other departments or agencies.

19 (m) Notwithstanding any other provision of this section, the  
20 payment reductions and adjustments provided for in subdivision  
21 (d) shall be implemented only if the director determines that the  
22 payments that result from the application of this section will  
23 comply with applicable federal Medicaid requirements and that  
24 federal financial participation will be available.

25 (1) In determining whether federal financial participation is  
26 available, the director shall determine whether the payments  
27 comply with applicable federal Medicaid requirements, including  
28 those set forth in Section 1396a(a)(30)(A) of Title 42 of the United  
29 States Code.

30 (2) To the extent that the director determines that the payments  
31 do not comply with the federal Medicaid requirements or that  
32 federal financial participation is not available with respect to any  
33 payment that is reduced pursuant to this section, the director retains  
34 the discretion to not implement the particular payment reduction  
35 or adjustment and may adjust the payment as necessary to comply  
36 with federal Medicaid requirements.

37 (n) The department shall seek any necessary federal approvals  
38 for the implementation of this section.

1 (o) (1) The payment reductions and adjustments set forth in  
2 this section shall not be implemented until federal approval is  
3 obtained.

4 (2) To the extent that federal approval is obtained for one or  
5 more of the payment reductions and adjustments in this section  
6 and Section 14105.07, the payment reductions and adjustments  
7 set forth in Section 14105.191 shall cease to be implemented for  
8 the same services provided by the same class of providers. In the  
9 event of a conflict between this section and Section 14105.191,  
10 other than the provisions setting forth a payment reduction or  
11 adjustment, this section shall govern.

12 (3) When federal approval is obtained, the payments resulting  
13 from the application of this section shall be implemented  
14 retroactively to June 1, 2011, or on any other date or dates as may  
15 be applicable.

16 (4) The director may clarify the application of this subdivision  
17 by means of provider bulletins or similar instructions, pursuant to  
18 subdivision (k).

19 (p) Adjustments to pharmacy drug product payment pursuant  
20 to this section shall no longer apply when the department  
21 determines that the average acquisition cost methodology pursuant  
22 to Section 14105.45 has been fully implemented and the  
23 department's pharmacy budget reduction targets, consistent with  
24 payment reduction levels pursuant to this section, have been met.

25 *SEC. 39. Section 14127.7 is added to the Welfare and*  
26 *Institutions Code, to read:*

27 *14127.7. (a) The Health Home Program Account is hereby*  
28 *created in the Special Deposit Fund within the State Treasury in*  
29 *order to collect and allocate non-General Fund public or private*  
30 *grant funds, to be expended, upon appropriation by the Legislature,*  
31 *for the purposes of implementing the Health Home Program*  
32 *established pursuant to this article.*

33 *(b) The department may accept funding from local governments,*  
34 *foundations, or other organizations to provide funding for the*  
35 *Health Home Program.*

36 *(c) Any unexpended funds within the Health Home Program*  
37 *Account, within the Special Deposit Fund, from a local government,*  
38 *foundation, or other organization, shall be returned to the*  
39 *contributing entity.*

1     *SEC. 40. Section 14134 of the Welfare and Institutions Code,*  
2 *as amended by Section 65 of Chapter 23 of the Statutes of 2013,*  
3 *is amended to read:*

4     14134. (a) Except for any prescription, refill, visit, service,  
5 device, or item for which the program's payment is ten dollars  
6 (\$10) or less, in which case no copayment shall be required, a  
7 recipient of services under this chapter shall be required to make  
8 copayments not to exceed the maximum permitted under federal  
9 regulations or federal ~~waivers~~ *waivers*, as follows:

10     (1) Copayment of five dollars (\$5) shall be made for  
11 nonemergency services received in an emergency department or  
12 emergency room when the services do not result in the treatment  
13 of an emergency medical condition or inpatient admittance. For  
14 the purposes of this section, "nonemergency services" means  
15 services not required to, as appropriate, medically screen, examine,  
16 evaluate, or stabilize an emergency medical condition that  
17 manifests itself by acute symptoms of sufficient severity, including  
18 severe pain, ~~such~~ *so* that the absence of immediate medical  
19 attention could reasonably be expected to result in any of the  
20 following:

21     (A) Placing the individual's health, or, with respect to a pregnant  
22 woman, the health of the woman or her unborn child, in serious  
23 jeopardy.

24     (B) Serious impairment to bodily functions.

25     (C) Serious dysfunction of any bodily organ or part.

26     (2) Copayment of one dollar (\$1) shall be made for each drug  
27 prescription or refill.

28     (3) Copayment of one dollar (\$1) shall be made for each visit  
29 for services under subdivisions (a) and (h) of Section 14132.

30     (4) The copayment amounts set forth in paragraphs (1), (2), and  
31 (3) may be collected and ~~retained~~ *retained*, or waived by the  
32 provider.

33     (5) The department shall not reduce the reimbursement otherwise  
34 due to providers as a result of the copayment. The copayment  
35 amounts shall be in addition to any reimbursement otherwise due  
36 *to* the provider for services rendered under this program.

37     (6) This section does not apply to emergency services, family  
38 planning services, or to any services received ~~by:~~ *by any of the*  
39 *following:*

- 1 (A) ~~Any~~A child in AFDC-Foster Care, as defined in Section
- 2 11400.
- 3 (B) ~~Any~~A person who is an inpatient in a health facility, as
- 4 defined in Section 1250 of the Health and Safety Code.
- 5 (C) ~~Any~~A person 18 years of age or under.
- 6 (D) ~~Any~~A woman receiving perinatal care.
- 7 (7) Paragraph (2) does not apply to ~~any~~ a person 65 years of
- 8 age or over.
- 9 (8) A provider of service shall not deny care or services to an
- 10 individual solely because of that person’s inability to copay under
- 11 this section. ~~An~~ *However, an* individual ~~shall, however, shall~~
- 12 remain liable to the provider for any copayment amount owed.
- 13 (9) This section shall not apply to ~~any~~ preventive services that
- 14 are assigned a grade of A or B by the United States Preventive
- 15 Services Task Force provided by a physician or other licensed
- 16 practitioner of the healing arts, or any approved adult vaccines and
- 17 their administration recommended by the Advisory Committee on
- 18 Immunization Practices. Pursuant to Section 1905(b) of the federal
- 19 Social Security Act (42 U.S.C. Sec. 1396d(b)), these services shall
- 20 be provided without any cost sharing by the beneficiary in order
- 21 for the state to receive an increased federal medical assistance
- 22 percentage for these services.
- 23 ~~(10)~~
- 24 (b) The department shall seek any federal waivers necessary to
- 25 implement this section. The provisions for which appropriate
- 26 federal waivers cannot be obtained shall not be implemented, but
- 27 provisions for which waivers are either obtained or found to be
- 28 unnecessary shall be unaffected by the inability to obtain federal
- 29 waivers for the other provisions.
- 30 ~~(11)~~
- 31 (c) The director shall adopt ~~any~~ regulations necessary to
- 32 implement this section as emergency regulations in accordance
- 33 with Chapter 3.5 (commencing with Section 11340) of Part 1 of
- 34 Division 3 of Title 2 of the Government Code. The adoption of
- 35 the regulations shall be deemed to be an emergency and necessary
- 36 for the immediate preservation of the public peace, health and
- 37 safety, or general welfare. The director shall transmit these
- 38 emergency regulations directly to the Secretary of State for filing
- 39 and the regulations shall become effective immediately upon filing.
- 40 Upon completion of the formal regulation adoption process and

1 prior to the expiration of the 120 day duration period of emergency  
2 regulations, the director shall transmit directly to the Secretary of  
3 State for filing the adopted regulations, the rulemaking file, and  
4 the certification of compliance as required by subdivision (e) of  
5 Section 11346.1 of the Government Code.

6 ~~(b) This section, or subdivisions thereof, if applicable, shall~~  
7 ~~become inoperative on the implementation date for copayments~~  
8 ~~stated in the declaration executed by the director pursuant to~~  
9 ~~Section 14134 as added by Section 101.5 of Chapter 3 of the~~  
10 ~~Statutes of 2011.~~

11 *SEC. 41. Section 14134 of the Welfare and Institutions Code,*  
12 *as amended by Section 66 of Chapter 23 of the Statutes of 2013,*  
13 *is repealed.*

14 ~~14134. (a) The Legislature finds and declares all of the~~  
15 ~~following:~~

16 ~~(1) Costs within the Medi-Cal program continue to grow due~~  
17 ~~to the rising cost of providing health care throughout the state and~~  
18 ~~also due to increases in enrollment, which are more pronounced~~  
19 ~~during difficult economic times.~~

20 ~~(2) In order to minimize the need for drastically cutting~~  
21 ~~enrollment standards or benefits or imposing further reductions~~  
22 ~~on Medi-Cal providers during times of economic crisis, it is crucial~~  
23 ~~to find areas within the program where beneficiaries can share~~  
24 ~~responsibility for utilization of health care, whether they are~~  
25 ~~participating in the fee-for-service or the managed care model of~~  
26 ~~service delivery.~~

27 ~~(3) The establishment of cost-sharing obligations within the~~  
28 ~~Medi-Cal program is complex and is subject to close supervision~~  
29 ~~by the United States Department of Health and Human Services.~~

30 ~~(4) As the single state agency for Medicaid in California, the~~  
31 ~~State Department of Health Care Services has unique expertise~~  
32 ~~that can inform decisions that set or adjust cost-sharing~~  
33 ~~responsibilities for Medi-Cal beneficiaries receiving health care~~  
34 ~~services.~~

35 ~~(b) Therefore, it is the intent of the Legislature for the~~  
36 ~~department to obtain federal approval to implement cost-sharing~~  
37 ~~for Medi-Cal beneficiaries and permit providers to require that~~  
38 ~~individuals meet their cost-sharing obligation prior to receiving~~  
39 ~~care or services.~~

1 ~~(e) A Medi-Cal beneficiary shall be required to make~~  
2 ~~copayments as described in this section. These copayments~~  
3 ~~represent a contribution toward the rate of payment made to~~  
4 ~~providers of Medi-Cal services and shall be as follows:~~

5 ~~(1) Copayment of up to fifty dollars (\$50) shall be made for~~  
6 ~~nonemergency services received in an emergency department or~~  
7 ~~emergency room when the services do not result in the treatment~~  
8 ~~of an emergency condition or inpatient admittance. For the~~  
9 ~~purposes of this section, “nonemergency services” means services~~  
10 ~~not required to, as appropriate, medically screen, examine, evaluate,~~  
11 ~~or stabilize an emergency medical condition that manifests itself~~  
12 ~~by acute symptoms of sufficient severity, including severe pain,~~  
13 ~~such that the absence of immediate medical attention could~~  
14 ~~reasonably be expected to result in any of the following:~~

15 ~~(A) Placing the individual’s health, or, with respect to a pregnant~~  
16 ~~woman, the health of the woman or her unborn child, in serious~~  
17 ~~jeopardy.~~

18 ~~(B) Serious impairment to bodily functions.~~

19 ~~(C) Serious dysfunction of any bodily organ or part.~~

20 ~~(2) Copayment of up to fifty dollars (\$50) shall be made for~~  
21 ~~emergency services received in an emergency department or~~  
22 ~~emergency room when the services result in the treatment of an~~  
23 ~~emergency medical condition or inpatient admittance. For purposes~~  
24 ~~of this section, “emergency services” means services required to,~~  
25 ~~as appropriate, medically screen, examine, evaluate, or stabilize~~  
26 ~~an emergency medical condition that manifests itself by acute~~  
27 ~~symptoms of sufficient severity, including severe pain, such that~~  
28 ~~the absence of immediate medical attention could reasonably be~~  
29 ~~expected to result in any of the following:~~

30 ~~(A) Placing the individual’s health, or, with respect to a pregnant~~  
31 ~~woman, the health of the woman or her unborn child, in serious~~  
32 ~~jeopardy.~~

33 ~~(B) Serious impairment to bodily functions.~~

34 ~~(C) Serious dysfunction of any bodily organ or part.~~

35 ~~(3) Copayment of up to one hundred dollars (\$100) shall be~~  
36 ~~made for each hospital inpatient day, up to a maximum of two~~  
37 ~~hundred dollars (\$200) per admission.~~

38 ~~(4) Copayment of up to three dollars (\$3) shall be made for each~~  
39 ~~preferred drug prescription or refill. A copayment of up to five~~  
40 ~~dollars (\$5) shall be made for each nonpreferred drug prescription~~

1 or refill. Except as provided in subdivision (g), “preferred drug”  
2 shall have the same meaning as in Section 1916A of the Social  
3 Security Act (42 U.S.C. Sec. 1396o-1).

4 (5) Copayment of up to five dollars (\$5) shall be made for each  
5 visit for services under subdivision (a) of Section 14132 and for  
6 dental services received on an outpatient basis provided as a  
7 Medi-Cal benefit pursuant to this chapter or Chapter 8  
8 (commencing with Section 14200), as applicable.

9 (6) This section does not apply to services provided pursuant  
10 to subdivision (aa) of Section 14132.

11 (d) The copayments established pursuant to subdivision (c) shall  
12 be set by the department, at the maximum amount provided for in  
13 the applicable paragraph, except that each copayment amount shall  
14 not exceed the maximum amount allowable pursuant to the state  
15 plan amendments or other federal approvals.

16 (e) The copayment amounts set forth in subdivision (c) may be  
17 collected and retained or waived by the provider. The department  
18 shall deduct the amount of the copayment from the payment the  
19 department makes to the provider whether retained, waived, or not  
20 collected by the provider.

21 (f) Notwithstanding any other provision of law, and only to the  
22 extent allowed pursuant to federal law, a provider of service has  
23 no obligation to provide services to a Medi-Cal beneficiary who  
24 does not, at the point of service, pay the copayment assessed  
25 pursuant to this section. If the provider provides services without  
26 collecting the copayment, and has not waived the copayment, the  
27 provider may hold the beneficiary liable for the copayment amount  
28 owed.

29 (g) (1) Notwithstanding any other provision of law, except as  
30 described in paragraph (2), this section shall apply to Medi-Cal  
31 beneficiaries enrolled in a health plan contracting with the  
32 department pursuant to this chapter or Chapter 8 (commencing  
33 with Section 14200), except for the Senior Care Action Network  
34 or AIDS Healthcare Foundation. To the extent permitted by federal  
35 law and pursuant to any federal waivers or state plan adjustments  
36 obtained, a managed care health plan may establish a lower  
37 copayment or no copayment.

38 (2) For the purpose of paragraph (4) of subdivision (c),  
39 copayments assessed against a beneficiary who receives Medi-Cal  
40 services through a health plan described in paragraph (1) shall be

1 based on the plan's designation of a drug as preferred or  
2 nonpreferred.

3 (3) To the extent provided by federal law, capitation payments  
4 shall be calculated on an actuarial basis as if copayments described  
5 in this section were collected.

6 (h) This section shall not apply to any preventive services that  
7 are assigned a grade of A or B by the United States Preventive  
8 Services Task Force provided by a physician or other licensed  
9 practitioner of the healing arts, or any approved adult vaccines and  
10 their administration recommended by the Advisory Committee on  
11 Immunization Practices. Pursuant to Section 1905(b) of the federal  
12 Social Security Act (42 U.S.C. Sec. 1396d(b)), these services shall  
13 be provided without any cost sharing by the beneficiary in order  
14 for the state to receive an increased federal medical assistance  
15 percentage for these services.

16 (i) This section shall be implemented only to the extent that  
17 federal financial participation is available. The department shall  
18 seek and obtain any federal waivers or state plan amendments  
19 necessary to implement this section. The provisions for which  
20 appropriate federal waivers or state plan amendments cannot be  
21 obtained shall not be implemented, but provisions for which  
22 waivers or state plan amendments are either obtained or found to  
23 be unnecessary shall be unaffected by the inability to obtain federal  
24 waivers or state plan amendments for the other provisions.

25 (j) Notwithstanding Chapter 3.5 (commencing with Section  
26 11340) of Part 1 of Division 3 of Title 2 of the Government Code,  
27 the department may implement, interpret, or make specific this  
28 section by means of all-county letters, all-plan letters, provider  
29 bulletins, or similar instructions, without taking further regulatory  
30 actions.

31 (k) (1) This section shall become operative on the date that the  
32 act adding this section is effective, but shall not be implemented  
33 until the date in the declaration executed by the director pursuant  
34 to paragraph (2). In no event shall the director set an  
35 implementation date prior to the date federal approval is received.

36 (2) The director shall execute a declaration that states the date  
37 that implementation of the copayments described in this section  
38 or subdivisions thereof, if applicable, will commence and shall  
39 post the declaration on the department's Internet Web site and  
40 provide a copy of the declaration to the Chair of the Joint



1 ~~Legislative Budget Committee, the Chief Clerk of the Assembly,~~  
2 ~~the Secretary of the Senate, the Office of the Legislative Counsel,~~  
3 ~~and the Secretary of State.~~

4 *SEC. 42. Section 14154 of the Welfare and Institutions Code*  
5 *is amended to read:*

6 14154. (a) (1) The department shall establish and maintain a  
7 plan whereby costs for county administration of the determination  
8 of eligibility for benefits under this chapter will be effectively  
9 controlled within the amounts annually appropriated for that  
10 administration. The plan, to be known as the County Administrative  
11 Cost Control Plan, shall establish standards and performance  
12 criteria, including workload, productivity, and support services  
13 standards, to which counties shall adhere. The plan shall include  
14 standards for controlling eligibility determination costs that are  
15 incurred by performing eligibility determinations at county  
16 hospitals, or that are incurred due to the outstationing of any other  
17 eligibility function. Except as provided in Section 14154.15,  
18 reimbursement to a county for outstationed eligibility functions  
19 shall be based solely on productivity standards applied to that  
20 county's welfare department office.

21 (2) (A) The plan shall delineate both of the following:

22 (i) The process for determining county administration base costs,  
23 which include salaries and benefits, support costs, and staff  
24 development.

25 (ii) The process for determining funding for caseload changes,  
26 cost-of-living adjustments, and program and other changes.

27 (B) The annual county budget survey document utilized under  
28 the plan shall be constructed to enable the counties to provide  
29 sufficient detail to the department to support their budget requests.

30 (3) The plan shall be part of a single state plan, jointly developed  
31 by the department and the State Department of Social Services, in  
32 conjunction with the counties, for administrative cost control for  
33 the California Work Opportunity and Responsibility to Kids  
34 (CalWORKs), CalFresh, and Medical Assistance (Medi-Cal)  
35 programs. Allocations shall be made to each county and shall be  
36 limited by and determined based upon the County Administrative  
37 Cost Control Plan. In administering the plan to control county  
38 administrative costs, the department shall not allocate state funds  
39 to cover county cost overruns that result from county failure to  
40 meet requirements of the plan. The department and the State

1 Department of Social Services shall budget, administer, and  
2 allocate state funds for county administration in a uniform and  
3 consistent manner.

4 (4) The department and county welfare departments shall  
5 develop procedures to ensure the data clarity, consistency, and  
6 reliability of information contained in the county budget survey  
7 document submitted by counties to the department. These  
8 procedures shall include the format of the county budget survey  
9 document and process, data submittal and its documentation, and  
10 the use of the county budget survey documents for the development  
11 of determining county administration costs. Communication  
12 between the department and the county welfare departments shall  
13 be ongoing as needed regarding the content of the county budget  
14 surveys and any potential issues to ensure the information is  
15 complete and well understood by involved parties. Any changes  
16 developed pursuant to this section shall be incorporated within the  
17 state's annual budget process by no later than the 2011–12 fiscal  
18 year.

19 (5) The department shall provide a clear narrative description  
20 along with fiscal detail in the Medi-Cal estimate package, submitted  
21 to the Legislature in January and May of each year, of each  
22 component of the county administrative funding for the Medi-Cal  
23 program. This shall describe how the information obtained from  
24 the county budget survey documents was utilized and, if applicable,  
25 modified and the rationale for the changes.

26 (6) Notwithstanding any other law, the department shall develop  
27 and implement, in consultation with county program and fiscal  
28 representatives, a new budgeting methodology for Medi-Cal county  
29 administrative costs that reflects the impact of PPACA  
30 implementation on county administrative work. The new budgeting  
31 methodology shall be used to reimburse counties for eligibility  
32 processing and case maintenance for applicants and beneficiaries.

33 (A) The budgeting methodology may include, but is not limited  
34 to, identification of the costs of eligibility determinations for  
35 applicants, and the costs of eligibility redeterminations and case  
36 maintenance activities for recipients, for different groupings of  
37 cases, based on variations in time and resources needed to conduct  
38 eligibility determinations. The calculation of time and resources  
39 shall be based on the following factors: complexity of eligibility  
40 rules, ongoing eligibility requirements, and other factors as

1 determined appropriate by the department. The development of  
2 the new budgeting methodology may include, but is not limited  
3 to, county survey of costs, time and motion studies, in-person  
4 observations by department staff, data reporting, and other factors  
5 deemed appropriate by the department.

6 (B) The new budgeting methodology shall be clearly described,  
7 state the necessary data elements to be collected from the counties,  
8 and establish the timeframes for counties to provide the data to  
9 the state.

10 (C) The new budgeting methodology developed pursuant to this  
11 paragraph shall be implemented no sooner than the 2015–16 fiscal  
12 year. The department may develop a process for counties to phase  
13 in the requirements of the new budgeting methodology.

14 (D) The department shall provide the new budgeting  
15 methodology to the legislative fiscal committees by March 1 of  
16 the fiscal year immediately preceding the first fiscal year of  
17 implementation of the new budgeting methodology.

18 (E) To the extent that the funding for the county budgets  
19 developed pursuant to the new budget methodology is not fully  
20 appropriated in any given fiscal year, the department, with input  
21 from the counties, shall identify and consider options to align  
22 funding and workload responsibilities.

23 (F) For purposes of this paragraph, “PPACA” means the federal  
24 Patient Protection and Affordable Care Act (Public Law 111-148),  
25 as amended by the federal Health Care and Education  
26 Reconciliation Act of 2010 (Public Law 111-152) and any  
27 subsequent amendments.

28 (G) Notwithstanding Chapter 3.5 (commencing with Section  
29 11340) of Part 1 of Division 3 of Title 2 of the Government Code,  
30 the department may implement, interpret, or make specific this  
31 paragraph by means of all-county letters, plan letters, plan or  
32 provider bulletins, or similar instructions until the time any  
33 necessary regulations are adopted. The department shall adopt  
34 regulations by July 1, 2017, in accordance with the requirements  
35 of Chapter 3.5 (commencing with Section 11340) of Part 1 of  
36 Division 3 of Title 2 of the Government Code. Beginning six  
37 months after the implementation of the new budgeting methodology  
38 pursuant to this paragraph, and notwithstanding Section 10231.5  
39 of the Government Code, the department shall provide a status  
40 report to the Legislature on a semiannual basis, in compliance with

1 Section 9795 of the Government Code, until regulations have been  
2 adopted.

3 (b) Nothing in this section, Section 15204.5, or Section 18906  
4 shall be construed to limit the administrative or budgetary  
5 responsibilities of the department in a manner that would violate  
6 Section 14100.1, and thereby jeopardize federal financial  
7 participation under the Medi-Cal program.

8 (c) (1) The Legislature finds and declares that in order for  
9 counties to do the work that is expected of them, it is necessary  
10 that they receive adequate funding, including adjustments for  
11 reasonable annual cost-of-doing-business increases. The Legislature  
12 further finds and declares that linking appropriate funding for  
13 county Medi-Cal administrative operations, including annual  
14 cost-of-doing-business adjustments, with performance standards  
15 will give counties the incentive to meet the performance standards  
16 and enable them to continue to do the work they do on behalf of  
17 the state. It is therefore the Legislature's intent to provide  
18 appropriate funding to the counties for the effective administration  
19 of the Medi-Cal program at the local level to ensure that counties  
20 can reasonably meet the purposes of the performance measures as  
21 contained in this section.

22 (2) It is the intent of the Legislature to not appropriate funds for  
23 the cost-of-doing-business adjustment for the 2008–09, 2009–10,  
24 2010–11, 2011–12, 2012–13, ~~2014–15~~, and ~~2014–15~~ 2015–16  
25 fiscal years.

26 (d) The department is responsible for the Medi-Cal program in  
27 accordance with state and federal law. A county shall determine  
28 Medi-Cal eligibility in accordance with state and federal law. If  
29 in the course of its duties the department becomes aware of  
30 accuracy problems in any county, the department shall, within  
31 available resources, provide training and technical assistance as  
32 appropriate. Nothing in this section shall be interpreted to eliminate  
33 any remedy otherwise available to the department to enforce  
34 accurate county administration of the program. In administering  
35 the Medi-Cal eligibility process, each county shall meet the  
36 following performance standards each fiscal year:

37 (1) Complete eligibility determinations as follows:

38 (A) Ninety percent of the general applications without applicant  
39 errors and are complete shall be completed within 45 days.

1 (B) Ninety percent of the applications for Medi-Cal based on  
2 disability shall be completed within 90 days, excluding delays by  
3 the state.

4 (2) (A) The department shall establish best-practice guidelines  
5 for expedited enrollment of newborns into the Medi-Cal program,  
6 preferably with the goal of enrolling newborns within 10 days after  
7 the county is informed of the birth. The department, in consultation  
8 with counties and other stakeholders, shall work to develop a  
9 process for expediting enrollment for all newborns, including those  
10 born to mothers receiving CalWORKs assistance.

11 (B) Upon the development and implementation of the  
12 best-practice guidelines and expedited processes, the department  
13 and the counties may develop an expedited enrollment timeframe  
14 for newborns that is separate from the standards for all other  
15 applications, to the extent that the timeframe is consistent with  
16 these guidelines and processes.

17 (3) Perform timely annual redeterminations, as follows:

18 (A) Ninety percent of the annual redetermination forms shall  
19 be mailed to the recipient by the anniversary date.

20 (B) Ninety percent of the annual redeterminations shall be  
21 completed within 60 days of the recipient's annual redetermination  
22 date for those redeterminations based on forms that are complete  
23 and have been returned to the county by the recipient in a timely  
24 manner.

25 (C) Ninety percent of those annual redeterminations where the  
26 redetermination form has not been returned to the county by the  
27 recipient shall be completed by sending a notice of action to the  
28 recipient within 45 days after the date the form was due to the  
29 county.

30 (D) If a child is determined by the county to change from no  
31 share of cost to a share of cost and the child meets the eligibility  
32 criteria for the Healthy Families Program established under Section  
33 12693.98 of the Insurance Code, the child shall be placed in the  
34 Medi-Cal-to-Healthy Families Bridge Benefits Program, and these  
35 cases shall be processed as follows:

36 (i) Ninety percent of the families of these children shall be sent  
37 a notice informing them of the Healthy Families Program within  
38 five working days from the determination of a share of cost.

39 (ii) Ninety percent of all annual redetermination forms for these  
40 children shall be sent to the Healthy Families Program within five

1 working days from the determination of a share of cost if the parent  
2 has given consent to send this information to the Healthy Families  
3 Program.

4 (iii) Ninety percent of the families of these children placed in  
5 the Medi-Cal-to-Healthy Families Bridge Benefits Program who  
6 have not consented to sending the child's annual redetermination  
7 form to the Healthy Families Program shall be sent a request,  
8 within five working days of the determination of a share of cost,  
9 to consent to send the information to the Healthy Families Program.

10 (E) Subparagraph (D) shall not be implemented until 60 days  
11 after the Medi-Cal and Joint Medi-Cal and Healthy Families  
12 applications and the Medi-Cal redetermination forms are revised  
13 to allow the parent of a child to consent to forward the child's  
14 information to the Healthy Families Program.

15 (e) The department shall develop procedures in collaboration  
16 with the counties and stakeholder groups for determining county  
17 review cycles, sampling methodology and procedures, and data  
18 reporting.

19 (f) On January 1 of each year, each applicable county, as  
20 determined by the department, shall report to the department on  
21 the county's results in meeting the performance standards specified  
22 in this section. The report shall be subject to verification by the  
23 department. County reports shall be provided to the public upon  
24 written request.

25 (g) If the department finds that a county is not in compliance  
26 with one or more of the standards set forth in this section, the  
27 county shall, within 60 days, submit a corrective action plan to the  
28 department for approval. The corrective action plan shall, at a  
29 minimum, include steps that the county shall take to improve its  
30 performance on the standard or standards with which the county  
31 is out of compliance. The plan shall establish interim benchmarks  
32 for improvement that shall be expected to be met by the county in  
33 order to avoid a sanction.

34 (h) (1) If a county does not meet the performance standards for  
35 completing eligibility determinations and redeterminations as  
36 specified in this section, the department may, at its sole discretion,  
37 reduce the allocation of funds to that county in the following year  
38 by 2 percent. Any funds so reduced may be restored by the  
39 department if, in the determination of the department, sufficient  
40 improvement has been made by the county in meeting the

1 performance standards during the year for which the funds were  
2 reduced. If the county continues not to meet the performance  
3 standards, the department may reduce the allocation by an  
4 additional 2 percent for each year thereafter in which sufficient  
5 improvement has not been made to meet the performance standards.

6 (2) No reduction of the allocation of funds to a county shall be  
7 imposed pursuant to this subdivision for failure to meet  
8 performance standards during any period of time in which the  
9 cost-of-doing-business increase is suspended.

10 (i) The department shall develop procedures, in collaboration  
11 with the counties and stakeholders, for developing instructions for  
12 the performance standards established under subparagraph (D) of  
13 paragraph (3) of subdivision (d), no later than September 1, 2005.

14 (j) No later than September 1, 2005, the department shall issue  
15 a revised annual redetermination form to allow a parent to indicate  
16 parental consent to forward the annual redetermination form to  
17 the Healthy Families Program if the child is determined to have a  
18 share of cost.

19 (k) The department, in coordination with the Managed Risk  
20 Medical Insurance Board, shall streamline the method of providing  
21 the Healthy Families Program with information necessary to  
22 determine Healthy Families eligibility for a child who is receiving  
23 services under the Medi-Cal-to-Healthy Families Bridge Benefits  
24 Program.

25 (l) Notwithstanding Chapter 3.5 (commencing with Section  
26 11340) of Part 1 of Division 3 of Title 2 of the Government Code,  
27 and except as provided in subparagraph (G) of paragraph (6) of  
28 subdivision (a), the department shall, without taking any further  
29 regulatory action, implement, interpret, or make specific this  
30 section and any applicable federal waivers and state plan  
31 amendments by means of all-county letters or similar instructions.

32 *SEC. 43. Section 14186 of the Welfare and Institutions Code*  
33 *is amended to read:*

34 14186. (a) It is the intent of the Legislature that long-term  
35 services and supports (LTSS) be covered through managed care  
36 health plans in Coordinated Care Initiative counties.

37 (b) It is further the intent of the Legislature that all of the  
38 following occur:

39 (1) Persons receiving health care services through Medi-Cal  
40 receive these services through a coordinated health care system

1 that reduces the unnecessary use of emergency and hospital  
2 services.

3 (2) Coordinated health care services, including medical,  
4 long-term services and supports, and enhanced care management  
5 be covered through Medi-Cal managed care health plans in order  
6 to eliminate system inefficiencies and align incentives with positive  
7 health care outcomes.

8 (3) Managed care health plans shall, in coordination with LTSS  
9 care management providers, develop and expand care coordination  
10 practices in consultation with counties, nursing facilities, area  
11 agencies on aging, and other home- and community-based  
12 providers, and share best practices. Unless the consumer objects,  
13 managed care health plans may establish care coordination teams  
14 as needed. If the consumer is an IHSS recipient, his or her  
15 participation and the participation of his or her provider shall be  
16 subject to the consumer's consent. These care coordination teams  
17 shall include the consumer, and his or her authorized representative,  
18 health plan, county social services agency, Community-Based  
19 Adult Services (CBAS) case manager for CBAS clients,  
20 Multipurpose Senior Services Program (MSSP) case manager for  
21 MSSP clients, and, if an IHSS recipient, may include others.

22 (4) To the extent possible, for Medi-Cal beneficiaries also  
23 enrolled in the Medicare Program, that the department work with  
24 the federal government to coordinate financing and incentives and  
25 permit managed care health plans to coordinate health care  
26 provided under both health care systems.

27 (5) The health care choices made by Medi-Cal beneficiaries be  
28 considered with regard to all of the following:

29 (A) Receiving care in a home- and community-based setting to  
30 maintain independence and quality of life.

31 (B) Selecting their health care providers in the managed care  
32 plan network.

33 (C) Controlling care planning, decisionmaking, and coordination  
34 with their health care providers.

35 (D) Gaining access to services that are culturally, linguistically,  
36 and operationally sensitive to meet their needs or limitations and  
37 that improve their health outcomes, enhance independence, and  
38 promote living in home- and community-based settings.

39 (E) Self-directing their care by being able to hire, fire, and  
40 supervise their IHSS provider.



1 (F) Being assured by the department and coordinating  
2 departments of their oversight of the quality of these coordinated  
3 health care services.

4 (6) (A) Counties continue to perform functions necessary for  
5 the administration of the IHSS program, including conducting  
6 assessments and determining authorized hours for recipients,  
7 pursuant to Article 7 (commencing with Section 12300) of Chapter  
8 3. County agency assessments shall be shared with care  
9 coordination teams, when applicable. The county agency thereafter  
10 may receive and consider additional input from the care  
11 coordination team.

12 (B) Managed care health plans may authorize personal care  
13 services and related domestic services in addition to the hours  
14 authorized under Article 7 (commencing with Section 12300) of  
15 Chapter 3, which managed care health plans shall be responsible  
16 for paying at no share of cost to the county. The department, in  
17 consultation with the State Department of Social Services, shall  
18 develop policies and procedures for these additional benefits, which  
19 managed care health plans may authorize. The grievance process  
20 for these benefits shall be the same process as used for other  
21 benefits authorized by managed care health plans, and shall comply  
22 with Section 14450, and Sections 1368 and 1368.1 of the Health  
23 and Safety Code.

24 (7) (A) ~~Effective January 1, 2015, No later than December 31,~~  
25 ~~2017, or 19 months after commencement of beneficiary enrollment~~  
26 ~~into managed care on the date the managed care health plans and~~  
27 ~~MSSP providers jointly satisfy the readiness criteria developed~~  
28 ~~pursuant to Sections 14182 and 14182.16, subparagraph (D) of~~  
29 ~~paragraph (4) of subdivision (b) of Section 14186.3, whichever is~~  
30 ~~later, earlier,~~ MSSP services shall transition from a federal waiver  
31 pursuant to Section 1915(c) under the federal Social Security Act  
32 (42 U.S.C. Sec. ~~1396n et seq.~~ *1396n(c)*) to a benefit administered  
33 and allocated by managed care health plans in Coordinated Care  
34 Initiative counties.

35 (B) Notwithstanding Chapter 8 (commencing with Section 9560)  
36 of Division 8.5, it is also the intent of the Legislature that the  
37 provisions of this article shall apply to dual eligible and  
38 Medi-Cal-only beneficiaries enrolled in MSSP. It is the further  
39 intent of the Legislature that managed care health plans shall work  
40 in collaboration with MSSP providers to begin development of an

1 integrated, person-centered care management and care coordination  
2 model that works within the context of managed care, and explore  
3 which portions of the MSSP program model may be adapted to  
4 managed care while maintaining the integrity and efficacy of the  
5 MSSP model.

6 (C) *At least 30 days before the MSSP services transition to a*  
7 *benefit administered and allocated by managed care health plans*  
8 *in Coordinated Care Initiative counties, the department shall notify*  
9 *the appropriate policy and fiscal committees of the Legislature of*  
10 *its intent to transition the MSSP services to managed care health*  
11 *plans.*

12 (8) In lieu of providing nursing facility services, managed care  
13 health plans may authorize home- and community-based services  
14 plan benefits, as defined in subdivision (d) of Section 14186.1,  
15 which managed care health plans shall be responsible for paying  
16 at no share of cost to the county.

17 (c) *If the Coordinated Care Initiative becomes inoperative*  
18 *pursuant to Section 34 of Chapter 37 of the Statutes of 2013, MSSP*  
19 *services shall be governed by the provisions of Chapter 8*  
20 *(commencing with Section 9560) of Division 8.5.*

21 *SEC. 44. Section 14186.1 of the Welfare and Institutions Code*  
22 *is amended to read:*

23 14186.1. For purposes of this article, the following definitions  
24 shall apply unless otherwise specified:

25 (a) “Coordinated Care Initiative counties” has the same meaning  
26 as that term is defined in paragraph (1) of subdivision (b) of Section  
27 14182.16.

28 (b) “Home- and community-based services” means services  
29 provided pursuant to paragraphs (1), (2), and (3) of subdivision  
30 (c).

31 (c) “Long-term services and supports” or “LTSS” means all of  
32 the following:

33 (1) In-home supportive services (IHSS) provided pursuant to  
34 Article 7 (commencing with Section 12300) of Chapter 3, and  
35 Sections 14132.95, 14132.952, and 14132.956.

36 (2) Community-Based Adult Services (CBAS).

37 (3) Multipurpose Senior Services Program (MSSP) services,  
38 which include those services approved under a federal home- and  
39 community-based services waiver or, beginning January 1, ~~2015,~~  
40 ~~2018, or after 19 months, on the date the managed care health~~

1 *plans and MSSP providers jointly satisfy the readiness criteria*  
2 *developed pursuant to subparagraph (D) of paragraph (4) of*  
3 *subdivision (b) of Section 14186.3, whichever is earlier, equivalent*  
4 *services.*

5 (4) Skilled nursing facility services and subacute care services  
6 established under subdivision (c) of Section 14132, including those  
7 services described in Sections 51511 and 51511.5 of Title 22 of  
8 the California Code of Regulations, regardless of whether the  
9 service is included in the basic daily rate or billed separately, and  
10 any leave of absence or bed hold provided consistent with Section  
11 72520 of Title 22 of the California Code of Regulations or the  
12 state plan. However, services provided by any category of  
13 intermediate care facility for the developmentally disabled shall  
14 not be considered long-term services and supports.

15 (d) “Home- and community-based services (HCBS) plan  
16 benefits” may include in-home and out-of-home respite, nutritional  
17 assessment, counseling, and supplements, minor home or  
18 environmental adaptations, habilitation, and other services that  
19 may be deemed necessary by the managed care health plan,  
20 including its care coordination team. The department, in  
21 consultation with stakeholders, may determine whether health  
22 plans shall be required to include these benefits in their scope of  
23 service, and may establish guidelines for the scope, duration, and  
24 intensity of these benefits. The grievance process for these benefits  
25 shall be the same process as used for other benefits authorized by  
26 managed care health plans, and shall comply with Section 14450,  
27 and Sections 1368 and 1368.1 of the Health and Safety Code.

28 (e) “Managed care health plan” means an individual,  
29 organization, or entity that enters into a contract with the  
30 department pursuant to Article 2.7 (commencing with Section  
31 14087.3), Article 2.8 (commencing with Section 14087.5), Article  
32 2.81 (commencing with Section 14087.96), or Article 2.91  
33 (commencing with Section 14089), of this chapter, or Chapter 8  
34 (commencing with Section 14200). For purposes of this article,  
35 “managed care health plan” shall not include an individual,  
36 organization, or entity that enters into a contract with the  
37 department to provide services pursuant to Chapter 8.75  
38 (commencing with Section 14591) or the Senior Care Action  
39 Network.

1 (f) “Other health coverage” means health coverage providing  
 2 the same full or partial benefits as the Medi-Cal program, health  
 3 coverage under another state or federal medical care program  
 4 except for the Medicare Program (Title XVIII of the federal Social  
 5 Security Act (42 U.S.C. Sec. 1395 et seq.)), or health coverage  
 6 under a contractual or legal entitlement, including, but not limited  
 7 to, a private group or indemnification insurance program.

8 (g) “Recipient” means a Medi-Cal beneficiary eligible for IHSS  
 9 provided pursuant to Article 7 (commencing with Section 12300)  
 10 of Chapter 3, and Sections 14132.95, 14132.952, and 14132.956.

11 (h) “Stakeholder” shall include, but not be limited to, area  
 12 agencies on aging and independent living centers.

13 *SEC. 45. Section 14186.3 of the Welfare and Institutions Code*  
 14 *is amended to read:*

15 14186.3. (a) (1) No sooner than July 1, 2012,  
 16 Community-Based Adult Services (CBAS) shall be a Medi-Cal  
 17 benefit covered under every managed care health plan contract  
 18 and available only through managed care health plans. Medi-Cal  
 19 beneficiaries who are eligible for CBAS shall enroll in a managed  
 20 care health plan in order to receive those services, except for  
 21 beneficiaries exempt under subdivision (c) of Section 14186.2 or  
 22 in counties or geographic regions where Medi-Cal benefits are not  
 23 covered through managed care health plans. Notwithstanding  
 24 subdivision (a) of Section 14186.2 and pursuant to the provisions  
 25 of an approved federal waiver or plan amendment, the provision  
 26 of CBAS as a Medi-Cal benefit through a managed care health  
 27 plan shall not be limited to Coordinated Care Initiative counties.

28 (2) Managed care health plans shall determine a member’s  
 29 medical need for CBAS using the assessment tool and eligibility  
 30 criteria established pursuant to the provisions of an approved  
 31 federal waiver or amendments and shall approve the number of  
 32 days of attendance and monitor treatment plans of their members.  
 33 Managed care health plans shall reauthorize CBAS in compliance  
 34 with criteria established pursuant to the provisions of the approved  
 35 federal waiver or amendment requirements.

36 (b) (1) Beginning in the 2012 calendar year, managed care  
 37 health plans shall collaborate with MSSP providers to begin  
 38 development of an integrated, person-centered care management  
 39 and care coordination model and explore how the MSSP program  
 40 model may be adapted to managed care while maintaining the

1 efficacy of the MSSP model. The California Department of Aging  
2 and the department shall work with the MSSP site association and  
3 managed care health plans to develop a template contract to be  
4 used by managed care health plans contracting with MSSP sites  
5 in Coordinated Care Initiative counties.

6 (2) Notwithstanding the implementation date authorized in  
7 paragraph (1) of subdivision (a) of Section 14186.2, ~~beginning no~~  
8 ~~sooner later than June 1, 2013, December 31, 2017, or on the date~~  
9 ~~that any necessary federal approvals or waivers are obtained,~~  
10 ~~whichever is later, and effective January 1, 2015, or 19 months~~  
11 ~~after commencement of beneficiary enrollment into managed care~~  
12 ~~the managed care health plans and MSSP providers jointly satisfy~~  
13 ~~the readiness criteria developed pursuant to Sections 14182 and~~  
14 ~~14182.16, subparagraph (D) of paragraph (4), whichever is later:~~  
15 *earlier:*

16 (A) Multipurpose Senior Services Program (MSSP) services  
17 shall be a Medi-Cal benefit available only through managed care  
18 health plans, except for beneficiaries exempt under subdivision  
19 (c) of Section 14186.2 in Coordinated Care Initiative counties.

20 (B) Managed care health plans shall contract with all county  
21 and nonprofit organizations that are designated providers of MSSP  
22 services for the provision of MSSP case management and waiver  
23 services. These contracts shall provide for all of the following:

24 (i) Managed care health plans shall allocate to the MSSP  
25 providers the same level of funding they would have otherwise  
26 received under their MSSP contract with the California Department  
27 of Aging.

28 (ii) MSSP providers shall continue to meet all existing federal  
29 waiver standards and program requirements, which include  
30 maintaining the contracted service levels.

31 (iii) Managed care plans and MSSP providers shall share  
32 confidential beneficiary data with one another, as necessary to  
33 implement the provisions of this section.

34 (C) The California Department of Aging shall continue to  
35 contract with all designated MSSP sites, including those in the  
36 counties participating in the demonstration project, and perform  
37 MSSP waiver oversight and monitoring.

38 (D) The California Department of Aging and the department,  
39 in consultation with MSSP providers, managed care health plans,  
40 and stakeholders, shall develop service fee structures, services,

1 and person-centered care coordination models that shall be effective  
2 June 2013, for the provision of care coordination and home- and  
3 community-based services to beneficiaries who are enrolled in  
4 managed care health plans but not enrolled in MSSP, and who  
5 may have care coordination and service needs that are similar to  
6 MSSP participants. The service fees for MSSP providers and MSSP  
7 services for any additional beneficiaries and additional services  
8 for existing MSSP beneficiaries shall be based upon, and consistent  
9 with, the rates and services delivered in MSSP.

10 (3) In the 2014 calendar year, the provisions of paragraph (2)  
11 shall continue. In addition, managed care health plans shall work  
12 in collaboration with MSSP providers to begin development of an  
13 integrated, person-centered care management and care coordination  
14 model that works within the context of managed care and explore  
15 which portions of the MSSP program model may be adapted to  
16 managed care while maintaining the integrity and efficacy of the  
17 MSSP model.

18 (4) (A) ~~Effective January 1, 2015, or 19 months after the~~  
19 ~~commencement of beneficiary enrollment into managed care~~  
20 ~~pursuant to Sections 14182 and 14182.16, or No later than~~  
21 ~~December 31, 2017, or on the date that any necessary federal~~  
22 ~~approvals or waivers are obtained, the managed care health plans~~  
23 ~~and MSSP providers jointly satisfy the readiness criteria developed~~  
24 ~~pursuant to subparagraph (D) of this paragraph, whichever is~~  
25 ~~later, earlier, MSSP services in Coordinated Care Initiative~~  
26 ~~counties shall transition from a federal waiver pursuant to Section~~  
27 ~~1915(c) under the federal Social Security Act (42 U.S.C. Sec.~~  
28 ~~1396n et seq.) 1396n(c)) to a benefit administered and allocated~~  
29 ~~by managed care health plans.~~

30 (B) No later than January 1, 2014, the department, in  
31 consultation with the California Department of Aging and the  
32 Department of Managed Health Care, and with stakeholder input,  
33 shall submit a transition plan to the Legislature to describe how  
34 subparagraph (A) shall be implemented. The plan shall incorporate  
35 the principles of the MSSP in the managed care benefit, and shall  
36 include provisions to ensure seamless transitions and continuity  
37 of care. Managed care health plans shall, in partnership with local  
38 MSSP providers, conduct a local stakeholder process to develop  
39 recommendations that the department shall consider when  
40 developing the transition plan.

1 (C) No later than 90 days prior to implementation of  
2 subparagraph (A), the department, in consultation with the  
3 California Department of Aging and the Department of Managed  
4 Health Care, and with stakeholder input, shall submit a transition  
5 plan to the Legislature that includes steps to address concerns, if  
6 any, raised by stakeholders subsequent to the plan developed  
7 pursuant to subparagraph (B).

8 *(D) Before MSSP services transition to a benefit administered*  
9 *and allocated by managed care health plans pursuant to*  
10 *subparagraph (A) of paragraph (2), the California Department of*  
11 *Aging and the department, in consultation with MSSP providers,*  
12 *managed care health plans, and stakeholders, shall develop*  
13 *readiness criteria for the transition. The readiness criteria shall*  
14 *include, but are not limited to, the mutual agreement of the affected*  
15 *managed care health plans and MSSP providers to the transition*  
16 *date. The department shall evaluate the readiness of the managed*  
17 *care health plans and MSSP providers to commence the transition*  
18 *of MSSP services to managed care health plans.*

19 *(E) At least 30 days before the MSSP services transition to a*  
20 *benefit administered and allocated by managed care health plans*  
21 *in Coordinated Care Initiative counties, the department shall notify*  
22 *the appropriate policy and fiscal committees of the Legislature of*  
23 *its intent to transition the MSSP services to managed care health*  
24 *plans.*

25 (c) (1) Not sooner than March 1, 2013, or on the date that any  
26 necessary federal approvals or waivers are obtained, whichever is  
27 later, nursing facility services and subacute facility services shall  
28 be Medi-Cal benefits available only through managed care health  
29 plans.

30 (2) Managed care health plans shall authorize utilization of  
31 nursing facility services or subacute facility services for their  
32 members when medically necessary. The managed care health  
33 plan shall maintain the standards for determining levels of care  
34 and authorization of services for both Medicare and Medi-Cal  
35 services that are consistent with policies established by the federal  
36 Centers for Medicare and Medicaid Services and consistent with  
37 the criteria for authorization of Medi-Cal services specified in  
38 Section 51003 of Title 22 of the California Code of Regulations,  
39 which includes utilization of the “Manual of Criteria for Medi-Cal

1 Authorization,” published by the department in January 1982, last  
2 revised April 11, 2011.

3 (3) The managed care health plan shall maintain continuity of  
4 care for beneficiaries by recognizing any prior treatment  
5 authorization made by the department for not less than six months  
6 following enrollment of a beneficiary into the health plan.

7 (4) When a managed care health plan has authorized services  
8 in a facility and there is a change in the beneficiary’s condition  
9 under which the facility determines that the facility may no longer  
10 meet the needs of the beneficiary, the beneficiary’s health has  
11 improved sufficiently so the resident no longer needs the services  
12 provided by the facility, or the health or safety of individuals in  
13 the facility is endangered by the beneficiary, the managed care  
14 health plan shall arrange and coordinate a discharge of the  
15 beneficiary and continue to pay the facility the applicable rate until  
16 the beneficiary is successfully discharged and transitioned into an  
17 appropriate setting.

18 (5) The managed care health plan shall pay providers, including  
19 institutional providers, in accordance with the prompt payment  
20 provisions contained in each health plan’s contracts with the  
21 department, including the ability to accept and pay electronic  
22 claims.

23 *SEC. 46. Section 15894 of the Welfare and Institutions Code*  
24 *is amended to read:*

25 15894. (a) Except as provided in Section 15894.5, the  
26 department shall authorize the expenditure of money in the fund  
27 to cover program expenses, including program expenses that exceed  
28 subscriber contributions, and to cover expenses relating to Section  
29 10127.16 of the Insurance Code, or to Section 1373.622 of the  
30 Health and Safety Code. The department shall determine the  
31 amount of funds expended for each of these purposes, taking into  
32 consideration the requirements of this chapter, Section 10127.16  
33 of the Insurance Code, and Section 1373.622 of the Health and  
34 Safety Code.

35 (b) *Following consultation with a health care service plan or*  
36 *health insurer, if the department and the health care service plan*  
37 *or health insurer have not agreed to a final reconciliation of the*  
38 *amount to be expended from the fund or to be reimbursed to the*  
39 *fund, the department shall give written notice of its determination*  
40 *to the health care service plan or health insurer of the final*



1 *reconciliation amount, as determined by the department. The health*  
2 *care service plan or health insurer shall remit payment to the*  
3 *department within 60 days of the date of notice from the*  
4 *department. If payment is not received, interest shall accrue in the*  
5 *amount of 7 percent per annum. The department may offset the*  
6 *amount to be reimbursed to the fund against any other payments*  
7 *owed to the health care service plan or health insurer by the*  
8 *department, or may negotiate a payment plan with the health care*  
9 *service plan or health insurer for full payment, and in that case*  
10 *may waive interest accrual as long as payment from the health*  
11 *care service plan or health insurer is made in accordance with*  
12 *the payment plan. This subdivision shall control over any conflict*  
13 *or ambiguity between this subdivision and the provisions of Section*  
14 *1373.622 of the Health and Safety Code, Section 10127.16 of the*  
15 *Insurance Code, Part 6.5 (commencing with Section 12700) of*  
16 *Division 2 of the Insurance Code, or this chapter.*

17 *SEC. 47. Section 24005 of the Welfare and Institutions Code*  
18 *is amended to read:*

19 24005. (a) This section shall apply to the Family Planning,  
20 Access, Care, and Treatment Program identified in subdivision  
21 (aa) of Section 14132 and this program.

22 (b) Only licensed medical personnel with family planning skills,  
23 knowledge, and competency may provide the full range of family  
24 planning medical services covered in this program.

25 (c) Medi-Cal enrolled providers, as determined by the  
26 department, shall be eligible to provide family planning services  
27 under the program when these services are within their scope of  
28 practice and licensure. Those clinical providers electing to  
29 participate in the program and approved by the department shall  
30 provide the full scope of family planning education, counseling,  
31 and medical services specified for the program, either directly or  
32 by referral, consistent with standards of care issued by the  
33 department.

34 (d) The department shall require providers to enter into clinical  
35 agreements with the department to ensure compliance with  
36 standards and requirements to maintain the fiscal integrity of the  
37 program. Provider applicants, providers, and persons with an  
38 ownership or control interest, as defined in federal medicaid  
39 regulations, shall be required to submit to the department their  
40 social security numbers to the full extent allowed under federal

1 law. All state and federal statutes and regulations pertaining to the  
2 audit or examination of Medi-Cal providers shall apply to this  
3 program.

4 (e) Clinical provider agreements shall be signed by the provider  
5 under penalty of perjury. The department may screen applicants  
6 at the initial application and at any reapplication pursuant to  
7 requirements developed by the department to determine provider  
8 suitability for the program.

9 (f) The department may complete a background check on clinical  
10 provider applicants for the purpose of verifying the accuracy of  
11 information provided to the department for purposes of enrolling  
12 in the program and in order to prevent fraud and abuse. The  
13 background check may include, but not be limited to, unannounced  
14 onsite inspection prior to enrollment, review of business records,  
15 and data searches. If discrepancies are found to exist during the  
16 preenrollment period, the department may conduct additional  
17 inspections prior to enrollment. Failure to remediate significant  
18 discrepancies as prescribed by the director may result in denial of  
19 the application for enrollment. Providers that do not provide  
20 services consistent with the standards of care or that do not comply  
21 with the department's rules related to the fiscal integrity of the  
22 program may be disenrolled as a provider from the program at the  
23 sole discretion of the department.

24 (g) The department shall not enroll any applicant who, within  
25 the previous 10 years:

26 (1) Has been convicted of any felony or misdemeanor that  
27 involves fraud or abuse in any government program, that relates  
28 to neglect or abuse of a patient in connection with the delivery of  
29 a health care item or service, or that is in connection with the  
30 interference with, or obstruction of, any investigation into health  
31 care related fraud or abuse.

32 (2) Has been found liable for fraud or abuse in any civil  
33 proceeding, or that has entered into a settlement in lieu of  
34 conviction for fraud or abuse in any government program.

35 (h) In addition, the department may deny enrollment to any  
36 applicant that, at the time of application, is under investigation by  
37 the department or any local, state, or federal government law  
38 enforcement agency for fraud or abuse. The department shall not  
39 deny enrollment to an otherwise qualified applicant whose felony  
40 or misdemeanor charges did not result in a conviction solely on

1 the basis of the prior charges. If it is discovered that a provider is  
2 under investigation by the department or any local, state, or federal  
3 government law enforcement agency for fraud or abuse, that  
4 provider shall be subject to immediate disenrollment from the  
5 program.

6 (i) (1) The program shall disenroll as a program provider any  
7 individual who, or any entity that, has a license, certificate, or other  
8 approval to provide health care, which is revoked or suspended  
9 by a federal, California, or other state's licensing, certification, or  
10 other approval authority, has otherwise lost that license, certificate,  
11 or approval, or has surrendered that license, certificate, or approval  
12 while a disciplinary hearing on the license, certificate, or approval  
13 was pending. The disenrollment shall be effective on the date the  
14 license, certificate, or approval is revoked, lost, or surrendered.

15 (2) A provider shall be subject to disenrollment if the provider  
16 submits claims for payment for the services, goods, supplies, or  
17 merchandise provided, directly or indirectly, to a program  
18 beneficiary, by an individual or entity that has been previously  
19 suspended, excluded, or otherwise made ineligible to receive,  
20 directly or indirectly, reimbursement from the program or from  
21 the Medi-Cal program and the individual has previously been listed  
22 on either the Suspended and Ineligible Provider List, which is  
23 published by the department, to identify suspended and otherwise  
24 ineligible providers or any list published by the federal Office of  
25 the Inspector General regarding the suspension or exclusion of  
26 individuals or entities from the federal Medicare and medicaid  
27 programs, to identify suspended, excluded, or otherwise ineligible  
28 providers.

29 (3) The department shall deactivate, immediately and without  
30 prior notice, the provider numbers used by a provider to obtain  
31 reimbursement from the program when warrants or documents  
32 mailed to a provider's mailing address, its pay to address, or its  
33 service address, if any, are returned by the United States Postal  
34 Service as not deliverable or when a provider has not submitted a  
35 claim for reimbursement from the program for one year. Prior to  
36 taking this action, the department shall use due diligence in  
37 attempting to contact the provider at its last known telephone  
38 number and to ascertain if the return by the United States Postal  
39 Service is by mistake and shall use due diligence in attempting to  
40 contact the provider by telephone or in writing to ascertain whether

1 the provider wishes to continue to participate in the Medi-Cal  
2 program. If deactivation pursuant to this section occurs, the  
3 provider shall meet the requirements for reapplication as specified  
4 in regulation.

5 (4) For purposes of this subdivision:

6 (A) “Mailing address” means the address that the provider has  
7 identified to the department in its application for enrollment as the  
8 address at which it wishes to receive general program  
9 correspondence.

10 (B) “Pay to address” means the address that the provider has  
11 identified to the department in its application for enrollment as the  
12 address at which it wishes to receive warrants.

13 (C) “Service address” means the address that the provider has  
14 identified to the department in its application for enrollment as the  
15 address at which the provider will provide services to program  
16 beneficiaries.

17 (j) Subject to Article 4 (commencing with Section 19130) of  
18 Chapter 5 of Part 2 of Division 5 of Title 2 of the Government  
19 Code, the department may enter into contracts to secure consultant  
20 services or information technology including, but not limited to,  
21 software, data, or analytical techniques or methodologies for the  
22 purpose of fraud or abuse detection and prevention. Contracts  
23 under this section shall be exempt from the Public Contract Code.

24 (k) Enrolled providers shall attend specific orientation approved  
25 by the department in comprehensive family planning services.  
26 Enrolled providers who insert IUDs or contraceptive implants shall  
27 have received prior clinical training specific to these procedures.

28 (l) Upon receipt of reliable evidence that would be admissible  
29 under the administrative adjudication provisions of Chapter 5  
30 (commencing with Section 11500) of Part 1 of Division 3 of Title  
31 2 of the Government Code, of fraud or willful misrepresentation  
32 by a provider under the program or commencement of a suspension  
33 under Section 14123, the department may do any of the following:

34 (1) Collect any State-Only Family Planning program or Family  
35 Planning, Access, Care, and Treatment Program overpayment  
36 identified through an audit or examination, or any portion thereof  
37 from any provider. Notwithstanding Section 100171 of the Health  
38 and Safety Code, a provider may appeal the collection of  
39 overpayments under this section pursuant to procedures established  
40 in Article 5.3 (commencing with Section 14170) of Chapter 7 of

1 Part 3 of Division 9. Overpayments collected under this section  
2 shall not be returned to the provider during the pendency of any  
3 appeal and may be offset to satisfy audit or appeal findings, if the  
4 findings are against the provider. Overpayments shall be returned  
5 to a provider with interest if findings are in favor of the provider.

6 (2) Withhold payment for any goods or services, or any portion  
7 thereof, from any State-Only Family Planning program or Family  
8 ~~Planning Access Care~~ *Planning, Access, Care,* and Treatment  
9 Program provider. The department shall notify the provider within  
10 five days of any withholding of payment under this section. The  
11 notice shall do all of the following:

12 (A) State that payments are being withheld in accordance with  
13 this paragraph and that the withholding is for a temporary period  
14 and will not continue after it is determined that the evidence of  
15 fraud or willful misrepresentation is insufficient or when legal  
16 proceedings relating to the alleged fraud or willful  
17 misrepresentation are completed.

18 (B) Cite the circumstances under which the withholding of the  
19 payments will be terminated.

20 (C) Specify, when appropriate, the type or types of claimed  
21 payments being withheld.

22 (D) Inform the provider of the right to submit written evidence  
23 that is evidence that would be admissible under the administrative  
24 adjudication provisions of Chapter 5 (commencing with Section  
25 11500) of Part 1 of Division 3 of Title 2 of the Government Code,  
26 for consideration by the department.

27 (3) Notwithstanding Section 100171 of the Health and Safety  
28 Code, a provider may appeal a withholding of payment under this  
29 section pursuant to Section 14043.65. Payments withheld under  
30 this section shall not be returned to the provider during the  
31 pendency of any appeal and may be offset to satisfy audit or appeal  
32 findings.

33 (m) As used in this section:

34 (1) "Abuse" means either of the following:

35 (A) Practices that are inconsistent with sound fiscal or business  
36 practices and result in unnecessary cost to the medicaid program,  
37 the Medicare program, the Medi-Cal program, including the Family  
38 Planning, Access, Care, and Treatment Program, identified in  
39 subdivision (aa) of Section 14132, another state's medicaid  
40 program, or the State-Only Family Planning program, or other

1 health care programs operated, or financed in whole or in part, by  
2 the federal government or any state or local agency in this state or  
3 any other state.

4 (B) Practices that are inconsistent with sound medical practices  
5 and result in reimbursement, by any of the programs referred to  
6 in subparagraph (A) or other health care programs operated, or  
7 financed in whole or in part, by the federal government or any  
8 state or local agency in this state or any other state, for services  
9 that are unnecessary or for substandard items or services that fail  
10 to meet professionally recognized standards for health care.

11 (2) “Fraud” means an intentional deception or misrepresentation  
12 made by a person with the knowledge that the deception could  
13 result in some unauthorized benefit to himself or herself or some  
14 other person. It includes any act that constitutes fraud under  
15 applicable federal or state law.

16 (3) “Provider” means any individual, partnership, group,  
17 association, corporation, institution, or entity, and the officers,  
18 directors, owners, managing employees, or agents of any  
19 partnership, group, association, corporation, institution, or entity,  
20 that provides services, goods, supplies, or merchandise, directly  
21 or indirectly, to a beneficiary and that has been enrolled in the  
22 program.

23 (4) “Convicted” means any of the following:

24 (A) A judgment of conviction has been entered against an  
25 individual or entity by a federal, state, or local court, regardless  
26 of whether there is a post-trial motion or an appeal pending or the  
27 judgment of conviction or other record relating to the criminal  
28 conduct has been expunged or otherwise removed.

29 (B) A federal, state, or local court has made a finding of guilt  
30 against an individual or entity.

31 (C) A federal, state, or local court has accepted a plea of guilty  
32 or nolo contendere by an individual or entity.

33 (D) An individual or entity has entered into participation in a  
34 first offender, deferred adjudication, or other program or  
35 arrangement where judgment of conviction has been withheld.

36 (5) “Professionally recognized standards of health care” means  
37 statewide or national standards of care, whether in writing or not,  
38 that professional peers of the individual or entity whose provision  
39 of care is an issue, recognize as applying to those peers practicing  
40 or providing care within a state. When the United States

1 Department of Health and Human Services has declared a treatment  
2 modality not to be safe and effective, practitioners that employ  
3 that treatment modality shall be deemed not to meet professionally  
4 recognized standards of health care. This definition shall not be  
5 construed to mean that all other treatments meet professionally  
6 recognized standards of care.

7 (6) “Unnecessary or substandard items or services” means those  
8 that are either of the following:

9 (A) Substantially in excess of the provider’s usual charges or  
10 costs for the items or services.

11 (B) Furnished, or caused to be furnished, to patients, whether  
12 or not covered by Medicare, medicaid, or any of the state health  
13 care programs to which the definitions of applicant and provider  
14 apply, and which are substantially in excess of the patient’s needs,  
15 or of a quality that fails to meet professionally recognized standards  
16 of health care. The department’s determination that the items or  
17 services furnished were excessive or of unacceptable quality shall  
18 be made on the basis of information, including sanction reports,  
19 from the following sources:

20 (i) The professional review organization for the area served by  
21 the individual or entity.

22 (ii) State or local licensing or certification authorities.

23 (iii) Fiscal agents or contractors, or private insurance companies.

24 (iv) State or local professional societies.

25 (v) Any other sources deemed appropriate by the department.

26 (7) “Enrolled or enrollment in the program” means authorized  
27 under any and all processes by the department or its agents or  
28 contractors to receive, directly or indirectly, reimbursement for  
29 the provision of services, goods, supplies, or merchandise to a  
30 program beneficiary.

31 (n) In lieu of, or in addition to, the imposition of any other  
32 sanctions available, including the imposition of a civil penalty  
33 under Sections 14123.2 or 14171.6, the program may impose on  
34 providers any or all of the penalties pursuant to Section 14123.25,  
35 in accordance with the provisions of that section. In addition,  
36 program providers shall be subject to the penalties contained in  
37 Section 14107.

38 (o) (1) Notwithstanding any other provision of law, every  
39 primary supplier of pharmaceuticals, medical equipment, or  
40 supplies shall maintain accounting records to demonstrate the

1 manufacture, assembly, purchase, or acquisition and subsequent  
2 sale, of any pharmaceuticals, medical equipment, or supplies, to  
3 providers. Accounting records shall include, but not be limited to,  
4 inventory records, general ledgers, financial statements, purchase  
5 and sales journals, and invoices, prescription records, bills of  
6 lading, and delivery records.

7 (2) For purposes of this subdivision, the term “primary supplier”  
8 means any manufacturer, principal labeler, assembler, wholesaler,  
9 or retailer.

10 (3) Accounting records maintained pursuant to paragraph (1)  
11 shall be subject to audit or examination by the department or its  
12 agents. The audit or examination may include, but is not limited  
13 to, verification of what was claimed by the provider. These  
14 accounting records shall be maintained for three years from the  
15 date of sale or the date of service.

16 (p) Each provider of health care services rendered to any  
17 program beneficiary shall keep and maintain records of each service  
18 rendered, the beneficiary to whom rendered, the date, and such  
19 additional information as the department may by regulation require.  
20 Records required to be kept and maintained pursuant to this  
21 subdivision shall be retained by the provider for a period of three  
22 years from the date the service was rendered.

23 (q) A program provider applicant or a program provider shall  
24 furnish information or copies of records and documentation  
25 requested by the department. Failure to comply with the  
26 department’s request shall be grounds for denial of the application  
27 or automatic disenrollment of the provider.

28 (r) A program provider may assign signature authority for  
29 transmission of claims to a billing agent subject to Sections 14040,  
30 14040.1, and 14040.5.

31 (s) Moneys payable or rights existing under this division shall  
32 be subject to any claim, lien, or offset of the State of California,  
33 and any claim of the United States of America made pursuant to  
34 federal statute, but shall not otherwise be subject to enforcement  
35 of a money judgment or other legal process, and no transfer or  
36 assignment, at law or in equity, of any right of a provider of health  
37 care to any payment shall be enforceable against the state, a fiscal  
38 intermediary, or carrier.

39 (t) (1) Notwithstanding any other law, within 30 calendar days  
40 of receiving a complete application for enrollment into the Family



1 PACT Program from an affiliate primary care clinic licensed under  
2 Section 1218.1 of the Health and Safety Code, the department shall  
3 do one of the following:

4 (A) Approve the provider’s Family PACT Program application,  
5 provided the applicant meets the Family PACT Program provider  
6 enrollment requirements set forth in this section.

7 (B) If the provider is an enrolled Medi-Cal provider in good  
8 standing, notify the applicant in writing of any discrepancies in  
9 the Family PACT Program enrollment application. The applicant  
10 shall have 30 days from the date of written notice to correct any  
11 identified discrepancies. Upon receipt of all requested corrections,  
12 the department shall approve the application within 30 calendar  
13 days.

14 (C) If the provider is not an enrolled Medi-Cal provider in good  
15 standing, the department shall not proceed with the actions  
16 described in this subdivision until the department receives  
17 confirmation of good standing and enrollment as a Medi-Cal  
18 provider.

19 (2) The effective date of enrollment into the Family PACT  
20 Program shall be the later of the date the department receives  
21 confirmation of enrollment as a Medi-Cal provider, or the date the  
22 applicant meets all Family PACT Program provider enrollment  
23 requirements set forth in this section.

24 *(u) Providers, or the enrolling entity, shall make available to*  
25 *all applicants and beneficiaries prior to, or concurrent with,*  
26 *enrollment, information on the manner in which to apply for*  
27 *insurance affordability programs, in a manner determined by the*  
28 *State Department of Health Care Services. The information*  
29 *provided shall include the manner in which applications can be*  
30 *submitted for insurance affordability programs, information about*  
31 *the open enrollment periods for the California Health Benefit*  
32 *Exchange, and the continuous enrollment aspect of the Medi-Cal*  
33 *program.*

34 *SEC. 48. Section 70 of Chapter 23 of the Statutes of 2013 is*  
35 *amended to read:*

36 Sec. 70. (a) The State Department of Health Care Services  
37 shall accept contributions by private foundations in the amount of  
38 at least fourteen million dollars (\$14,000,000) for the purpose of  
39 this section and shall immediately seek an equal amount of federal  
40 matching funds.

1 (b) Entities and persons that are eligible for Medi-Cal in-person  
2 enrollment assistance payments of fifty-eight dollars (\$58) per  
3 approved Medi-Cal application and payment processing costs shall  
4 be those trained and eligible for in-person enrollment assistance  
5 payments by the California Health Benefit Exchange. The  
6 payments may be made by the State Department of Health Care  
7 Services or through the California Health Benefit Exchange  
8 in-person assistance payment system.

9 (c) Enrollment assistance payments shall be made only for  
10 Medi-Cal applicants newly eligible for coverage pursuant to the  
11 federal Patient Protection and Affordable Care Act (Public Law  
12 111-148), as amended by the Health Care and Education  
13 Reconciliation Act of 2010 (Public Law 111-152), or those who  
14 have not been enrolled in the Medi-Cal program during the  
15 previous 12 months prior to making the application.

16 (d) The commencement of enrollment assistance payments shall  
17 be consistent with those of the California Health Benefit Exchange.

18 (e) The State Department of Health Care Services or the  
19 California Health Benefit Exchange shall provide monthly and  
20 cumulative payment updates and number of persons enrolled  
21 through in-person assistance payments on its Internet Web site.

22 (f) *The State Department of Health Care Services shall make*  
23 *enrollment assistance payments pursuant to this section for*  
24 *submitted applications received through June 30, 2015, that result*  
25 *in approved applications. Once all of those payments have been*  
26 *made, any remaining funds described in subdivision (a) shall be*  
27 *allocated to the county outreach and enrollment grants under*  
28 *Section 71 of Chapter 23 of the Statutes of 2013. Any of those*  
29 *remaining funds that are allocated to those grants shall be*  
30 *distributed to community-based organizations providing enrollment*  
31 *assistance to prospective Medi-Cal enrollees pursuant to Section*  
32 *71 of Chapter 23 of the Statutes of 2013. The State Department of*  
33 *Health Care Services shall make authorized payments to counties*  
34 *for distribution to community-based organizations. Counties that*  
35 *receive money pursuant to this subdivision may retain an amount*  
36 *for administrative costs not to exceed 10 percent of grants*  
37 *approved by the State Department of Health Care Services. The*  
38 *State Department of Health Care Services shall require progress*  
39 *reports, in a manner as determined by the department, from those*  
40 *receiving allocations under this subdivision. The State Department*

1 of Health Care Services shall make an initial allocation to the  
2 counties for these funds no later than January 1, 2016, and the  
3 final allocation no later than June 30, 2016.

4 (g) This section shall be inoperative and cease to be  
5 implemented on the date that all of the private contributions  
6 accepted pursuant to subdivision (a) and any federal matching  
7 funds have been exhausted.

8 SEC. 49. Section 71 of Chapter 23 of the Statutes of 2013, as  
9 amended by Section 4 of Chapter 361 of the Statutes of 2013, is  
10 amended to read:

11 Sec. 71. (a) (1) The State Department of Health Care Services  
12 shall accept funding from private foundations in the amount of at  
13 least \$12.5 million to provide allocations for the management and  
14 funding of Medi-Cal outreach and enrollment plans specific to the  
15 provisions contained in this section.

16 (2) The department shall seek necessary federal approval for  
17 purposes of obtaining federal funding for activities conducted  
18 under this section.

19 (3) Notwithstanding any other law, and in a manner that the  
20 Director of Health Care Services shall provide, the department  
21 may make allocations to fund Medi-Cal outreach and enrollment  
22 activities as described in this section.

23 (b) (1) Funds appropriated by the Legislature to the department  
24 for the purposes of this section shall be made available to selected  
25 counties, counties acting jointly, and the County Medical Services  
26 Program Governing Board pursuant to Section 16809 of the  
27 Welfare and Institutions Code.

28 (2) Selected counties, counties acting jointly, and the County  
29 Medical Services Program Governing Board may partner with  
30 community-based organizations as applicable to conduct outreach  
31 and enrollment to the target population as contained in subdivision  
32 (d).

33 (3) The director may, at his or her discretion, also give  
34 consideration to community-based organizations in an area or  
35 region of the state if a county, or counties acting jointly do not  
36 seek an allocation or funds are made available.

37 (4) For purposes of this section only, “county” shall be defined  
38 as county, city and county, a consortium of counties serving a  
39 region consisting of more than one county, the County Medical  
40 Services Program Governing Board, or a health authority.

1 (c) (1) The allocations shall be apportioned geographically, by  
2 the entities identified in subdivision (b), according to the estimated  
3 number of persons who are eligible but not enrolled in Medi-Cal  
4 and who will be newly Medi-Cal eligible as of January 1, 2014.

5 (2) The department may determine the number of allocations  
6 and the application process. The director may consult or obtain  
7 technical assistance from private foundations in implementation  
8 of the application and allocation process.

9 (3) The department shall coordinate and partner with the  
10 California Health Benefit Exchange on certified application assister  
11 and outreach, enrollment, and marketing activities related to the  
12 federal Patient Protection and Affordable Care Act.

13 (d) Notwithstanding any other law, the department shall develop  
14 selection criteria to allocate funds for the Medi-Cal outreach and  
15 enrollment activities with special emphasis targeting all of the  
16 following populations:

17 (1) Persons with mental health disorder needs.

18 (2) Persons with substance use disorder needs.

19 (3) Persons who are homeless.

20 (4) Young men of color.

21 (5) Persons who are in county jail, in state prison, on state  
22 parole, on county probation, or under postrelease community  
23 supervision.

24 (6) Families of mixed-immigration status.

25 (7) Persons with limited English proficiency.

26 (e) (1) The funds allocated under this section shall be used only  
27 for the Medi-Cal outreach and enrollment activities and may  
28 supplement, but shall not supplant, existing local, state, and  
29 foundation funding of county outreach and enrollment activities.

30 (2) Notwithstanding Section 10744 of the Welfare and  
31 Institutions Code, the department may recoup or withhold all or  
32 part of an allocation for failure to comply with any requirements  
33 or standards set forth by the department for the purposes of this  
34 section.

35 (f) The department shall begin the payment for the outreach and  
36 enrollment allocation program no later than February 1, 2014.

37 (g) Under the terms of the approved allocation for the outreach  
38 and enrollment program, funded entities under this section shall  
39 not receive payment for in-person assister payments for assisting  
40 potential Medi-Cal enrollees.

1 (h) The department shall require progress reports, in a manner  
2 as determined by the department, from those receiving allocations  
3 under this section.

4 (i) To the extent federal funding is received for the services  
5 specified in this section, reimbursements for costs incurred under  
6 the approved allocations shall be made in compliance with federal  
7 law.

8 (j) 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 implement, interpret, or make specific this  
11 section by means of all-county letters, provider bulletins, or similar  
12 instructions.

13 (k) *This section shall become inoperative on June 30, 2018.*

14 *SEC. 50. Section 5 of Chapter 361 of the Statutes of 2013 is*  
15 *amended to read:*

16 Sec. 5. (a) The Healthcare Outreach and Medi-Cal Enrollment  
17 Account is hereby created in the Special Deposit Fund within the  
18 State Treasury in order to collect and allocate non-General Fund  
19 public or private grant funds, to be expended upon appropriation  
20 by the Legislature, for the purposes of outreach to and enrollment  
21 of targeted Medi-Cal populations and to compensate Medi-Cal  
22 in-person assisters, as specified in Sections 70 and 71 of Chapter  
23 23 of the Statutes of 2013.

24 (b) There is hereby appropriated to the State Department of  
25 Health Care Services the following sums to compensate eligible  
26 Medi-Cal in-person assisters as specified in Section 70 of Chapter  
27 23 of the Statues of 2013:

28 (1) The sum of fourteen million dollars (\$14,000,000) from the  
29 Healthcare Outreach and Medi-Cal Enrollment Account, to be  
30 available for encumbrance or expenditure until June 30, ~~2016~~ 2018.

31 (2) The sum of fourteen million dollars (\$14,000,000) from the  
32 Federal Trust Fund, to be available for encumbrance or expenditure  
33 until June 30, ~~2016~~ 2018.

34 (3) *After June 30, 2015, the State Department of Health Care*  
35 *Services is authorized to expend all or any portion of the remaining*  
36 *funds targeted for payment of enrollment assistance for Medi-Cal*  
37 *applications in the Healthcare Outreach and Medi-Cal Enrollment*  
38 *Account that has been created within the Special Deposit Fund*  
39 *within the State Treasury and any matching federal funds, as*  
40 *specified in paragraph (2), for the funding of allocations for*

1 *Medi-Cal Outreach And Enrollment plans, as specified in Section*  
2 *71 of Chapter 23 of the Statutes of 2013, as amended by the act*  
3 *the added this paragraph.*

4 (c) There is hereby appropriated to the State Department of  
5 Health Care Services the following sums to provide allocations  
6 for outreach and enrollment grants to eligible entities as specified  
7 in Section 71 of Chapter 23 of the Statutes of 2013:

8 (1) The sum of twelve million five hundred thousand dollars  
9 (\$12,500,000) from the Healthcare Outreach and Medi-Cal  
10 Enrollment Account, to be available for encumbrance or  
11 expenditure until June 30, ~~2016~~ 2018.

12 (2) The sum of twelve million five hundred thousand dollars  
13 (\$12,500,000) from the Federal Trust Fund, to be available for  
14 encumbrance or expenditure until June 30, ~~2016~~ 2018.

15 (d) Of the amounts appropriated in subdivisions (b) and (c), the  
16 State Department of Health Care Services may expend in aggregate  
17 up to five hundred thousand dollars (\$500,000) annually in fiscal  
18 years 2013–14, 2014–15, and 2015–16, inclusive, to administer  
19 the activities described in Sections 70 and 71 of Chapter 23 of the  
20 Statutes of 2013, including funding for four three-year limited-term  
21 positions, which are hereby authorized to be established. Any  
22 private foundation funding expended by the department to  
23 administer the activities under Sections 70 and 71 of Chapter 23  
24 of the Statutes of 2013 shall be expended only for filled positions  
25 and administrative expenses directly related to these sections.

26 (e) *The State Department of Health Care Services may expend,*  
27 *in aggregate, up to five hundred thousand dollars (\$500,000)*  
28 *annually for the 2016–17 and 2017–18 fiscal years, to administer*  
29 *the activities described in Sections 70 and 71 of Chapter 23 of the*  
30 *Statutes of 2013, and Section 1 of Chapter 551 of the Statutes of*  
31 *2014, as amended by that act that added this subdivision. Any*  
32 *private foundation funding expended by the department for*  
33 *administration shall be expended only for the administrative*  
34 *expenses directly related to Sections 70 and 71 of Chapter 23 of*  
35 *the Statutes of 2013, and Section 1 of Chapter 551 of the Statutes*  
36 *of 2014.*

37 (e)

38 (f) This section shall become inoperative on June 30, ~~2018,~~  
39 ~~2020,~~ and, as of January 1, ~~2019,~~ 2021, is repealed, unless a later  
40 enacted statute, that becomes operative on or before January 1,

1 2019, 2021, deletes or extends the dates on which it becomes  
2 inoperative and is repealed.

3 *SEC. 51. Section 1 of Chapter 551 of the Statutes of 2014 is*  
4 *amended to read:*

5 Section 1. (a) (1) The State Department of Health Care  
6 Services shall accept contributions by private foundations in the  
7 amount of at least six million dollars (\$6,000,000) for the purpose  
8 of providing Medi-Cal renewal assistance payments starting  
9 January 1, 2015. These contributions shall be deposited in the  
10 Healthcare Outreach and Medi-Cal Enrollment Account that has  
11 been created in the Special Deposit Fund within the State Treasury  
12 for the purposes specified in this section.

13 (2) There is hereby appropriated to the State Department of  
14 Health Care Services the following sums for the purposes specified  
15 in this section:

16 (A) The sum of six million dollars (\$6,000,000) from the  
17 Healthcare Outreach and Medi-Cal Enrollment Account, to be  
18 available for encumbrance or expenditure until ~~December 31, 2016~~  
19 *June 30, 2018.*

20 (B) The sum of six million dollars (\$6,000,000) from the Federal  
21 Trust Fund, to be available for encumbrance or expenditure until  
22 ~~December 31, 2016~~ *June 30, 2018.*

23 (3) The department may expend a portion of the five hundred  
24 thousand dollars (\$500,000) authorized for expenditure in  
25 subdivision (d) of Section 5 of Chapter 361 of the Statutes of 2013  
26 to administer the activities described in this section. Private  
27 foundation funding expended by the department to administer the  
28 activities described in this section shall be expended only for filled  
29 positions and administrative expenses directly related to this  
30 section.

31 (b) (1) Notwithstanding any other law, and in a manner that  
32 the Director of the State Department of Health Care Services shall  
33 provide, the department may make allocations to fund Medi-Cal  
34 renewal assistance activities as described in this section.

35 (2) The department may determine the number of allocations  
36 and the application process. The director may consult or obtain  
37 technical assistance from private foundations in implementation  
38 of the application and allocation process.

39 (3) The director may, at his or her discretion, give consideration  
40 to distributing funds to community-based organizations in an area

1 or region of the state if a county or counties, acting jointly, do not  
2 seek an allocation or if funds are made available.

3 (c) Renewal assistance payments shall be distributed to  
4 community-based organizations providing renewal assistance to  
5 Medi-Cal beneficiaries. Authorized payments shall be made to  
6 counties by the department for distribution of funds to  
7 community-based organizations. Counties may retain an amount  
8 for administrative costs that have been approved by the department.

9 (d) The department, in collaboration with the County Welfare  
10 Directors Association and legal services organizations, shall  
11 develop renewal assistance training for employees of  
12 community-based organizations that shall be consistent with the  
13 counties' human services agencies Medi-Cal redetermination  
14 timeframes and process. In order to be eligible for renewal  
15 assistance payments under this section, the community-based  
16 organization's employees providing the assistance shall have  
17 completed the renewal assistance training developed under this  
18 subdivision.

19 (e) (1) The funds allocated under this section shall be used only  
20 for the Medi-Cal renewal assistance activities and may supplement,  
21 but shall not supplant, existing local, state, and foundation funding  
22 of county renewal assistance activities.

23 (2) Notwithstanding Section 10744 of the Welfare and  
24 Institutions Code, the department may recoup or withhold all or  
25 part of an allocation for failure to comply with any requirements  
26 or standards set forth by the department for the purposes of this  
27 section.

28 (f) The department shall require progress reports, in a manner  
29 as determined by the department, from those receiving allocations  
30 under this section.

31 (g) The department shall seek federal matching funds for the  
32 contributions to the extent permissible for training, testing,  
33 certifying, supporting, and compensating persons and entities  
34 providing renewal assistance and for any other permissible renewal  
35 assistance related activities and shall seek all necessary federal  
36 approvals for purposes of obtaining federal funding for activities  
37 conducted under this section.

38 (h) To the extent federal funding is received for the services  
39 specified in this section, reimbursements for costs incurred under



1 the approved allocations shall be made in compliance with federal  
2 law.

3 (i) Notwithstanding Chapter 3.5 (commencing with Section  
4 11340) of Part 1 of Division 3 of Title 2 of the Government Code,  
5 the department may implement, interpret, or make specific this  
6 section by means of all-county letters, provider bulletins, or similar  
7 instructions.

8 (j) This section shall cease to be implemented when all of the  
9 private contributions and any federal matching funds have been  
10 exhausted.

11 *SEC. 52. The sum of fifty million dollars (\$50,000,000) is*  
12 *hereby appropriated from the Health Home Program Account to*  
13 *the State Department of Health Care Services for the purposes of*  
14 *implementing the Health Home Program established pursuant to*  
15 *Article 3.9 (commencing with Section 14127) of Chapter 7 of Part*  
16 *3 of Division 9 of the Welfare and Institutions Code.*  
17 *Notwithstanding Section 16304 of the Government Code, this*  
18 *appropriation shall be available for encumbrance or expenditure*  
19 *until June 30, 2020.*

20 *SEC. 53. (a) For the 2015–16 fiscal year, and upon an*  
21 *appropriation of funds by the Legislature for this purpose, the*  
22 *State Department of Health Care Services shall provide a grant*  
23 *to health benefit plans that meet all of the following requirements:*

24 (1) *The health benefit plan has a valid exemption letter from*  
25 *the Internal Revenue Service pursuant to Section 501(c)(9) of the*  
26 *Internal Revenue Code.*

27 (2) *The health benefit plan is a multiemployer plan, as defined*  
28 *in Section 3(37) of the federal Employee Retirement Income*  
29 *Security Act of 1974 (29 U.S.C. Sec. 1002(37)(A)).*

30 (3) *The health benefit plan is funded by contributions made by*  
31 *agricultural employers, as defined in subdivision (c) of the Section*  
32 *1140.4 of the Labor Code, where 85 percent or more of the plan’s*  
33 *eligible participants are agricultural employees, as defined in*  
34 *subdivision (b) of Section 1140.4 of the Labor Code, for work*  
35 *performed and covered under a collective bargaining agreement.*

36 (b) *On or before September 1, 2015, the State Department of*  
37 *Health Care Services shall pay the funds allocated pursuant to*  
38 *this section to the health plan that meets the criteria set forth in*  
39 *this section. The funds shall be used to provide health care*  
40 *coverage for agricultural employees and dependents.*

1     (c) *The payment set forth in subdivision (b) shall not require*  
2 *the State Department of Health Care Services to contract with the*  
3 *recipient of the funds nor shall the payment of funds be subject to*  
4 *the requirements of Part 2 (commencing with Section 10100) of*  
5 *Division 2 of the Public Contract Code.*

6     SEC. 54. (a) *For the 2015–16 fiscal year, and upon an*  
7 *appropriation of funds by the Legislature for this purpose, the*  
8 *State Department of Health Care Services shall provide a grant*  
9 *to LifeLong Medical Care, a federally qualified health center in*  
10 *Contra Costa County.*

11     (b) *On or before September 1, 2015, the State Department of*  
12 *Health Care Services shall pay the funds allocated pursuant to*  
13 *this section to LifeLong Medical Care. The funds shall be*  
14 *considered a grant to be used to support LifeLong Medical Care*  
15 *and are not a payment for services.*

16     (c) *To the extent allowable by federal law, the grant received*  
17 *pursuant to subdivision (b) is not income for the purposes of the*  
18 *prospective payment system rate setting or rate reconciliations*  
19 *that are conducted by the State Department of Health Care Services*  
20 *for LifeLong Medical Care.*

21     (d) *The grant made pursuant to subdivision (b) does not require*  
22 *the State Department of Health Care Services to contract with the*  
23 *recipient of the funds, nor is the grant subject to the requirements*  
24 *of Part 2 (commencing with Section 10100) of Division 2 of the*  
25 *Public Contract Code.*

26     SEC. 55. (a) *For the 2015–16 fiscal year, the California Health*  
27 *Facilities Financing Authority (CHFFA) may authorize up to three*  
28 *million dollars (\$3,000,000) in unencumbered funds, as*  
29 *appropriated in Item 0977-101-0001 for Mental Health Wellness*  
30 *Grants, of Section 2.00 of the Budget Act of 2013, to develop peer*  
31 *respite sites.*

32     (b) *Any grant awards authorized by CHFFA for peer respite*  
33 *sites shall be used to expand local resources for the development,*  
34 *capital, equipment acquisition, and applicable program startup*  
35 *or expansion costs to increase bed capacity for peer respite support*  
36 *services. This may include, but not be limited to, the purchase of*  
37 *property, purchase of equipment, and the remodeling or*  
38 *construction of housing for the purposes of operating a peer respite*  
39 *site.*

1 (c) Any recipient of a grant to develop peer respite sites shall  
2 adhere to all applicable laws relating to scope of practice,  
3 licensure, certification, staffing, and building codes.

4 (d) CHFFA may adopt emergency regulations relating to grants  
5 for peer respite sites, including emergency regulations that define  
6 eligible costs, and determine minimum and maximum grant  
7 amounts. The adoption, amendments, or repeal of these regulations  
8 shall be in accordance with the Administrative Procedure Act  
9 (Chapter 3.5 (commencing with Section 11340) of Part 1 of  
10 Division 3 of Title 2 of the Government Code) and shall be deemed  
11 to be an emergency and necessary for the immediate preservation  
12 of the public peace, health, safety, or general welfare.

13 SEC. 56. The Office of System Integration shall report to the  
14 Legislature by April 1, 2017, on the feasibility, benefits, costs, and  
15 risks of installing the Modified Adjusted Gross Income (MAGI)  
16 Eligibility Decision Engine in one, two, or all of the Statewide  
17 Automated Welfare System consortia systems.

18 SEC. 57. The Legislature finds and declares that the sections  
19 of this act that amend Section 120962 of the Health and Safety  
20 Code and Section 19548.2 of the Revenue and Taxation Code  
21 impose a limitation on the public's right of access to the meetings  
22 of public bodies or the writings of public officials and agencies  
23 within the meaning of Section 3 of Article I of the California  
24 Constitution. Pursuant to that constitutional provision, the  
25 Legislature makes the following findings to demonstrate the interest  
26 protected by this limitation and the need for protecting that  
27 interest:

28 In order to continue to protect the confidentiality of public health  
29 records under specified provisions of this act, the limitations on  
30 the public's right of access imposed under this act are necessary.

31 SEC. 58. The Legislature finds and declares that a special law  
32 is necessary and that a general law cannot be made applicable  
33 within the meaning of Section 16 of Article IV of the California  
34 Constitution because of the unique circumstances regarding  
35 providing urgent care to the citizens of Contra Costa County.

36 SEC. 59. No reimbursement is required by this act pursuant  
37 to Section 6 of Article XIII B of the California Constitution for  
38 certain costs that may be incurred by a local agency or school  
39 district because, in that regard, this act creates a new crime or  
40 infraction, eliminates a crime or infraction, or changes the penalty

1 *for a crime or infraction, within the meaning of Section 17556 of*  
2 *the Government Code, or changes the definition of a crime within*  
3 *the meaning of Section 6 of Article XIII B of the California*  
4 *Constitution.*

5 *However, if the Commission on State Mandates determines that*  
6 *this act contains other costs mandated by the state, reimbursement*  
7 *to local agencies and school districts for those costs shall be made*  
8 *pursuant to Part 7 (commencing with Section 17500) of Division*  
9 *4 of Title 2 of the Government Code.*

10 *SEC. 60. This act is a bill providing for appropriations related*  
11 *to the Budget Bill within the meaning of subdivision (e) of Section*  
12 *12 of Article IV of the California Constitution, has been identified*  
13 *as related to the budget in the Budget Bill, and shall take effect*  
14 *immediately.*

15 ~~SECTION 1. It is the intent of the Legislature to enact statutory~~  
16 ~~changes relating to the Budget Act of 2015.~~