

AMENDED IN ASSEMBLY MAY 5, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 658

Introduced by Assembly Member Wilk

February 24, 2015

An act to amend Section 4011.10 of the Penal Code, relating to health care.

LEGISLATIVE COUNSEL'S DIGEST

AB 658, as amended, Wilk. County jails: inmate health care services: rates.

Existing federal law provides for the federal Medicare Program, which is a public health insurance program for persons 65 years of age and older and specified persons with disabilities who are under 65 years of age.

Existing law authorizes a county sheriff, police chief, or other public agency that contracts for health care services, to contract with providers of health care services for care to local law enforcement patients. Existing law requires hospitals that do not contract with the county sheriff, police chief, or other public agency that contracts for health care services to provide health care services to local law enforcement patients at a rate equal to 110% of the hospital's actual costs according to the most recent Hospital Annual Financial Data report issued by the Office of Statewide Health Planning and Development, as calculated using a cost-to-charge ratio.

This bill would authorize, ~~in the alternative,~~ *for claims that have not previously been paid or adjudicated by local law enforcement*, those costs to be calculated according to the most recent approved cost-to-charge ratio from the Medicare Program. *The bill would*

authorize the hospital, with the approval of the county sheriff, police chief, or other public agency that contracts or is responsible for providing health care services to local law enforcement patients, to choose which cost-to-charge ratio is most appropriate, and would require the hospital to give notice of any change. If the hospital chooses to use the cost-to-charge ratio from the Medicare Program, the bill would require the hospital to attach supporting Medicare documentation and an expected payment calculation to the claim. If a claim does not contain that documentation and payment calculation, or if, within 60 days of the hospital's request for approval to use the cost-to-charge ratio from the Medicare Program, approval is not granted by the county sheriff, police chief, or other public agency that contracts or is responsible for providing health care services to local law enforcement patients, the bill would require the Office of Statewide Health Planning and Development cost-to-charge ratio to be used to calculate the payment. The bill would also make ~~technical~~ technical, nonsubstantive changes.

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

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

1 SECTION 1. Section 4011.10 of the Penal Code is amended
2 to read:
3 4011.10. (a) It is the intent of the Legislature in enacting this
4 section to provide county sheriffs, chiefs of police, and directors
5 or administrators of local detention facilities with an incentive to
6 not engage in practices designed to avoid payment of legitimate
7 health care costs for the treatment or examination of persons
8 lawfully in their custody, and to promptly pay those costs as
9 requested by the provider of services. Further, it is the intent of
10 the Legislature to encourage county sheriffs, chiefs of police, and
11 directors or administrators of local detention facilities to bargain
12 in good faith when negotiating a service contract with hospitals
13 providing health care services.
14 (b) Notwithstanding any other ~~provision of~~ law, a county sheriff,
15 police ~~chief~~ *chief*, or other public agency that contracts for health
16 care services, may contract with providers of health care services
17 for care to local law enforcement patients. Hospitals that do not
18 contract with the county sheriff, police chief, or other public agency

1 that contracts for health care services shall provide health care
2 services to local law enforcement patients at a rate equal to 110
3 percent of the hospital's actual costs according to the most recent
4 Hospital Annual Financial Data report issued by the Office of
5 Statewide Health Planning and Development, as calculated using
6 a cost-to-charge ratio, ~~or~~ *or, for claims that have not previously*
7 *been paid or otherwise determined by local law enforcement,*
8 according to the most recent approved cost-to-charge ratio from
9 the Medicare Program. *The hospital, with the approval of the*
10 *county sheriff, police chief, or other public agency that contracts*
11 *or is responsible for providing health care services to local law*
12 *enforcement patients, may choose the most appropriate*
13 *cost-to-charge ratio and shall provide notice to the county sheriff,*
14 *police chief, or other public agency, as applicable, of any change.*
15 *If the hospital uses the cost-to-charge ratio from the Medicare*
16 *Program, the hospital shall attach supporting Medicare*
17 *documentation and an expected payment calculation to the claim.*
18 *If a claim does not contain the supporting Medicare documentation*
19 *and expected payment calculation, or if, within 60 days of the*
20 *hospital's request for approval to use the cost-to-charge ratio from*
21 *the Medicare Program, approval is not granted by the county*
22 *sheriff, police chief, or other public agency that contracts or is*
23 *responsible for providing health care services to local law*
24 *enforcement patients, the Office of Statewide Health Planning and*
25 *Development cost-to-charge ratio shall be used to calculate the*
26 *payment.*

27 (c) A county sheriff or police chief shall not request the release
28 of an inmate from custody for the purpose of allowing the inmate
29 to seek medical care at a hospital, and then immediately rearrest
30 the same individual upon discharge from the hospital, unless the
31 hospital determines this action would enable it to bill and collect
32 from a third-party payment source.

33 (d) The California Hospital Association, the University of
34 California, the California State Sheriffs' Association, and the
35 California Police Chiefs Association shall, immediately upon
36 enactment of this section, convene the Inmate Health Care and
37 Medical Provider Fair Pricing Working Group. The working group
38 shall consist of at least six members from the California Hospital
39 Association and the University of California, and six members
40 from the California State Sheriffs' Association and the California

1 Police Chiefs Association. Each organization should give great
2 weight and consideration to appointing members of the working
3 group with diverse geographic and demographic interests. The
4 working group shall meet as needed to identify and resolve industry
5 issues that create fiscal barriers to timely and affordable inmate
6 health care. In addition, the working group shall address issues
7 including, but not limited to, inmates being admitted for care and
8 later rearrested and any other fiscal barriers to hospitals being able
9 to enter into fair market contracts with public agencies. To the
10 extent that the rate provisions of this statute result in a
11 disproportionate share of local law enforcement patients being
12 treated at any one hospital or system of hospitals, the working
13 group shall address this issue. No reimbursement is required under
14 this provision.

15 ~~(e) Nothing in this section shall~~ *This section does not* require
16 or encourage a hospital or public agency to replace any existing
17 arrangements that any city police chief, county sheriff, or other
18 public agency that contracts for health care services for local law
19 enforcement patients has with health care providers.

20 (f) An entity that provides ambulance or any other emergency
21 or nonemergency response service to a sheriff or police chief, and
22 that does not contract with their departments for that service, shall
23 be reimbursed for the service at the rate established by Medicare.
24 Neither the sheriff nor the police chief shall reimburse a provider
25 of any of these services that his or her department has not
26 contracted with at a rate that exceeds the provider's reasonable
27 and allowable costs, regardless of whether the provider is located
28 within or outside of California.

29 (g) For the purposes of this section, "reasonable and allowable
30 costs" shall be defined in accordance with Part 413 of Title 42 of
31 the Code of Federal Regulations and federal Centers for Medicare
32 and Medicaid Services Publication Numbers 15-1 and 15-2.

33 (h) For purposes of this section, in those counties in which the
34 sheriff does not administer a jail facility, a director or administrator
35 of a local department of corrections established pursuant to Section
36 23013 of the Government Code is the person who may contract
37 for services provided to jail inmates in the facilities he or she
38 administers in those counties.