

Assembly Bill No. 658

Passed the Assembly July 2, 2015

Chief Clerk of the Assembly

Passed the Senate June 25, 2015

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2015, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

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

LEGISLATIVE COUNSEL'S DIGEST

AB 658, 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, for claims that have not previously been paid or otherwise determined 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 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 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, nonsubstantive changes.

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

SECTION 1. Section 4011.10 of the Penal Code is amended to read:

4011.10. (a) It is the intent of the Legislature in enacting this section to provide county sheriffs, chiefs of police, and directors or administrators of local detention facilities with an incentive to not engage in practices designed to avoid payment of legitimate health care costs for the treatment or examination of persons lawfully in their custody, and to promptly pay those costs as requested by the provider of services. Further, it is the intent of the Legislature to encourage county sheriffs, chiefs of police, and directors or administrators of local detention facilities to bargain in good faith when negotiating a service contract with hospitals providing health care services.

(b) Notwithstanding any other law, a county sheriff, police chief, or other public agency that contracts for health care services, may contract with providers of health care services for care to local law enforcement patients. Hospitals that do not contract for health care services with the county sheriff, police chief, or other public agency shall provide health care services to local law enforcement patients at a rate equal to 110 percent 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, or, for claims that have not previously been paid or otherwise determined by local law enforcement, according to the most recently approved cost-to-charge ratio from the Medicare Program. The hospital, with the approval of the county sheriff, police chief, or other public agency responsible for providing health care services to local law enforcement patients, may choose the most appropriate cost-to-charge ratio and shall provide notice to the county sheriff, police chief, or other public agency, as applicable, of any change. If the hospital uses the cost-to-charge ratio from the Medicare

Program, the hospital shall attach supporting Medicare documentation and an expected payment calculation to the claim. If a claim does not contain the supporting Medicare documentation and expected 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 responsible for providing health care services to local law enforcement patients, the Office of Statewide Health Planning and Development cost-to-charge ratio shall be used to calculate the payment.

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

(d) The California Hospital Association, the University of California, the California State Sheriffs' Association, and the California Police Chiefs Association shall, immediately upon enactment of this section, convene the Inmate Health Care and Medical Provider Fair Pricing Working Group. The working group shall consist of at least six members from the California Hospital Association and the University of California, and six members from the California State Sheriffs' Association and the California Police Chiefs Association. Each organization should give great weight and consideration to appointing members of the working group with diverse geographic and demographic interests. The working group shall meet as needed to identify and resolve industry issues that create fiscal barriers to timely and affordable inmate health care. In addition, the working group shall address issues, including, but not limited to, inmates being admitted for care and later rearrested and any other fiscal barriers to hospitals being able to enter into fair market contracts with public agencies. To the extent that the rate provisions of this statute result in a disproportionate share of local law enforcement patients being treated at any one hospital or system of hospitals, the working group shall address this issue. No reimbursement is required under this provision.

(e) This section does not require or encourage a hospital or public agency to replace any existing arrangements that any city

police chief, county sheriff, or other public agency that contracts for health care services for local law enforcement patients has with health care providers.

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

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

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

Approved _____, 2015

Governor