

AMENDED IN ASSEMBLY MARCH 18, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2213

Introduced by Assembly Member Dahle

February 18, 2016

An act to add Section 14179 to the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 2213, as amended, Dahle. Medi-Cal: nondesignated public hospitals.

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. Existing law requires carriers and providers of Medi-Cal benefits to utilize uniform accounting and cost-reporting systems as developed by the department, and requires these carriers and providers to provide cost information to the department as is necessary, including copies of any Medicare costs reports and settlements and any Medicare audit reports. Existing law requires amounts paid for services provided to Medi-Cal beneficiaries to be audited by the department in a manner and form prescribed by the department. Existing law requires the department to implement a new Medi-Cal inpatient hospital reimbursement methodology based on diagnosis-related groups that reflects the costs and staffing levels associated with quality of care for private general acute care hospitals admissions on or after July 1, 2013, and for nondesignated public hospitals with admissions on or after January 1, 2014.

Existing law requires a hospital to report specified summary financial and utilization data to the Office of Statewide Health Planning and Development (OSHPD), as specified.

This bill would require the department and the OSHPD to administer and implement a demonstration under which the audits of nondesignated public hospitals for reporting periods beginning on and after July 1, 2016, would be evaluated to determine the reimbursement relevancy of cost report data. The bill would require the department and the OSHPD to, among other things, evaluate the data currently being collected through specified data and reports, including financial and utilization data and Medi-Cal cost reports, in order to determine its reimbursement relevancy, as specified. The bill would specify the goals of the demonstration, which includes designing a combined reporting form to collect relevant and useful data for policy making purposes.

The bill would authorize nondesignated public hospitals to participate in a 3-year demonstration project for the purpose of evaluating whether the goals under the initial demonstration are met. The bill would require the department and the OSHPD, within one year of the completion date of the 3-year demonstration project, to prepare and submit a report to the Legislature that includes an evaluation regarding the effectiveness of the 3-year demonstration project and recommendations regarding the continuation and expansion of the demonstration project to all hospitals.

~~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. Existing law establishes the Medi-Cal Hospital/Uninsured Care Demonstration Project Act, which revises hospital supplemental payment methodologies under the Medi-Cal program in order to maximize the use of federal funds consistent with federal Medicaid law and to stabilize the distribution of funding for hospitals that provide care to Medi-Cal beneficiaries and uninsured patients. Existing law requires the department to seek a successor demonstration project or federal waiver of Medicaid law to implement specified objectives, which may include better care coordination for seniors, persons with disabilities, and children with special health care needs. Existing law provides that to the extent the provisions under the Medi-Cal Hospital/Uninsured Care Demonstration Project Act do not conflict with the provisions of, or the Special Terms and Conditions of,~~

~~this demonstration project, the provisions of the Medi-Cal Hospital/Uninsured Care Demonstration Project Act shall apply. Existing law also defines nondesignated public hospitals for purposes of these provisions and requires that nondesignated public hospitals be eligible for specified payments under the demonstration project.~~

~~This bill would declare the intent of the Legislature to enact legislation that would ensure that nondesignated public hospitals are reimbursed adequately and promptly.~~

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

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

- 1 *SECTION 1. Section 14179 is added to the Welfare and*
2 *Institutions Code, to read:*
3 14179. (a) *The department, in collaboration with the Office*
4 *of Statewide Health Planning and Development, shall administer*
5 *and implement a demonstration under which the audits of*
6 *nondesignated public hospitals for reporting periods beginning*
7 *on and after July 1, 2016, are evaluated to determine the*
8 *reimbursement relevancy of cost report data.*
9 (b) *In order to determine the reimbursement relevancy of*
10 *existing data collected and what additional data would be useful,*
11 *the demonstration under this section shall include an evaluation*
12 *of all of the following:*
13 (1) *Data currently being collected through the Office of*
14 *Statewide Health Planning and Development.*
15 (2) *Annual and quarterly financial and utilization data.*
16 (3) *Annual report of hospitals and other relevant reports.*
17 (4) *Data currently being collected by the department through*
18 *the annual Medi-Cal cost report.*
19 (c) *Goals for the demonstration shall include all of the*
20 *following:*
21 (1) *Design a combined reporting form to collect relevant and*
22 *useful data for policymaking purposes.*
23 (2) *Eliminate the data report audit function, if appropriate, and*
24 *utilize desk audits to ensure that reported data is as accurate as*
25 *possible.*
26 (3) *Determine the appropriate agency to administer the*
27 *reporting and data collection function.*

1 (d) Upon the attainment of the goals described in subdivision
2 (c), nondesignated public hospitals may participate in a three-year
3 demonstration project for the purpose of evaluating whether the
4 goals under the initial demonstration are met.

5 (e) (1) The department, in collaboration with the Office of
6 Statewide Health Planning and Development, shall, within one
7 year of the completion date of the three-year demonstration project
8 described in subdivision (d), prepare and submit a report to the
9 Legislature that includes an evaluation regarding the effectiveness
10 of the three-year demonstration project and recommendations
11 regarding the continuation and expansion of the demonstration
12 project to all hospitals.

13 (2) A report submitted pursuant to this subdivision shall be
14 submitted in compliance with Section 9795 of the Government
15 Code.

16 ~~SECTION 1. It is the intent of the Legislature to enact~~
17 ~~legislation that would ensure that nondesignated public hospitals~~
18 ~~are reimbursed adequately and promptly.~~