

AMENDED IN ASSEMBLY JUNE 16, 2015
AMENDED IN ASSEMBLY MARCH 24, 2015
AMENDED IN ASSEMBLY MARCH 23, 2015

SENATE BILL

No. 75

Introduced by Committee on Budget and Fiscal Review

January 9, 2015

An act to amend the Budget Act of 2014 (Chapters 25 and 663 of the Statutes of 2014) by amending Items 0540-001-0140, 0540-001-6052, 0690-001-0001, 3540-001-0001, 3600-001-0001, 3600-001-0200, 3600-101-0001, 3640-493, 3790-001-0392, 3790-001-0516, 3790-001-6052, 3860-001-0001, 3860-101-6052, 5180-101-0001, 8570-001-0001, 8570-001-3228, and 9800-001-0001 of, adding Items 0540-492, 3640-494, 3760-311-6052, 3760-490, 3790-492, 3860-001-3228, 3860-101-0001, 3860-101-3228, 3860-301-3228, 3860-301-6052, 3860-490, 3940-001-6083, 3940-002-0001, 3940-002-0679, 3940-101-0679, 3940-101-6083, and 3940-102-0679 to, and repealing Item 3760-493 of, Section 2.00 of, and by amending Section 39.00 of, that act, relating to the state budget, and making an appropriation therefor, to take effect immediately, budget bill. *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 Sections 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

SB 75, as amended, Committee on Budget and Fiscal Review. ~~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 any 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.

~~The Budget Act of 2014 made appropriations for the support of state government for the 2014–15 fiscal year.~~

~~This bill would amend the Budget Act of 2014 by amending, adding, and repealing items of appropriation.~~

~~This bill would declare that it is to take effect immediately as a Budget Bill.~~

Vote: majority. Appropriation: yes. Fiscal committee: 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.*

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

9 1220. (a) (1) Each clinical laboratory shall maintain records,
10 equipment, and facilities that are adequate and appropriate for the
11 services rendered.

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

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

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

31 (c) (1) The department shall conduct inspections of licensed
32 clinical laboratories no less than once every two years. The
33 department shall maintain a record of those inspections and shall
34 ensure that every licensed clinical laboratory in California is
35 inspected at least that often.

36 (2) Registered clinical laboratories shall not be routinely
37 inspected by the department.

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

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

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

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

13 (A) A patient test management system that meets the standards
 14 of CLIA in Subpart J (commencing with Section ~~493.1101~~)
 15 *493.1100*) of Title 42 of the Code of Federal Regulations.

16 (B) A quality control program that meets the requirements of
 17 CLIA in Subpart K (commencing with Section ~~493.1201~~)
 18 *493.1200*) of Title 42 of the Code of Federal ~~Regulations~~.
 19 *Regulations as in effect on January 1, 2015, and that may include*
 20 *the clinical laboratory's use of the following alternative quality*
 21 *control testing procedures recognized by the federal Centers for*
 22 *Medicare and Medicaid Services (CMS):*

23 (i) *Until December 31, 2015, equivalent quality control*
 24 *procedures.*

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

28 (C) A comprehensive quality assurance program that meets the
 29 standards of CLIA in Subpart P (commencing with Section
 30 493.1701) of Title 42 of the Code of Federal Regulations.

31 *SEC. 3. Section 100504 of the Government Code is amended*
 32 *to read:*

33 100504. (a) The board may do the following:

34 (1) With respect to individual coverage made available in the
 35 Exchange, collect premiums and assist in the administration of
 36 subsidies.

37 (2) Enter into contracts.

38 (3) Sue and be sued.

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

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

8 (6) Adopt rules and regulations, as necessary. Until January 1,
9 ~~2016~~, 2017, any necessary rules and regulations may be adopted
10 as emergency regulations in accordance with the Administrative
11 Procedure Act (Chapter 3.5 (commencing with Section 11340) of
12 Part 1 of Division 3 of Title 2). The adoption of these regulations
13 shall be deemed to be an emergency and necessary for the
14 immediate preservation of the public peace, health and safety, or
15 general welfare. Notwithstanding Chapter 3.5 (commencing with
16 Section 11340) of Part 1 of Division 3 of Title 2, including
17 subdivisions (e) and (h) of Section 11346.1, any emergency
18 regulation adopted pursuant to this section shall ~~not~~ be repealed
19 ~~by the Office of Administrative Law until revised or repealed by~~
20 ~~the board, except that an emergency regulation adopted pursuant~~
21 ~~to this section shall be repealed by operation of law unless the~~
22 ~~adoption, amendment, or repeal of the regulation is promulgated~~
23 ~~by the board pursuant to Chapter 3.5 (commencing with Section~~
24 ~~11340) of Part 1 of Division 3 of Title 2 of the Government Code~~
25 ~~within two~~ *three* years of the initial adoption of the emergency
26 regulation. Notwithstanding subdivision (h) of Section 11346.1,
27 until January 1, ~~2017~~, 2020, the Office of Administrative Law may
28 approve more than two readoptions of an emergency regulation
29 adopted pursuant to this section. *The amendments made to this*
30 *paragraph by the act adding this sentence shall apply to any*
31 *emergency regulation adopted pursuant to this section prior to*
32 *the effective date of the Budget Act of 2015.*

33 (7) Collaborate with the State Department of Health Care
34 Services and the Managed Risk Medical Insurance Board, to the
35 extent possible, to allow an individual the option to remain enrolled
36 with his or her carrier and provider network in the event the
37 individual experiences a loss of eligibility of premium tax credits
38 and becomes eligible for the Medi-Cal program or the Healthy
39 Families Program, or loses eligibility for the Medi-Cal program

1 or the Healthy Families Program and becomes eligible for premium
2 tax credits through the Exchange.

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

6 (9) Require carriers participating in the Exchange to make
7 available to the Exchange and regularly update an electronic
8 directory of contracting health care providers so that individuals
9 seeking coverage through the Exchange can search by health care
10 provider name to determine which health plans in the Exchange
11 include that health care provider in their network. The board may
12 also require a carrier to provide regularly updated information to
13 the Exchange as to whether a health care provider is accepting
14 new patients for a particular health plan. The Exchange may
15 provide an integrated and uniform consumer directory of health
16 care providers indicating which carriers the providers contract with
17 and whether the providers are currently accepting new patients.
18 The Exchange may also establish methods by which health care
19 providers may transmit relevant information directly to the
20 Exchange, rather than through a carrier.

21 (10) Make available supplemental coverage for enrollees of the
22 Exchange to the extent permitted by the federal act, provided that
23 no General Fund money is used to pay the cost of that coverage.
24 Any supplemental coverage offered in the Exchange shall be
25 subject to the charge imposed under subdivision (n) of Section
26 100503.

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

30 (c) (1) The board shall have the authority to standardize
31 products to be offered through the Exchange. *Any products*
32 *standardized by the board pursuant to this subdivision shall be*
33 *discussed by the board during at least one properly noticed board*
34 *meeting prior to the board meeting at which the board adopts the*
35 *standardized products to be offered through the Exchange.*

36 (2) *The adoption, amendment, or repeal of a regulation by the*
37 *board to implement this subdivision is exempt from the rulemaking*
38 *provisions of the Administrative Procedure Act (Chapter 3.5*
39 *(commencing with Section 11340) of Part 1 of Division 3 of Title*
40 *2).*

1 SEC. 4. Section 100505 of the Government Code is amended
2 to read:

3 100505. (a) The board shall establish and use a competitive
4 process to select participating carriers and any other contractors
5 under this title. Any contract entered into pursuant to this title shall
6 be exempt from Chapter ~~2~~ 1 (commencing with Section 10100)
7 of Part 2 of Division 2 of the Public Contract Code, and shall be
8 exempt from the review or approval of any division of the
9 Department of General Services. *The board shall adopt a Health
10 Benefit Exchange Contracting Manual incorporating procurement
11 and contracting policies and procedures that shall be followed by
12 the Exchange. The policies and procedures in the manual shall be
13 substantially similar to the provisions contained in the State
14 Contracting Manual.*

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

22 SEC. 5. Section 1266 of the Health and Safety Code is amended
23 to read:

24 1266. (a) The Licensing and Certification Division shall be
25 supported entirely by federal funds and special funds by no earlier
26 than the beginning of the 2009–10 fiscal year unless otherwise
27 specified in statute, or unless funds are specifically appropriated
28 from the General Fund in the annual Budget Act or other enacted
29 legislation. For the 2007–08 fiscal year, General Fund support
30 shall be provided to offset licensing and certification fees in an
31 amount of not less than two million seven hundred eighty-two
32 thousand dollars (\$2,782,000).

33 (b) (1) The Licensing and Certification Program fees for the
34 2006–07 fiscal year shall be as follows:

35	Type of Facility	Fee	
36	General Acute Care Hospitals	\$ 134.10	per bed
37	Acute Psychiatric Hospitals	\$ 134.10	per bed
38	Special Hospitals	\$ 134.10	per bed
39	Chemical Dependency Recovery Hospitals	\$ 123.52	per bed
40			

1	Skilled Nursing Facilities	\$ 202.96	per bed
2	Intermediate Care Facilities	\$ 202.96	per bed
3	Intermediate Care Facilities- Developmentally		
4	Disabled	\$ 592.29	per bed
5	Intermediate Care Facilities- Developmentally		
6	Disabled-Habilitative	\$1,000.00	per facility
7	Intermediate Care Facilities- Developmentally		
8	Disabled-Nursing	\$1,000.00	per facility
9	Home Health Agencies	\$2,700.00	per facility
10	Referral Agencies	\$5,537.71	per facility
11	Adult Day Health Centers	\$4,650.02	per facility
12	Congregate Living Health Facilities	\$ 202.96	per bed
13	Psychology Clinics	\$ 600.00	per facility
14	Primary Clinics- Community and Free	\$ 600.00	per facility
15	Specialty Clinics- Rehab Clinics		
16	(For profit)	\$2,974.43	per facility
17	(Nonprofit)	\$ 500.00	per facility
18	Specialty Clinics- Surgical and Chronic	\$1,500.00	per facility
19	Dialysis Clinics	\$1,500.00	per facility
20	Pediatric Day Health/Respite Care	\$ 142.43	per bed
21	Alternative Birthing Centers	\$2,437.86	per facility
22	Hospice	\$1,000.00	per provider
23	Correctional Treatment Centers	\$ 590.39	per bed

24

25 (2) (A) In the first year of licensure for intermediate care
 26 facility/developmentally disabled-continuous nursing (ICF/DD-CN)
 27 facilities, the licensure fee for those facilities shall be equivalent
 28 to the licensure fee for intermediate care facility/developmentally
 29 disabled-nursing facilities during the same year. Thereafter, the
 30 licensure fee for ICF/DD-CN facilities shall be established pursuant
 31 to the same procedures described in this section.

32 (B) In the first year of licensure for hospice facilities, the
 33 licensure fee shall be equivalent to the licensure fee for congregate
 34 living health facilities during the same year. Thereafter, the
 35 licensure fee for hospice facilities shall be established pursuant to
 36 the same procedures described in this section.

37 (c) *Commencing in the 2015–16 fiscal year, the fees for skilled*
 38 *nursing facilities shall be increased so as to generate four hundred*
 39 *thousand dollars (\$400,000) for the California Department of*
 40 *Ageing’s Long-Term Care Ombudsman Program for its work related*

1 *to investigating complaints made against skilled nursing facilities*
2 *and increasing visits to those facilities.*

3 ~~(e)~~

4 (d) Commencing February 1, 2007, and every February 1
5 thereafter, the department shall publish a list of estimated fees
6 pursuant to this section. The calculation of estimated fees and the
7 publication of the report and list of estimated fees shall not be
8 subject to the rulemaking requirements of Chapter 3.5
9 (commencing with Section 11340) of Part 1 of Division 3 of Title
10 2 of the Government Code.

11 ~~(d)~~

12 (e) Notwithstanding Section 10231.5 of the Government Code,
13 by February 1 of each year, the department shall prepare the
14 following reports and shall make those reports, and the list of
15 estimated fees required to be published pursuant to subdivision
16 ~~(e)~~, (d), available to the public by submitting them to the
17 Legislature and posting them on the department's Internet Web
18 site:

19 (1) A report of all costs for activities of the Licensing and
20 Certification Program. At a minimum, this report shall include a
21 narrative of all baseline adjustments and their calculations, a
22 description of how each category of facility was calculated,
23 descriptions of assumptions used in any calculations, and shall
24 recommend Licensing and Certification Program fees in accordance
25 with the following:

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

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

34 (C) The allocation of program, operational, and administrative
35 overhead, and indirect costs to fee categories shall be based on
36 generally accepted cost allocation methods. Significant items of
37 costs shall be directly charged to fee categories if the expenses can
38 be reasonably identified to the fee category that caused them.
39 Indirect and overhead costs shall be allocated to all fee categories
40 using a generally accepted cost allocation method.

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

4 (E) The fee for each category shall be determined by dividing
5 the aggregate state share of all costs for the Licensing and
6 Certification Program by the appropriate metric for the category
7 of licensure. Amounts actually received for new licensure
8 applications, including change of ownership applications, and late
9 payment penalties, pursuant to Section 1266.5, during each fiscal
10 year shall be calculated and 95 percent shall be applied to the
11 appropriate fee categories in determining Licensing and
12 Certification Program fees for the second fiscal year following
13 receipt of those funds. The remaining 5 percent shall be retained
14 in the fund as a reserve until appropriated.

15 (2) (A) A staffing and systems analysis to ensure efficient and
16 effective utilization of fees collected, proper allocation of
17 departmental resources to licensing and certification activities,
18 survey schedules, complaint investigations, enforcement and appeal
19 activities, data collection and dissemination, surveyor training,
20 and policy development.

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

23 (i) The number of surveyors and administrative support
24 personnel devoted to the licensing and certification of health care
25 facilities.

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

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

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

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

36 (vi) Other applicable activities of the licensing and certification
37 division.

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

40 (e)

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

4 ~~(f)~~

5 (g) (1) The department shall adjust the list of estimated fees
6 published pursuant to subdivision ~~(e)~~(d) if the annual Budget Act
7 or other enacted legislation includes an appropriation that differs
8 from those proposed in the Governor’s proposed budget for that
9 fiscal year.

10 (2) The department shall publish a final fee list, with an
11 explanation of any adjustment, by the issuance of an all facilities
12 letter, by posting the list on the department’s Internet Web site,
13 and by including the final fee list as part of the licensing application
14 package, within 14 days of the enactment of the annual Budget
15 Act. The adjustment of fees and the publication of the final fee list
16 shall not be subject to the rulemaking requirements of Chapter 3.5
17 (commencing with Section 11340) of Part 1 of Division 3 of Title
18 2 of the Government Code.

19 ~~(g)~~

20 (h) (1) Fees shall not be assessed or collected pursuant to this
21 section from any state department, authority, bureau, commission,
22 or officer, unless federal financial participation would become
23 available by doing so and an appropriation is included in the annual
24 Budget Act for that state department, authority, bureau,
25 commission, or officer for this purpose. Fees shall not be assessed
26 or collected pursuant to this section from any clinic that is certified
27 only by the federal government and is exempt from licensure under
28 Section 1206, unless federal financial participation would become
29 available by doing so.

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

33 ~~(h)~~

34 (i) The Licensing and Certification Program may change annual
35 license expiration renewal dates to provide for efficiencies in
36 operational processes or to provide for sufficient cashflow to pay
37 for expenditures. If an annual license expiration date is changed,
38 the renewal fee shall be prorated accordingly. Facilities shall be
39 provided with a 60-day notice of any change in their annual license
40 renewal date.

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

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

8 1279.2. (a) (1) In any case in which the department receives
9 a report from a facility pursuant to Section 1279.1, or a written or
10 oral complaint involving a health facility licensed pursuant to
11 subdivision (a), (b), or (f) of Section 1250, that indicates an
12 ongoing threat of imminent danger of death or serious bodily harm,
13 the department shall make an onsite inspection or investigation
14 within 48 hours or two business days, whichever is greater, of the
15 receipt of the report or complaint and shall complete that
16 investigation within 45 days.

17 (2) Until the department has determined by onsite inspection
18 that the adverse event has been resolved, the department shall, not
19 less than once a year, conduct an unannounced inspection of any
20 health facility that has reported an adverse event pursuant to
21 Section 1279.1.

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

27 (c) If the department does not meet the timeframes established
28 in subdivision (a), the department shall document the extenuating
29 circumstances explaining why it could not meet the timeframes.
30 The department shall provide written notice to the facility and the
31 complainant, if any, of the basis for the extenuating circumstances
32 and the anticipated completion date.

33 (e)

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

37 (d)

38 (e) For purposes of this section, "complaint" means any oral or
39 written notice to the department, other than a report from the health
40 facility, of an alleged violation of applicable requirements of state

1 or federal law or an allegation of facts that might constitute a
2 violation of applicable requirements of state or federal law.

3 (e)

4 (f) The costs of administering and implementing this section
5 shall be paid from funds derived from existing licensing fees paid
6 by general acute care hospitals, acute psychiatric hospitals, and
7 special hospitals.

8 (f)

9 (g) In enforcing this section and Sections 1279 and 1279.1, the
10 department shall take into account the special circumstances of
11 small and rural hospitals, as defined in Section 124840, in order
12 to protect the quality of patient care in those hospitals.

13 (g)

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

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

20 1367.54. (a) Every group health care service plan contract
21 that provides maternity benefits, except for a specialized health
22 care service plan contract, that is issued, amended, renewed, or
23 delivered on or after January 1, 1999, and every individual health
24 care service plan contract of a type and form first offered for sale
25 on or after January 1, 1999, that provides maternity benefits, except
26 a specialized health care service plan contract, shall provide
27 coverage for participation in the ~~Expanded Alpha Feto Protein~~
28 ~~(AFP) program, California Prenatal Screening Program,~~ which
29 is a statewide prenatal testing program administered by the State
30 Department of ~~Health Services~~. *Public Health*, pursuant to Section
31 124977. Notwithstanding any other provision of law, a health care
32 service plan that provides maternity benefits shall not require
33 participation in the statewide prenatal testing program administered
34 by the State Department of ~~Health Services~~ *Public Health* as a
35 prerequisite to eligibility for, or receipt of, any other service.

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

1 (c) Reimbursement for services covered pursuant to this section
2 shall be paid at the amount set pursuant to Section 124977 and
3 regulations adopted thereunder.

4 SEC. 8. Section 1373.622 of the Health and Safety Code is
5 amended to read:

6 1373.622. (a) (1) After the termination of the pilot program
7 under Section 1373.62, a health care service plan shall continue
8 to provide coverage under the same terms and conditions specified
9 in Section 1376.62 as it existed on January 1, 2007, including the
10 terms of the standard benefit plan and the subscriber payment
11 amount, to each individual who was terminated from the program
12 pursuant to subdivision (f) of Section 12725 of the Insurance Code
13 during the term of the pilot program and who enrolled or applied
14 to enroll in a standard benefit plan within 63 days of termination.
15 ~~The Managed Risk Medical Insurance Board~~ *State Department of*
16 *Health Care Services* shall continue to pay the amount described
17 in Section 1376.62 for each of those individuals. A health care
18 service plan shall not be required to offer the coverage described
19 in Section 1373.62 after the termination of the pilot program to
20 individuals not already enrolled in the program.

21 (2) Notwithstanding paragraph (1) of this subdivision or Section
22 1373.62 as it existed on January 1, 2007, the following rules shall
23 apply:

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

27 (ii) ~~The Managed Risk Medical Insurance Board~~ *State*
28 *Department of Health Care Services* shall not be obligated to
29 provide any payment to any health care service plan under this
30 section for (I) health care expenses incurred on or after January 1,
31 2014, or (II) the standard monthly administrative fee, as defined
32 in Section 1373.62 as it existed on January 1, 2007, for any month
33 after December 2013.

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

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

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

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

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

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

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

14 (C) As a condition of receiving payment for a reporting period
15 pursuant to this section, a health care service plan shall provide
16 the ~~Managed Risk Medical Insurance Board~~ *State Department of*
17 *Health Care Services* with a complete, final annual reconciliation
18 report by the earlier of December 31, 2014, or an earlier date as
19 prescribed by Section 1373.62, as it existed on January 1, 2007,
20 for that reporting period. To the extent that it receives a complete,
21 final reconciliation report for a reporting period by the date required
22 pursuant to this subparagraph, the ~~Managed Risk Medical Insurance~~
23 ~~Board~~ *State Department of Health Care Services* shall complete
24 reconciliation with the health care service plan for that reporting
25 period within ~~six~~ *18 months of* after receiving the report.

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

34 (c) ~~The adoption and readoption, by the Managed Risk Medical~~
35 ~~Insurance Board, Notwithstanding Chapter 3.5 (commencing with~~
36 ~~Section 11340) of regulations implementing the amendments to~~
37 ~~this section enacted by the legislation adding this subdivision shall~~
38 ~~be deemed an emergency and necessary to avoid serious harm to~~
39 ~~the public peace, health, safety, or general welfare for purposes~~
40 ~~Part 1 of Sections 11346.1 and 11349.6 of Division 3 of Title 2 of~~

1 the Government Code, ~~and the Managed Risk Medical Insurance~~
 2 ~~Board is hereby exempted from the requirement that it describe~~
 3 ~~facts showing the need for immediate action and from review by~~
 4 ~~the Office of Administrative Law. State Department of Health~~
 5 ~~Care Services may implement, interpret, or make specific this~~
 6 ~~section by means of all-county letters, plan letters, plan or provider~~
 7 ~~bulletins, or similar instructions, without taking regulatory action.~~

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

10 1420. (a) (1) Upon receipt of a written or oral complaint,
 11 the state department shall assign an inspector to make a preliminary
 12 review of the complaint and shall notify the complainant within
 13 two working days of the receipt of the complaint of the name of
 14 the inspector. Unless the state department determines that the
 15 complaint is willfully intended to harass a licensee or is without
 16 any reasonable basis, it shall make an onsite inspection or
 17 investigation within 10 working days of the receipt of the
 18 complaint. In any case in which the complaint involves a threat of
 19 imminent danger of death or serious bodily harm, the state
 20 department shall make an onsite inspection or investigation within
 21 24 hours of the receipt of the complaint. In any event, the
 22 complainant shall be promptly informed of the state department's
 23 proposed course of action and of the opportunity to accompany
 24 the inspector on the inspection or investigation of the facility. Upon
 25 the request of either the complainant or the state department, the
 26 complainant or his or her representative, or both, may be allowed
 27 to accompany the inspector to the site of the alleged violations
 28 during his or her tour of the facility, unless the inspector determines
 29 that the privacy of any patient would be violated thereby.

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

34 (A) Observed conditions.

35 (B) Statements of witnesses.

36 (C) Facility records.

37 ~~Within 10 working~~ (A) *For a complaint that involves a*
 38 *threat of imminent danger of death or serious bodily harm that is*
 39 *received on or after July 1, 2016, the state department shall*
 40 *complete an investigation of the complaint within 90 days of receipt*

1 *of the complaint. At the completion of the complaint investigation,*
2 *the state department shall notify the complainant and licensee in*
3 *writing of the state department’s determination as a result of the*
4 *inspection or investigation.*

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

11 *(4) (A) For a complaint that does not involve a threat of*
12 *imminent danger of death or serious bodily harm pursuant to*
13 *paragraph (3) and that is received on or after July 1, 2017, and*
14 *prior to July 1, 2018, the state department shall complete an*
15 *investigation of the complaint within 90 days of receipt of the*
16 *complaint. At the completion of the complaint investigation, the*
17 *state department shall notify the complainant and licensee in*
18 *writing of the state department’s determination as a result of the*
19 *inspection or investigation.*

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

26 *(5) (A) For a complaint that is received on or after July 1, 2018,*
27 *the state department shall complete an investigation of the*
28 *complaint within 60 days of receipt of the complaint. At the*
29 *completion of the complaint investigation, the state department*
30 *shall notify the complainant and licensee in writing of the state*
31 *department’s determination as a result of the inspection or*
32 *investigation.*

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

39 *(b) Upon being notified of the state department’s determination*
40 *as a result of the inspection or investigation, a complainant who*

1 is dissatisfied with the state department's determination, regarding
2 a matter which would pose a threat to the health, safety, security,
3 welfare, or rights of a resident, shall be notified by the state
4 department of the right to an informal conference, as set forth in
5 this section. The complainant may, within five business days after
6 receipt of the notice, notify the director in writing of his or her
7 request for an informal conference. The informal conference shall
8 be held with the designee of the director for the county in which
9 the long-term health care facility which is the subject of the
10 complaint is located. The long-term health care facility may
11 participate as a party in this informal conference. The director's
12 designee shall notify the complainant and licensee of his or her
13 determination within 10 working days after the informal conference
14 and shall apprise the complainant and licensee in writing of the
15 appeal rights provided in subdivision (c).

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

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

38 (e) A miniexit conference shall be held with the administrator
39 or his or her representative upon leaving the facility at the
40 completion of the investigation to inform him or her of the status

1 of the investigation. The *state* department shall also state the items
2 of noncompliance and compliance found as a result of a complaint
3 and those items found to be in compliance, provided the disclosure
4 maintains the anonymity of the complainant. In any matter in which
5 there is a reasonable probability that the identity of the complainant
6 will not remain anonymous, the state department shall also notify
7 the facility that it is unlawful to discriminate or seek retaliation
8 against a resident, employee, or complainant.

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

14 ~~(f)~~

15 *(g) For purposes of this section, “complaint” means any oral or*
16 *written notice to the state department, other than a report from the*
17 *facility of an alleged violation of applicable requirements of state*
18 *or federal law or any alleged facts that might constitute such a*
19 *violation.*

20 *(h) Nothing in this section shall be interpreted to diminish the*
21 *state department’s authority and obligation to investigate any*
22 *alleged violation of applicable requirements of state or federal*
23 *law, or any alleged facts that might constitute a violation of*
24 *applicable requirements of state or federal law, and to enforce*
25 *applicable requirements of law.*

26 *SEC. 10. Section 1423 of the Health and Safety Code is*
27 *amended to read:*

28 1423. (a) If upon inspection or investigation the director
29 determines that any nursing facility is in violation of any state or
30 federal law or regulation relating to the operation or maintenance
31 of the facility, or determines that any other long-term health care
32 facility is in violation of any statutory provision or regulation
33 relating to the operation or maintenance of the facility, the director
34 shall promptly, but not later than 24 hours, excluding Saturday,
35 Sunday, and holidays, after the director determines or has
36 reasonable cause to determine that an alleged violation has
37 occurred, issue a notice to correct the violation and of intent to
38 issue a citation to the licensee. Before completing the investigation
39 and making the *final* determination whether to issue a citation, the
40 department shall hold an exit conference with the licensee to

1 identify the potential for issuing a citation for any violation, discuss
2 investigative findings, and allow the licensee to provide the
3 department with additional information related to the violation.
4 The department shall consider this additional information, in
5 conjunction with information from the inspection or investigation,
6 in determining whether to issue a citation, or whether other action
7 would be appropriate. If the department determines that the
8 violation warrants the issuing of a citation and an exit conference
9 has been completed it shall either:

10 (1) Recommend the imposition of a federal enforcement remedy
11 or remedies on a nursing facility in accordance with federal law;
12 or

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

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

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

39 (c) No citation shall be issued for a violation that has been
40 reported by the licensee to the state department, or its designee,

1 as an “unusual occurrence,” if all of the following conditions are
2 met:

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

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

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

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

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

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

30 (b) The department shall provide for breast cancer and cervical
31 cancer screening services under the grant at the level of funding
32 budgeted from state and other resources during the fiscal year in
33 which the Legislature has appropriated funds to the department
34 for this purpose. These screening services shall not be deemed to
35 be an entitlement.

36 (c) To implement the federal breast and cervical cancer early
37 detection program specified in this section, the department may
38 contract, to the extent permitted by Section 19130 of the
39 Government Code, with public and private entities, or utilize
40 existing health care service provider enrollment and payment

1 mechanisms, including the Medi-Cal program's fiscal intermediary.
2 However, the Medi-Cal program's fiscal intermediary shall only
3 be utilized if services provided under the program are specifically
4 identified and reimbursed in a manner that does not claim federal
5 financial reimbursement. Any contracts with, and the utilization
6 of, the Medi-Cal program's fiscal intermediary shall not be subject
7 to Chapter 3 (commencing with Section 12100) of Part 2 of
8 Division 2 of the Public Contract Code. Contracts to implement
9 the federal breast and cervical cancer early detection program
10 entered into by the department with entities other than the Medi-Cal
11 program's fiscal intermediary shall not be subject to Part 2
12 (commencing with Section 10100) of Division 2 of the Public
13 Contract Code.

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

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

25 104322. (a) (1) The State Department of Health Care Services
26 shall develop and implement a program to provide quality prostate
27 cancer treatment for low-income and uninsured men.

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

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

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

5 (3) The contracts described in paragraph (2) shall not be subject
6 to Part 2 (commencing with Section 10100) of Division 2 of the
7 Public Contract Code. Commencing July 1, 2006, those contracts
8 shall be entered into on a competitive bid basis.

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

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

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

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

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

39 (d) Notwithstanding subdivision (a) of Section 2.00 of the
40 Budget Act of 2003 and any other ~~provision~~ of law, commencing

1 with the 2003–04 fiscal year and for each fiscal year thereafter,
2 any amount appropriated to the State Department of Health Care
3 Services for the prostate cancer treatment program implemented
4 pursuant to this chapter shall be made available, for purposes of
5 that program, for encumbrance for one fiscal year beyond the year
6 of appropriation and for expenditure for two fiscal years beyond
7 the year of encumbrance.

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

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

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

30 *120780.2. In order to reduce the spread of HIV, hepatitis C,*
31 *and other potentially deadly blood-borne pathogens, the State*
32 *Department of Public Health may purchase sterile hypodermic*
33 *needles and syringes, and other supplies, for distribution to syringe*
34 *exchange programs authorized pursuant to law. Supplies provided*
35 *to programs, including those administered by local health*
36 *departments, are not subject to the formulas and limits of Section*
37 *120780.1.*

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

1 120960. (a) The department shall establish uniform standards
2 of financial eligibility for the drugs under the program established
3 under this chapter.

4 (b) Nothing in the financial eligibility standards shall prohibit
5 drugs to an otherwise eligible person whose *modified* adjusted
6 gross income does not exceed ~~fifty thousand dollars (\$50,000)~~ *500*
7 *percent of the federal poverty level per year, year based on family*
8 *size and household income*. However, the director may authorize
9 drugs for persons with incomes higher than ~~fifty thousand dollars~~
10 ~~(\$50,000)~~ *500 percent of the federal poverty level per year based*
11 *on family size and household income* if the estimated cost of those
12 drugs in one year is expected to exceed 20 percent of the person's
13 *modified* adjusted gross income.

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

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

22 (2) The cost of drugs.

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

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

33 (2) There has been a substantial change in income since the
34 previous eligibility determination that has resulted in a current
35 income that is inadequate to meet the calculated payment
36 obligation.

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

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

4 (e) The department may exempt a person, who has been
5 determined to have a payment obligation pursuant to subdivision
6 (c), from the obligation if both of the following criteria are
7 satisfied:

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

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

12 (f) If a person requests reconsideration of the payment obligation
13 determination, the person shall not be obligated to make any
14 payment until the department has completed the reconsideration
15 request pursuant to subdivision (d). If the department denies the
16 exemption, the person shall be obligated to make payments for
17 drugs received while the reconsideration request is pending.

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

24 (h) A county public health department administering this
25 program pursuant to subdivision (b) of Section 120955 shall
26 provide all drugs added to the program pursuant to subdivision (a)
27 of Section 120955 within 60 days of the action of the director,
28 subject to the repayment obligations specified in subdivision (d)
29 of Section 120965.

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

32 (1) *“Family size” has the meaning given to that term in Section*
33 *36B(d)(1) of the Internal Revenue Code of 1986, and shall include*
34 *same or opposite sex married couples, registered domestic*
35 *partners, and any tax dependents, as defined by Section 152 of the*
36 *Internal Revenue Code of 1986, of either spouse or registered*
37 *domestic partner.*

38 (2) *“Federal poverty level” refers to the poverty guidelines*
39 *updated periodically in the Federal Register by the United States*

1 *Department of Health and Human Services under the authority of*
2 *Section 9902(2) of Title 42 of the United States Code.*

3 (3) *“Household income” means the sum of the applicant’s or*
4 *recipient’s modified adjusted gross income, plus the modified*
5 *adjusted gross income of the applicant’s or recipient’s spouse or*
6 *registered domestic partner, and the modified adjusted gross*
7 *incomes of all other individuals for whom the applicant or*
8 *recipient, or the applicant’s or recipient’s spouse or registered*
9 *domestic partner, is allowed a federal income tax deduction for*
10 *the taxable year.*

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

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

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

19 120962. (a) (1) For the purpose of verifying financial
20 eligibility pursuant to Section 120960 and the federal Ryan White
21 HIV/AIDS Treatment Extension Act of 2009 (42 U.S.C. Sec. 201
22 et seq.), the department shall verify the accuracy of the adjusted
23 gross income reported on an AIDS Drug Assistance Program
24 application submitted by an applicant or recipient with data, if
25 available, from the Franchise Tax Board.

26 (2) Notwithstanding any other law, the department shall disclose
27 the name and individual taxpayer identification number (ITIN) or
28 social security number of an applicant for, or recipient of, services
29 under this chapter to the Franchise Tax Board for the purpose of
30 verifying the adjusted gross income of, any tax-exempt interest
31 received by, any tax-exempt social security benefits received by,
32 and any foreign earned income of an applicant or recipient pursuant
33 to subdivision (b) of Section 120960.

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

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

38 (B) *The amount of the California adjusted gross income as*
39 *reported by the taxpayer to the Franchise Tax Board or as adjusted*
40 *by the Franchise Tax Board.*

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

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

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

7 ~~(b)~~

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

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

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

27 (3) Prior to accessing confidential HIV-related public health
28 records, Franchise Tax Board staff and contractors shall be required
29 to annually sign a confidentiality agreement developed by the
30 department that includes information related to the penalties under
31 Section 121025 for a breach of confidentiality and the procedures
32 for reporting a breach of confidentiality under subdivision (h) of
33 Section 121022. Those agreements shall be reviewed annually by
34 the department.

35 (4) The Franchise Tax Board shall return or destroy all
36 information received from the department after completing the
37 exchange of information.

38 (d) *For purposes of this section, "foreign earned income" also*
39 *includes any deduction taken for the housing expenses of an*

1 individual while living abroad pursuant to Section 911 of Title 26
2 of the Internal Revenue Code.

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

6

7 CHAPTER 17. PRE- AND POST-EXPOSURE PROPHYLAXIS

8

9 SEC. 18. Section 121348.4 is added to the Health and Safety
10 Code, to read:

11 121348.4. Upon an appropriation in the annual Budget Act,
12 the State Department of Public Health shall establish the
13 Pre-Exposure Prophylaxis (PrEP) Navigator Services Program,
14 under which the department shall provide for the following
15 activities:

16 (a) Oversight and evaluation of the PrEP Navigator Services
17 Program.

18 (b) Implementation of a process to request applications, and
19 award funding on a competitive basis, to community-based
20 organizations or local health departments. An eligible entity shall
21 collaborate with the Office of AIDS to conduct outcome and
22 process evaluation of navigator services. An entity in any county
23 shall be eligible to receive funding if it can demonstrate all of the
24 following:

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

27 (2) Ability to develop protocols to conduct outreach to targeted
28 populations, to provide PrEP education to clients and providers,
29 and to assess and refer persons to appropriate clinical care and
30 prevention services.

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

34 SEC. 19. Section 122425 is added to the Health and Safety
35 Code, to read:

36 122425. There is hereby established a three-year Hepatitis C
37 Linkage to Care demonstration pilot project to allow for innovative,
38 evidence-based approaches to provide outreach, hepatitis C
39 screening, and linkage to, and retention in, quality health care for
40 the most vulnerable and underserved individuals living with, or

1 at high risk for, hepatitis C viral infection (HCV). This
2 demonstration pilot project is authorized for fiscal years 2015–16,
3 2016–17, and 2017–18.

4 SEC. 20. Section 122430 is added to the Health and Safety
5 Code, to read:

6 122430. (a) Upon an appropriation for the purpose described
7 in Section 122425 in the annual Budget Act for the 2015–16,
8 2016–17, and 2017–18 fiscal years, the department shall award
9 funding, on a competitive basis, to community-based organizations
10 or local health jurisdictions to operate demonstration pilot projects
11 pursuant to this chapter. The department shall determine the
12 funding levels of each demonstration project based on scope and
13 geographic area. Funds may be used to support other activities
14 consistent with the goals of this chapter, including the purchase
15 of hepatitis C viral infection (HCV) test kits, syringe exchange
16 supplies, or other HCV prevention and linkage to care materials
17 and activities.

18 (b) An applicant for funding shall demonstrate each of the
19 following qualifications:

20 (1) Leadership on access to HCV care and testing issues and
21 experience addressing the needs of highly marginalized populations
22 in accessing medical care and support.

23 (2) Experience with the target population or relationships with
24 community-based organizations or nongovernmental organizations,
25 or both, that demonstrates expertise, history, and credibility
26 working successfully in engaging the target population.

27 (3) Experience working with nontraditional collaborators who
28 work within and beyond the field of HCV education and outreach,
29 including homeless services, veterans' medical and service
30 programs, substance use disorders treatment, syringe exchange
31 programs, women's health, reproductive health, immigration,
32 mental health, or human immunodeficiency virus (HIV) prevention
33 and treatment.

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

36 (5) Strong relationships with the state and local health
37 departments.

38 (6) Capacity to coordinate a communitywide planning phase
39 involving multiple community collaborators.

1 (7) Experience implementing evidence-based programs or
2 generating innovative strategies, or both, with at least preliminary
3 evidence of program effectiveness.

4 (8) Administrative systems and accountability mechanisms for
5 grant management.

6 (9) Capacity to participate in evaluation activities.

7 (10) Strong communication systems that are in place to
8 participate in public relations activities.

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

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

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

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

35 (1) Outreach and educational services.

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

38 (3) Health screening and evaluation services for all ~~children~~
39 children, including a physical examination, immunizations
40 appropriate for the child's age and health history, and laboratory

1 procedures appropriate for the child's age and population group
2 performed by, or under the supervision or responsibility of, a
3 physician licensed to practice medicine in California or by a
4 certified family nurse practitioner or a certified pediatric nurse
5 practitioner.

6 (4) Referral for diagnosis or treatment when needed, including,
7 for all children eligible for Medi-Cal, referral for treatment by a
8 provider participating in the Medi-Cal program of the conditions
9 detected, and methods for assuring referral is carried out.

10 (5) Recordkeeping and program evaluations.

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

14 (A) A health and development history.

15 (B) An assessment of physical growth.

16 (C) An examination for obvious physical defects.

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

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

23 (7) An assessment of nutritional status.

24 (8) An assessment of immunization status.

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

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

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

35 (c) Standards for procedures to carry out health screening and
36 evaluation services and to establish the age at which particular
37 tests should be carried out shall be established by the director. At
38 the discretion of the department, these health screening and
39 evaluation services may be provided at the frequency provided
40 under the Healthy Families Program and permitted in managed

1 care plans providing services under the Medi-Cal program, and
2 shall be contingent upon appropriation in the annual Budget Act.
3 Immunizations may be provided at the frequency recommended
4 by the Committee on Infectious Disease of the American Academy
5 of Pediatrics and the Advisory Committee on Immunization
6 Practices of the Centers for Disease Control and Prevention.

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

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

15 124977. (a) It is the intent of the Legislature that, unless
16 otherwise specified, the genetic disease testing program carried
17 out pursuant to this chapter be fully supported from fees collected
18 for services provided by the program.

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

36 (2) The department shall expeditiously undertake all steps
37 necessary to implement the fee collection process, including
38 personnel, contracts, and data processing, so as to initiate the fee
39 collection process at the earliest opportunity.

1 (3) Effective for services provided on and after July 1, 2002,
2 the department shall charge a fee to the hospital of birth, or, for
3 births not occurring in a hospital, to families of the newborn, for
4 newborn screening and followup services. The hospital of birth
5 and families of newborns born outside the hospital shall make
6 payment in full to the Genetic Disease Testing Fund. The
7 department shall not charge or bill Medi-Cal beneficiaries for
8 services provided under this chapter.

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

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

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

20 (6) The only funds from the Genetic Disease Testing Fund that
21 may be used for the purpose of supporting the pregnancy blood
22 sample storage, testing, and research activities of the Birth Defects
23 Monitoring Program are those prenatal screening fees assessed
24 and collected prior to the creation of the Birth Defects Monitoring
25 Program Fund specifically to support those Birth Defects
26 Monitoring Program activities.

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

37 (c) (1) The Legislature finds that timely implementation of
38 changes in genetic screening programs and continuous maintenance
39 of quality statewide services requires expeditious regulatory and
40 administrative procedures to obtain the most cost-effective

1 electronic data processing, hardware, software services, testing
2 equipment, and testing and followup services.

3 (2) The expenditure of funds from the Genetic Disease Testing
4 Fund for these purposes shall not be subject to Section 12102 of,
5 and Chapter 2 (commencing with Section 10290) of Part 2 of
6 Division 2 of, the Public Contract Code, or to Division 25.2
7 (commencing with Section 38070). The department shall provide
8 the Department of Finance with documentation that equipment
9 and services have been obtained at the lowest cost consistent with
10 technical requirements for a comprehensive high-quality program.

11 (3) The expenditure of funds from the Genetic Disease Testing
12 Fund for implementation of the Tandem Mass Spectrometry
13 screening for fatty acid oxidation, amino acid, and organic acid
14 disorders, and screening for congenital adrenal hyperplasia may
15 be implemented through the amendment of the Genetic Disease
16 Branch Screening Information System contracts and shall not be
17 subject to Chapter 3 (commencing with Section 12100) of Part 2
18 of Division 2 of the Public Contract Code, Article 4 (commencing
19 with Section 19130) of Chapter 5 of Part 2 of Division 5 of Title
20 2 of the Government Code, and any policies, procedures,
21 regulations, or manuals authorized by those laws.

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

1 (d) (1) The department may adopt emergency regulations to
2 implement and make specific this chapter in accordance with
3 Chapter 3.5 (commencing with Section 11340) of Part 1 of Division
4 3 of Title 2 of the Government Code. For the purposes of the
5 Administrative Procedure Act, the adoption of regulations shall
6 be deemed an emergency and necessary for the immediate
7 preservation of the public peace, health and safety, or general
8 welfare. Notwithstanding Chapter 3.5 (commencing with Section
9 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
10 these emergency regulations shall not be subject to the review and
11 approval of the Office of Administrative Law. Notwithstanding
12 Sections 11346.1 and 11349.6 of the Government Code, the
13 department shall submit these regulations directly to the Secretary
14 of State for filing. The regulations shall become effective
15 immediately upon filing by the Secretary of State. Regulations
16 shall be subject to public hearing within 120 days of filing with
17 the Secretary of State and shall comply with Sections 11346.8 and
18 11346.9 of the Government Code or shall be repealed.

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

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

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

32 10123.184. (a) Every group policy of disability insurance that
33 covers hospital, medical, or surgical expenses, and that provides
34 maternity benefits, that is issued, amended, renewed, or delivered
35 on or after January 1, 1999, and every individual policy of
36 disability insurance that covers hospital, medical, or surgical
37 expenses, and that provides maternity benefits, that is of a type
38 and form first offered for sale on or after January 1, 1999, shall
39 provide coverage for participation in the ~~Expanded Alpha Feto~~
40 ~~Protein (AFP) program~~, *California Prenatal Screening Program*,

1 which is a statewide prenatal testing program administered by the
2 State Department of *Public Health, pursuant to Section 124977*
3 *of the Health Services and Safety Code*. Notwithstanding any other
4 provision of law, a disability insurer that provides coverage for
5 maternity benefits shall not require participation in the statewide
6 prenatal testing program administered by the State Department of
7 *Public Health Services* as a prerequisite to eligibility for, or receipt
8 of, any other service.

9 (b) *Coverage required under this section shall not be subject*
10 *to copayment, coinsurance, deductible, or any other form of cost*
11 *sharing.*

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

15 SEC. 25. *Section 10127.16 of the Insurance Code is amended*
16 *to read:*

17 10127.16. (a) (1) After the termination of the pilot program
18 under Section 10127.15, a health insurer shall continue to provide
19 coverage under the same terms and conditions specified in Section
20 10127.15 as it existed on January 1, 2007, including the terms of
21 the standard benefit plan and the subscriber payment amount, to
22 each individual who was terminated from the program, pursuant
23 to subdivision (f) of Section 12725 of the Insurance Code during
24 the term of the pilot program and who enrolled or applied to enroll
25 in a standard benefit plan within 63 days of termination. The
26 ~~Managed Risk Medical Insurance Board~~ *State Department of*
27 *Health Care Services* shall continue to pay the amount described
28 in Section 10127.15 for each of those individuals. A health insurer
29 shall not be required to offer the coverage described in Section
30 10127.15 after the termination of the pilot program to individuals
31 not already enrolled in the program.

32 (2) Notwithstanding paragraph (1) of this subdivision or Section
33 10127.15 as it existed on January 1, 2007, the following rules shall
34 apply:

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

38 (ii) The ~~Managed Risk Medical Insurance Board~~ *State*
39 *Department of Health Care Services* shall not be obligated to
40 provide any payment to any health insurer under this section for

1 (I) health care expenses incurred on or after January 1, 2014, or
2 (II) the standard monthly administrative fee, as defined in Section
3 10127.15 as it existed on January 1, 2007, for any month after
4 December, 2013.

5 (B) Each health insurer providing coverage pursuant to this
6 section shall, on or before October 1, 2013, send a notice to each
7 individual enrolled in a standard benefit plan that is in at least
8 12-point type and with, at minimum, the following information:

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

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

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

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

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

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

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

36 (b) If the state fails to expend, pursuant to this section, sufficient
37 funds for the state's contribution amount to any health insurer, the
38 health insurer may increase the monthly payments that its
39 subscribers are required to pay for any standard benefit plan to the
40 amount that the ~~Managed Risk Medical Insurance Board~~ *State*

1 *Department of Health Care Services* would charge without a state
2 subsidy for the same insurance product issued to the same
3 individual within the program.

4 (c) ~~The adoption and readoption, by the Managed Risk Medical~~
5 ~~Insurance Board, Notwithstanding Chapter 3.5 (commencing with~~
6 ~~Section 11340) of regulations implementing the amendments to~~
7 ~~this section enacted by the legislation adding this subdivision shall~~
8 ~~be deemed an emergency and necessary to avoid serious harm to~~
9 ~~the public peace, health, safety, or general welfare for purposes~~
10 ~~Part 1 of Sections 11346.1 and 11349.6 of Division 3 of Title 2 of~~
11 ~~the Government Code, and the Managed Risk Medical Insurance~~
12 ~~Board is hereby exempted from the requirement that it describe~~
13 ~~facts showing the need for immediate action and from review by~~
14 ~~the Office of Administrative Law. State Department of Health~~
15 ~~Care Services may implement, interpret, or make specific this~~
16 ~~section by means of all-county letters, plan letters, plan or provider~~
17 ~~bulletins, or similar instructions, without taking regulatory action.~~

18 SEC. 26. Section 19548.2 of the Revenue and Taxation Code
19 is amended to read:

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

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

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

36 (B) *The amounts of the California adjusted gross income as*
37 *reported by the taxpayer to the Franchise Tax Board or as adjusted*
38 *by the Franchise Tax Board.*

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

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

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

5 (b)

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

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

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

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

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

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

1 4369. There is within the State Department of Public Health,
2 the Office of Problem and Pathological Gambling.

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

5 4369.1. As used in this chapter, the following definitions shall
6 apply:

7 (a) “Affected individual” means a person who experiences
8 adverse psychiatric or physical impacts due to another person’s
9 gambling disorder.

10 (a)

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

12 ~~(b) “Office” means the Office of Problem and Pathological~~
13 ~~Gambling.~~

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

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

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

37 (f) “Treatment program” means a program designed to assist
38 individuals who experience harmful negative consequences related
39 to gambling disorders. This program shall include, but is not
40 limited to, training and educating providers, establishing a

1 *provider network for the provision of treatment services, and*
2 *conducting research to ensure the delivery of evidence-based*
3 *practices.*

4 *SEC. 29. Section 4369.2 of the Welfare and Institutions Code*
5 *is amended to read:*

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

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

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

22 (3) Empirically driven research programs focusing on
23 epidemiology/prevalence, etiology/causation, and best practices
24 in prevention and treatment.

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

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

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

1 *who are affected individuals. The treatment program shall may*
2 *consist of all of the following components:*

3 *(1) Training for licensed health providers, including screening*
4 *and assessment of gambling disorders, the use of evidence-based*
5 *treatment modalities, and the administrative practices for treatment*
6 *services implemented under this chapter.*

7 ~~(1) Treatment services~~

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

21 ~~(2)~~

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

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

27 ~~(3)~~

28 *(5) Appropriate review and monitoring of the treatment*
29 *~~programs program~~ by the director of the office or a designated*
30 *institution, including grant oversight and ~~monitoring~~, monitoring*
31 *of contracts, the standards for treatment, and outcome monitoring.*

32 ~~(4)~~

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

37 *(c) The office shall make information available as requested by*
38 *the Governor and the Legislature with respect to the comprehensive*
39 *program.*

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

3 4369.3. In designing and developing the overall program, the
4 office shall do all of the following:

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

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

8 (c) Develop priorities for funding services and criteria for
9 distributing program funds.

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

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

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

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

23 ~~(h)~~

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

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

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

1 SEC. 32. Section 4369.5 of the Welfare and Institutions Code
2 is amended to read:

3 4369.5. (a) It is the intent of the Legislature that the Office of
4 Problem ~~and Pathological~~ Gambling establish and maintain
5 ongoing venues for system stakeholders to provide input into public
6 policy issues related to ~~problem gambling~~, *gambling disorders*,
7 including, but not limited to, consumers of services and their
8 families, providers of services and supports, and county
9 representatives. It is further the intent of the Legislature that the
10 Office of Problem ~~and Pathological~~ Gambling shall have input
11 into policy discussions at the State Department of Public Health
12 and at the California Health and Human Services Agency, when
13 appropriate.

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

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

29 (1)

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

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

39 (B) Beginning in the 2012–13 fiscal year, a description of
40 year-over-year changes in the following: access to services,

1 demographics of people served, the number of providers, and
2 treatment program outcomes. The description of access to services
3 shall include, but not be limited to, information regarding
4 utilization of services and waiting lists for services. The description
5 of providers shall include, but not be limited to, types and numbers
6 of providers, including ~~problem~~ gambling *disorder* counselors,
7 training protocols for providers, and workforce trends. The
8 description of demographics of people served shall include, but
9 not be limited to, age, sex, ethnicity, economic status, and
10 geographic regions. The description of treatment program outcomes
11 shall include, but not be limited to, participation levels in programs,
12 recidivism rates, and quality of life measures.

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

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

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

24 14007.2. (a) Any individual who is otherwise eligible for
25 Medi-Cal services, but who does not meet the documentation
26 requirements described in subdivision (e) of Section 14011.2, shall
27 be eligible only for the scope of services made available to aliens
28 under subdivision (d) of Section 14007.5, and Sections ~~14007.65~~
29 ~~14007.65, 14007.7, and 14007.7.~~ 14007.8.

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

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

36 14007.5. (a) Aliens shall be eligible for Medi-Cal, whether
37 federally funded or state-funded, only to the same extent as
38 permitted under federal law and regulations for receipt of federal
39 financial participation under Title XIX of the federal Social

1 Security Act, except as otherwise provided in this section and
2 ~~Section 14007.7: elsewhere in this chapter.~~

3 (b) In accordance with Section 1903(v)(1) of the federal Social
4 Security Act (42 U.S.C. Sec. 1396b(v)(1)), an alien shall only be
5 eligible for the full scope of Medi-Cal benefits, if the alien has
6 been lawfully admitted for permanent residence, or is otherwise
7 permanently residing in the United States under color of law.

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

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

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

- 33 (1) Placing the patient’s health in serious jeopardy.
- 34 (2) Serious impairment to bodily functions.
- 35 (3) Serious dysfunction to any bodily organ or part. It is the
36 intent of this section to entitle eligible individuals to inpatient and
37 outpatient services that are necessary for the treatment of the
38 emergency medical condition in the same manner as administered
39 by the department through regulations and provisions of federal
40 law.

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

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

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

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

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

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

1 accord the individual an opportunity for a fair hearing if he or she
2 requests one.

3 (h) To the extent permitted by federal law and regulations, an
4 alien applying for services under subdivisions (b) and (c) shall be
5 granted eligibility for the scope of services to which he or she
6 would otherwise be entitled if, at the time the county department
7 makes the determination about his or her eligibility, the alien meets
8 either of the following requirements:

9 (1) He or she has not had a reasonable opportunity to submit
10 documents constituting reasonable evidence indicating satisfactory
11 immigration status.

12 (2) He or she has provided documents constituting reasonable
13 evidence indicating a satisfactory immigration status, but the
14 county department has not received timely verification of the
15 alien's immigration status from the United States Immigration and
16 Naturalization Service.

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

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

29 (j) If an alien subject to this section is not fluent in English, the
30 county department shall provide an understandable explanation of
31 the requirements of this section in a language in which the alien
32 is fluent.

33 (k) Aliens who were receiving long-term care or renal dialysis
34 services (1) on the day prior to the effective date of the amendment
35 to paragraph (1) of subdivision (f) of Section 1 of Chapter 1441
36 of the Statutes of 1988 at the 1991–92 Regular Session of the
37 Legislature and (2) under the authority of paragraph (1) of
38 subdivision (f) of Section 1 of Chapter 1441 of the Statutes of 1988
39 as it read on June 30, 1992, shall continue to receive these services.
40 The authority for continuation of long-term care or renal dialysis

1 services in this subdivision shall not apply to any person whose
2 long-term care or renal dialysis services end for any reason after
3 the effective date of the amendment described in this subdivision.

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

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

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

19 *(c) The department shall seek any necessary federal approvals
20 to obtain federal financial participation in implementing this
21 section. Benefits for services under this section shall be provided
22 with state-only funds only if federal financial participation is not
23 available for those services.*

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

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

29 *(f) (1) Notwithstanding Chapter 3.5 (commencing with Section
30 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
31 the department, without taking any further regulatory action, shall
32 implement, interpret, or make specific this section by means of
33 all-county letters, plan letters, plan or provider bulletins, or similar
34 instructions until the time any necessary regulations are adopted.
35 Thereafter, the department shall adopt regulations in accordance
36 with the requirements of Chapter 3.5 (commencing with Section
37 11340) of Part 1 of Division 3 of Title 2 of the Government Code.*

38 *(2) Commencing six months after the effective date of this
39 section, and notwithstanding Section 10231.5 of the Government
40 Code, the department shall provide a status report to the*

1 *Legislature on a semiannual basis, in compliance with Section*
2 *9795 of the Government Code, until regulations have been adopted.*

3 *(g) In implementing this section, the department may contract,*
4 *as necessary, on a bid or nonbid basis. This subdivision establishes*
5 *an accelerated process for issuing contracts pursuant to this*
6 *section. Those contracts, and any other contracts entered into*
7 *pursuant to this subdivision, may be on a noncompetitive bid basis*
8 *and shall be exempt from the following:*

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

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

14 *(3) Review or approval of contracts by the Department of*
15 *General Services.*

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

18 *14015.5. (a) Notwithstanding any other ~~provision of~~ state law,*
19 *the department shall retain or delegate the authority to perform*
20 *Medi-Cal eligibility determinations as set forth in this section.*

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

35 *(c) Except as provided in subdivision (b) and Section 14015.7,*
36 *the county of residence shall be responsible for eligibility*
37 *determinations and ongoing case management for the Medi-Cal*
38 *program.*

39 *(d) (1) Notwithstanding any other ~~provision of~~ state law, the*
40 *Exchange shall be authorized to provide information regarding*

1 available Medi-Cal managed health care plan selection options to
2 applicants determined to be eligible for Medi-Cal benefits using
3 the MAGI-based income standard and allow those applicants to
4 choose an available managed health care plan.

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

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

22 (f) For the purposes of this section, the following definitions
23 shall apply:

24 (1) "ACA" means the federal Patient Protection and Affordable
25 Care Act (Public Law 111-148), as amended by the federal Health
26 Care and Education Reconciliation Act of 2010 (Public Law
27 111-152).

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

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

32 (4) "MAGI-based income" means income calculated using the
33 financial methodologies described in Section 1396a(e)(14) of Title
34 42 of the United States Code as added by ACA and any subsequent
35 amendments.

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

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

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

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

6 14105.94. (a) An eligible provider, as described in subdivision
7 (b), may, in addition to the rate of payment that the provider would
8 otherwise receive for Medi-Cal ground emergency medical
9 transportation services, receive supplemental Medi-Cal
10 reimbursement to the extent provided in this section.

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

14 (1) Provides ground emergency medical transportation services
15 to Medi-Cal beneficiaries.

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

18 (3) Is owned or operated by the state, a city, county, city and
19 county, fire protection district organized pursuant to Part 2.7
20 (commencing with Section 13800) of Division 12 of the Health
21 and Safety Code, special district organized pursuant to Chapter 1
22 (commencing with Section 58000) of Division 1 of Title 6 of the
23 Government Code, community services district organized pursuant
24 to Part 1 (commencing with Section 61000) of Division 3 of Title
25 6 of the Government Code, health care district organized pursuant
26 to Chapter 1 (commencing with Section 32000) of Division 23 of
27 the Health and Safety Code, or a federally recognized Indian tribe.

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

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

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

1 (3) The supplemental Medi-Cal reimbursement provided by this
2 section shall be distributed exclusively to eligible providers under
3 a payment methodology based on ground emergency medical
4 transportation services provided to Medi-Cal beneficiaries by
5 eligible providers on a per-transport basis or other federally
6 permissible basis. The department shall obtain approval from the
7 federal Centers for Medicare and Medicaid Services for the
8 payment methodology to be utilized, and may not make any
9 payment pursuant to this section prior to obtaining that approval.

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

18 (2) The nonfederal share of the supplemental reimbursement
19 submitted to the federal Centers for Medicare and Medicaid
20 Services for purposes of claiming federal financial participation
21 shall be paid only with funds from the governmental entities
22 described in paragraph (3) of subdivision (b) and certified to the
23 state as provided in subdivision (e).

24 (e) Participation in the program by an eligible provider described
25 in this section is voluntary. If an applicable governmental entity
26 elects to seek supplemental reimbursement pursuant to this section
27 on behalf of an eligible provider owned or operated by the entity,
28 as described in paragraph (3) of subdivision (b), the governmental
29 entity shall do all of the following:

30 (1) Certify, in conformity with the requirements of Section
31 433.51 of Title 42 of the Code of Federal Regulations, that the
32 claimed expenditures for the ground emergency medical
33 transportation services are eligible for federal financial
34 participation.

35 (2) Provide evidence supporting the certification as specified
36 by the department.

37 (3) Submit data as specified by the department to determine the
38 appropriate amounts to claim as expenditures qualifying for federal
39 financial participation.

1 (4) Keep, maintain, and have readily retrievable, any records
2 specified by the department to fully disclose reimbursement
3 amounts to which the eligible provider is entitled, and any other
4 records required by the federal Centers for Medicare and Medicaid
5 Services.

6 (f) (1) The department shall promptly seek any necessary federal
7 approvals for the implementation of this section. The department
8 may limit the program to those costs that are allowable
9 expenditures under Title XIX of the federal Social Security Act
10 (42 U.S.C. 1396 et seq.). If federal approval is not obtained for
11 implementation of this section, this section shall not be
12 implemented.

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

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

20 (g) (1) If either a final judicial determination is made by any
21 court of appellate jurisdiction or a final determination is made by
22 the administrator of the federal Centers for Medicare and Medicaid
23 Services that the supplemental reimbursement provided for in this
24 section must be made to any provider not described in this section,
25 the director shall execute a declaration stating that the
26 determination has been made and on that date this section shall
27 become inoperative.

28 (2) The declaration executed pursuant to this subdivision shall
29 be retained by the director, provided to the fiscal and appropriate
30 policy committees of the Legislature, the Secretary of State, the
31 Secretary of the Senate, the Chief Clerk of the Assembly, and the
32 Legislative Counsel, and posted on the department's Internet Web
33 site.

34 (h) Notwithstanding Chapter 3.5 (commencing with Section
35 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
36 the department may implement and administer this section by
37 means of provider bulletins, or similar instructions, without taking
38 regulatory action.

39 (i) (1) *Upon the effective date of the act that added this*
40 *subdivision, the department shall develop, in consultation with the*

1 providers described in subdivision (b), and seek any necessary
2 federal approvals for, a modified program for the supplemental
3 reimbursement authorized by this section that will seek to provide
4 increased reimbursement to an eligible provider that participates
5 in the program. The nonfederal share of any supplemental
6 reimbursement provided under the modified program shall be
7 derived from voluntary intergovernmental transfers of local funds.
8 The department shall otherwise develop the modified program
9 consistent with the requirements of this section, except for
10 paragraph (2) of subdivision (c), and only to the extent that federal
11 financial participation is available.

12 (2) The department shall be reimbursed for costs associated
13 with administering the modified program described in paragraph
14 (1) in accordance with subdivision (d). The department shall not
15 otherwise assess a percentage fee in connection with any
16 intergovernmental transfer of funds made pursuant to this
17 subdivision.

18 (3) The department shall not implement the modified program
19 described in paragraph (1) until it obtains all necessary federal
20 approvals. Until those federal approvals are obtained,
21 supplemental reimbursement shall continue to be available
22 pursuant to the provisions of this section that were operative prior
23 to the effective date of the act that added this subdivision.

24 (j) The department shall not implement the modified program
25 described in paragraph (1) of subdivision (i) unless it determines
26 that the modified program will likely result in an overall increase
27 to the supplemental reimbursement available pursuant to the
28 provisions of this section that were operative prior to the effective
29 date of the act that added this subdivision.

30 SEC. 38. Section 14105.192 of the Welfare and Institutions
31 Code is amended to read:

32 14105.192. (a) The Legislature finds and declares the
33 following:

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

38 (2) In order to minimize the need for drastically cutting
39 enrollment standards or benefits during times of economic crisis,
40 it is crucial to find areas within the program where reimbursement

1 levels are higher than required under the standard provided in
2 Section 1902(a)(30)(A) of the federal Social Security Act and can
3 be reduced in accordance with federal law.

4 (3) The Medi-Cal program delivers its services and benefits to
5 Medi-Cal beneficiaries through a wide variety of health care
6 providers, some of which deliver care via managed care or other
7 contract models while others do so through fee-for-service
8 arrangements.

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

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

16 (b) Therefore, it is the intent of the Legislature for the
17 department to analyze and identify where reimbursement levels
18 can be reduced consistent with the standard provided in Section
19 1902(a)(30)(A) of the federal Social Security Act and consistent
20 with federal and state law and policies, including any exemptions
21 contained in the provisions of the act that added this section,
22 provided that the reductions in reimbursement shall not exceed 10
23 percent on an aggregate basis for all providers, services and
24 products.

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

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

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

38 (3) Payments shall be reduced by 10 percent for non-Medi-Cal
39 programs described in Article 6 (commencing with Section 124025)
40 of Chapter 3 of Part 2 of Division 106 of the Health and Safety

1 Code, and Section 14105.18, for dates of service on and after June
2 1, 2011. This paragraph shall not apply to inpatient hospital
3 services provided in a hospital that is paid under contract pursuant
4 to Article 2.6 (commencing with Section 14081).

5 (4) (A) Notwithstanding any other ~~provision of law~~, the director
6 may adjust the payments specified in paragraphs (1) and (3) of
7 this subdivision with respect to one or more categories of Medi-Cal
8 providers, or for one or more products or services rendered, or any
9 combination thereof, so long as the resulting reductions to any
10 category of Medi-Cal providers, in the aggregate, total no more
11 than 10 percent.

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

16 (e) Notwithstanding any other provision of this section,
17 payments to hospitals that are not under contract with the State
18 Department of Health Care Services pursuant to Article 2.6
19 (commencing with Section 14081) for inpatient hospital services
20 provided to Medi-Cal beneficiaries and that are subject to Section
21 14166.245 shall be governed by that section.

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

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

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

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

39 (ii) If Section 14105.07 is added to the Welfare and Institutions
40 Code during the 2011–12 Regular Session of the Legislature, then

1 for dates of service on and after June 1, 2011, payments to
2 intermediate care facilities for the developmentally disabled
3 licensed pursuant to subdivision (e), (g), or (h) of Section 1250 of
4 the Health and Safety Code, and facilities providing continuous
5 skilled nursing care to developmentally disabled individuals
6 pursuant to the pilot project established by Section 14132.20, shall
7 be governed by the applicable methodology for setting
8 reimbursement rates for these facilities and by Section 14105.07.

9 (g) The department may enter into contracts with a vendor for
10 the purposes of implementing this section on a bid or nonbid basis.
11 In order to achieve maximum cost savings, the Legislature declares
12 that an expedited process for contracts under this subdivision is
13 necessary. Therefore, contracts entered into to implement this
14 section and all contract amendments and change orders shall be
15 exempt from Chapter 2 (commencing with Section 10290) of Part
16 2 Division 2 of the Public Contract Code.

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

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

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

26 (3) Rural health clinic services.

27 (4) Payments to facilities owned or operated by the State
28 Department of State Hospitals or the State Department of
29 Developmental Services.

30 (5) Hospice services.

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

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

1 (8) Services pursuant to local assistance contracts and
2 interagency agreements to the extent the funding is not included
3 in the funds appropriated to the department in the annual Budget
4 Act.

5 (9) Breast and cervical cancer treatment provided pursuant to
6 Section 14007.71 and as described in paragraph (3) of subdivision
7 (a) of Section 14105.18 or Article 1.5 (commencing with Section
8 104160) of Chapter 2 of Part 1 of Division 103 of the Health and
9 Safety Code.

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

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

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

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

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

34 (1) Intermediate care facilities, excluding those facilities
35 identified in paragraph (2) of subdivision (f). For purposes of this
36 section, “intermediate care facility” has the same meaning as
37 defined in Section 51118 of Title 22 of the California Code of
38 Regulations.

39 (2) Skilled nursing facilities that are distinct parts of general
40 acute care hospitals. For purposes of this section, “distinct part”

1 has the same meaning as defined in Section 72041 of Title 22 of
2 the California Code of Regulations.

3 (3) Rural swing-bed facilities.

4 (4) Subacute care units that are, or are parts of, distinct parts of
5 general acute care hospitals. For purposes of this subparagraph,
6 “subacute care unit” has the same meaning as defined in Section
7 51215.5 of Title 22 of the California Code of Regulations.

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

13 (6) Adult day health care centers.

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

16 (k) Notwithstanding Chapter 3.5 (commencing with Section
17 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
18 the department may implement and administer this section by
19 means of provider bulletins or similar instructions, without taking
20 regulatory action.

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

26 (m) Notwithstanding any other provision of this section, the
27 payment reductions and adjustments provided for in subdivision
28 (d) shall be implemented only if the director determines that the
29 payments that result from the application of this section will
30 comply with applicable federal Medicaid requirements and that
31 federal financial participation will be available.

32 (1) In determining whether federal financial participation is
33 available, the director shall determine whether the payments
34 comply with applicable federal Medicaid requirements, including
35 those set forth in Section 1396a(a)(30)(A) of Title 42 of the United
36 States Code.

37 (2) To the extent that the director determines that the payments
38 do not comply with the federal Medicaid requirements or that
39 federal financial participation is not available with respect to any
40 payment that is reduced pursuant to this section, the director retains

1 the discretion to not implement the particular payment reduction
2 or adjustment and may adjust the payment as necessary to comply
3 with federal Medicaid requirements.

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

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

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

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

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

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

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

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

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

1 (c) Any unexpended funds within the Health Home Program
2 Account, within the Special Deposit Fund, from a local government,
3 foundation, or other organization, shall be returned to the
4 contributing entity.

5 SEC. 40. Section 14134 of the Welfare and Institutions Code,
6 as amended by Section 65 of Chapter 23 of the Statutes of 2013,
7 is amended to read:

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

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

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

28 (B) Serious impairment to bodily functions.

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

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

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

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

37 (5) The department shall not reduce the reimbursement otherwise
38 due to providers as a result of the copayment. The copayment
39 amounts shall be in addition to any reimbursement otherwise due
40 to the provider for services rendered under this program.

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

4 (A) ~~Any~~ A child in AFDC-Foster Care, as defined in Section
5 11400.

6 (B) ~~Any~~ A person who is an inpatient in a health facility, as
7 defined in Section 1250 of the Health and Safety Code.

8 (C) ~~Any~~ A person 18 years of age or under.

9 (D) ~~Any~~ A woman receiving perinatal care.

10 (7) Paragraph (2) does not apply to ~~any~~ a person 65 years of
11 age or over.

12 (8) A provider of service shall not deny care or services to an
13 individual solely because of that person's inability to copay under
14 this section. ~~An~~ *However, an* individual ~~shall, however, shall~~
15 remain liable to the provider for any copayment amount owed.

16 (9) This section shall not apply to ~~any~~ preventive services that
17 are assigned a grade of A or B by the United States Preventive
18 Services Task Force provided by a physician or other licensed
19 practitioner of the healing arts, or any approved adult vaccines and
20 their administration recommended by the Advisory Committee on
21 Immunization Practices. Pursuant to Section 1905(b) of the federal
22 Social Security Act (42 U.S.C. Sec. 1396d(b)), these services shall
23 be provided without any cost sharing by the beneficiary in order
24 for the state to receive an increased federal medical assistance
25 percentage for these services.

26 ~~(10)~~

27 (b) The department shall seek any federal waivers necessary to
28 implement this section. The provisions for which appropriate
29 federal waivers cannot be obtained shall not be implemented, but
30 provisions for which waivers are either obtained or found to be
31 unnecessary shall be unaffected by the inability to obtain federal
32 waivers for the other provisions.

33 ~~(11)~~

34 (c) The director shall adopt ~~any~~ regulations necessary to
35 implement this section as emergency regulations in accordance
36 with Chapter 3.5 (commencing with Section 11340) of Part 1 of
37 Division 3 of Title 2 of the Government Code. The adoption of
38 the regulations shall be deemed to be an emergency and necessary
39 for the immediate preservation of the public peace, health and
40 safety, or general welfare. The director shall transmit these

1 emergency regulations directly to the Secretary of State for filing
2 and the regulations shall become effective immediately upon filing.
3 Upon completion of the formal regulation adoption process and
4 prior to the expiration of the 120 day duration period of emergency
5 regulations, the director shall transmit directly to the Secretary of
6 State for filing the adopted regulations, the rulemaking file, and
7 the certification of compliance as required by subdivision (e) of
8 Section 11346.1 of the Government Code.

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

14 *SEC. 41. Section 14134 of the Welfare and Institutions Code,*
15 *as amended by Section 66 of Chapter 23 of the Statutes of 2013,*
16 *is repealed.*

17 ~~14134. (a) The Legislature finds and declares all of the~~
18 ~~following:~~

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

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

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

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

38 ~~(b) Therefore, it is the intent of the Legislature for the~~
39 ~~department to obtain federal approval to implement cost-sharing~~
40 ~~for Medi-Cal beneficiaries and permit providers to require that~~

1 individuals meet their cost-sharing obligation prior to receiving
2 care or services.

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

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

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

20 (B) Serious impairment to bodily functions.

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

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

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

35 (B) Serious impairment to bodily functions.

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

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

1 ~~(4) Copayment of up to three dollars (\$3) shall be made for each~~
2 ~~preferred drug prescription or refill. A copayment of up to five~~
3 ~~dollars (\$5) shall be made for each nonpreferred drug prescription~~
4 ~~or refill. Except as provided in subdivision (g), “preferred drug”~~
5 ~~shall have the same meaning as in Section 1916A of the Social~~
6 ~~Security Act (42 U.S.C. Sec. 1396o-1).~~

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

12 ~~(6) This section does not apply to services provided pursuant~~
13 ~~to subdivision (aa) of Section 14132.~~

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

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

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

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

~~(2) For the purpose of paragraph (4) of subdivision (c), copayments assessed against a beneficiary who receives Medi-Cal services through a health plan described in paragraph (1) shall be based on the plan's designation of a drug as preferred or nonpreferred.~~

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

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

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

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

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

~~(2) The director shall execute a declaration that states the date that implementation of the copayments described in this section~~

1 ~~or subdivisions thereof, if applicable, will commence and shall~~
2 ~~post the declaration on the department's Internet Web site and~~
3 ~~provide a copy of the declaration to the Chair of the Joint~~
4 ~~Legislative Budget Committee, the Chief Clerk of the Assembly,~~
5 ~~the Secretary of the Senate, the Office of the Legislative Counsel,~~
6 ~~and the Secretary of State.~~

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

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

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

25 (i) The process for determining county administration base costs,
26 which include salaries and benefits, support costs, and staff
27 development.

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

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

33 (3) The plan shall be part of a single state plan, jointly developed
34 by the department and the State Department of Social Services, in
35 conjunction with the counties, for administrative cost control for
36 the California Work Opportunity and Responsibility to Kids
37 (CalWORKs), CalFresh, and Medical Assistance (Medi-Cal)
38 programs. Allocations shall be made to each county and shall be
39 limited by and determined based upon the County Administrative
40 Cost Control Plan. In administering the plan to control county

1 administrative costs, the department shall not allocate state funds
2 to cover county cost overruns that result from county failure to
3 meet requirements of the plan. The department and the State
4 Department of Social Services shall budget, administer, and
5 allocate state funds for county administration in a uniform and
6 consistent manner.

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

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

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

36 (A) The budgeting methodology may include, but is not limited to,
37 identification of the costs of eligibility determinations for
38 applicants, and the costs of eligibility redeterminations and case
39 maintenance activities for recipients, for different groupings of
40 cases, based on variations in time and resources needed to conduct

1 eligibility determinations. The calculation of time and resources
2 shall be based on the following factors: complexity of eligibility
3 rules, ongoing eligibility requirements, and other factors as
4 determined appropriate by the department. The development of
5 the new budgeting methodology may include, but is not limited
6 to, county survey of costs, time and motion studies, in-person
7 observations by department staff, data reporting, and other factors
8 deemed appropriate by the department.

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

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

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

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

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

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

1 pursuant to this paragraph, and notwithstanding Section 10231.5
2 of the Government Code, the department shall provide a status
3 report to the Legislature on a semiannual basis, in compliance with
4 Section 9795 of the Government Code, until regulations have been
5 adopted.

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

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

25 (2) It is the intent of the Legislature to not appropriate funds for
26 the cost-of-doing-business adjustment for the 2008–09, 2009–10,
27 2010–11, 2011–12, 2012–13, *2014–15*, and ~~2014–15~~ *2015–16*
28 fiscal years.

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

40 (1) Complete eligibility determinations as follows:

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

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

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

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

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

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

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

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

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

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

1 (ii) Ninety percent of all annual redetermination forms for these
2 children shall be sent to the Healthy Families Program within five
3 working days from the determination of a share of cost if the parent
4 has given consent to send this information to the Healthy Families
5 Program.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

39 (b) It is further the intent of the Legislature that all of the
40 following occur:

1 (1) Persons receiving health care services through Medi-Cal
2 receive these services through a coordinated health care system
3 that reduces the unnecessary use of emergency and hospital
4 services.

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

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

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

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

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

33 (B) Selecting their health care providers in the managed care
34 plan network.

35 (C) Controlling care planning, decisionmaking, and coordination
36 with their health care providers.

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

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

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

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

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

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

37 (B) Notwithstanding Chapter 8 (commencing with Section 9560)
38 of Division 8.5, it is also the intent of the Legislature that the
39 provisions of this article shall apply to dual eligible and
40 Medi-Cal-only beneficiaries enrolled in MSSP. It is the further

1 intent of the Legislature that managed care health plans shall work
 2 in collaboration with MSSP providers to begin development of an
 3 integrated, person-centered care management and care coordination
 4 model that works within the context of managed care, and explore
 5 which portions of the MSSP program model may be adapted to
 6 managed care while maintaining the integrity and efficacy of the
 7 MSSP model.

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

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

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

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

25 14186.1. For purposes of this article, the following definitions
 26 shall apply unless otherwise specified:

27 (a) “Coordinated Care Initiative counties” has the same meaning
 28 as that term is defined in paragraph (1) of subdivision (b) of Section
 29 14182.16.

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

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

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

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

39 (3) Multipurpose Senior Services Program (MSSP) services,
 40 which include those services approved under a federal home- and

1 community-based services waiver or, beginning January 1, 2015,
2 2018, or after 19 months, on the date the managed care health
3 plans and MSSP providers jointly satisfy the readiness criteria
4 developed pursuant to subparagraph (D) of paragraph (4) of
5 subdivision (b) of Section 14186.3, whichever is earlier, equivalent
6 services.

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

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

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

1 (commencing with Section 14591) or the Senior Care Action
2 Network.

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

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

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

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

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

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

38 (b) (1) Beginning in the 2012 calendar year, managed care
39 health plans shall collaborate with MSSP providers to begin
40 development of an integrated, person-centered care management

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

8 (2) Notwithstanding the implementation date authorized in
9 paragraph (1) of subdivision (a) of Section 14186.2, ~~beginning no~~
10 ~~sooner~~ *later than June 1, 2013, December 31, 2017, or on the date*
11 ~~that any necessary federal approvals or waivers are obtained,~~
12 ~~whichever is later, and effective January 1, 2015, or 19 months~~
13 ~~after commencement of beneficiary enrollment into managed care~~
14 *the managed care health plans and MSSP providers jointly satisfy*
15 *the readiness criteria developed pursuant to Sections 14182 and*
16 *14182.16, subparagraph (D) of paragraph (4), whichever is later;*
17 *earlier:*

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

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

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

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

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

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

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

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

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

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

1 MSSP providers, conduct a local stakeholder process to develop
2 recommendations that the department shall consider when
3 developing the transition plan.

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

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

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

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

33 (2) Managed care health plans shall authorize utilization of
34 nursing facility services or subacute facility services for their
35 members when medically necessary. The managed care health
36 plan shall maintain the standards for determining levels of care
37 and authorization of services for both Medicare and Medi-Cal
38 services that are consistent with policies established by the federal
39 Centers for Medicare and Medicaid Services and consistent with
40 the criteria for authorization of Medi-Cal services specified in

1 Section 51003 of Title 22 of the California Code of Regulations,
2 which includes utilization of the “Manual of Criteria for Medi-Cal
3 Authorization,” published by the department in January 1982, last
4 revised April 11, 2011.

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

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

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

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

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

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

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

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

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

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

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

36 (d) The department shall require providers to enter into clinical
37 agreements with the department to ensure compliance with
38 standards and requirements to maintain the fiscal integrity of the
39 program. Provider applicants, providers, and persons with an
40 ownership or control interest, as defined in federal medicaid

1 regulations, shall be required to submit to the department their
2 social security numbers to the full extent allowed under federal
3 law. All state and federal statutes and regulations pertaining to the
4 audit or examination of Medi-Cal providers shall apply to this
5 program.

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

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

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

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

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

37 (h) In addition, the department may deny enrollment to any
38 applicant that, at the time of application, is under investigation by
39 the department or any local, state, or federal government law
40 enforcement agency for fraud or abuse. The department shall not

1 deny enrollment to an otherwise qualified applicant whose felony
2 or misdemeanor charges did not result in a conviction solely on
3 the basis of the prior charges. If it is discovered that a provider is
4 under investigation by the department or any local, state, or federal
5 government law enforcement agency for fraud or abuse, that
6 provider shall be subject to immediate disenrollment from the
7 program.

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

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

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

1 Service is by mistake and shall use due diligence in attempting to
2 contact the provider by telephone or in writing to ascertain whether
3 the provider wishes to continue to participate in the Medi-Cal
4 program. If deactivation pursuant to this section occurs, the
5 provider shall meet the requirements for reapplication as specified
6 in regulation.

7 (4) For purposes of this subdivision:

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

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

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

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

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

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

36 (1) Collect any State-Only Family Planning program or Family
37 Planning, Access, Care, and Treatment Program overpayment
38 identified through an audit or examination, or any portion thereof
39 from any provider. Notwithstanding Section 100171 of the Health
40 and Safety Code, a provider may appeal the collection of

1 overpayments under this section pursuant to procedures established
2 in Article 5.3 (commencing with Section 14170) of Chapter 7 of
3 Part 3 of Division 9. Overpayments collected under this section
4 shall not be returned to the provider during the pendency of any
5 appeal and may be offset to satisfy audit or appeal findings, if the
6 findings are against the provider. Overpayments shall be returned
7 to a provider with interest if findings are in favor of the provider.

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

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

20 (B) Cite the circumstances under which the withholding of the
21 payments will be terminated.

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

24 (D) Inform the provider of the right to submit written evidence
25 that is evidence that would be admissible under the administrative
26 adjudication provisions of Chapter 5 (commencing with Section
27 11500) of Part 1 of Division 3 of Title 2 of the Government Code,
28 for consideration by the department.

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

35 (m) As used in this section:

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

37 (A) Practices that are inconsistent with sound fiscal or business
38 practices and result in unnecessary cost to the medicaid program,
39 the Medicare program, the Medi-Cal program, including the Family
40 Planning, Access, Care, and Treatment Program, identified in

1 subdivision (aa) of Section 14132, another state’s medicaid
2 program, or the State-Only Family Planning program, or other
3 health care programs operated, or financed in whole or in part, by
4 the federal government or any state or local agency in this state or
5 any other state.

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

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

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

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

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

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

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

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

38 (5) “Professionally recognized standards of health care” means
39 statewide or national standards of care, whether in writing or not,
40 that professional peers of the individual or entity whose provision

1 of care is an issue, recognize as applying to those peers practicing
2 or providing care within a state. When the United States
3 Department of Health and Human Services has declared a treatment
4 modality not to be safe and effective, practitioners that employ
5 that treatment modality shall be deemed not to meet professionally
6 recognized standards of health care. This definition shall not be
7 construed to mean that all other treatments meet professionally
8 recognized standards of care.

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

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

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

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

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

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

26 (iv) State or local professional societies.

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

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

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

1 (o) (1) Notwithstanding any other provision of law, every
2 primary supplier of pharmaceuticals, medical equipment, or
3 supplies shall maintain accounting records to demonstrate the
4 manufacture, assembly, purchase, or acquisition and subsequent
5 sale, of any pharmaceuticals, medical equipment, or supplies, to
6 providers. Accounting records shall include, but not be limited to,
7 inventory records, general ledgers, financial statements, purchase
8 and sales journals, and invoices, prescription records, bills of
9 lading, and delivery records.

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

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

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

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

31 (r) A program provider may assign signature authority for
32 transmission of claims to a billing agent subject to Sections 14040,
33 14040.1, and 14040.5.

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

1 care to any payment shall be enforceable against the state, a fiscal
2 intermediary, or carrier.

3 (t) (1) Notwithstanding any other law, within 30 calendar days
4 of receiving a complete application for enrollment into the Family
5 PACT Program from an affiliate primary care clinic licensed under
6 Section 1218.1 of the Health and Safety Code, the department shall
7 do one of the following:

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

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

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

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

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

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

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

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

14 (c) Enrollment assistance payments shall be made only for
15 Medi-Cal applicants newly eligible for coverage pursuant to the
16 federal Patient Protection and Affordable Care Act (Public Law
17 111-148), as amended by the Health Care and Education
18 Reconciliation Act of 2010 (Public Law 111-152), or those who
19 have not been enrolled in the Medi-Cal program during the
20 previous 12 months prior to making the application.

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

23 (e) The State Department of Health Care Services or the
24 California Health Benefit Exchange shall provide monthly and
25 cumulative payment updates and number of persons enrolled
26 through in-person assistance payments on its Internet Web site.

27 (f) *The State Department of Health Care Services shall make*
28 *enrollment assistance payments pursuant to this section for*
29 *submitted applications received through June 30, 2015, that result*
30 *in approved applications. Once all of those payments have been*
31 *made, any remaining funds described in subdivision (a) shall be*
32 *allocated to the county outreach and enrollment grants under*
33 *Section 71 of Chapter 23 of the Statutes of 2013. Any of those*
34 *remaining funds that are allocated to those grants shall be*
35 *distributed to community-based organizations providing enrollment*
36 *assistance to prospective Medi-Cal enrollees pursuant to Section*
37 *71 of Chapter 23 of the Statutes of 2013. The State Department of*
38 *Health Care Services shall make authorized payments to counties*
39 *for distribution to community-based organizations. Counties that*
40 *receive money pursuant to this subdivision may retain an amount*

1 for administrative costs not to exceed 10 percent of grants
2 approved by the State Department of Health Care Services. The
3 State Department of Health Care Services shall require progress
4 reports, in a manner as determined by the department, from those
5 receiving allocations under this subdivision. The State Department
6 of Health Care Services shall make an initial allocation to the
7 counties for these funds no later than January 1, 2016, and the
8 final allocation no later than June 30, 2016.

9 (g) This section shall be inoperative and cease to be
10 implemented on the date that all of the private contributions
11 accepted pursuant to subdivision (a) and any federal matching
12 funds have been exhausted.

13 SEC. 49. Section 71 of Chapter 23 of the Statutes of 2013, as
14 amended by Section 4 of Chapter 361 of the Statues of 2013, is
15 amended to read:

16 Sec. 71. (a) (1) The State Department of Health Care Services
17 shall accept funding from private foundations in the amount of at
18 least ~~\$12.5 million~~ twelve million five hundred thousand dollars
19 (\$12,500,000) to provide allocations for the management and
20 funding of Medi-Cal outreach and enrollment plans specific to the
21 provisions contained in this section.

22 (2) The department shall seek necessary federal approval for
23 purposes of obtaining federal funding for activities conducted
24 under this section.

25 (3) Notwithstanding any other law, and in a manner that the
26 Director of Health Care Services shall provide, the department
27 may make allocations to fund Medi-Cal outreach and enrollment
28 activities as described in this section.

29 (b) (1) Funds appropriated by the Legislature to the department
30 for the purposes of this section shall be made available to selected
31 counties, counties acting jointly, and the County Medical Services
32 Program Governing Board pursuant to Section 16809 of the
33 Welfare and Institutions Code.

34 (2) Selected counties, counties acting jointly, and the County
35 Medical Services Program Governing Board may partner with
36 community-based organizations as applicable to conduct outreach
37 and enrollment to the target population as contained in subdivision
38 (d).

39 (3) The director may, at his or her discretion, also give
40 consideration to community-based organizations in an area or

1 region of the state if a county, or counties acting jointly do not
2 seek an allocation or funds are made available.

3 (4) For purposes of this section only, “county” shall be defined
4 as county, city and county, a consortium of counties serving a
5 region consisting of more than one county, the County Medical
6 Services Program Governing Board, or a health authority.

7 (c) (1) The allocations shall be apportioned geographically, by
8 the entities identified in subdivision (b), according to the estimated
9 number of persons who are eligible but not enrolled in Medi-Cal
10 and who will be newly Medi-Cal eligible as of January 1, 2014.

11 (2) The department may determine the number of allocations
12 and the application process. The director may consult or obtain
13 technical assistance from private foundations in implementation
14 of the application and allocation process.

15 (3) The department shall coordinate and partner with the
16 California Health Benefit Exchange on certified application assister
17 and outreach, enrollment, and marketing activities related to the
18 federal Patient Protection and Affordable Care Act.

19 (d) Notwithstanding any other law, the department shall develop
20 selection criteria to allocate funds for the Medi-Cal outreach and
21 enrollment activities with special emphasis targeting all of the
22 following populations:

23 (1) Persons with mental health disorder needs.

24 (2) Persons with substance use disorder needs.

25 (3) Persons who are homeless.

26 (4) Young men of color.

27 (5) Persons who are in county jail, in state prison, on state
28 parole, on county probation, or under postrelease community
29 supervision.

30 (6) Families of mixed-immigration status.

31 (7) Persons with limited English proficiency.

32 (e) (1) The funds allocated under this section shall be used only
33 for the Medi-Cal outreach and enrollment activities and may
34 supplement, but shall not supplant, existing local, state, and
35 foundation funding of county outreach and enrollment activities.

36 (2) Notwithstanding Section 10744 of the Welfare and
37 Institutions Code, the department may recoup or withhold all or
38 part of an allocation for failure to comply with any requirements
39 or standards set forth by the department for the purposes of this
40 section.

1 (f) The department shall begin the payment for the outreach and
2 enrollment allocation program no later than February 1, 2014.

3 (g) Under the terms of the approved allocation for the outreach
4 and enrollment program, funded entities under this section shall
5 not receive payment for in-person assister payments for assisting
6 potential Medi-Cal enrollees.

7 (h) The department shall require progress reports, in a manner
8 as determined by the department, from those receiving allocations
9 under this section.

10 (i) To the extent federal funding is received for the services
11 specified in this section, reimbursements for costs incurred under
12 the approved allocations shall be made in compliance with federal
13 law.

14 (j) Notwithstanding Chapter 3.5 (commencing with Section
15 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
16 the department may implement, interpret, or make specific this
17 section by means of all-county letters, provider bulletins, or similar
18 instructions.

19 (k) *This section shall become inoperative on June 30, 2018.*

20 *SEC. 50. Section 5 of Chapter 361 of the Statutes of 2013 is*
21 *amended to read:*

22 *Sec. 5. (a) The Healthcare Outreach and Medi-Cal Enrollment*
23 *Account is hereby created in the Special Deposit Fund within the*
24 *State Treasury in order to collect and allocate non-General Fund*
25 *public or private grant funds, to be expended upon appropriation*
26 *by the Legislature, for the purposes of outreach to and enrollment*
27 *of targeted Medi-Cal populations and to compensate Medi-Cal*
28 *in-person assisters, as specified in Sections 70 and 71 of Chapter*
29 *23 of the Statutes of 2013.*

30 (b) There is hereby appropriated to the State Department of
31 Health Care Services the following sums to compensate eligible
32 Medi-Cal in-person assisters as specified in Section 70 of Chapter
33 23 of the Statutes of 2013:

34 (1) The sum of fourteen million dollars (\$14,000,000) from the
35 Healthcare Outreach and Medi-Cal Enrollment Account, to be
36 available for encumbrance or expenditure until June 30, ~~2016~~ 2018.

37 (2) The sum of fourteen million dollars (\$14,000,000) from the
38 Federal Trust Fund, to be available for encumbrance or expenditure
39 until June 30, ~~2016~~ 2018.

1 (3) *After June 30, 2015, the State Department of Health Care*
2 *Services is authorized to expend all or any portion of the remaining*
3 *funds targeted for payment of enrollment assistance for Medi-Cal*
4 *applications in the Healthcare Outreach and Medi-Cal Enrollment*
5 *Account that has been created within the Special Deposit Fund*
6 *within the State Treasury and any matching federal funds, as*
7 *specified in paragraph (2), for the funding of allocations for*
8 *Medi-Cal Outreach And Enrollment plans, as specified in Section*
9 *71 of Chapter 23 of the Statutes of 2013, as amended by the act*
10 *the added this paragraph.*

11 (c) There is hereby appropriated to the State Department of
12 Health Care Services the following sums to provide allocations
13 for outreach and enrollment grants to eligible entities as specified
14 in Section 71 of Chapter 23 of the Statutes of 2013:

15 (1) The sum of twelve million five hundred thousand dollars
16 (\$12,500,000) from the Healthcare Outreach and Medi-Cal
17 Enrollment Account, to be available for encumbrance or
18 expenditure until June 30, ~~2016~~ 2018.

19 (2) The sum of twelve million five hundred thousand dollars
20 (\$12,500,000) from the Federal Trust Fund, to be available for
21 encumbrance or expenditure until June 30, ~~2016~~ 2018.

22 (d) Of the amounts appropriated in subdivisions (b) and (c), the
23 State Department of Health Care Services may expend in aggregate
24 up to five hundred thousand dollars (\$500,000) annually in fiscal
25 years 2013–14, 2014–15, and 2015–16, inclusive, to administer
26 the activities described in Sections 70 and 71 of Chapter 23 of the
27 Statutes of 2013, including funding for four three-year limited-term
28 positions, which are hereby authorized to be established. Any
29 private foundation funding expended by the department to
30 administer the activities under Sections 70 and 71 of Chapter 23
31 of the Statutes of 2013 shall be expended only for filled positions
32 and administrative expenses directly related to these sections.

33 (e) *The State Department of Health Care Services may expend,*
34 *in aggregate, up to five hundred thousand dollars (\$500,000)*
35 *annually for the 2016–17 and 2017–18 fiscal years, to administer*
36 *the activities described in Sections 70 and 71 of Chapter 23 of the*
37 *Statutes of 2013, and Section 1 of Chapter 551 of the Statutes of*
38 *2014, as amended by that act that added this subdivision. Any*
39 *private foundation funding expended by the department for*
40 *administration shall be expended only for the administrative*

1 *expenses directly related to Sections 70 and 71 of Chapter 23 of*
2 *the Statutes of 2013, and Section 1 of Chapter 551 of the Statutes*
3 *of 2014.*

4 (e)

5 (f) This section shall become inoperative on June 30, ~~2018,~~
6 2020, and, as of January 1, 2021, is repealed, unless a later enacted
7 statute, that becomes operative on or before January 1, ~~2019;~~ 2021,
8 deletes or extends the dates on which it becomes inoperative and
9 is repealed.

10 *SEC. 51. Section 1 of Chapter 551 of the Statutes of 2014 is*
11 *amended to read:*

12 Section 1. (a) (1) The State Department of Health Care
13 Services shall accept contributions by private foundations in the
14 amount of at least six million dollars (\$6,000,000) for the purpose
15 of providing Medi-Cal renewal assistance payments starting
16 January 1, 2015. These contributions shall be deposited in the
17 Healthcare Outreach and Medi-Cal Enrollment Account that has
18 been created in the Special Deposit Fund within the State Treasury
19 for the purposes specified in this section.

20 (2) There is hereby appropriated to the State Department of
21 Health Care Services the following sums for the purposes specified
22 in this section:

23 (A) The sum of six million dollars (\$6,000,000) from the
24 Healthcare Outreach and Medi-Cal Enrollment Account, to be
25 available for encumbrance or expenditure until ~~December 31, 2016~~
26 *June 30, 2018.*

27 (B) The sum of six million dollars (\$6,000,000) from the Federal
28 Trust Fund, to be available for encumbrance or expenditure until
29 ~~December 31, 2016~~ *June 30, 2018.*

30 (3) The department may expend a portion of the five hundred
31 thousand dollars (\$500,000) authorized for expenditure in
32 subdivision (d) of Section 5 of Chapter 361 of the Statutes of 2013
33 to administer the activities described in this section. Private
34 foundation funding expended by the department to administer the
35 activities described in this section shall be expended only for filled
36 positions and administrative expenses directly related to this
37 section.

38 (b) (1) Notwithstanding any other law, and in a manner that
39 the Director of the State Department of Health Care Services shall

1 provide, the department may make allocations to fund Medi-Cal
2 renewal assistance activities as described in this section.

3 (2) The department may determine the number of allocations
4 and the application process. The director may consult or obtain
5 technical assistance from private foundations in implementation
6 of the application and allocation process.

7 (3) The director may, at his or her discretion, give consideration
8 to distributing funds to community-based organizations in an area
9 or region of the state if a county or counties, acting jointly, do not
10 seek an allocation or if funds are made available.

11 (c) Renewal assistance payments shall be distributed to
12 community-based organizations providing renewal assistance to
13 Medi-Cal beneficiaries. Authorized payments shall be made to
14 counties by the department for distribution of funds to
15 community-based organizations. Counties may retain an amount
16 for administrative costs that have been approved by the department.

17 (d) The department, in collaboration with the County Welfare
18 Directors Association and legal services organizations, shall
19 develop renewal assistance training for employees of
20 community-based organizations that shall be consistent with the
21 counties' human services agencies Medi-Cal redetermination
22 timeframes and process. In order to be eligible for renewal
23 assistance payments under this section, the community-based
24 organization's employees providing the assistance shall have
25 completed the renewal assistance training developed under this
26 subdivision.

27 (e) (1) The funds allocated under this section shall be used only
28 for the Medi-Cal renewal assistance activities and may supplement,
29 but shall not supplant, existing local, state, and foundation funding
30 of county renewal assistance activities.

31 (2) Notwithstanding Section 10744 of the Welfare and
32 Institutions Code, the department may recoup or withhold all or
33 part of an allocation for failure to comply with any requirements
34 or standards set forth by the department for the purposes of this
35 section.

36 (f) The department shall require progress reports, in a manner
37 as determined by the department, from those receiving allocations
38 under this section.

39 (g) The department shall seek federal matching funds for the
40 contributions to the extent permissible for training, testing,

1 certifying, supporting, and compensating persons and entities
2 providing renewal assistance and for any other permissible renewal
3 assistance related activities and shall seek all necessary federal
4 approvals for purposes of obtaining federal funding for activities
5 conducted under this section.

6 (h) To the extent federal funding is received for the services
7 specified in this section, reimbursements for costs incurred under
8 the approved allocations shall be made in compliance with federal
9 law.

10 (i) Notwithstanding Chapter 3.5 (commencing with Section
11 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
12 the department may implement, interpret, or make specific this
13 section by means of all-county letters, provider bulletins, or similar
14 instructions.

15 (j) This section shall cease to be implemented when all of the
16 private contributions and any federal matching funds have been
17 exhausted.

18 *SEC. 52. The sum of fifty million dollars (\$50,000,000) is*
19 *hereby appropriated from the Health Home Program Account to*
20 *the State Department of Health Care Services for the purposes of*
21 *implementing the Health Home Program established pursuant to*
22 *Article 3.9 (commencing with Section 14127) of Chapter 7 of Part*
23 *3 of Division 9 of the Welfare and Institutions Code.*
24 *Notwithstanding Section 16304 of the Government Code, this*
25 *appropriation shall be available for encumbrance or expenditure*
26 *until June 30, 2020.*

27 *SEC. 53. (a) For the 2015–16 fiscal year, and upon an*
28 *appropriation of funds by the Legislature for this purpose, the*
29 *State Department of Health Care Services shall provide a grant*
30 *to health benefit plans that meet all of the following requirements:*

31 *(1) The health benefit plan has a valid exemption letter from*
32 *the Internal Revenue Service pursuant to Section 501(c)(9) of the*
33 *Internal Revenue Code.*

34 *(2) The health benefit plan is a multiemployer plan, as defined*
35 *in Section 3(37) of the federal Employee Retirement Income*
36 *Security Act of 1974 (29 U.S.C. Sec. 1002(37)(A)).*

37 *(3) The health benefit plan is funded by contributions made by*
38 *agricultural employers, as defined in subdivision (c) of the Section*
39 *1140.4 of the Labor Code, where 85 percent or more of the plan's*
40 *eligible participants are agricultural employees, as defined in*

1 subdivision (b) of Section 1140.4 of the Labor Code, for work
2 performed and covered under a collective bargaining agreement.

3 (b) On or before September 1, 2015, the State Department of
4 Health Care Services shall pay the funds allocated pursuant to
5 this section to the health plan that meets the criteria set forth in
6 this section. The funds shall be used to provide health care
7 coverage for agricultural employees and dependents.

8 (c) The payment set forth in subdivision (b) shall not require
9 the State Department of Health Care Services to contract with the
10 recipient of the funds nor shall the payment of funds be subject to
11 the requirements of Part 2 (commencing with Section 10100) of
12 Division 2 of the Public Contract Code.

13 SEC. 54. (a) For the 2015–16 fiscal year, and upon an
14 appropriation of funds by the Legislature for this purpose, the
15 State Department of Health Care Services shall provide a grant
16 to LifeLong Medical Care, a federally qualified health center in
17 Contra Costa County.

18 (b) On or before September 1, 2015, the State Department of
19 Health Care Services shall pay the funds allocated pursuant to
20 this section to LifeLong Medical Care. The funds shall be
21 considered a grant to be used to support LifeLong Medical Care
22 and are not a payment for services.

23 (c) To the extent allowable by federal law, the grant received
24 pursuant to subdivision (b) is not income for the purposes of the
25 prospective payment system rate setting or rate reconciliations
26 that are conducted by the State Department of Health Care Services
27 for LifeLong Medical Care.

28 (d) The grant made pursuant to subdivision (b) does not require
29 the State Department of Health Care Services to contract with the
30 recipient of the funds, nor is the grant subject to the requirements
31 of Part 2 (commencing with Section 10100) of Division 2 of the
32 Public Contract Code.

33 SEC. 55. (a) For the 2015–16 fiscal year, the California Health
34 Facilities Financing Authority (CHFFA) may authorize up to three
35 million dollars (\$3,000,000) in unencumbered funds, as
36 appropriated in Item 0977-101-0001 for Mental Health Wellness
37 Grants, of Section 2.00 of the Budget Act of 2013, to develop peer
38 respite sites.

39 (b) Any grant awards authorized by CHFFA for peer respite
40 sites shall be used to expand local resources for the development,

1 capital, equipment acquisition, and applicable program startup
2 or expansion costs to increase bed capacity for peer respite support
3 services. This may include, but not be limited to, the purchase of
4 property, purchase of equipment, and the remodeling or
5 construction of housing for the purposes of operating a peer respite
6 site.

7 (c) Any recipient of a grant to develop peer respite sites shall
8 adhere to all applicable laws relating to scope of practice,
9 licensure, certification, staffing, and building codes.

10 (d) CHFFA may adopt emergency regulations relating to grants
11 for peer respite sites, including emergency regulations that define
12 eligible costs, and determine minimum and maximum grant
13 amounts. The adoption, amendments, or repeal of these regulations
14 shall be in accordance with the Administrative Procedure Act
15 (Chapter 3.5 (commencing with Section 11340) of Part 1 of
16 Division 3 of Title 2 of the Government Code) and shall be deemed
17 to be an emergency and necessary for the immediate preservation
18 of the public peace, health, safety, or general welfare.

19 SEC. 56. The Office of System Integration shall report to the
20 Legislature by April 1, 2017, on the feasibility, benefits, costs, and
21 risks of installing the Modified Adjusted Gross Income (MAGI)
22 Eligibility Decision Engine in one, two, or all of the Statewide
23 Automated Welfare System consortia systems.

24 SEC. 57. The Legislature finds and declares that the sections
25 of this act that amend Section 120962 of the Health and Safety
26 Code and Section 19548.2 of the Revenue and Taxation Code
27 impose a limitation on the public's right of access to the meetings
28 of public bodies or the writings of public officials and agencies
29 within the meaning of Section 3 of Article I of the California
30 Constitution. Pursuant to that constitutional provision, the
31 Legislature makes the following findings to demonstrate the interest
32 protected by this limitation and the need for protecting that
33 interest:

34 In order to continue to protect the confidentiality of public health
35 records under specified provisions of this act, the limitations on
36 the public's right of access imposed under this act are necessary.

37 SEC. 58. The Legislature finds and declares that a special law
38 is necessary and that a general law cannot be made applicable
39 within the meaning of Section 16 of Article IV of the California

1 Constitution because of the unique circumstances regarding
2 providing urgent care to the citizens of Contra Costa County.

3 SEC. 59. No reimbursement is required by this act pursuant
4 to Section 6 of Article XIII B of the California Constitution for
5 certain costs that may be incurred by a local agency or school
6 district because, in that regard, this act creates a new crime or
7 infraction, eliminates a crime or infraction, or changes the penalty
8 for a crime or infraction, within the meaning of Section 17556 of
9 the Government Code, or changes the definition of a crime within
10 the meaning of Section 6 of Article XIII B of the California
11 Constitution.

12 However, if the Commission on State Mandates determines that
13 this act contains other costs mandated by the state, reimbursement
14 to local agencies and school districts for those costs shall be made
15 pursuant to Part 7 (commencing with Section 17500) of Division
16 4 of Title 2 of the Government Code.

17 SEC. 60. This act is a bill providing for appropriations related
18 to the Budget Bill within the meaning of subdivision (e) of Section
19 12 of Article IV of the California Constitution, has been identified
20 as related to the budget in the Budget Bill, and shall take effect
21 immediately.

22 SECTION 1. ~~Item 0540-001-0140 of Section 2.00 of the Budget~~
23 ~~Act of 2014 is amended to read:~~

24		
25	0540-001-0140—For support of Secretary of the Natural Re-	
26	sources Agency, payable from the California Environmental	
27	License Plate Fund.....	9,403,000
28	Schedule:	
29	(1) 10-Administration of Natural Resources	
30	Agency.....	26,442,000
31	(2) Reimbursements.....	-598,000
32	(3) Amount payable from the Safe Neigh-	
33	borhood Parks, Clean Water, Clean Air,	
34	and Coastal Protection (Villaraigosa-	
35	Keeley Act) Bond Fund (Item 0540-001-	
36	0005).....	-135,000
37	(4) Amount payable from the Environmen-	
38	tal Enhancement and Mitigation Pro-	
39	gram Fund (Item 0540-001-0183).....	-297,000

1	(5) Amount payable from the Federal Trust	
2	Fund (Item 0540-001-0890).....	-9,205,000
3	(6) Amount payable from the Timber Regu-	
4	lation and Forest Restoration Fund (Item	
5	0540-001-3212).....	-480,000
6	(6.5) Amount payable from the Cost of Im-	
7	plementation Account, Air Pollution	
8	Control Fund (0540-001-3237).....	-529,000
9	(7) Amount payable from the California	
10	Clean Water, Clean Air, Safe Neighbor-	
11	hood Parks, and Coastal Protection Fund	
12	(Item 0540-001-6029).....	-728,000
13	(8) Amount payable from the Water Securi-	
14	ty, Clean Drinking Water, Coastal and	
15	Beach Protection Fund of 2002 (Item	
16	0540-001-6031).....	-1,207,000
17	(9) Amount payable from the Safe Drinking	
18	Water, Water Quality and Supply, Flood	
19	Control, River and Coastal Protection	
20	Fund of 2006 (Item 0540-001-6051)....	-3,064,000
21	(10) Amount payable from the Disaster Pre-	
22	paredness and Flood Prevention Bond	
23	Fund of 2006 (Item 0540-001-6052)....	-196,000
24	(11) Amount payable from the California	
25	Ocean Protection Trust Fund (Item	
26	0540-001-6076).....	-600,000
27	Provisions:	
28	‡. Of the funds appropriated in this item, \$5,000,000 is	
29	available for a fourth climate change assessment and	
30	shall be available for encumbrance until June 30, 2016.	
31	Of this amount, \$2,500,000 is available for expenditure	
32	in the 2014-15 fiscal year:	
33	-	
34	SEC. 2. Item 0540-001-6052 of Section 2.00 of the Budget	
35	Act of 2014 is amended to read:	
36		
37	0540-001-6052—For support of Secretary of the Natural Re-	
38	sources Agency, for payment to Item 0540-001-0140,	
39	payable from the Disaster Preparedness and Flood Preven-	
40	tion Bond Fund of 2006.....	196,000

1 Provisions:

2 1: The amount appropriated in this item shall be available
3 for encumbrance until June 30, 2020, and available
4 for liquidation until June 30, 2023.

5 -

6 ~~SEC. 3. Item 0540-492 is added to Section 2.00 of the Budget~~
7 ~~Act of 2014, to read:~~

8

9 ~~0540-492—Reappropriation, Secretary of the Natural Resources~~
10 ~~Agency. Notwithstanding any other law, the balance as of~~
11 ~~June 30, 2015, of any prior year appropriations, except any~~
12 ~~reversion item, from the Disaster Preparedness and Flood~~
13 ~~Prevention Bond Fund of 2006 (Fund 6052) shall be~~
14 ~~available for encumbrance until June 30, 2020, and avail-~~
15 ~~able for liquidation until June 30, 2023.~~

16 Provisions:

17 1: ~~The Secretary of the Natural Resources Agency may~~
18 ~~transfer amounts reappropriated in this item to Item~~
19 ~~0540-001-6052.~~

20 2: ~~The Department of Finance shall provide to the Con-~~
21 ~~troller an itemized list of appropriations subject to this~~
22 ~~item immediately upon enactment of the act adding~~
23 ~~this item.~~

24 -

25 ~~SEC. 4. Item 0690-001-0001 of Section 2.00 of the Budget~~
26 ~~Act of 2014 is amended to read:~~

27

28 ~~0690-001-0001—For support of the Office of Emergency Ser-~~
29 ~~vices..... 44,118,000~~

30 Schedule:

31	(1) 20-Emergency Management Services....	50,379,000	
32	(2) 40-Special Programs and Grant Manage-		
33	ment.....	75,697,000	
34	(3) 65.01-Administration and Executive		
35	Program.....	15,505,000	
36	(4) 65.02-Distributed Administration and		
37	Executive.....	-15,505,000	
38	(4.5) 70-Public Safety Communications....	74,309,000	
39	(5) Reimbursements.....	-4,323,000	

1	(6) Amount payable from the State Emer-	
2	gency Telephone Number Account	
3	(Item 0690-001-0022).....	-2,394,000
4	(7) Amount payable from the Unified Pro-	
5	gram Account (Item 0690-001-0028)....	-812,000
6	(8) Amount payable from the Nuclear	
7	Planning Assessment Special Account	
8	(Item 0690-001-0029).....	-1,224,000
9	(9) Amount payable from the Restitution	
10	Fund (Item 0690-001-0214).....	-8,000
11	(10) Amount payable from the Federal	
12	Trust Fund (Item 0690-001-0890).....	-70,754,000
13	(11) Amount payable from the Local Public	
14	Prosecutors and Public Defenders	
15	Training Fund (Item 0690-002-0241)....	-83,000
16	(12) Amount payable from the Victim-Wit-	
17	ness Assistance Fund (Item 0690-002-	
18	0425).....	-1,366,000
19	(13) Amount payable from the Equality in	
20	Prevention and Services for Domestic	
21	Abuse Fund (Item 0690-001-3112)....	-5,000
22	(14) Amount payable from the Transit Sys-	
23	tem Safety, Security, and Disaster Re-	
24	sponse Account, Highway Safety,	
25	Traffic Reduction, Air Quality, and Port	
26	Security Fund of 2006 (Item 0690-001-	
27	6061).....	-2,660,000
28	(15) Amount payable from the Antiterrorism	
29	Fund (Item 0690-010-3034).....	-723,000
30	(16) Amount payable from the Technology	
31	Services Revolving Fund (Item 0690-	
32	001-9730).....	-71,915,000
33	Provisions:	
34	‡. Funds appropriated in this item may be reduced by the	
35	Director of Finance, after giving notice to the Chair-	
36	person of the Joint Legislative Budget Committee, by	
37	the amount of federal funds made available for the	
38	purposes of this item in excess of the federal funds	
39	scheduled in Item 0690-001-0890.	

- 1 2. Upon approval by the Department of Finance, the
- 2 Controller shall transfer such funds as are necessary
- 3 between this item and Item 0690-101-0890.
- 4 3. Of the funds appropriated in this item, \$4,372,000
- 5 shall be available for encumbrance until June 30, 2016,
- 6 for the state operations center for providing assistance
- 7 to local jurisdictions and local assistance centers that
- 8 provide local communities with technical guidance
- 9 and disaster recovery support.

10 -

11 SEC. 5. ~~Item 3540-001-0001 of Section 2.00 of the Budget~~

12 ~~Act of 2014 is amended to read:~~

13

14 3540-001-0001—For support of Department of Forestry and

15 Fire Protection.....	609,751,000
16 Schedule:	
17 (1) 10-Office of the State Fire Marshal.....	25,412,000
18 (2) 11-Fire Protection.....	1,294,541,000
19 (3) 12-Resource Management.....	73,627,000
20 (4) 13-State Board of Forestry and Fire	
21 Protection.....	1,685,000
22 (5) 14-Department of Justice Legal Ser-	
23 vices.....	6,164,000
24 (6) 20.01-Administration.....	77,112,000
25 (7) 20.02-Distributed Administration.....	-74,578,000
26 (8) Reimbursements.....	-405,593,000
27 (9) Less funding provided by capital out-	
28 lay.....	-18,403,000
29 (10) Amount payable from the General	
30 Fund (Item 3540-006-0001).....	-209,000,000
31 (11) Amount payable from the State Emer-	
32 gency Telephone Number Account	
33 (Item 3540-001-0022).....	-4,322,000
34 (12) Amount payable from the Unified Pro-	
35 gram Account (Item 3540-001-0028)....	-674,000
36 (13) Amount payable from the State Fire	
37 Marshal Licensing and Certification	
38 Fund (Item 3540-001-0102).....	-2,888,000

1	(14) Amount payable from the California	
2	Environmental License Plate Fund	
3	(Item 3540-001-0140).....	-548,000
4	(15) Amount payable from the California	
5	Fire and Arson Training Fund (Item	
6	3540-001-0198).....	-3,246,000
7	(16) Amount payable from the Hazardous	
8	Liquid Pipeline Safety Fund (Item	
9	3540-001-0209).....	-3,431,000
10	(17) Amount payable from the Professional	
11	Forester Registration Fund (Item 3540-	
12	001-0300).....	-226,000
13	(18) Amount payable from the Toxic Sub-	
14	stances Control Account (Item 3540-	
15	001-0557).....	-1,500,000
16	(19) Amount payable from the Federal	
17	Trust Fund (Item 3540-001-0890)....	-19,723,000
18	(20) Amount payable from the Forest Re-	
19	sources Improvement Fund (Item 3540-	
20	001-0928).....	-9,118,000
21	(21) Amount payable from the State Re-	
22	sponsibility Area Fire Prevention Fund	
23	(Item 3540-001-3063).....	-81,220,000
24	(22) Amount payable from the State Fire	
25	Marshal Fireworks Enforcement and	
26	Disposal Fund (Item 3540-001-3120)....	=617,000
27	(23) Amount payable from the Building	
28	Standards Administration Special Re-	
29	volving Fund (Item 3540-001-3144)....	-404,000
30	(24) Amount payable from the Timber	
31	Regulation and Forest Restoration	
32	Fund (Item 3540-001-3212).....	-14,893,000
33	(25) Amount payable from the Greenhouse	
34	Gas Reduction Fund (Item 3540-001-	
35	3228).....	-17,847,000
36	(26) Amount payable from the Cost of Imple-	
37	mentation Account, Air Pollution Con-	
38	trol Fund (Item 3540-001-3237).....	-559,000

- 1 Provisions:
- 2 1. Notwithstanding any other provision of law, the Direc-
- 3 tor of Finance may authorize the temporary or perma-
- 4 nent redirection of funds from this item for purposes
- 5 of emergency fire suppression and detection costs and
- 6 related emergency refutation costs.
- 7 2. Notwithstanding any other provision of law, the Direc-
- 8 tor of Finance may authorize a loan from the General
- 9 Fund, in an amount not to exceed 45 percent of reim-
- 10 bursements appropriated in this item, to the Depart-
- 11 ment of Forestry and Fire Protection, provided that:
- 12 (a) The loan is to meet cash needs resulting from the
- 13 delay in receipt of reimbursements for services
- 14 provided.
- 15 (b) The loan is for a short term and shall be repaid
- 16 by September 30 of the fiscal year following that
- 17 in which the loan was authorized.
- 18 (c) Interest charges may be waived pursuant to subdivi-
- 19 sion (c) of Section 16314 of the Government
- 20 Code.
- 21 (d) Within 10 days after approval, the Director of
- 22 Finance shall notify the Joint Legislative Budget
- 23 Committee of the loan approved pursuant to this
- 24 provision.
- 25 3. The Director of Finance may adjust amounts in
- 26 Schedule (2) to provide equivalent fire protection base
- 27 funding changes to contract counties in accordance
- 28 with Section 4130 of the Public Resources Code.
- 29 4. Notwithstanding any other provision of law, the Direc-
- 30 tor of Finance may authorize a loan from the General
- 31 Fund to the Department of Forestry and Fire Protection
- 32 to meet cash needs resulting from the delay in receipt
- 33 of revenues into the State Responsibility Area Fire
- 34 Prevention Fund, provided that:
- 35 (a) The loan is for a short term and shall be repaid
- 36 by December 31 of the fiscal year following that
- 37 in which the loan was authorized.
- 38 (b) Interest charges may be waived pursuant to subdivi-
- 39 sion (c) of Section 16314 of the Government
- 40 Code.

- 1 (e) The Director of Finance may not approve the loan
2 unless the approval is made in writing and filed
3 with the Chairperson of the Joint Legislative
4 Budget Committee and the chairpersons of the
5 committees in each house of the Legislature that
6 consider appropriations not later than 30 days
7 prior to the effective date of the approval, or not
8 later than whatever lesser time prior to that date
9 the chairperson of the joint committee, or his or
10 her designee, may determine.
- 11 5. The Department of General Services, with the consent
12 of the Department of Forestry and Fire Protection,
13 may enter into a lease, lease-purchase agreement, or
14 lease with a purchase option, with Riverside County
15 for build-to-suit facilities to replace the Hemet-Ryan
16 Air Attack Base, subject to Department of Finance
17 approval. The agreement may contain one or more
18 purchase options during the term of the agreement.
19 Thirty days prior to approving any agreement pursuant
20 to this provision, the Department of Finance shall no-
21 tify the chairpersons of the committees in each house
22 of the Legislature that consider appropriations and the
23 Joint Legislative Budget Committee of the terms and
24 eonditions of the agreement.
- 25 6. Notwithstanding any other provision of law, the funds
26 appropriated in this item for purposes of Division 10.5
27 (commencing with Section 12200) of the Public Re-
28 sources Code shall be available for purposes of support
29 or capital outlay.
- 30 7. Notwithstanding any other provision of law, the Direc-
31 tor of Finance may adjust this item for the direct and
32 indirect cost reimbursements received pursuant to
33 Sections 4142 and 4144 of the Public Resources Code.
34 Any increase shall occur no sooner than 30 days after
35 notification in writing of the necessity of the increase
36 to the Joint Legislative Budget Committee, or not
37 sooner than whatever lesser time after notification the
38 Chairperson of the Joint Legislative Budget Commit-
39 tee, or his or her designee, may in each instance deter-
40 mine.

- 1 8. Notwithstanding any other provision of law, the De-
2 partment of Forestry and Fire Protection may provide
3 contractual services pursuant to Sections 4142 and
4 4144 of the Public Resources Code without an execut-
5 ed agreement from July to September of each fiscal
6 year to better align contract start times with the budget
7 process and to finalize staff benefit rates that are de-
8 pendent upon actions by the Public Employees' Retirement
9 System and passage of the annual Budget Act.
- 10 9. Notwithstanding any other provision of law, the Direc-
11 tor of Finance may authorize a loan from the General
12 Fund to the State Fire Marshal Fireworks Enforcement
13 and Disposal Fund to meet cash needs resulting from
14 the delay in receipt of revenues into State Fire Marshal
15 Fireworks Enforcement and Disposal Fund, provided
16 that:
- 17 (a) The loan is for a short term and shall be repaid
18 by June 30 of the fiscal year following that in
19 which the loan was authorized.
- 20 (b) Interest charges may be waived pursuant to subdivi-
21 sion (c) of Section 16314 of the Government
22 Code.
- 23 (c) The Director of Finance may not approve the loan
24 unless the approval is made in writing and filed
25 with the Chairperson of the Joint Legislative
26 Budget Committee and the chairpersons of the
27 committees in each house of the Legislature that
28 consider appropriations not later than 30 days
29 prior to the effective date of the approval, or not
30 later than whatever lesser time prior to that date
31 the chairperson of the joint committee, or his or
32 her designee, may determine.
- 33 10. The Department of Forestry and Fire Protection may
34 contract with the Department of General Services for
35 environmental consultation or planning.
- 36 11. The Department of Finance may authorize the transfer
37 of an amount from this item to Item 3540-101-3228
38 in order to implement fire risk reductions, forest health
39 activities, and urban forestry projects. Within 10 days
40 after approval, the Director of Finance shall notify the

1 Joint Legislative Budget Committee of the transfer
2 approved pursuant to this provision and shall include
3 a detail of the change in program delivery and the
4 conditions necessitating the change.

5 12. Of the amount appropriated in this item, \$3,000,000
6 is available for water shortages at fire stations and
7 shall be available for encumbrance until June 30, 2016.

8 -

9 SEC. 6. Item 3600-001-0001 of Section 2.00 of the Budget
10 Act of 2014 is amended to read:

11
12 3600-001-0001—For support of Department of Fish and
13 Wildlife, for payment to Item 3600-001-0200, payable
14 from the General Fund..... 103,644,000

15 Provisions:

16 1. The Department of Fish and Wildlife shall identify
17 and utilize any available existing appropriations, in-
18 cluding those supported by fees paid by state and fed-
19 eral water project users, bond funds, and federal funds,
20 to mitigate drought impacts on fish species consistent
21 with the drought activities funded by this item. The
22 department shall report to the Legislature any General
23 Fund cost savings due to these efforts on or before
24 January 10, 2015.

25 2. Of the funds appropriated in this item, \$15,560,000 is
26 available for maximizing water delivery and efficiency
27 to key endangered species habitats; monitoring of en-
28 dangered species, native fish, and the delta species;
29 water delivery system projects; and enhancing in-
30 stream flows. These funds shall be available for encum-
31 brance until June 30, 2016.

32 -

33 SEC. 7. Item 3600-001-0200 of Section 2.00 of the Budget
34 Act of 2014 is amended to read:

35
36 3600-001-0200—For support of Department of Fish and
37 Wildlife..... 118,692,300

38 Schedule:

39 (1) 20-Biodiversity Conservation Pro-
40 gram..... 139,161,000

1	(2) 25-Hunting, Fishing, and Public Use....	78,227,000
2	(3) 30-Management of Department Lands	
3	and Facilities.....	62,212,000
4	(4) 40-Enforcement.....	76,330,000
5	(5) 45-Communication, Education, and	
6	Outreach.....	3,679,000
7	(6) 50-Spill Prevention and Response.....	42,786,000
8	(7) 61-Fish and Game Commission.....	1,597,300
9	(8) 70.01-Administration.....	45,618,000
10	(9) 70.02-Distributed Administration.....	-45,623,000
11	(10) Reimbursements.....	-27,004,000
12	(11) Amount payable from the Harbors and	
13	Watercraft Revolving Fund (Item 3600-	
14	001-0516).....	-2,783,000
15	(12) Amount payable from the General	
16	Fund (Item 3600-001-0001).....	-103,644,000
17	(13) Amount payable from the Safe Neigh-	
18	borhood Parks, Clean Water, Clean Air,	
19	and Coastal Protection (Villaraigosa-	
20	Keeley Act) Bond Fund (Item 3600-	
21	001-0005).....	-500,000
22	(14) Amount payable from the California	
23	Environmental License Plate Fund	
24	(Item 3600-001-0140).....	-15,411,000
25	(15) Amount payable from the Waste Dis-	
26	charge Permit Fund (Item 3600-001-	
27	0193).....	-500,000
28	(16) Amount payable from the Fish and	
29	Wildlife Pollution Account (Item 3600-	
30	001-0207).....	-884,000
31	(17) Amount payable from the California	
32	Waterfowl Habitat Preservation Ac-	
33	count, Fish and Game Preservation	
34	Fund (Item 3600-001-0211).....	-245,000
35	(18) Amount payable from the Marine Inva-	
36	sive Species Control Fund (Item 3600-	
37	001-0212).....	-1,381,000

1	(19) Amount payable from the Public Re-	
2	sources Account, Cigarette and Tobacco	
3	Products Surtax Fund (Item 3600-001-	
4	0235).....	-1,957,000
5	(20) Amount payable from the Oil Spill	
6	Prevention and Administration Fund	
7	(Item 3600-001-0320).....	-35,378,000
8	(21) Amount payable from the Environmen-	
9	tal Enhancement Fund (Item 3600-001-	
10	0322).....	-759,000
11	(22) Amount payable from the Wildlife	
12	Restoration Fund (Item 3600-001-	
13	0447).....	-2,535,000
14	(23) Amount payable from the Federal	
15	Trust Fund (Item 3600-001-0890).....	-42,228,000
16	(24) Amount payable from the Special De-	
17	posit Fund (Item 3600-001-0942).....	-1,660,000
18	(25) Amount payable from the Hatchery	
19	and Inland Fisheries Fund (Item 3600-	
20	001-3103).....	-19,793,000
21	(26) Amount payable from the Timber Reg-	
22	ulation and Forest Restoration Fund	
23	(Item 3600-001-3212).....	-5,545,000
24	(27) Amount payable from the Greenhouse	
25	Gas Reduction Fund (Item 3600-001-	
26	3228)	=3,382,000
27	(28) Amount payable from the Interim Water	
28	Supply and Water Quality Infrastructure	
29	and Management Subaccount (Item	
30	3600-001-6027).....	-545,000
31	(29) Amount payable from the Water Secu-	
32	rity, Clean Drinking Water, Coastal and	
33	Beach Protection Fund of 2002 (Item	
34	3600-001-6031).....	-2,841,000
35	(30) Amount payable from the Safe Drink-	
36	ing Water, Water Quality and Supply,	
37	Flood Control, River and Coastal Pro-	
38	tection Fund of 2006 (Item 3600-001-	
39	6051).....	-15,561,000

1 (31) Amount payable from the California
 2 Sea Otter Fund (Item 3600-001-
 3 8047)..... -186,000

4 (32) Amount payable from the Salton Sea
 5 Restoration Fund (Item 3600-001-
 6 8018)..... -573,000

7 Provisions:

8 1: The funds appropriated in this item may be increased
 9 with the approval of, and under the conditions set by,
 10 the Director of Finance to meet current obligations
 11 proposed to be funded in Schedules (10) and (23). The
 12 funds appropriated in this item shall not be increased
 13 until the Department of Fish and Wildlife has a valid
 14 contract, signed by the client agency, that provides
 15 sufficient funds to finance the increased authorization.
 16 This increased authorization may not be used to ex-
 17 pand services or create new obligations. Reimburse-
 18 ments received under Schedules (10) and (23) shall
 19 be used in repayment of any funds used to meet current
 20 obligations pursuant to this provision.

21 2: The funds appropriated in this item for purposes of
 22 subdivision (n) of Section 75050 of the Public Re-
 23 sources Code shall continue only so long as the Bureau
 24 of Reclamation within the United States Department
 25 of the Interior continues to provide federal funds and
 26 continues to carry out federal actions to implement
 27 the settlement agreement in Natural Resources Defense
 28 Council v. Rodgers (2005) 381 F.Supp.2d 1212.

29 3: Of the funds appropriated in this item, \$3,250,000,
 30 available for emergency drought response, shall be
 31 available for encumbrance until June 30, 2016.

32 -

33 SEC. 8. Item 3600-101-0001 of Section 2.00 of the Budget
 34 Act of 2014 is amended to read:

35
 36 3600-101-0001—For local assistance, Department of Fish and
 37 Wildlife..... 5,777,000

38 Schedule:

39 (1) 20-Biodiversity Conservation Pro-
 40 gram..... 5,777,000

1 Provisions:

2 1. Of the funds appropriated in this item, \$1,500,000 is
3 for the Fisheries Restoration Grant Program and shall
4 be available for encumbrance until June 30, 2016.

5 -

6 ~~SEC. 9. Item 3640-493 of Section 2.00 of the Budget Act of~~
7 ~~2014 is amended to read:~~

8

9 ~~3640-493—Reappropriation, Wildlife Conservation Board. The~~
10 ~~balances of the appropriations provided in the following~~
11 ~~citations are reappropriated for the purposes provided for~~
12 ~~in those appropriations and shall be available for encum-~~
13 ~~brance or expenditure until June 30, 2020:~~

14 ~~6031—Water Security, Clean Drinking Water, Coastal and~~
15 ~~Beach Protection Fund of 2002~~

16 ~~(1) Item 3640-311-6031, Budget Act of 2004 (Ch. 208,~~
17 ~~Stats. 2004), as reappropriated by Item 3640-492~~
18 ~~Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as~~
19 ~~revised by Ch. 1, 2009–10 4th Ex. Sess.) and Item~~
20 ~~3640-492, Budget Act of 2011 (Ch. 33, Stats. 2011)~~

21 ~~(2) Item 3640-311-6031, Budget Act of 2006 (Chs. 47~~
22 ~~and 48, Stats. 2006), as reappropriated by Item 3640-~~
23 ~~491 Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess.,~~
24 ~~as revised by Ch. 1, 2009–10 4th Ex. Sess.) and Item~~
25 ~~3640-490, Budget Act of 2013 (Chs. 20 and 354, Stats.~~
26 ~~2013)~~

27

28

29

30 -

31 ~~SEC. 10. Item 3640-494 is added to Section 2.00 of the Budget~~
32 ~~Act of 2014, to read:~~

33

34 ~~3640-494—Reappropriation, Wildlife Conservation Board. The~~
35 ~~balances of the appropriations provided in the following~~
36 ~~citations are reappropriated for the purposes provided for~~
37 ~~in those appropriations and shall be available for transfer~~
38 ~~upon the order of the Director of Finance until June 30,~~
39 ~~2020:~~

- 1 6052—Disaster Preparedness and Flood Prevention Bond
- 2 Fund of 2006
- 3 (1) Item 3640-311-6052, Budget Act of 2008 (Chs. 268
- 4 and 269, Stats. 2008) as reappropriated by Item 3640-
- 5 490, Budget Act of 2012 (Ch. 21 and 29, Stats. 2012)
- 6 (2) Item 3640-311-6052, Budget Act of 2009 (Ch. 1,
- 7 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10
- 8 4th Ex. Sess.) as reappropriated by Item 3640-490,
- 9 Budget Act of 2013 (Ch. 20, Stats. 2013)
- 10 (3) Item 3640-311-6052, Budget Act of 2010 (Ch. 712,
- 11 Stats. 2010)
- 12 (4) Item 3640-311-6052, Budget Act of 2011 (Ch. 33,
- 13 Stats. 2011)
- 14 (5) Item 3640-311-6052, Budget Act of 2012 (Chs. 21
- 15 and 29, Stats. 2012)

- 16 Provisions:
- 17 1. Upon order of the Director of Finance, the Controller
- 18 shall transfer the amounts appropriated in this item to
- 19 the Habitat Conservation Fund.
- 20 2. The funds appropriated and transferred pursuant to
- 21 this item shall be used for purposes consistent with
- 22 the requirements of the Habitat Conservation Fund.
- 23 -

24 ~~SEC. 11. Item 3760-311-6052 is added to Section 2.00 of the~~
 25 ~~Budget Act of 2014, to read:~~

27 3760-311-6052—For transfer by the Controller from the Disaster
 28 Preparedness and Flood Prevention Bond Fund of 2006 to
 29 the Habitat Conservation Fund 1,127,000

- 30 Provisions:
- 31 1. This appropriation represents the unliquidated balance
- 32 of Item 3760-311-6052, Budget Act of 2008 (Chs. 268
- 33 and 269, Stats. 2008), that has reverted because funds
- 34 from the original appropriation were never transferred
- 35 into the Habitat Conservation Fund
- 36 2. Upon order of the Director of Finance, the Controller
- 37 shall transfer the amounts appropriated in this item to
- 38 the Habitat Conservation Fund.

3. The funds appropriated and transferred pursuant to this item shall be used for purposes consistent with the requirements of the Habitat Conservation Fund.

SEC. 12. Item 3760-490 is added to Section 2.00 of the Budget Act of 2014, to read:

3760-490—Reappropriation, State Coastal Conservancy. The balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for transfer upon the order of the Director of Finance until June 30, 2020:

6052-Disaster Preparedness and Flood Prevention Bond Fund of 2006

(1) Item 3760-311-6052, Budget Act of 2009 (Ch. 1, 2009-10 3rd Ex. Sess., as revised by Ch. 1, 2009-10 4th Ex. Sess.)

(2) Item 3760-311-6052, Budget Act of 2010 (Ch. 712, Stats. 2010)

(3) Item 3760-311-6052, Budget Act of 2011 (Ch. 33, Stats. 2011)

(4) Item 3760-311-6052, Budget Act of 2012 (Chs. 21 and 29, Stats. 2012)

Provisions:

1. Upon order of the Director of Finance, the Controller shall transfer the amounts appropriated in this item to the Habitat Conservation Fund.

2. The funds appropriated and transferred pursuant to this item shall be used for the purposes consistent with the requirements of the Habitat Conservation Fund.

SEC. 13. Item 3760-493 of Section 2.00 of the Budget Act of 2014 is repealed.

SEC. 14. Item 3790-001-0392 of Section 2.00 of the Budget Act of 2014 is amended to read:

3790-001-0392—For support of Department of Parks and Recreation, payable from the State Parks and Recreation Fund..... 161,201,000

1	Schedule:	
2	(1) For support of Department of Parks	
3	and Recreation.....	427,992,000
4	(2) Boating and Waterways.....	29,472,000
5	(3) Legal Services.....	341,000
6	(4) Reimbursements.....	-27,015,000
7	(5) Less funding provided by capital out-	
8	lay.....	-4,000,000
9	(6) Amount payable from the General	
10	Fund (Item 3790-001-0001).....	-115,938,000
11	(7) Amount payable from the Safe Neigh-	
12	borhood Parks, Clean Water, Clean Air,	
13	and Coastal Protection (Villaraigosa-	
14	Keeley Act) Bond Fund (Item 3790-001-	
15	0005).....	-569,000
16	(8) Amount payable from the Safe Neigh-	
17	borhood Parks, Clean Water, Clean	
18	Air, and Coastal Protection (Vil-	
19	laraigosa-Keeley Act) Bond Fund (Item	
20	3790-003-0005).....	-12,261,000
21	(9) Amount payable from the California	
22	Environmental License Plate Fund (Item	
23	3790-001-0140).....	-3,258,000
24	(10) Amount payable from the Public Re-	
25	sources Account, Cigarette and Tobacco	
26	Products Surtax Fund (Item 3790-001-	
27	0235).....	-7,744,000
28	(11) Amount payable from the Off-High-	
29	way Vehicle Trust Fund (Item 3790-	
30	001-0263).....	-67,357,000
31	(11.5) Amount payable from the Lake	
32	Tahoe Conservancy Account (Item	
33	3125-001-0286).....	-120,000
34	(12) Amount payable from the Winter	
35	Recreation Fund (Item 3790-001-	
36	0449).....	-347,000
37	(13) Amount payable from the Harbors and	
38	Watercraft Revolving Fund (Item	
39	3790-001-0516).....	-28,355,000

1	(14) Amount payable from the Federal	
2	Trust Fund (Item 3790-001-0890).....	-18,093,000
3	(15) Amount payable from the California	
4	Clean Water, Clean Air, Safe Neighbor-	
5	hood Parks, and Coastal Protection	
6	Fund (Item 3790-001-6029).....	-1,736,000
7	(16) Amount payable from the Water Secu-	
8	rity, Clean Drinking Water, Coastal and	
9	Beach Protection Fund of 2002 (Item	
10	3790-001-6031).....	-292,000
11	(17) Amount payable from the Safe Drinking	
12	Water, Water Quality and Supply,	
13	Flood Control, River and Coastal Pro-	
14	tection Fund of 2006 (Item 3790-001-	
15	6051).....	-4,572,000
16	(18) Amount payable from the Safe Drinking	
17	Water, Water Quality and Supply,	
18	Flood Control, River and Coastal Pro-	
19	tection Fund of 2006 (Item 3790-003-	
20	6051).....	-3,520,000
21	(19) Amount payable from the Disaster Pre-	
22	paredness and Flood Prevention Bond	
23	Fund of 2006 (Item 3790-001-6052)....	-1,427,000

24 Provisions:

- 25 1. Of the funds appropriated in this act from special
26 funds, other than the Off-Highway Vehicle Trust Fund
27 and bond funds, to the Department of Parks and
28 Recreation for local assistance grants to local agencies,
29 the department may allocate an amount not to exceed
30 3.7 percent of each project's allocation, except to the
31 extent otherwise restricted by law, to allow the depart-
32 ment to administer its grants. Those funds shall be
33 available for encumbrance or expenditure until June
34 30, 2020.
- 35 2. It is the intent of the Legislature that salaries, wages,
36 operating expenses, and positions associated with im-
37 plementing specific Department of Parks and Recre-
38 ation capital outlay projects continue to be funded
39 through capital outlay appropriations, and that these
40 funds should also be reflected in the department's state

1 operations budget in the Governor’s Budget as a spe-
 2 cial item of expense reflecting the funding provided
 3 from the capital outlay appropriations:
 4 3. Notwithstanding any other provision of law, the Direc-
 5 tor of Finance may authorize a loan from the General
 6 Fund, in an amount not to exceed 35 percent of reim-
 7 bursements appropriated in this item to the Department
 8 of Parks and Recreation, provided that:
 9 (a) The loan is to meet cash needs resulting from the
 10 delay in receipt of reimbursements for services
 11 provided.
 12 (b) The loan is for a short term and shall be repaid
 13 by September 30, 2015.
 14 (c) Interest charges may be waived pursuant to subdivi-
 15 sion (c) of Section 16314 of the Government
 16 Code.
 17 (d) The Director of Finance may not approve the loan
 18 unless the approval is made in writing and filed
 19 with the Chairperson of the Joint Legislative
 20 Budget Committee and the chairpersons of the
 21 committees in each house of the Legislature that
 22 consider appropriations not later than 30 days
 23 prior to the effective date of the approval, or not
 24 later than whatever lesser time prior to that effec-
 25 tive date that the chairperson of the joint commit-
 26 tee, or his or her designee, may determine.
 27 4. The Department of Parks and Recreation is authorized
 28 to enter into a contract for fee collection and other
 29 services required by the department with a cooperative
 30 association that has and will continue to fund state
 31 employees on an ongoing basis.
 32 5. Of the amount appropriated in this item, \$6,000,000
 33 shall be available for support or capital outlay, and
 34 available for expenditure and encumbrance until June
 35 30, 2016, for water, wastewater, and sewer system
 36 projects.

37 -
 38 SEC. 15. Item 3790-001-0516 of Section 2.00 of the Budget
 39 Act of 2014 is amended to read:

1 ~~3790-001-0516—For support of Department of Parks and~~
 2 ~~Recreation, for payment to Item 3790-001-0392, payable~~
 3 ~~from the Harbors and Watercraft Revolving Fund.....~~ 28,355,000
 4 ~~Provisions:~~
 5 ~~1: Notwithstanding any other provision of law, \$300,000~~
 6 ~~of the funds appropriated in this item may be used for~~
 7 ~~emergency repairs.~~
 8 ~~2: Of the amount appropriated in this item, \$3,993,000~~
 9 ~~is available for aquatic invasive species mitigation and~~
 10 ~~shall be available for encumbrance until June 30, 2016.~~
 11 ~~-~~

12 ~~SEC. 16. Item 3790-001-6052 of Section 2.00 of the Budget~~
 13 ~~Act of 2014 is amended to read:~~

15 ~~3790-001-6052—For support of Department of Parks and~~
 16 ~~Recreation, payable to Item 3790-001-0392, from the~~
 17 ~~Disaster Preparedness and Flood Prevention Bond Fund~~
 18 ~~of 2006.....~~ 1,427,000
 19 ~~Provisions:~~
 20 ~~1: The amount appropriated in this item shall be available~~
 21 ~~for encumbrance until June 30, 2020, and available~~
 22 ~~for liquidation until June 30, 2023.~~
 23 ~~-~~

24 ~~SEC. 17. Item 3790-492 is added to Section 2.00 of the Budget~~
 25 ~~Act of 2014, to read:~~

27 ~~3790-492—Reappropriation, Department of Parks and Recre-~~
 28 ~~ation. Notwithstanding any other law, the balance as of~~
 29 ~~June 30, 2015, of any prior year appropriations, except any~~
 30 ~~reversion item, from the Disaster Preparedness and Flood~~
 31 ~~Prevention Bond Fund of 2006 (Fund 6052) shall be~~
 32 ~~available for encumbrance until June 30, 2020, and avail-~~
 33 ~~able for liquidation until June 30, 2023.~~
 34 ~~Provisions:~~
 35 ~~1: The Department of Parks and Recreation may transfer~~
 36 ~~amounts reappropriated in this item to Item 3790-001-~~
 37 ~~6052.~~
 38 ~~2: The Department of Finance shall provide to the Con-~~
 39 ~~troller an itemized list of appropriations subject to this~~

1 item immediately upon enactment of the act adding
 2 this item:

3 -

4 ~~SEC. 18. Item 3860-001-0001 of Section 2.00 of the Budget~~
 5 ~~Act of 2014 is amended to read:~~

6

7 ~~3860-001-0001—For support of Department of Water Re-~~
 8 ~~sources..... 89,560,000~~

9 ~~Schedule:~~

- 10 ~~(1) 10-Continuing Formulation of the Cali-~~
 11 ~~fornia Water Plan..... 97,913,000~~
- 12 ~~(2) 20-Implementation of the State Water~~
 13 ~~Resources Development System..... 4,106,000~~
- 14 ~~(3) 30-Public Safety and Prevention of~~
 15 ~~Damage..... 109,897,000~~
- 16 ~~(4) 35-Central Valley Flood Protection~~
 17 ~~Board..... 13,795,000~~
- 18 ~~(5) 40-Services..... 7,510,000~~
- 19 ~~(6) 45-California Energy Resources~~
 20 ~~Scheduling (CERS)..... 23,235,000~~
- 21 ~~(7) 50.01-Management and Administra-~~
 22 ~~tion..... 88,704,000~~
- 23 ~~(8) 50.02-Distributed Management and~~
 24 ~~Administration..... -88,704,000~~
- 25 ~~(9) Reimbursements..... -37,525,000~~
- 26 ~~(10) Amount payable from the California~~
 27 ~~Environmental License Plate Fund~~
 28 ~~(Item 3860-001-0140)..... -921,000~~
- 29 ~~(11) Amount payable from the Energy Re-~~
 30 ~~sources Programs Account (Item 3860-~~
 31 ~~001-0465)..... -2,641,000~~
- 32 ~~(12) Amount payable from the Sacramento~~
 33 ~~Valley Water Management and Habitat~~
 34 ~~Protection Subaccount (Item 3860-001-~~
 35 ~~0544)..... -26,000~~
- 36 ~~(13) Amount payable from the California~~
 37 ~~Safe Drinking Water Fund of 1988~~
 38 ~~(Item 3860-001-0793)..... -109,000~~
- 39 ~~(14) Amount payable from the Federal~~
 40 ~~Trust Fund (Item 3860-001-0890)..... -12,840,000~~

1	(15) Amount payable from the Dam Safety	
2	Fund (Item 3860-001-3057).....	-12,005,000
3	(16) Amount payable from the Department	
4	of Water Resources Electric Power	
5	Fund (Item 3860-001-3100).....	-23,235,000
6	(17) Amount payable from the Greenhouse	
7	Gas Reduction Fund (Item 3860-001-	
8	3228)	
9	-1,000,000
10	(18) Amount payable from the Cost of Imple-	
11	mentation Account, Air Pollution Con-	
12	trol Fund (Item 3860-001-3237).....	-330,000
13	(19) Amount payable from the Safe Drinking	
14	Water, Clean Water, Watershed Protec-	
15	tion, and Flood Protection Bond Fund	
16	(Item 3860-001-6001).....	-358,000
17	(20) Amount payable from the Flood Protec-	
18	tion Corridor Subaccount (Item 3860-	
19	001-6005).....	-100,000
20	(21) Amount payable from the Urban Stream	
21	Restoration Subaccount (Item 3860-	
22	001-6007).....	-45,000
23	(22) Amount payable from the Yuba Feather	
24	Flood Protection Subaccount (Item	
25	3860-001-6010).....	-400,000
26	(23) Amount payable from the Water Con-	
27	servation Account (Item 3860-001-	
28	6023).....	-498,000
29	(24) Amount payable from the Conjunctive	
30	Use Subaccount (Item 3860-001-	
31	6025).....	-50,000
32	(25) Amount payable from the Bay-Delta	
33	Multipurpose Water Management Sub-	
34	account (Item 3860-001-6026).....	-4,346,000
35	(26) Amount payable from the Water Secu-	
36	rity, Clean Drinking Water, Coastal and	
37	Beach Protection Fund of 2002 (Item	
38	3860-001-6031).....	-5,269,000

1	(27) Amount payable from the Safe Drink-	
2	ing Water, Water Quality and Supply;	
3	Flood Control, River and Coastal Pro-	
4	tection Fund of 2006 (Item 3860-001-	
5	6051).....	-14,419,000
6	(28) Amount payable from the Disaster	
7	Preparedness and Flood Prevention	
8	Bond Fund of 2006 (Item 3860-001-	
9	6052).....	-50,779,000

10 Provisions:

- 11 1. The amounts appropriated in Items 3860-001-0001 to
- 12 3860-001-6052, inclusive, shall be transferred to the
- 13 Water Resources Revolving Fund (0691) for direct
- 14 expenditure in such amounts as the Department of Fi-
- 15 nance may authorize, including cooperative work with
- 16 other agencies.
- 17 2. The funds appropriated in this item for purposes of
- 18 subdivision (n) of Section 75050 of the Public Re-
- 19 sources Code may be expended only so long as the
- 20 United States Bureau of Reclamation continues to
- 21 provide federal funds and continues to carry out federal
- 22 actions to implement the settlement agreement in
- 23 Natural Resources Defense Council v. Rodgers (E.D.
- 24 Cal. 2005) 381 F.Supp.2d 1212.
- 25 3. Until June 30, 2016, upon the order of the Director of
- 26 Finance, the amount available for expenditure in this
- 27 item may be augmented to support maintenance, oper-
- 28 ations, and removal of emergency drought barriers
- 29 and actions to minimize impacts of the barriers on af-
- 30 fected aquatic species in the Sacramento-San Joaquin
- 31 Delta. The Department of Finance shall provide noti-
- 32 fication in writing to the Joint Legislative Budget
- 33 Committee of any augmentation approved under this
- 34 provision not less than 30 days prior to the effective
- 35 date of the augmentation. This 30-day notification
- 36 shall include a detailed workload and cost analysis.
- 37 Any funds provided to remove emergency drought
- 38 barriers in the Delta shall be available for encumbrance
- 39 or expenditure until June 30, 2016. Any funds that are

- 1 not expressly used for that purpose shall revert to the
- 2 General Fund.
- 3 4. Of the amount provided to the Department of Water
- 4 Resources, \$2,000,000 shall be allocated to assist local
- 5 agencies with emergency water supply drought
- 6 projects.
- 7 5. The Department of Water Resources is required to
- 8 report to the Legislature on or before January 10, 2015,
- 9 with specific reductions in funding for the 72.0 posi-
- 10 tions that were backfilled pursuant to the Governor's
- 11 emergency drought response proposal.
- 12 6. Of the amount appropriated in this item, \$14,025,000
- 13 is available for drought emergency response activities
- 14 and shall be available for encumbrance until June 30,
- 15 2016.

16 -

17 ~~SEC. 19. Item 3860-001-3228 is added to Section 2.00 of the~~

18 ~~Budget Act of 2014, to read:~~

19

20 3860-001-3228—For support of Department of Water Resources,

21 for payment to Item 3860-001-0001, payable from the

22 Greenhouse Gas Reduction Fund 1,000,000

23 Provisions:

24 1. The amount appropriated in this item shall be available

25 for encumbrance or expenditure until June 30, 2017.

26 2. The funds appropriated in this item shall be expended

27 to administer a grant program for local agencies, joint

28 powers authorities, or nonprofit organizations to im-

29 plement residential, commercial, or institutional water

30 efficiency programs or projects that reduce greenhouse

31 gas emissions and water and energy use.

32 -

33 ~~SEC. 20. Item 3860-101-0001 is added to Section 2.00 of the~~

34 ~~Budget Act of 2014, to read:~~

35

36 3860-101-0001—For local assistance, Department of Water

37 Resources..... 5,000,000

38 Provisions:

39 1. The amount appropriated in this item shall be available

40 for encumbrance or expenditure until June 30, 2016.

1 2. The funds appropriated in this item shall be available
 2 for local assistance for emergency drinking water
 3 support for small communities, including addressing
 4 private well shortages.

5 -

6 ~~SEC. 21. Item 3860-101-3228 is added to Section 2.00 of the~~
 7 ~~Budget Act of 2014, to read:~~

8

9 ~~3860-101-3228—For local assistance, Department of Water~~
 10 ~~Resources, payable from the Greenhouse Gas Reduction~~
 11 ~~Fund 9,000,000~~

12 ~~Provisions:~~

13 ~~1. The amount appropriated in this item shall be available~~
 14 ~~for encumbrance or expenditure until June 30, 2017.~~

15 ~~2. The funds appropriated in this item shall be available~~
 16 ~~for local assistance for local agencies, joint powers~~
 17 ~~authorities, or nonprofit organizations to implement~~
 18 ~~residential, commercial, or institutional water efficien-~~
 19 ~~cy programs or projects that reduce greenhouse gas~~
 20 ~~emissions and water and energy use.~~

21 -

22 ~~SEC. 22. Item 3860-101-6052 of Section 2.00 of the Budget~~
 23 ~~Act of 2014 is amended to read:~~

24

25 ~~3860-101-6052—For local assistance, Department of Water~~
 26 ~~Resources, payable from the Disaster Preparedness and~~
 27 ~~Flood Prevention Bond Fund of 2006..... 294,184,000~~

28 ~~Provisions:~~

29 ~~1. The amount appropriated in this item shall be available~~
 30 ~~for encumbrance until June 30, 2020, and available~~
 31 ~~for liquidation until June 30, 2023.~~

32 ~~2. The Department of Water Resources may transfer~~
 33 ~~amounts appropriated in this item to Item 3860-301-~~
 34 ~~6052 of this act.~~

35 -

36 ~~SEC. 23. Item 3860-301-3228 is added to Section 2.00 of the~~
 37 ~~Budget Act of 2014, to read:~~

1 3860-301-3228—For capital outlay, Department of Water Re-
 2 sources, payable from the Greenhouse Gas Reduction Fund
 3 10,000,000
 4 Schedule:
 5 (1) 20.20.212-Water-Energy—Efficiency
 6 Projects..... 10,000,000
 7 Provisions:
 8 1. The amount appropriated in this item shall be available
 9 for encumbrance or expenditure until June 30, 2018.

10 -
 11 SEC. 24. Item 3860-301-6052 is added to Section 2.00 of the
 12 Budget Act of 2014, to read:

13
 14 3860-301-6052—For capital outlay, Department of Water Re-
 15 sources, payable from the Disaster Preparedness and Flood
 16 Prevention Bond Fund of 2006 386,000,000
 17 Schedule:
 18 (1) 30.95.350-Urban Flood Risk Reduction
 19 Program..... 320,000,000
 20 (2) 30.95.360-Non-Urban Flood Risk
 21 Management..... 118,000,000
 22 (3) Reimbursements..... -52,000,000
 23 Provisions:
 24 1. The funds appropriated in this item may be expended
 25 for relocations and acquisition of land, easements, and
 26 rights-of-way, including, but not limited to, borrow
 27 pits, spoil areas, and easements for levees, clearing,
 28 flood control works, and flowage, and for appraisals,
 29 surveys, and engineering studies necessary for the
 30 completion or operation of the projects in the Sacra-
 31 mento and San Joaquin watersheds as authorized by
 32 Section 8617.1 and Chapters 1 (commencing with
 33 Section 12570), 2 (commencing with Section 12639),
 34 3 (commencing with Section 12800), 3.5 (commencing
 35 with Section 12840), and 4 (commencing with Section
 36 12850) of Part 6 of Division 6 of the Water Code.
 37 Notwithstanding paragraph (1) of subdivision (a) of
 38 Section 12582.7 and Section 12585.5 of the Water
 39 Code, prior to state and federal authorization of the
 40 project and appropriation of federal construction funds

1 by Congress and subsequent to submittal of a report
 2 to the Legislature pursuant to Section 12582.7 of the
 3 Water Code, the amounts appropriated in this item
 4 may be expended for state costs associated with pre-
 5 construction design and engineering work conducted
 6 by the federal government and others.

7 2. Funds appropriated in this item may also be expended
 8 for the evaluation, repair, rehabilitation, reconstruction,
 9 or replacement of flood protection facilities consistent
 10 with subdivision (a) of Section 5096.821 of the Public
 11 Resources Code; for study, evaluation, improvement,
 12 and addition of facilities to provide enhanced levels
 13 of flood protection consistent with subdivision (b) of
 14 Section 5096.821 of the Public Resources Code; or
 15 for the protection, creation, and enhancement of flood
 16 protection corridors and bypasses consistent with
 17 Section 5096.825 of the Public Resources Code.

18 3. Funds appropriated in this item may also be used for
 19 any of the following:

20 (a) Advances to the federal government, or payments
 21 to the federal government or others for incidental
 22 construction or reconstruction items that are an
 23 obligation of the state in connection with the
 24 completion or operation of the projects and for
 25 materials.

26 (b) Flood protection-related activities of the state as-
 27 sociated with construction, reconstruction, reloca-
 28 tion, or alterations to levees, other flood control
 29 works, highways, railroads, bridges, power lines,
 30 communication lines, pipelines, irrigation works,
 31 and other structures and facilities, and for ap-
 32 praisals, surveys, mitigation and engineering
 33 studies incidental thereto.

34 (c) Flood protection-related planning studies, surveys,
 35 preliminary plans, drawings, acquisitions, reloca-
 36 tions, rights-of-way, construction, construction
 37 supervision, contract administration, and other
 38 work activities to be performed by Department
 39 of Water Resources personnel and contractors for
 40 completion of the projects.

- 1 4. Funds appropriated in this item may be used to imple-
2 ment the projects identified in this item without ar-
3 rangements with the federal government while making
4 reasonable efforts to obtain funding from the federal
5 government in advance or by arranging to perform
6 work that is a federal responsibility prior to the avail-
7 ability of federal appropriations with the intention that
8 the costs will be reimbursed or eligible for credit by
9 the federal government as provided in Public Law 99-
10 662, Section 104, November 17, 1986; Public Law
11 90-483, Section 215, August 13, 1968; or other appli-
12 cable law.
- 13 5. Notwithstanding Section 26.00, funds may be trans-
14 ferred, with the approval of the Department of Finance,
15 among projects specified in this item and other Depart-
16 ment of Water Resources flood protection-related
17 major capital outlay projects with an active appropria-
18 tion. The Director of Finance shall notify, in writing,
19 the chairpersons of the committees in each house of
20 the Legislature that consider appropriations and the
21 Chairperson of the Joint Legislative Budget Commit-
22 tee, within 30 days or such lesser time as the chairper-
23 son of the joint committee, or his or her designee, may
24 determine, prior to any transfer.
- 25 6. Payments from a local sponsor may be received by
26 the Department of Water Resources and may be ad-
27 vanced to the federal government.
- 28 7. The amounts appropriated in this item shall be avail-
29 able for encumbrance until June 30, 2020, and avail-
30 able for liquidation until June 30, 2023.
- 31 8. The Department of Water Resources may transfer
32 amounts appropriated in this item to Item 3860-101-
33 6052 of this act.
- 34 9. The Department of Finance shall submit a report to
35 the Joint Legislative Budget Committee on state oper-
36 ations, local assistance, and capital outlay expenditures
37 from the Disaster Preparedness and Flood Prevention
38 Bond Fund upon the annual release of the Governor's
39 Budget, until such funds are exhausted. The annual
40 report shall identify actual prior-year expenditures,

1 current-year budgeted amounts, and estimated budget-
 2 year expenditures by major program area. If the fund-
 3 ing for a major program area was, or is planned to be,
 4 expended for a specific capital project, the department
 5 shall identify that project in the report.
 6 -

7 **SEC. 25.**—Item 3860-490 is added to Section 2.00 of the Budget
 8 Act of 2014, to read:

9
 10 ~~3860-490—Reappropriation, Department of Water Resources.~~
 11 ~~Notwithstanding any other law, including this act, the bal-~~
 12 ~~ance as of June 30, 2015, of any prior year appropriations,~~
 13 ~~except any reversion item, from the Disaster Preparedness~~
 14 ~~and Flood Prevention Bond Fund of 2006 (Fund 6052)~~
 15 ~~shall be available for encumbrance until June 30, 2020,~~
 16 ~~and available for liquidation until June 30, 2023.~~

17 ~~Provisions:~~

- 18 ~~1. The Department of Water Resources may transfer~~
 19 ~~amounts reappropriated in this item to Item 3860-101-~~
 20 ~~6052 and Item 3860-301-6052.~~
- 21 ~~2. The Department of Finance shall provide to the Con-~~
 22 ~~troller an itemized list of appropriations subject to this~~
 23 ~~item immediately upon enactment of the act adding~~
 24 ~~this item.~~

25 -
 26 **SEC. 26.**—Item 3940-001-6083 is added to Section 2.00 of the
 27 Budget Act of 2014, to read:

28
 29 ~~3940-001-6083—For support of the State Water Resources~~
 30 ~~Control Board, payable from the Water Quality, Supply,~~
 31 ~~and Infrastructure Improvement Fund of 2014, to be~~
 32 ~~available for expenditure until June 30, 2016 6,833,000~~

33 ~~Schedule:~~

- 34 ~~(1) 10-Water Quality..... 6,970,000~~
- 35 ~~(2) Reimbursements..... -137,000~~

36 -
 37 **SEC. 27.**—Item 3940-002-0001 is added to Section 2.00 of the
 38 Budget Act of 2014, to read:

1 ~~3940-002-0001—For support of the State Water Resources~~
2 ~~Control Board, to be available for encumbrance or expen-~~
3 ~~diture until June 30, 2016 9,121,000~~
4 ~~Schedule:~~
5 ~~(1) 20-Water Rights..... 9,121,000~~
6 ~~Provisions:~~
7 ~~1. Of the amount appropriated in this item, \$6,727,000~~
8 ~~shall be available to the State Water Resources Control~~
9 ~~Board for drought-related water right and water con-~~
10 ~~servation actions, including establishing and enforcing~~
11 ~~requirements to prevent the waste or unreasonable use~~
12 ~~of water and to promote water recycling, establishing~~
13 ~~and enforcing curtailments in diversion based on un-~~
14 ~~availability of water under the diverters priority of~~
15 ~~right, and enforcing terms and conditions of water~~
16 ~~right permits and licenses.~~
17 ~~2. Of the amount appropriated in this item, \$2,394,000~~
18 ~~shall be available to the State Water Resources Control~~
19 ~~Board to complete instream flow studies for tributaries~~
20 ~~identified in the report titled “Instream Flow Studies~~
21 ~~for the Protection of Public Trust Resources: A Prior-~~
22 ~~itized Schedule and Estimate of Costs, December~~
23 ~~2010” and to provide support for establishing and im-~~
24 ~~plementing flow requirements based on the flow~~
25 ~~studies.~~

26 -
27 ~~SEC. 28. Item 3940-002-0679 is added to Section 2.00 of the~~
28 ~~Budget Act of 2014, to read:~~

29
30 ~~3940-002-0679—For support of State Water Resources Control~~
31 ~~Board, payable from the State Water Quality Control Fund,~~
32 ~~to be available for encumbrance or expenditure until June~~
33 ~~30, 2016 916,000~~
34 ~~Schedule:~~
35 ~~(1) 10-Water Quality..... 916,000~~
36 ~~Provisions:~~
37 ~~1. The funds appropriated in this item are appropriated~~
38 ~~from the State Water Pollution Cleanup and Abatement~~
39 ~~Account, created pursuant to Section 13440 of the~~
40 ~~Water Code, to the State Water Resources Control~~

1 Board to administer grants and direct expenditures to
 2 fund actions to address drought-related drinking water
 3 emergencies or threatened emergencies, without regard
 4 to whether the need for the emergency drinking water
 5 is as a result of the discharge of waste.
 6 2. The amount appropriated in this item includes revenues
 7 derived from the assessment of fines and penalties
 8 imposed as specified in Section 13332.18 of the Gov-
 9 ernment Code.

10 -

11 SEC. 29. ~~Item 3940-101-0679 is added to Section 2.00 of the~~
 12 ~~Budget Act of 2014, to read:~~

13

14 ~~3940-101-0679—For local assistance, State Water Resources~~
 15 ~~Control Board, for Program 10-Drinking Water, payable~~
 16 ~~from the State Water Quality Control Fund 15,000,000~~

17 Schedule:

18 (1) ~~10-Water Quality..... 15,000,000~~

19 Provisions:

20 1. The funds appropriated in this item are appropriated
 21 from the State Water Pollution Cleanup and Abatement
 22 Account, created pursuant to Section 13440 of the
 23 Water Code, to the State Water Resources Control
 24 Board for encumbrance until June 30, 2016, for grants
 25 and direct expenditures to fund actions to address
 26 drought-related drinking water emergencies or threat-
 27 ened emergencies, without regard to whether the need
 28 for emergency drinking water is as a result of the dis-
 29 charge of waste. Guidelines adopted by the State Water
 30 Resources Control Board for allocation and adminis-
 31 tration of these moneys shall not be subject to Chapter
 32 3.5 (commencing with Section 11340) of Part 1 of
 33 Division 3 of Title 2 of the Government Code. Expen-
 34 ditures pursuant to this appropriation shall be exempt
 35 from contracting and procurement requirements to the
 36 extent necessary to take immediate action to protect
 37 public health and safety.

38 2. The amount appropriated in this item includes revenues
 39 derived from the assessment of fines and penalties

imposed as specified in Section 13332.18 of the Government Code.

- 3: Notwithstanding any other provision of law, upon approval and order of the Director of Finance, the State Water Resources Control Board may borrow sufficient funds for cash purposes from special funds that otherwise provide support for the board. Any such loans are to be repaid with interest at the rate earned in the Pooled Money Investment Account.

SEC. 30. ~~Item 3940-101-6083 is added to Section 2.00 of the Budget Act of 2014, to read:~~

3940-101-6083—For local assistance, State Water Resources Control Board, for Program 10-Water Quality, payable from the Water Quality, Supply, and Infrastructure Improvement Fund of 2014, to be available for expenditure until June 30, 2018	261,500,000
--	------------------------

SEC. 31. ~~Item 3940-102-0679 is added to Section 2.00 of the Budget Act of 2014, to read:~~

3940-102-0679—For support of State Water Resources Control Board, payable from the State Water Quality Control Fund	4,000,000
--	----------------------

- Provisions:
- 1: The funds appropriated in this item are appropriated from the State Water Pollution Cleanup and Abatement Account, created pursuant to Section 13440 of the Water Code, to the State Water Resources Control Board to provide interim emergency drinking water to disadvantaged communities with contaminated drinking water supplies, without regard to the source of contamination, including those contaminated drinking water supplies exacerbated by drought conditions. These funds shall be available for expenditure until June 30, 2016.
 - 2: The amount appropriated in this item includes revenues derived from the assessment of fines and penalties

1 imposed as specified in Section 13332.18 of the Gov-
2 ernment Code.

3 -

4 SEC. 32. ~~Item 5180-101-0001 of Section 2.00 of the Budget~~
5 ~~Act of 2014 is amended to read:~~

6

7 ~~5180-101-0001—For local assistance, Department of Social~~
8 ~~Services..... 930,075,000~~

9 ~~Schedule:~~

10 ~~(1) 16.30-CalWORKs..... 3,940,902,834~~

11 ~~(2) 16.65-Other Assistance Payments..... 901,147,166~~

12 ~~(3) Reimbursements..... -474,000~~

13 ~~(4) Amount payable from the Emergency~~
14 ~~Food Assistance Program Fund (Item~~
15 ~~5180-101-0122)..... -588,000~~

16 ~~(5) Amount payable from the Federal~~
17 ~~Trust Fund (Item 5180-101-~~
18 ~~0890)..... -3,904,401,000~~

19 ~~(6) Amount payable from the Child Support~~
20 ~~Collections Recovery Fund (Item 5180-~~
21 ~~101-8004)..... -6,512,000~~

22 ~~Provisions:~~

23 ~~1. (a) No funds appropriated in this item shall be encum-~~
24 ~~bered unless every rule or regulation adopted and~~
25 ~~every all-county letter issued by the State Depart-~~
26 ~~ment of Social Services that adds to the costs of~~
27 ~~any program is approved by the Department of~~
28 ~~Finance as to the availability of funds before it~~
29 ~~becomes effective. In making the determination~~
30 ~~as to availability of funds to meet the expenditures~~
31 ~~of a rule, regulation, or all-county letter that would~~
32 ~~increase the costs of a program, the Department~~
33 ~~of Finance shall consider the amount of the pro-~~
34 ~~posed increase on an annualized basis, the effect~~
35 ~~the change would have on the expenditure limita-~~
36 ~~tions for the program set forth in this act, the ex-~~
37 ~~tent to which the rule, regulation, or all-county~~
38 ~~letter constitutes a deviation from the premises~~
39 ~~under which the expenditure limitations were~~
40 ~~prepared, and any additional factors relating to~~

1 the fiscal integrity of the program or the state's
2 fiscal situation:

3 (b) Notwithstanding Sections 28.00 and 28.50, the
4 availability of funds contained in this item for
5 rules, regulations, or all-county letters that add to
6 program costs funded from the General Fund in
7 excess of \$500,000 on an annual basis, including
8 those that are the result of a federal regulation,
9 but excluding those that are (a) specifically re-
10 quired as a result of the enactment of a federal or
11 state law or (b) included in the appropriation made
12 by this act, shall not be approved by the Depart-
13 ment of Finance sooner than 30 days after notifi-
14 cation in writing to the chairpersons of the com-
15 mittees in each house of the Legislature that con-
16 sider appropriations and the Chairperson of the
17 Joint Legislative Budget Committee, or sooner
18 than such lesser time after notification as the
19 chairperson of the joint committee, or his or her
20 designee, may in each instance determine.

21 2. Notwithstanding Chapter 1 (commencing with Section
22 18000) of Part 6 of Division 9 of the Welfare and In-
23 stitutions Code, a loan not to exceed \$500,000,000
24 shall be made available from the General Fund, from
25 funds not otherwise appropriated, to cover the costs
26 of a program or programs when the federal funds have
27 not been received or funds in any subaccount within
28 the Local Revenue Fund have not been deposited prior
29 to the usual time for the state to transmit payment to
30 the counties. This loan from the General Fund shall
31 be repaid when the federal funds or the funds for any
32 subaccounts within the Local Revenue Fund for the
33 program or programs becomes available.

34 3. The Department of Finance may authorize the transfer
35 of amounts from this item to Item 5180-001-0001 in
36 order to fund the costs of the administrative hearing
37 process associated with the CalWORKs program.

38 4. (a) The Department of Finance is authorized to ap-
39 prove expenditures in those amounts made neces-
40 sary by changes in either caseload or payments,

1 including, but not limited to, the timing of federal
 2 payments, or any rule or regulation adopted and
 3 any all-county letter issued as a result of the enact-
 4 ment of a federal or state law, the adoption of a
 5 federal regulation, or a court action, during the
 6 2014-15 fiscal year that are within or in excess
 7 of amounts appropriated in this act for that year.

8 (b) If the Department of Finance determines that the
 9 estimate of expenditures will exceed the expendi-
 10 tures authorized for this item, the department shall
 11 so report to the Legislature. At the time the report
 12 is made, the amount of the appropriation made in
 13 this item shall be increased by the amount of the
 14 excess unless and until otherwise provided by
 15 law.

16 5. Nonfederal funds appropriated in this item which have
 17 been budgeted to meet the state's Temporary Assis-
 18 tance for Needy Families maintenance-of-effort require-
 19 ment established pursuant to the federal Personal Re-
 20 sponsibility and Work Opportunity Reconciliation Act
 21 of 1996 (P.L. 104-193) may not be expended in any
 22 way that would cause their disqualification as a feder-
 23 ally allowable maintenance-of-effort expenditure.

24 6. In the event of declared disaster and upon county re-
 25 quest, the State Department of Social Services may
 26 act in the place of any county and assume direct respon-
 27 sibility for the administration of eligibility and grant
 28 determination. Upon recommendation of the Director
 29 of Social Services, the Department of Finance may
 30 authorize the transfer of funds from this item and Item
 31 5180-101-0890, to Items 5180-001-0001 and 5180-
 32 001-0890, for this purpose.

33 7. Pursuant to the Electronic Benefit Transfer (EBT) Act
 34 (Chapter 3 (commencing with Section 10065) of Part
 35 1 of Division 9 of the Welfare and Institutions Code)
 36 and in accordance with the EBT System regulations
 37 (Manual of Policies and Procedures Section 16-
 38 401.15), in the event a county fails to reimburse the
 39 EBT contractor for settlement of EBT transactions
 40 made against the county's cash assistance programs,

1 the state is required to pay the contractor. The State
2 Department of Social Services may use funds from
3 this item to reimburse the EBT contractor for settle-
4 ment on behalf of the county. The county shall be re-
5 quired to reimburse the department for the county's
6 settlement via direct payment or administrative offset.

7 8. The Department of Finance is authorized to approve
8 expenditures for the California Food Assistance Pro-
9 gram in those amounts made necessary by changes in
10 the CalFresh Program Standard Utility Allowance,
11 including those that result from midyear Standard
12 Utility Allowance adjustments requested by the state.
13 If the Department of Finance determines that the esti-
14 mate of expenditures will exceed the expenditure au-
15 thority of this item, the department shall so report to
16 the Legislature. At the time the report is made, the
17 amount of the appropriation made in this item shall
18 be increased by the amount of the excess unless and
19 until otherwise provided by law.

20 9. (a) Upon request of the State Department of Social
21 Services, the Department of Finance may increase
22 expenditure authority in this item by up to
23 \$37,000,000 for food assistance programs associ-
24 ated with persons affected by the drought.
25 Notwithstanding any other provision of law, these
26 funds shall be available for commodity purchases
27 and state and local agency administrative costs
28 incurred on or before December 31, 2016, to
29 provide food assistance associated with the
30 drought through existing partnerships. The Depart-
31 ment of Finance shall notify the Joint Legislative
32 Budget Committee of the adjustment within 10
33 working days of the date the Department of Fi-
34 nance approved the adjustment.

35 (b) It is the intent of the Legislature that, in addition
36 to the counties identified by the Governor's
37 Drought Task Force as being drought-impacted,
38 the food assistance authorized in subdivision (a)
39 also shall be made available to Imperial County,
40 San Luis Obispo County, Santa Barbara County,

1 ~~Ventura County, and the Coachella Valley in~~
2 ~~Riverside County.~~
3 (e) ~~Upon request of the State Department of Social~~
4 ~~Services, the Department of Finance may increase~~
5 ~~expenditure authority above the amount autho-~~
6 ~~rized in subdivision (a). The Department of Fi-~~
7 ~~nance shall authorize any such increase not~~
8 ~~sooner than 10 days after notification of the neces-~~
9 ~~sity thereof in writing to the chairpersons of the~~
10 ~~committees in each house of the Legislature that~~
11 ~~consider appropriations and the Chairperson of~~
12 ~~the Joint Legislative Budget Committee.~~
13 ~~10. Of the amount appropriated in Schedule (1),~~
14 ~~\$20,000,000 shall be available for housing supports~~
15 ~~for those families in receipt of CalWORKs for whom~~
16 ~~homelessness or housing instability is a barrier to self-~~
17 ~~sufficiency or child well-being pursuant to Section~~
18 ~~11330.5 of the Welfare and Institutions Code.~~

19 -
20 SEC. 33. ~~Item 8570-001-0001 of Section 2.00 of the Budget~~
21 ~~Act of 2014 is amended to read:~~

22

23	8570-001-0001—For support of Department of Food and	
24	Agriculture.....	60,441,000
25	Schedule:	
26	(1) 11-Agricultural Plant and Animal	
27	Health, Pest Prevention, Food Safety	
28	Services.....	174,692,000
29	(2) 21-Marketing, Commodities, and Agri-	
30	cultural Services.....	22,649,000
31	(3) 31-Assistance to Fairs and County	
32	Agricultural Activities.....	1,276,000
33	(4) 41.01-Executive, Management, and	
34	Administrative Services.....	21,062,000
35	(5) 41.02-Distributed Executive, Manage-	
36	ment, and Administrative Services.....	-20,883,000
37	(6) 51-General Agricultural Activities.....	50,426,000
38	(7) Reimbursements.....	-17,664,000

1	(8) Amount payable from the Motor Vehicle	
2	Account, State Transportation Fund	
3	(Item 8570-001-0044).....	-6,799,000
4	(9) Amount payable from the Department	
5	of Agriculture Account, Department	
6	of Food and Agriculture Fund (Item	
7	8570-001-0111).....	-38,408,000
8	(10) Amount payable from the Fair and Ex-	
9	position Fund (Item 8570-001-0191)....	-1,276,000
10	(11) Amount payable from the Harbors and	
11	Watercraft Revolving Fund (Item 8570-	
12	001-0516).....	-4,378,000
13	(12) Amount payable from the Department	
14	of Agriculture Building Fund (Item	
15	8570-001-0601).....	-1,963,000
16	(13) Amount payable from the Federal	
17	Trust Fund (Item 8570-001-0890).....	-91,585,000
18	(14) Amount payable from the Antiterrorism	
19	Fund (Item 8570-001-3034).....	-548,000
20	(15) Amount payable from the Analytical	
21	Laboratory Account, Department of	
22	Food and Agriculture Fund (Item 8570-	
23	001-3101).....	-533,000
24	(16) Amount payable from the Specialized	
25	License Plate Fund (Item 8570-001-	
26	3139).....	-477,000
27	(17) Amount payable from the Greenhouse	
28	Gas Reduction Fund (Item 8570-001-	
29	3228).....	-25,000,000
30	(17.5) Amount payable from the Cost of	
31	Implementation Account, Air Pollu-	
32	tion Control Fund (Item 8570-001-	
33	3237).....	-140,000
34	(18) Amount payable from the Municipal	
35	Shelter Spay-Neuter Fund (Item 8570-	
36	001-8055).....	-10,000
37	Provisions:	
38	1. The Secretary of Food and Agriculture shall furnish	
39	to the Director of Finance and the Chairperson of the	
40	Joint Legislative Budget Committee annual reports on	

- 1 all expenditures from all fund sources for emergency
- 2 detection and eradication activities relating to agricul-
- 3 tural plant or animal pests or diseases for which no
- 4 other program funds are available to be used to detect
- 5 or eradicate such pest or disease if the pest or disease
- 6 is not considered established in California and the pest
- 7 or disease infests or infects plants or animals of com-
- 8 mercial or noncommercial agriculture, ornamental
- 9 horticulture, or habitat of significance. The report shall
- 10 specify the amount expended by funding source, the
- 11 activities performed, the pest or disease, the location
- 12 where the pest was detected, the location where the
- 13 eradication efforts were performed, and the animal or
- 14 plant affected for each emergency detection or eradi-
- 15 cation.
- 16 2. The Department of Food and Agriculture shall require
- 17 full public participation, including public meetings,
- 18 from all major regions of the state for each notification
- 19 of proposed actions within the Light Brown Apple
- 20 Moth program.
- 21 3. Of the amount appropriated in this item, \$200,000 is
- 22 available for a study to evaluate the impacts of drought
- 23 on the agriculture sector and shall be available for en-
- 24 cumbrance until June 30, 2016.

25 -

26 ~~SEC. 34. Item 8570-001-3228 of Section 2.00 of the Budget~~

27 ~~Act of 2014 is amended to read:~~

28

29 ~~8570-001-3228—For support of Department of Food and~~

30 ~~Agriculture, for payment to Item 8570-001-0001, payable~~

31 ~~from the Greenhouse Gas Reduction Fund..... 25,000,000~~

32 ~~Provisions:~~

33 ~~1. The funds appropriated in this item shall be available~~

34 ~~for encumbrance or expenditure until June 30, 2016.~~

35 -

36 ~~SEC. 35. Item 9800-001-0001 of Section 2.00 of the Budget~~

37 ~~Act of 2014 is amended to read:~~

38

39 ~~9800-001-0001—For Augmentation for Employee Compensa-~~

40 ~~tion..... 271,039,000~~

- 1 Provisions:
- 2 1. ~~The amount appropriated in this item shall not be~~
3 ~~construed to control or influence collective bargaining~~
4 ~~between the state employer and employee representa-~~
5 ~~tives.~~
- 6 2. ~~The funds appropriated in this item are for compensa-~~
7 ~~tion increases and increases in benefits related thereto~~
8 ~~of employees whose compensation, or portion thereof,~~
9 ~~is chargeable to the General Fund, to be allocated by~~
10 ~~budget executive order by the Director of Finance to~~
11 ~~the several state offices, departments, boards, bureaus,~~
12 ~~commissions, and other state agencies, in augmentation~~
13 ~~of their respective appropriations or allocations, in~~
14 ~~accordance with approved memoranda of understand-~~
15 ~~ing or, for employees excluded from collective bargain-~~
16 ~~ing, in accordance with salary and benefit schedules~~
17 ~~established by the Department of Human Resources.~~
- 18 3. ~~It is the intent of the Legislature that all proposed~~
19 ~~augmentations for increased employee compensation~~
20 ~~costs, including, but not limited to, base salary increas-~~
21 ~~es, pay increases to bring one group of employees into~~
22 ~~a pay equity position with another group of public~~
23 ~~employees, and recruitment and retention differentials,~~
24 ~~be budgeted and considered on a comprehensive,~~
25 ~~statewide basis. Therefore, the Legislature declares its~~
26 ~~intent to reject any proposed augmentations that are~~
27 ~~not included in Items 9800-001-0001, 9800-001-0494,~~
28 ~~and 9800-001-0988, given that these are the items~~
29 ~~where the funds to implement comprehensive~~
30 ~~statewide compensation policies, including those~~
31 ~~adopted pursuant to collective bargaining, are consid-~~
32 ~~ered. This provision shall not apply to augmentations~~
33 ~~for increased employee compensation costs resulting~~
34 ~~from mandatory judicial orders to raise pay for any~~
35 ~~group of employees or augmentations for increased~~
36 ~~compensation costs, or approvals for departments to~~
37 ~~provide increased employee compensation levels, that~~
38 ~~are included in bills separate from the budget act.~~
- 39 4. ~~This item contains funds estimated to be necessary to~~
40 ~~implement side letters, appendices, or other addenda~~

1 to a memorandum of understanding (collectively re-
 2 ferred to as “pending agreements”) that have been
 3 determined by the Joint Legislative Budget Committee
 4 to require legislative approval prior to their implemen-
 5 tation, but which may not have been approved in sep-
 6 arate legislation as of the date of the passage of this
 7 act. In the event that the Legislature does not approve
 8 separate legislation to authorize implementation of
 9 any of the pending agreements, the Director of Finance
 10 shall not allocate any funds related to those pending
 11 agreements pursuant to Provision 2, and the expendi-
 12 ture of funds for those pending agreements shall not
 13 be deemed to have been approved by the Legislature.

14 5. As of July 31, 2015, the unencumbered balances of
 15 the above appropriation shall revert to the General
 16 Fund.

17 6. The Director of Finance may adjust this item of appro-
 18 priation to reflect the health benefit premium rates
 19 approved by the Board of Administration of the Cali-
 20 fornia Public Employees’ Retirement System for the
 21 2015 calendar year. Within 30 days of making any
 22 adjustment pursuant to this provision, the Director of
 23 Finance shall report the adjustment in writing to the
 24 Chairperson of the Joint Legislative Budget Committee
 25 and the chairpersons of the committees in each house
 26 of the Legislature that consider appropriations.

27 7. By inclusion of this provision, for purposes of Sections
 28 3517.5 and 3517.63 of the Government Code, the
 29 Legislature hereby ratifies the following agreements
 30 that require the expenditure of funds: (1) addendum
 31 concerning Aviation Consultants, dated November 22,
 32 2013, to the Memorandum of Understanding (MOU)
 33 with State Bargaining Unit 1 (Service Employees In-
 34 ternational Union); (2) addendum concerning Recre-
 35 ational Therapists, dated March 4, 2014, to the MOU
 36 with State Bargaining Unit 19 (American Federation
 37 of State, County, and Municipal Employees); (3) the
 38 MOU dated May 5, 2014, with State Bargaining Unit
 39 13 (International Union of Operating Engineers), in-
 40 cluding continuous appropriation of economic terms

1 in the event that a budget act is not in place prior to
 2 July 1, 2016, such appropriation will be subsumed by
 3 the expenditure authority approved in the budget act
 4 for each affected department upon enactment of each
 5 applicable Budget Act; (4) addendum concerning
 6 Correctional Officers, dated May 9, 2014, to the MOU
 7 with State Bargaining Unit 6 (California Correctional
 8 Peace Officers Association); and (5) the MOU dated
 9 May 21, 2014, with State Bargaining Unit 10 (Califor-
 10 nia Association of Professional Scientists), including
 11 continuous appropriation of economic terms in the
 12 event that a budget act is not in place prior to June 30,
 13 2016, such appropriation will be subsumed by the ex-
 14 penditure authority approved in the budget act for each
 15 affected department upon enactment of each applicable
 16 budget act. The estimated costs to implement these
 17 agreements are included in this item or in departmental
 18 appropriations.

19 8. By inclusion of this provision, for purposes of Sections
 20 3517.5 and 3517.63 of the Government Code, the
 21 Legislature hereby ratifies the following agreement
 22 that requires the expenditure of funds: the addendum,
 23 dated September 3, 2014, to the MOU with State
 24 Bargaining Unit 19 (American Federation of State,
 25 County and Municipal Employees, Health and Social
 26 Services/Professional):

27 -

28 **SEC. 36.** Section 39 of the Budget Act of 2014 (Chapter 25 of
 29 the Statutes of 2014) is amended to read:

30 **Sec. 39.00.** The Legislature hereby finds and declares that the
 31 following bills are other bills providing for appropriations related
 32 to the Budget Bill within the meaning of subdivision (c) of Section
 33 12 of Article IV of the California Constitution: AB 1458, AB 1459,
 34 AB 1460, AB 1461, AB 1462, AB 1463, AB 1464, AB 1465, AB
 35 1466, AB 1467, AB 1468, AB 1469, AB 1471, AB 1472, AB 1473,
 36 AB 1474, AB 1475, AB 1477, AB 1478, AB 1479, AB 1480, AB
 37 1481, AB 1482, AB 1483, AB 1484, AB 1485, AB 1486, AB 1487,
 38 AB 1488, AB 1489, AB 1490, AB 1491, AB 1492, AB 1493, AB
 39 1494, AB 1495, AB 1496, AB 1497, SB 853, SB 854, SB 855, SB
 40 856, SB 857, SB 858, SB 859, SB 860, SB 861, SB 862, SB 863,

1 ~~SB 864, SB 866, SB 867, SB 868, SB 869, SB 870, SB 873, SB~~
2 ~~874, SB 875, SB 876, SB 877, SB 878, SB 879, SB 880, SB 881,~~
3 ~~SB 882, SB 883, SB 884, SB 885, SB 886, SB 887, SB 888, SB~~
4 ~~889, SB 890, and SB 891 of the 2013–14 Regular Session and SB~~
5 ~~76 and AB 92 of the 2015–16 Regular Session.~~

6 ~~SEC. 37. This act is a Budget Bill within the meaning of~~
7 ~~subdivision (e) of Section 12 of Article IV of the California~~
8 ~~Constitution and shall take effect immediately.~~

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