

AMENDED IN SENATE APRIL 20, 2015

AMENDED IN SENATE MARCH 26, 2015

**SENATE BILL**

**No. 276**

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**Introduced by Senator Wolk**

February 19, 2015

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An act to amend Section 14132.06 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 276, as amended, Wolk. Medi-Cal: local educational agencies.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income persons receive health care benefits. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. Existing law provides that specified services, including targeted case management services for children with an individual education plan (IEP) or an individualized family service plan (IFSP), provided by local educational agencies (LEAs) are covered Medi-Cal benefits, and authorizes an LEA to bill for those services. Existing law requires the department to perform various activities with respect to the billing option for services provided by LEAs.

This bill would require the department to seek federal financial participation for covered services that are provided by an LEA to a child who is an eligible Medi-Cal beneficiary regardless of whether the child has an individualized education plan or an individualized family service plan, or whether those same services are provided at no charge to the beneficiary or to the community at large, if the LEA takes all reasonable measures to ascertain and pursue claims for payment of covered services against legally liable 3rd parties. The bill would require a legally liable

3rd party to *either reimburse the claim or issue a notice of denial of noncoverage of services or benefits if the legally liable 3rd party denies receives a claim for payment of covered services submitted by an LEA. The bill would authorize an LEA to bill the Medi-Cal program if there is no response to a claim for payment of covered services submitted to a legally liable 3rd party within 45 days, and would require the LEA to retain a copy of the claim submitted to the legally liable 3rd party for a period of 3 years.*

This bill would also expand the authority of an LEA to provide targeted case management services.

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

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

- 1 SECTION 1. The Legislature finds and declares all of the  
2 following:
- 3 (a) Local educational agencies (LEA) must have an approved  
4 provider participant agreement with the State Department of Health  
5 Care Services through the federal Centers for Medicare and  
6 Medicaid Services to be eligible to provide services. To participate  
7 in the LEA Medi-Cal billing option program, LEAs must reinvest  
8 the federal reimbursement they receive under this program in health  
9 and social services for children and families, and develop and  
10 maintain a collaborative committee to assist them in decisions  
11 regarding the reinvestment of federal reimbursements. The  
12 providers and supervisors of staff for the assessment and medically  
13 necessary health services are ~~school nurses~~. *those qualified medical*  
14 *practitioners the LEA employs or contracts with to render certain*  
15 *health services.*
- 16 (b) The LEA billing option facilitates reinvestment in health  
17 and social services for students and their families so that schools  
18 can foster access to and provide comprehensive health services to  
19 eligible Medi-Cal students.
- 20 (c) The funds are reimbursement for services rendered and can  
21 be used as matching dollars to draw down federal financial  
22 participation. The funds are restricted in their use; they must  
23 supplement existing services, not supplant.
- 24 (d) It is, therefore, the intent of the Legislature in enacting this  
25 act to ensure that a school district or county office of education

1 that is authorized as an LEA Medi-Cal provider is assured that all  
2 options for federal financial participation are available. The  
3 Legislature encourages LEAs to utilize reimbursed funds to hire  
4 credentialed school nurses to supplement, not supplant, existing  
5 LEA health services personnel.

6 SEC. 2. Section 14132.06 of the Welfare and Institutions Code  
7 is amended to read:

8 14132.06. (a) Services specified in this section that are  
9 provided by a local educational agency are covered Medi-Cal  
10 benefits, to the extent federal financial participation is available,  
11 and subject to utilization controls and standards adopted by the  
12 department, and consistent with Medi-Cal requirements for  
13 physician prescription, order, and supervision.

14 (b) Any provider enrolled on or after January 1, 1993, to provide  
15 services pursuant to this section may bill for those services  
16 provided on or after January 1, 1993.

17 (c) Nothing in this section shall be interpreted to expand the  
18 current category of professional health care practitioners permitted  
19 to directly bill the Medi-Cal program.

20 (d) Nothing in this section is intended to increase the scope of  
21 practice of any health professional providing services under this  
22 section or Medi-Cal requirements for physician prescription, order,  
23 and supervision.

24 (e) (1) For the purposes of this section, the local educational  
25 agency, as a condition of enrollment to provide services under this  
26 section, shall be considered the provider of services. A local  
27 educational agency provider, as a condition of enrollment to  
28 provide services under this section, shall enter into, and maintain,  
29 a contract with the department in accordance with guidelines  
30 contained in regulations adopted by the director and published in  
31 Title 22 of the California Code of Regulations.

32 (2) Notwithstanding paragraph (1), a local educational agency  
33 providing services pursuant to this section shall utilize current  
34 safety net and traditional health care providers, when those  
35 providers are accessible to specific schoolsites identified by the  
36 local educational agency to participate in this program, rather than  
37 adding duplicate capacity.

38 (f) For the purposes of this section, covered services may include  
39 all of the following local educational agency services:

- 1 (1) Health and mental health evaluations and health and mental  
2 health education.
- 3 (2) Medical transportation.
- 4 (A) The following provisions shall not apply to medical  
5 transportation eligible to be billed under this section:
- 6 (i) Section 51323(a)(2)(A) of Title 22 of the California Code  
7 of Regulations.
- 8 (ii) Section 51323(a)(3)(B) of Title 22 of the California Code  
9 of Regulations.
- 10 (iii) For students whose medical or physical condition does not  
11 require the use of a gurney, Section 51231.1(f) of Title 22 of the  
12 California Code of Regulations.
- 13 (iv) For students whose medical or physical condition does not  
14 require the use of a wheelchair, Section 51231.2(e) of Title 22 of  
15 the California Code of Regulations.
- 16 (B) (i) Subparagraph (A) shall become inoperative on January  
17 1, 2018, or on the date the director executes a declaration stating  
18 that the regulations implementing subparagraph (A) and Section  
19 14118.5 have been updated, whichever is later.
- 20 (ii) The department shall post the declaration executed under  
21 clause (i) on its Internet Web site and transmit a copy of the  
22 declaration to the Assembly Committee on Budget and the Senate  
23 Committee on Budget and Fiscal Review and the LEA Ad Hoc  
24 Workgroup.
- 25 (iii) If subparagraph (A) becomes inoperative on January 1,  
26 2018, subparagraph (A) and this subparagraph shall be inoperative  
27 on January 1, 2018, unless a later enacted statute enacted before  
28 that date, deletes or extends that date.
- 29 (iv) If subparagraph (A) becomes inoperative on the date the  
30 director executes a declaration as described in clause (i),  
31 subparagraph (A) and this subparagraph shall be inoperative on  
32 the January 1 immediately following the date subparagraph (A)  
33 becomes inoperative, unless a later enacted statute enacted before  
34 that date, deletes or extends that date.
- 35 (3) Nursing services.
- 36 (4) Occupational therapy.
- 37 (5) Physical therapy.
- 38 (6) Physician services.
- 39 (7) Mental health and counseling services.
- 40 (8) School health aide services.

1 (9) Speech pathology services. These services may be provided  
2 by either of the following:

3 (A) A licensed speech pathologist.

4 (B) A credentialed speech-language pathologist, to the extent  
5 authorized by Chapter 5.3 (commencing with Section 2530) of  
6 Division 2 of the Business and Professions Code.

7 (10) Audiology services.

8 (11) Targeted case management services for children regardless  
9 of whether the child has an individualized education plan (IEP) or  
10 an individualized family service plan (IFSP).

11 (g) Local educational agencies may, but need not, provide any  
12 or all of the services specified in subdivision (f).

13 (h) For the purposes of this section, “local educational agency”  
14 means the governing body of any school district or community  
15 college district, the county office of education, a state special  
16 school, a California State University campus, or a University of  
17 California campus.

18 (i) Notwithstanding any other law, a community college district,  
19 a California State University campus, or a University of California  
20 campus, consistent with the requirements of this section, may bill  
21 for services provided to any student, regardless of age, who is a  
22 Medi-Cal recipient.

23 (j) No later than July 1, 2013, and every year thereafter, the  
24 department shall make publicly accessible an annual accounting  
25 of all funds collected by the department from federal Medicaid  
26 payments allocable to local educational agencies, including, but  
27 not limited to, the funds withheld pursuant to subdivision (g) of  
28 Section 14115.8. The accounting shall detail amounts withheld  
29 from federal Medicaid payments to each participating local  
30 educational agency for that year. One-time costs for the  
31 development of this accounting shall not exceed two hundred fifty  
32 thousand dollars (\$250,000).

33 (k) (1) If the requirement in paragraph (2) is satisfied, the  
34 department shall seek federal financial participation for covered  
35 services that are provided by a local educational agency pursuant  
36 to subdivision (a) to a child who is an eligible Medi-Cal  
37 beneficiary, regardless of either of the following:

38 (A) Whether the child has an IEP or an IFSP.

39 (B) Whether those same services are provided at no charge to  
40 the beneficiary or to the community at large.

1 (2) The local educational agency shall take all reasonable  
2 measures to ascertain and pursue claims for payment of covered  
3 services specified in this section against legally liable third parties  
4 pursuant to Section 1902(a)(25) of the federal Social Security Act  
5 (42 U.S.C. Sec. 1396a(a)(25)).

6 (3) If a legally liable third party ~~denies~~ receives a claim  
7 submitted by a local educational agency pursuant to paragraph (2),  
8 the legally liable third party shall *either reimburse the claim or*  
9 *issue a notice of denial of noncoverage of services or benefits. If*  
10 *there is no response to a claim submitted to a legally liable third*  
11 *party by a local educational agency within 45 days, the local*  
12 *educational agency may bill the Medi-Cal program pursuant to*  
13 *subdivision (b). The local educational agency shall retain a copy*  
14 *of the claim submitted to the legally liable third party for a period*  
15 *of three years.*