

AMENDED IN ASSEMBLY AUGUST 31, 2015

AMENDED IN SENATE JUNE 2, 2015

**SENATE BILL**

**No. 326**

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**Introduced by Senator Beall**

*(Coauthors: Senators Galgiani, Nielsen, and Vidak)*

*(Coauthors: Assembly Members Chu, Cooley, Cooper, Rodriguez, and Wood)*

February 23, 2015

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An act to amend Section 76000.10 of the Government Code, Code, and to add Section 10752 to the Welfare and Institutions Code, relating to ~~courts~~: emergency services.

LEGISLATIVE COUNSEL'S DIGEST

SB 326, as amended, Beall. Courts: penalties: emergency services funding.

Under existing law, the Emergency Medical Air Transportation Act, a penalty of \$4 is imposed upon every conviction for a violation of the Vehicle Code, or a local ordinance adopted pursuant to the Vehicle Code, other than a parking offense. Existing law requires the county or the court that imposed the fine to transfer the moneys collected pursuant to this act to the Emergency Medical Air Transportation Act Fund. Under existing law, the assessment of these penalties will terminate on January 1, 2016, and any moneys unexpended and unencumbered in the Emergency Medical Air Transportation Act Fund on June 30, 2017, will transfer to the General Fund. Existing law repeals the Emergency Medical Air Transportation Act on January 1, 2018.

This bill would extend the dates of the Emergency Medical Air Transportation Act, so that the assessment of the penalties will terminate commencing January 1, 2018, and any moneys unexpended and

unencumbered in the Emergency Medical Air Transportation Act Fund on June 30, 2019, will transfer to the General Fund. The bill would ~~repeat~~ *extend the operation of* the Emergency Medical Air Transportation Act ~~on~~ until January 1, 2020.

*The bill would also make legislative findings and declarations as to the harmful effects of relying on penalty assessments to fund core state programs and the necessity to identify alternative funding sources for emergency medical air transportation services. The bill would require the State Department of Health Care Services and the Department of Finance to develop, by March 1, 2017, a funding plan that ensures adequate reimbursement to emergency medical air transportation providers following the expiration of the Emergency Medical Air Transportation Act on January 1, 2020.*

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) Penalty assessments have been used to fund an increasing*  
4     *number of programs that should properly be funded by*  
5     *broad-based financing mechanisms.*

6     *(b) The ever-increasing reliance on penalty assessments to fund*  
7     *core state programs is a regressive financing mechanism, and is*  
8     *particularly harmful to individuals who can least afford these*  
9     *assessments. High fines and assessments can perpetuate a cycle*  
10    *of poverty and inequality, given that individuals with lower incomes*  
11    *are more likely to miss payments and suffer the consequences.*

12    *(c) It is in the state's interest to ensure funding for emergency*  
13    *medical air transportation is sufficient to maintain access to these*  
14    *critical services for Medi-Cal beneficiaries and all individuals in*  
15    *California.*

16    *(d) Therefore, it is the intent of the Legislature to identify*  
17    *alternative funding sources for emergency medical air*  
18    *transportation and cease reliance on penalty assessment revenue*  
19    *to fund these services.*

20    *(e) Accordingly, it is the intent of the Legislature to cease the*  
21    *collection of penalty assessments on January 1, 2018, pursuant to*  
22    *the Emergency Medical Air Transportation Act.*

1     **SECTION 1.**

2     *SEC. 2.* Section 76000.10 of the Government Code is amended  
3 to read:

4     76000.10. (a) This section shall be known, and may be cited,  
5 as the Emergency Medical Air Transportation Act.

6     (b) For purposes of this section:

7     (1) “Department” means the State Department of Health Care  
8 Services.

9     (2) “Director” means the Director of Health Care Services.

10    (3) “Provider” means a provider of emergency medical air  
11 transportation services.

12    (4) “Rotary wing” means a type of aircraft, commonly referred  
13 to as a helicopter, that generates lift through the use of wings,  
14 known as rotor blades, that revolve around a mast.

15    (5) “Fixed wing” means a type of aircraft, commonly referred  
16 to as an airplane, that generates lift through the use of the forward  
17 motion of the aircraft and wings that do not revolve around a mast  
18 but are fixed in relation to the fuselage of the aircraft.

19    (6) “Air mileage rate” means the per-mileage reimbursement  
20 rate paid for services rendered by rotary-wing and fixed-wing  
21 providers.

22    (c) (1) For purposes of implementing this section, a penalty of  
23 four dollars (\$4) shall be imposed upon every conviction for a  
24 violation of the Vehicle Code or a local ordinance adopted pursuant  
25 to the Vehicle Code, except parking offenses subject to Article 3  
26 (commencing with Section 40200) of Chapter 1 of Division 17 of  
27 the Vehicle Code.

28    (2) The penalty described in this subdivision shall be in addition  
29 to the state penalty assessed pursuant to Section 1464 of the Penal  
30 Code. However, this penalty shall not be included in the base fine  
31 used to calculate the state penalty assessment pursuant to  
32 subdivision (a) of Section 1464 of the Penal Code, the state  
33 surcharge levied pursuant to Section 1465.7 of the Penal Code,  
34 and the state court construction penalty pursuant to Section 70372  
35 of this code, and to calculate the other additional penalties levied  
36 pursuant to this chapter.

37    (d) The county or the court that imposed the fine shall, in  
38 accordance with the procedures set out in Section 68101, transfer  
39 moneys collected pursuant to this section to the Treasurer for  
40 deposit into the Emergency Medical Air Transportation Act Fund,

1 which is hereby established in the State Treasury. Notwithstanding  
2 Section 16305.7, the Emergency Medical Air Transportation Act  
3 Fund shall include interest and dividends earned on money in the  
4 fund.

5 (e) (1) The Emergency Medical Air Transportation Act Fund  
6 shall be administered by the State Department of Health Care  
7 Services. Moneys in the Emergency Medical Air Transportation  
8 Act Fund shall be made available, upon appropriation by the  
9 Legislature, to the department to be used as follows:

10 (A) For payment of the administrative costs of the department  
11 in administering this section.

12 (B) Twenty percent of the fund remaining after payment of  
13 administrative costs pursuant to subparagraph (A) shall be used  
14 to offset the state portion of the Medi-Cal reimbursement rate for  
15 emergency medical air transportation services.

16 (C) Eighty percent of the fund remaining after payment of  
17 administrative costs pursuant to subparagraph (A) shall be used  
18 to augment emergency medical air transportation reimbursement  
19 payments made through the Medi-Cal program, as set forth in  
20 paragraphs (2) and (3).

21 (2) (A) The department shall seek to obtain federal matching  
22 funds by using the moneys in the Emergency Medical Air  
23 Transportation Act Fund for the purpose of augmenting Medi-Cal  
24 reimbursement paid to emergency medical air transportation  
25 providers.

26 (B) The director shall do all of the following:

27 (i) By March 1, 2011, meet with medical air transportation  
28 providers to determine the most appropriate methodology to  
29 distribute the funds for medical air services.

30 (ii) Implement the methodology determined most appropriate  
31 in a timely manner.

32 (iii) Develop the methodology in collaboration with the medical  
33 air providers.

34 (iv) Submit any state plan amendments or waiver requests that  
35 may be necessary to implement this section.

36 (v) Submit any state plan amendment or waiver request that  
37 may be necessary to implement this section.

38 (vi) Seek federal approvals or waivers as may be necessary to  
39 implement this section and to obtain federal financial participation  
40 to the maximum extent possible for the payments under this

1 section. If federal approvals are not received, moneys in the fund  
2 may be distributed pursuant to this section until federal approvals  
3 are received.

4 (C) The director may give great weight to the needs of the  
5 emergency medical air services providers, as discussed through  
6 the development of the methodology.

7 (3) (A) Upon appropriation by the Legislature, the department  
8 shall use moneys in the Emergency Medical Air Transportation  
9 Act Fund and any federal matching funds to increase the Medi-Cal  
10 reimbursement for emergency medical air transportation services  
11 in an amount not to exceed normal and customary charges charged  
12 by the providers.

13 (B) Notwithstanding any other law, and pursuant to this section,  
14 the department shall increase the Medi-Cal reimbursement for  
15 emergency medical air transportation services ~~provided that~~ *if* both  
16 of the following conditions are met:

17 (i) Moneys in the Emergency Medical Air Transportation Act  
18 Fund will cover the cost of increased payments pursuant to  
19 subparagraph (A).

20 (ii) The state does not incur any General Fund expense to pay  
21 for the Medi-Cal emergency medical air transportation services  
22 increase.

23 (f) The assessment of penalties pursuant to this section shall  
24 terminate on January 1, 2018. Penalties assessed before January  
25 1, 2018, shall continue to be collected, administered, and  
26 distributed pursuant to this section until exhausted or until June  
27 30, 2019, whichever occurs first. On June 30, 2019, moneys  
28 remaining unexpended and unencumbered in the Emergency  
29 Medical Air ~~Transport~~ *Transportation* Act Fund shall be transferred  
30 to the General Fund, to be available, upon appropriation by the  
31 Legislature, for the purposes of augmenting Medi-Cal  
32 reimbursement for emergency medical air transportation and related  
33 costs, generally.

34 (g) Notwithstanding the rulemaking provisions of Chapter 3.5  
35 (commencing with Section 11340) of Part 1 of Division 3 of Title  
36 2, the department may implement, interpret, or make specific this  
37 section and any applicable federal waivers and state plan  
38 amendments by means of all-county letters, plan letters, plan or  
39 provider bulletins, or similar instructions without taking regulatory  
40 action.

1 (h) This section shall remain in effect only until January 1, 2020,  
2 and as of that date is repealed, unless a later enacted statute, that  
3 is enacted before January 1, 2020, deletes or extends that date.

4 *SEC. 3. Section 10752 is added to the Welfare and Institutions*  
5 *Code, to read:*

6 *10752. The department shall, by March 1, 2017, in*  
7 *coordination with the Department of Finance, develop a funding*  
8 *plan that ensures adequate reimbursement to emergency medical*  
9 *air transportation providers following the termination of penalty*  
10 *assessments pursuant to subdivision (f) of Section 76000.10 of the*  
11 *Government Code on January 1, 2018.*