

Senate Bill No. 326

Passed the Senate September 11, 2015

Secretary of the Senate

Passed the Assembly September 10, 2015

Chief Clerk of the Assembly

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

Private Secretary of the Governor

CHAPTER _____

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

LEGISLATIVE COUNSEL'S DIGEST

SB 326, 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 extend the operation of the Emergency Medical Air Transportation Act 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.

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

SECTION 1. The Legislature finds and declares all of the following:

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

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

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

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

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

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

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

(b) For purposes of this section:

(1) "Department" means the State Department of Health Care Services.

(2) "Director" means the Director of Health Care Services.

(3) "Provider" means a provider of emergency medical air transportation services.

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

(5) "Fixed wing" means a type of aircraft, commonly referred to as an airplane, that generates lift through the use of the forward

motion of the aircraft and wings that do not revolve around a mast but are fixed in relation to the fuselage of the aircraft.

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

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

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

(d) The county or the court that imposed the fine shall, in accordance with the procedures set out in Section 68101, transfer moneys collected pursuant to this section to the Treasurer for deposit into the Emergency Medical Air Transportation Act Fund, which is hereby established in the State Treasury. Notwithstanding Section 16305.7, the Emergency Medical Air Transportation Act Fund shall include interest and dividends earned on money in the fund.

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

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

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

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

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

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

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

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

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

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

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

(vi) Seek federal approvals or waivers as may be necessary to implement this section and to obtain federal financial participation to the maximum extent possible for the payments under this section. If federal approvals are not received, moneys in the fund may be distributed pursuant to this section until federal approvals are received.

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

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

(B) Notwithstanding any other law, and pursuant to this section, the department shall increase the Medi-Cal reimbursement for

emergency medical air transportation services if both of the following conditions are met:

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

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

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

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

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

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

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

Approved _____, 2015

Governor