

Introduced by Senator CannellaFebruary 17, 2016

An act to amend Section 14089 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 1098, as introduced, Cannella. Medi-Cal: geographic managed care.

Existing law establishes the Medi-Cal program, administered by the State Department of Health Care Services, under which basic health care services are provided to qualified low-income persons. The Medi-Cal program is, in part, governed and funded by federal Medicaid provisions. Existing law authorizes the department to provide health care services to beneficiaries through various models of managed care, including through a comprehensive program of managed health care plan services for Medi-Cal recipients residing in clearly defined geographical areas. Existing law specifies guidelines the department is required to follow in selecting and entering into contracts with managed care plans. Existing law requires the department to give an eligible beneficiary specified notices for the purpose of assisting the beneficiary in choosing a managed care plan, and imposes requirements on the beneficiary and the department regarding choice of, and enrollment in, a managed care plan.

This bill would make technical, nonsubstantive changes to those provisions.

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

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

1 SECTION 1. Section 14089 of the Welfare and Institutions
2 Code is amended to read:

3 14089. (a) The purpose of this article is to provide a
4 comprehensive program of managed health care plan services to
5 Medi-Cal recipients residing in clearly defined geographical areas.
6 ~~It is, further,~~ *is further* the purpose of this article to create
7 maximum accessibility to health care services by permitting
8 Medi-Cal recipients the option of choosing from among two or
9 more managed health care plans or fee-for-service managed case
10 arrangements, including, but not limited to, health maintenance
11 organizations, prepaid health plans, and primary care case
12 management plans. Independent practice associations, health
13 insurance carriers, private foundations, and university medical
14 centers systems, not-for-profit clinics, and other primary care
15 providers, may be offered as choices to Medi-Cal recipients under
16 this article if they are organized and operated as managed care
17 plans, for the provision of preventive managed health care plan
18 services.

19 (b) The department may seek proposals and then shall enter into
20 contracts based on relative costs, extent of coverage offered, quality
21 of health services to be provided, financial stability of the health
22 care plan or carrier, recipient access to services, cost-containment
23 strategies, peer and community participation in quality control,
24 emphasis on preventive and managed health care services and the
25 ability of the health plan to meet all requirements for both of the
26 following:

27 (1) Certification, where legally required, by the Director of the
28 Department of Managed Health Care and the Insurance
29 Commissioner.

30 (2) Compliance with all of the following:

31 (A) The health plan shall satisfy ~~all~~ applicable state and federal
32 legal requirements for participation as a Medi-Cal managed care
33 contractor.

34 (B) The health plan shall meet ~~any~~ standards established by the
35 department for the implementation of this article.

36 (C) The health plan receives the approval of the department to
37 participate in the pilot project under this article.

1 (c) (1) (A) The proposals shall be for the provision of
2 preventive and managed health care services to specified eligible
3 populations on a capitated, prepaid, or postpayment basis.

4 (B) Enrollment in a Medi-Cal managed health care plan under
5 this article shall be voluntary for beneficiaries eligible for the
6 federal Supplemental Security Income for the Aged, Blind, and
7 Disabled Program (Subchapter 16 (commencing with Section
8 1381) of Chapter 7 of Title 42 of the United States Code).

9 (2) The cost of each program established under this section shall
10 not exceed the total amount that the department estimates it would
11 pay for all services and requirements within the same geographic
12 area under the fee-for-service Medi-Cal program.

13 (d) (1) An eligible beneficiary shall be entitled to enroll in any
14 health care plan contracted for pursuant to this article that is in
15 effect for the geographic area in which he or she resides. The
16 department shall make available to recipients information
17 summarizing the benefits and limitations of each health care plan
18 available pursuant to this section in the geographic area in which
19 the recipient resides. A Medi-Cal or CalWORKs applicant or
20 beneficiary shall be informed of the health care options available
21 regarding methods of receiving Medi-Cal benefits. The county
22 shall ensure that each beneficiary is informed of these options and
23 informed that a health care options presentation is available.

24 (2) No later than 30 days following the date a Medi-Cal or
25 CalWORKs recipient is informed of the health care options
26 described in paragraph (1), the recipient shall indicate his or her
27 choice, in writing, of one of the available health care plans and his
28 or her choice of primary care provider or clinic contracting with
29 the selected health care plan. Notwithstanding the 30-day deadline
30 set forth in this paragraph, if a beneficiary requests a directory for
31 the entire service area within 30 days of the date of receiving an
32 enrollment form, the deadline for choosing a plan shall be extended
33 an additional 30 days from the date of that request.

34 (3) The health care options information described in this
35 subdivision shall include the following elements:

36 (A) Each beneficiary or eligible applicant shall be provided, at
37 a minimum, with the name, address, telephone number, and
38 specialty, if any, of each primary care provider, by specialty or
39 clinic participating in each managed health care plan option through
40 a personalized provider directory for that beneficiary or applicant.

1 This information shall be presented under the geographic area
2 designations by the name of the primary care provider and clinic,
3 and shall be updated based on information electronically provided
4 monthly by the health care plans to the department, setting forth
5 changes in the health care plan provider network. The geographic
6 areas shall be based on the applicant's residence address, the minor
7 applicant's school address, the applicant's work address, or any
8 other factor deemed appropriate by the department, in consultation
9 with health plan representatives, legislative staff, and consumer
10 stakeholders. In addition, directories of the entire service area,
11 including, but not limited to, the name, address, and telephone
12 number of each primary care provider and hospital, of all
13 Geographic Managed Care health plan provider networks shall be
14 made available to beneficiaries or applicants who request them
15 from the health care options contractor. Each personalized provider
16 directory shall include information regarding the availability of a
17 directory of the entire service area, provide telephone numbers for
18 the beneficiary to request a directory of the entire service area, and
19 include a postage-paid mail card to send for a directory of the
20 entire service area. The personalized provider directory shall be
21 implemented as a pilot project in Sacramento County pursuant to
22 this article, and in Los Angeles County (Two-Plan Model) pursuant
23 to Article 2.7 (commencing with Section ~~14087.305~~: 14087.3).
24 The content, form, and geographic areas used shall be determined
25 by the department in consultation with a workgroup to include
26 health plan representatives, legislative staff, and consumer
27 stakeholders, with an emphasis on the inclusion of stakeholders
28 from Los Angeles and Sacramento Counties. The personalized
29 provider directories may include a section for each health plan.
30 Prior to implementation of the pilot project, the department, in
31 consultation with consumer stakeholders, legislative staff, and
32 health plans, shall determine the parameters, methodology, and
33 evaluation process of the pilot project. The pilot project shall
34 thereafter be in effect for a minimum of two years. Following two
35 years of operation as a pilot project in two counties, the department,
36 in consultation with consumer stakeholders, legislative staff, and
37 health plans, shall determine whether to implement personalized
38 provider directories as a permanent program statewide. If
39 necessary, the pilot project shall continue beyond the initial
40 two-year period until this determination is made. This pilot project

1 shall only be implemented to the extent that it is budget neutral to
2 the department.

3 (B) Each beneficiary or eligible applicant shall be informed that
4 he or she may choose to continue an established patient-provider
5 relationship in a managed care option, if his or her treating provider
6 is a primary care provider or clinic contracting with any of the
7 health plans available and has the available capacity and agrees to
8 continue to treat that beneficiary or eligible applicant.

9 (C) Each beneficiary or eligible applicant shall be informed that
10 if he or she fails to make a choice, he or she shall be assigned to,
11 and enrolled in, a health care plan.

12 (4) At the time the beneficiary or eligible applicant selects a
13 health care plan, the department shall, when applicable, encourage
14 the beneficiary or eligible applicant to also indicate, in writing,
15 his or her choice of primary care provider or clinic contracting
16 with the selected health care plan.

17 (5) Commencing with the implementation of a geographic
18 managed care project in a designated county, a Medi-Cal or
19 CalWORKs beneficiary who does not make a choice of health care
20 plans in accordance with paragraph (2), shall be assigned to and
21 enrolled in an appropriate health care plan providing service within
22 the area in which the beneficiary resides.

23 (6) If a beneficiary or eligible applicant does not choose a
24 primary care provider or clinic, or does not select a primary care
25 provider who is available, the health care plan selected by or
26 assigned to the beneficiary shall ensure that the beneficiary selects
27 a primary care provider or clinic within 30 days after enrollment
28 or is assigned to a primary care provider within 40 days after
29 enrollment.

30 (7) A Medi-Cal or CalWORKs beneficiary dissatisfied with the
31 primary care provider or health care plan shall be allowed to select
32 or be assigned to another primary care provider within the same
33 health care plan. In addition, the beneficiary shall be allowed to
34 select or be assigned to another health care plan contracted for
35 pursuant to this article that is in effect for the geographic area in
36 which he or she resides in accordance with Section
37 1903(m)(2)(F)(ii) of the Social Security Act.

38 (8) The department or its contractor shall notify a health care
39 plan when it has been selected by or assigned to a beneficiary. The
40 health care plan that has been selected or assigned by a beneficiary

1 shall notify the primary care provider that has been selected or
2 assigned. The health care plan shall also notify the beneficiary of
3 the health care plan and primary care provider selected or assigned.

4 (9) This section shall be implemented in a manner consistent
5 with any federal waiver that is required to be obtained by the
6 department to implement this section.

7 (e) A participating county may include within the plan or plans
8 providing coverage pursuant to this section, employees of county
9 government, and others who reside in the geographic area and who
10 depend upon county funds for all or part of their health care costs.

11 (f) Funds may be provided to prospective contractors to assist
12 in the design, development, and installation of appropriate
13 programs. The award of these funds shall be based on criteria
14 established by the department.

15 (g) In implementing this article, the department may enter into
16 contracts for the provision of essential administrative and other
17 services. Contracts entered into under this subdivision may be on
18 a noncompetitive bid basis and shall be exempt from Chapter 2
19 (commencing with Section 10290) of Part 2 of Division 2 of the
20 Public Contract Code.

21 (h) Notwithstanding any other ~~provision of~~ law, on and after
22 the effective date of the act adding this subdivision, the department
23 shall have exclusive authority to set the rates, terms, and conditions
24 of geographic managed care contracts and contract amendments
25 under this article. As of that date, all references to this article to
26 the negotiator or to the California Medical Assistance Commission
27 shall be deemed to mean the department.

28 (i) Notwithstanding subdivision (q) of Section 6254 of the
29 Government Code, a contract or contract amendments executed
30 by both parties after the effective date of the act adding this
31 subdivision shall be considered a public record for purposes of the
32 California Public Records Act (Chapter 3.5 (commencing with
33 Section 6250) of Division 7 of Title 1 of the Government Code)
34 and shall be disclosed upon request. This subdivision includes
35 contracts that reveal the department's rates of payment for health
36 care services, the rates themselves, and rate manuals.