

## Assembly Bill No. 680

### CHAPTER 639

An act to amend Section 101305 of the Health and Safety Code, and to add Section 14105.11 to the Welfare and Institutions Code, relating to human services.

[Approved by Governor October 3, 1997. Filed  
with Secretary of State October 6, 1997.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 680, House. Local public health service: Medi-Cal reimbursement procedures.

Existing law authorized, prior to January 1, 1992, upon request of the board of supervisors of any county of less than 40,000 population and upon the appropriation for public health purposes by that county of a certain amount, the department to organize and operate a local public health service in that county. Existing law provides, effective until January 1, 1998, that any county that was eligible for organization and operation of local public health services by the department under those provisions as of January 1, 1988, shall continue to be eligible, notwithstanding an increase in total population beyond the 40,000 limit established by those provisions.

This bill would extend the effective date of the latter provision to January 1, 1999.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Services, pursuant to which medical benefits are provided to public assistance recipients and certain other low-income persons.

Existing law establishes procedures for the reimbursement of providers under the Medi-Cal program.

This bill would authorize the department to negotiate settlements with acute care hospitals in Stanislaus and Tuolumne Counties with psychiatric units that unintentionally violate Medi-Cal cost reimbursement policies or procedures, and to waive all or part of the overpayments made under the Medi-Cal program to the hospital.

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

SECTION 1. Section 101305 of the Health and Safety Code is amended to read:

101305. Any counties that were eligible for organization and operation of local public health services by the department pursuant to former Section 1157, as amended by Section 130 of Chapter 429 of the Statutes of 1978, as of January 1, 1988, shall continue to be eligible,

notwithstanding an increase in total population beyond the 40,000 population limit of that section.

This section shall remain in effect until January 1, 1999, and on that date is repealed, unless a later enacted statute, that becomes effective on or before January 1, 1999, deletes or extends that date.

SEC. 2. Section 14105.11 is added to the Welfare and Institutions Code, to read:

14105.11. (a) The department may negotiate settlements with acute care hospitals with psychiatric units that unintentionally violate Medi-Cal cost reimbursement policies or procedures governing the operation of acute psychiatric hospitals and that had, prior to the violations, been changed by the department.

(b) In any case to which this section applies, the department may waive all or part of the overpayments made under this chapter that would otherwise be reimbursable to the department by an acute care hospital.

(c) This section shall only apply to hospitals in counties of the 20th and 42nd classes.

