ASSEMBLY BILL No. 303

Introduced by Assembly Member Beall

February 17, 2009

An act to add Section 14085.57 to the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 303, as introduced, Beall. Medi-Cal: designated public hospitals: seismic safety requirements.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income persons receive health care benefits, including hospital services. The Medi-Cal program is, in part, governed and funded by federal Medicaid provisions. Existing law authorizes the California Medical Assistance Commission to negotiate selective provider contracts with eligible hospitals to provide inpatient hospital services to Medi-Cal beneficiaries.

Existing law generally defines a disproportionate share hospital as a hospital that has disproportionately higher costs, volume, or services related to the provision of services to Medi-Cal or other low-income patients than the statewide average. Under existing law, an eligible disproportionate share hospital may receive supplemental Medi-Cal reimbursement for debt service on revenue bonds used for financing eligible capital projects. Under existing law, eligible projects include new capital projects funded by new debt for which final plans have been submitted to the Office of the State Architect (OSA) and the Office of Statewide Health Planning and Development (OSHPD) after September 1, 1988, and prior to June 30, 1994, except as specified.

This bill would, to the extent federal financial participation is available, extend similar supplemental reimbursement provisions to capital projects of designated public hospitals, as defined, meeting prescribed requirements for which final plans have been submitted to OSHPD after January 1, 2007, and prior to December 31, 2011, provided those projects are related to meeting seismic safety deadlines.

The bill would prohibit the expenditure from the General Fund for the nonfederal share of the supplemental reimbursement without an express appropriation for that purpose. The bill would, to the extent that insufficient state funds are appropriated for the nonfederal share of the supplemental reimbursement, require the department to claim federal expenditures through other funding mechanisms, including the use of certified public expenditures or intergovernmental transfers, as necessary and appropriate.

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

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

SECTION 1. Section 14085.57 is added to the Welfare and Institutions Code, to read:

14085.57. (a) A designated public hospital, as defined in subdivision (d) of Section 14166.1, that is located in seismic zone 4, as determined by the Office of Statewide Health Planning and Development and the Seismic Safety Commission, that is contracting to provide services under this article, and that has or would have satisfied the criteria set forth in Section 14105.98 for the three most recent years prior to submitting final plans for an eligible project in accordance with paragraph (3) of subdivision (b), may receive supplemental reimbursement to the extent provided for in Section 14085.5, subject to subdivision (c), in addition to the rate of payment provided for in the contract entered into under this article.

(b) (1) A hospital qualifying pursuant to subdivision (a) that elects to receive reimbursement under this section shall submit documentation to the department regarding debt service on revenue bonds used for financing the construction, renovation, or replacement of trauma center facilities, including buildings and fixed equipment.

(2) A hospital qualifying pursuant to subdivision (a) shall remain open for the life of the supplemental reimbursements provided for pursuant to this section.

(3) (A) Eligible projects shall include those new capital projects funded by new debt for which final plans have been submitted to the Office of Statewide Health Planning and Development after January 1, 2007, and prior to December 31, 2011.

(B) Eligible projects that may receive supplemental reimbursement pursuant to subdivision (a) are limited to projects related to meeting seismic safety deadlines.

(c) No expenditure from the General Fund shall be made for the nonfederal share of the supplemental reimbursement provided for in this section without an express appropriation for that purpose. To the extent that insufficient state funds are appropriated for the nonfederal share of the supplemental reimbursement provided for in this section, the department shall claim federal expenditures through other funding mechanisms, including the use of certified public expenditures or intergovernmental transfers, as necessary and appropriate.

(d) The department shall promptly seek any necessary, and all available, federal approvals for the implementation of this section. This section shall be implemented only to the extent that federal approval and federal financial participation is available.

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