

AMENDED IN SENATE JUNE 18, 2009

AMENDED IN ASSEMBLY JUNE 1, 2009

AMENDED IN ASSEMBLY APRIL 28, 2009

AMENDED IN ASSEMBLY APRIL 16, 2009

AMENDED IN ASSEMBLY APRIL 13, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

## ASSEMBLY BILL

**No. 303**

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**Introduced by Assembly Member Beall**  
(Principal coauthor: Senator Alquist)

February 17, 2009

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

### LEGISLATIVE COUNSEL'S DIGEST

AB 303, as amended, 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 require a hospital qualifying for the supplemental reimbursement to submit documentation to the department regarding debt service on general obligation bonds or revenue bonds used for financing the construction, renovation, or replacement of hospital facilities.

The bill would prohibit the expenditure from the General Fund for the nonfederal share of the supplemental reimbursement. The bill would, to the extent that insufficient state funds are appropriated for the nonfederal share of the supplemental reimbursement, require the department to, for designated public hospitals, 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:*

- 1 SECTION 1. Section 14085.57 is added to the Welfare and
- 2 Institutions Code, to read:
- 3 14085.57. (a) A designated public hospital, as defined in
- 4 subdivision (d) of Section 14166.1, that is contracting to provide
- 5 services under this article, and that has or would have ~~satisfied~~
- 6 *fulfilled* the criteria set forth in Section 14105.98 or subparagraph
- 7 (B) of paragraph (1) of subdivision (c) of Section 14166.3 for the

1 three most recent years prior to submitting final plans for an  
2 eligible project in accordance with paragraph (3) of subdivision  
3 (b), may receive supplemental reimbursement to the extent  
4 provided for in Section 14085.5, subject to subdivision (c), in  
5 addition to the rate of payment provided for in the contract entered  
6 into under this article.

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

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

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

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

23 (c) No expenditure from the General Fund shall be made for  
24 the nonfederal share of the supplemental reimbursement provided  
25 for in this section. To the extent that insufficient state funds are  
26 appropriated for the nonfederal share of the supplemental  
27 reimbursement provided for in this section, the department shall,  
28 for designated public hospitals that meet the criteria in subdivision  
29 (a), claim federal expenditures through other funding mechanisms,  
30 including the use of certified public expenditures or  
31 intergovernmental transfers, as necessary and appropriate.

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