

AMENDED IN ASSEMBLY MAY 5, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 1076

Introduced by Assembly Member Jones

February 27, 2009

An act to ~~add Section 14016.53 to~~ amend Sections 14132.27 and 14133.10 of the Welfare and Institutions Code, relating to Medi-Cal, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1076, as amended, Jones. Medi-Cal.

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. ~~Existing law establishes the benefits under the program and the criteria under which they are provided, which may include the provision of services on a fee-for-service basis or pursuant to managed care plans.~~

~~This bill would require the department, no later than September 1, 2009, in consultation with the Legislature, to develop and implement a program to improve the Medi-Cal fee-for-service health care delivery system to better coordinate and manage health care services, emphasize timely primary and preventive care and management of chronic diseases, and reduce the use and overuse of high cost emergency and hospital inpatient services.~~

~~Existing law requires the department to apply for a waiver of federal law to test the efficacy of providing a disease management benefit, as described, to specified beneficiaries under the Medi-Cal program.~~

This bill would add the designation of a primary care provider as a patient's medical home to the list of components that a disease management benefit would include for purposes of the waiver.

Existing law authorizes the director, in conducting Medi-Cal acute care inpatient hospital utilization controls, to establish a program of aggressive case management of elective, nonemergency acute care hospital admissions.

This bill would, if the director has established a program of aggressive case management, require the director, on or after July 1, 2010, to expand the program to include Medi-Cal beneficiaries who meet prescribed conditions.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. 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 14016.53 is added to the Welfare and~~
2 ~~Institutions Code, to read:~~

3 ~~14016.53. The department shall, no later than September 1,~~
4 ~~2009, in consultation with the Legislature, develop and implement~~
5 ~~a program to do all of the following:~~

6 ~~(a) Improve the Medi-Cal fee-for-service health care delivery~~
7 ~~system to better coordinate and manage health care services.~~

8 ~~(b) Emphasize timely primary and preventive care and~~
9 ~~management of chronic diseases.~~

10 ~~(c) Reduce the use and overuse of high cost emergency and~~
11 ~~hospital inpatient services.~~

12 ~~SECTION 1. Section 14132.27 of the Welfare and Institutions~~
13 ~~Code is amended to read:~~

14 ~~14132.27. (a) (1) The department shall apply for a waiver of~~
15 ~~federal law pursuant to Section 1396n of Title 42 of the United~~
16 ~~States Code to test the efficacy of providing a disease management~~
17 ~~benefit to beneficiaries under the Medi-Cal program. A disease~~
18 ~~management benefit shall include, but not be limited to, the use~~
19 ~~of evidence-based practice guidelines, the designation of a primary~~
20 ~~care provider as a patient's medical home, supporting adherence~~
21 ~~to care plans, and providing patient education, monitoring, and~~
22 ~~healthy lifestyle changes.~~

1 (2) The waiver developed pursuant to this section shall be known
2 as the Disease Management Waiver. The department shall submit
3 any necessary waiver applications or modifications to the Medicaid
4 State Plan to the federal Centers for Medicare and Medicaid
5 Services to implement the Disease Management Waiver, and shall
6 implement the waiver only to the extent federal financial
7 participation is available.

8 (b) The Disease Management Waiver shall be designed to
9 provide eligible individuals with a range of services that enable
10 them to remain in the least restrictive and most homelike
11 environment while receiving the medical care necessary to protect
12 their health and well-being. Services provided pursuant to this
13 waiver program shall include only those not otherwise available
14 under the state plan, and may include, but are not limited to,
15 medication management, coordination with a primary care
16 provider, use of evidence-based practice guidelines, supporting
17 adherence to a plan of care, patient education, communication and
18 collaboration among providers, and process and outcome measures.
19 Coverage for those services shall be limited by the terms,
20 conditions, and duration of the federal waiver.

21 (c) Eligibility for the Disease Management Waiver shall be
22 limited to those persons who are eligible for the Medi-Cal program
23 as aged, blind, and disabled persons or those persons over 21 years
24 of age who are not enrolled in a Medi-Cal managed care plan, or
25 eligible for the federal Medicare program, and who are determined
26 by the department to be at risk of, or diagnosed with, select chronic
27 diseases, including, but not limited to, advanced atherosclerotic
28 disease syndromes, congestive heart failure, and diabetes.
29 Eligibility shall be based on the individual's medical diagnosis
30 and prognosis, and other criteria, as specified in the waiver.

31 (d) The Disease Management Waiver shall test the effectiveness
32 of providing a Medi-Cal disease management benefit. The
33 department shall evaluate the effectiveness of the Disease
34 Management Waiver.

35 (1) The evaluation shall include, but not be limited to, participant
36 satisfaction, health and safety, the quality of life of the participant
37 receiving the disease management benefit, and demonstration of
38 the cost neutrality of the Disease Management Waiver as specified
39 in federal guidelines.

1 (2) The evaluation shall estimate the projected savings, if any,
2 in the budgets of state and local governments if the Disease
3 Management Waiver was expanded statewide.

4 (3) The evaluation shall be submitted to the appropriate policy
5 and fiscal committees of the Legislature on or before January 1,
6 2008.

7 (e) The department shall limit the number of participants in the
8 Disease Management Waiver during the initial three years of its
9 operation to a number that will be statistically significant for
10 purposes of the waiver evaluation and that meets any requirements
11 of the federal government, including a request to waive statewide
12 implementation requirements for the waiver during the initial years
13 of evaluation.

14 (f) In undertaking this Disease Management Waiver, the director
15 may enter into contracts for the purpose of directly providing
16 Disease Management Waiver services.

17 (g) The department shall seek all federal waivers necessary to
18 allow for federal financial participation under this section.

19 (h) The Disease Management Waiver shall be developed and
20 implemented only to the extent that funds are appropriated or
21 otherwise available for that purpose.

22 (i) The department shall not implement this section if any of
23 the following apply:

24 (1) The department's application for federal funds under the
25 Disease Management Waiver is not accepted.

26 (2) Federal funding for the waiver ceases to be available.

27 *SEC. 2. Section 14133.10 of the Welfare and Institutions Code*
28 *is amended to read:*

29 14133.10. (a) Where it is expected to be cost-effective, the
30 director may, in conducting Medi-Cal acute care inpatient hospital
31 utilization control, establish a program of aggressive case
32 management of elective, nonemergency acute care hospital
33 admissions for the purpose of reducing both the numbers and
34 duration of acute care hospital stays by Medi-Cal beneficiaries.

35 (b) In conducting the case management program, the department
36 may; conduct daily reviews to determine the need for additional
37 days of inpatient care.

38 (c) In undertaking this case management program, the director
39 may enter into contracts, on a bid or nonbid basis, for the purposes
40 of obtaining the necessary expertise to train and educate utilization

1 control staff in case management concepts, principles and
2 techniques, identify and recommend cost-effective therapies,
3 services, and technology as alternatives to elective acute care
4 hospitalization or to directly provide the case management and
5 diversion services.

6 *(d) (1) If the director has established a program of aggressive*
7 *case management pursuant to subdivision (a), the director shall,*
8 *on or after July 1, 2010, expand the program to include Medi-Cal*
9 *beneficiaries who meet all of the following conditions:*

10 *(A) The beneficiaries have two or more chronic conditions,*
11 *including substance abuse disorders and mental health conditions.*

12 *(B) The beneficiaries are not enrolled in a managed care plan.*

13 *(C) The beneficiaries are not eligible for the Medicare benefits.*

14 *(D) The beneficiaries have received emergency department*
15 *services on four or more occasions in the previous 12 months.*

16 *(E) The beneficiaries are currently seeking care for a condition*
17 *that could have been prevented with timely primary care access*
18 *and case management.*

19 *(2) Case management services provided pursuant to this*
20 *subdivision shall include, but not be limited to, coordinating*
21 *services to ensure continuity of care, establishing links to health*
22 *care professionals and community social services resources that*
23 *would assist in stabilizing the target population, and expediting*
24 *the authorization of medically necessary services.*

25 ~~(d)~~

26 *(e) In order to achieve maximum cost savings the Legislature*
27 *hereby determines that an expedited contract process for contracts*
28 *under this section is necessary. Therefore, contracts under this*
29 *article may be on a nonbid basis, and shall be exempt from the*
30 *provisions of Chapter 2 (commencing with Section 10290) of Part*
31 *2 of Division 2 of the Public Contract Code. Contracts shall have*
32 *no force and effect unless approved by the Department of Finance.*

33 ~~(e)~~

34 *(f) The department shall seek all federal waivers necessary to*
35 *allow for federal financial participation under this section.*

36 ~~SEC. 2.~~

37 *SEC. 3. This act is an urgency statute necessary for the*
38 *immediate preservation of the public peace, health, or safety within*
39 *the meaning of Article IV of the Constitution and shall go into*
40 *immediate effect. The facts constituting the necessity are:*

- 1 In order to improve the Medi-Cal fee-for-service health care
- 2 delivery system at the earliest possible time, it is necessary that
- 3 this act take effect immediately.

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