

AMENDED IN SENATE SEPTEMBER 3, 2009

AMENDED IN SENATE SEPTEMBER 1, 2009

AMENDED IN SENATE AUGUST 17, 2009

AMENDED IN SENATE JUNE 28, 2009

AMENDED IN ASSEMBLY APRIL 28, 2009

AMENDED IN ASSEMBLY APRIL 14, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 1142

Introduced by Assembly Member Price

February 27, 2009

An act to amend Sections 14018.2 and 14019.4 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 1142, as amended, Price. Medi-Cal: proof of eligibility.

Existing law establishes 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 services. Existing law provides that it is the responsibility of the Medi-Cal beneficiary to provide information and evidence of Medi-Cal eligibility to that person's health care provider if that information is requested by the provider prior to rendering services to that beneficiary.

Existing law provides that it is the responsibility of the provider prior to rendering Medi-Cal reimbursable services to persons presenting themselves as Medi-Cal beneficiaries to make a good faith effort to verify the person's identity, if the person is not known to the provider,

otherwise payment for those services may later be disallowed by the department.

This bill would provide, if a hospital obtains proof of Medi-Cal eligibility for a patient subsequent to the date of service, that it is the responsibility of a hospital to provide all information regarding that person's Medi-Cal eligibility to certain providers that bill separately for all services associated with the person's treatment in the hospital rendered during the same time period for which the hospital is submitting a claim, as specified.

Existing law prohibits any provider of health care services who obtains a label or copy from the Medi-Cal card or other proof of eligibility from seeking reimbursement or attempting to obtain payment for the cost of the covered health care services from the eligible applicant or recipient, or any person other than the department or a 3rd-party payor who provides a contractual or legal entitlement to health care services.

This bill would require a Medi-Cal provider, if the provider receives proof of a patient's Medi-Cal eligibility and has previously referred an unpaid bill for services rendered to the patient to a debt collector, to promptly notify the debt collector of the patient's Medi-Cal coverage, instruct the debt collector to cease collection efforts on the unpaid bill for covered services, and notify the patient accordingly.

This bill would provide that a provider of health care services who obtains a label from, or copy of, the Medi-Cal card or other proof of eligibility and who subsequently pursues reimbursement or payment for the cost of covered services from the beneficiary or fails to cease collection efforts against the beneficiary for covered services, as prescribed, may be subject to a ~~fine~~ *penalty*, payable to the department, not to exceed 3 times the amount payable by *the* Medi-Cal *program*. The bill would also require that prescribed mitigating circumstances be considered when assessing the ~~fine~~ *penalty*. The bill would require that a provider have the ~~opportunity~~ *right* to appeal the assessed ~~fine~~ *penalty*, as specified.

Existing law prohibits a person furnishing information on a specific transaction or experience to any consumer credit reporting agency if the person knows or should know the information is incomplete or inaccurate.

This bill would provide that if a Medi-Cal provider or debt collector receives proof of Medi-Cal coverage for services rendered and then reports the services rendered to a consumer credit reporting agency or fails to provide corrections of, or instructions to delete, as appropriate,

information regarding Medi-Cal covered services to a consumer reporting agency, the provider or debt collector shall be deemed to be in violation of the above-described provisions.

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 14018.2 of the Welfare and Institutions
2 Code is amended to read:

3 14018.2. (a) Reimbursement shall not be denied to any
4 qualified health care provider for care rendered to an eligible
5 Medi-Cal beneficiary for the sole reason that a proof of eligibility
6 label does not accompany the bill.

7 Proof of eligibility labels may, however, continue to be used as
8 such and shall be made available to an eligible Medi-Cal
9 beneficiary through the local office which has determined the
10 person's eligibility or through the department. The provider may
11 submit machine-reproduced copies of the beneficiary Medi-Cal
12 card for billing purposes as long as the copy is made from the
13 original unaltered Medi-Cal card under circumstances controlled
14 by the provider, for example, on the premises of the provider with
15 copying equipment controlled by the provider.

16 (b) It shall remain the responsibility of a Medi-Cal beneficiary
17 to provide information and evidence of Medi-Cal eligibility,
18 restrictions on the eligibility, and non-Medi-Cal health coverage,
19 to that person's health care providers, if this information is
20 requested by those providers prior to rendering services to that
21 beneficiary.

22 (c) It shall be the responsibility of the provider prior to rendering
23 Medi-Cal reimbursable services to persons presenting themselves
24 as Medi-Cal beneficiaries to make a good faith effort to verify the
25 person's identity, if the person is not known to the provider, by
26 matching the name and signature on his or her Medi-Cal card
27 against the signature on a valid California driver's license, or
28 California identification card issued by the Department of Motor
29 Vehicles, or another type of picture identification card or other
30 credible document of identification. When the provider verifies
31 the beneficiary's identity with a signed Medi-Cal card and one of
32 the documents described above, the state will deem this to be a

1 good faith effort. If the provider does not make a good faith effort
2 of reasonable identification prior to rendering Medi-Cal
3 reimbursable services and renders services to a presenting person
4 who is ineligible for those Medi-Cal services, payment for those
5 services may later be disallowed.

6 This provision shall not apply to:

7 (1) Persons 17 years of age and under.

8 (2) Persons in long-term care.

9 (3) Persons receiving emergency services.

10 (d) Notwithstanding subdivision (b) of this section, county
11 welfare departments may provide Medi-Cal eligibility information
12 to other governmental agencies and their designated agents as
13 necessary for proper administration of the Medi-Cal program.

14 (e) If a hospital obtains proof of Medi-Cal eligibility for a patient
15 subsequent to the date of service, it shall be the responsibility of
16 the hospital to provide all information regarding that person's
17 Medi-Cal eligibility to all hospital-based providers, ambulance
18 transportation services providers, providers that provide ambulance
19 transportation services through the "911" emergency response
20 system, and other hospital-based providers of professional services
21 that bill separately for all services associated with the person's
22 treatment in the hospital rendered during the same time period for
23 which the hospital is submitting a claim. The hospital may inform
24 the provider that the person's Medi-Cal eligibility is pending,
25 before a final determination is made on the patient's Medi-Cal
26 application, to satisfy the requirements of this subdivision. If the
27 provider or the provider's agent obtains this information from the
28 hospital, the requirement has been satisfied.

29 (f) For purposes of this section, the following definitions apply:

30 (1) "Hospital-based provider" means an anesthesiologist,
31 radiologist, pathologist, emergency room physician, or other
32 physician or a group of physicians providing medical services at
33 the hospital.

34 (2) "Hospital-based professional services" means services
35 performed for a patient while at a hospital, related to the patient's
36 hospital stay, and known to the hospital, including, but not limited
37 to, diagnostic, laboratory, therapeutic, and radiologic services.

38 SEC. 2. Section 14019.4 of the Welfare and Institutions Code
39 is amended to read:

14019.4. (a) A provider of health care services who obtains a label or copy from the Medi-Cal card or other proof of eligibility pursuant to this chapter shall not seek reimbursement nor attempt to obtain payment for the cost of those covered health care services from the eligible applicant or recipient, or a person other than the department or a third-party payor who provides a contractual or legal entitlement to health care services.

(b) Whenever a service or set of services rendered to a Medi-Cal beneficiary results in the submission of a claim in excess of five hundred dollars (\$500), and the beneficiary has given the provider proof of eligibility to receive the service or services, the provider shall issue the beneficiary a receipt to document that appropriate proof of eligibility has been provided. The form and content of those receipts shall be determined by the provider but shall be sufficient to comply with the intent of this subdivision. Nursing facilities and all categories of intermediate care facilities for the developmentally disabled are exempt from the requirements of this subdivision.

(c) In addition to being subject to applicable sanctions set forth in law or regulation, a provider of health care services who obtains a label from, or copy of, the Medi-Cal card or other proof of eligibility pursuant to this chapter, and who subsequently pursues reimbursement or payment for the cost of covered services from the beneficiary or fails to cease collection efforts against the beneficiary for covered services as required by subdivision (d), may be subject to a ~~fine penalty~~, payable to the department, not to exceed three times the amount ~~the provider~~ payable by ~~Medi-Cal~~ *the Medi-Cal program*. In implementing this subdivision, mitigating circumstances, which include, but are not limited to, clerical error and good faith mistake, shall be considered when assessing the ~~fine penalty~~. Providers subject to ~~finer penalties~~ under this subdivision shall have the ~~opportunity~~ *right* to appeal the assessed ~~fine penalty~~, consistent with department procedures.

(d) When a Medi-Cal provider receives proof of a patient's Medi-Cal eligibility and that provider has previously referred an unpaid bill for services rendered to the patient to a debt collector, the Medi-Cal provider shall promptly notify the debt collector of the patient's Medi-Cal coverage, instruct the debt collector to cease collection efforts on the unpaid bill for the covered services, and notify the patient accordingly.

1 (e) If a patient provides proof of Medi-Cal eligibility to a debt
2 collector, and the debt collector fails to notify the provider of this
3 proof, the provider shall not be responsible for ensuring that
4 collection efforts against the patient cease pursuant to subdivision
5 (d) until either the patient or the debt collector provides the
6 provider with proof of the patient's Medi-Cal eligibility.

7 (f) A Medi-Cal provider or debt collector shall be deemed to
8 be in violation of subdivision (a) of Section 1785.25 of the Civil
9 Code if more than 30 days after receiving proof of Medi-Cal
10 coverage the provider or debt collector does either of the following:

11 (1) Furnishes information regarding the rendering of the
12 Medi-Cal covered services to a consumer credit reporting agency.

13 (2) Fails to provide corrections of, or instructions to delete, as
14 appropriate, information regarding Medi-Cal covered services
15 previously furnished by that Medi-Cal provider or debt collector
16 to a consumer reporting agency.

17 (g) This section shall not apply to the Medi-Cal share of cost
18 owed by a Medi-Cal beneficiary, unless the beneficiary's share of
19 cost has been met for the month in which services were rendered.

20 (h) For purposes of this section, "debt collector" includes any
21 person who regularly engages in debt collection, as defined by
22 Section 1788.2 of the Civil Code, but does not include the original
23 Medi-Cal provider.