



TOBY DOUGLAS
DIRECTOR

State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
GOVERNOR

DATE: November 24, 2014

ALL PLAN LETTER 14-016

TO: ALL MEDI-CAL MANAGED CARE HEALTH PLANS

SUBJECT: SUMMARY OF 2014 CHAPTERED LEGISLATION IMPACTING OR OF INTEREST TO MEDI-CAL MANAGED CARE HEALTH PLANS

PURPOSE:

The purpose of this Medi-Cal Managed Care All Plan Letter (APL) is to provide a summary of bills that were chaptered during the 2014 legislative session that may impact, or be of interest to Medi-Cal managed care health plans (MCPs). This summary highlights the main provisions of the new laws and cites relevant code sections. Copies of bills may be accessed through the California State Legislature's website:

<http://leginfo.legislature.ca.gov/faces/billSearchClient.xhtml>.

Please be advised that this summary does not reflect all changes in state law that may affect the business practices or daily operations of contracting MCPs. Full implementation of legislative requirements may be subject to the Centers for Medicare and Medicaid Services' approval.

REQUIREMENTS:

MCPs are responsible for reviewing and analyzing the impact of chaptered legislation on their operations. MCPs are expected to implement statutory changes as required by the effective date of each chaptered bill and should not delay any required operational changes while the Department of Health Care Services (DHCS) processes any relative contract amendments.

In addition, MCPs are responsible for compliance with any applicable regulatory requirements that are enforced by other state or federal entities (see MCP contract, Exhibit E, Attachment 2, Program Terms and Conditions). MCPs are reminded that due to these legislative actions, contracts may be amended to require any applicable changes, which include, but are not limited to, new or revised reporting requirements, policies and procedures, provider directories, member informing materials, or subcontracts. Per MCP contract requirements, DHCS may also review and approve certain MCP documents and/or amended materials.

When necessary, DHCS will issue APLs, Policy Letters, or Duals Plan Letters to clarify the application of new laws in Medi-Cal managed care. In addition, DHCS may be

required to promulgate new regulations as part of the implementation process for new statutory requirements. Future letters and proposed regulations related to new legislation will be distributed to contracting MCPs as they become available.

Chaptered Legislation Summaries

Assembly Bill (AB) 505 (Chapter 788, Statutes of 2014)

Requires all MCPs contracting with DHCS that provide Medi-Cal services to provide language assistance services to Limited English Proficient (LEP) mandatory Medi-Cal beneficiaries. These services include 24-hour oral interpretation services in any language and the translation of written materials into threshold languages. Additionally, DHCS is required in certain situations to make a determination of the LEP populations that meet certain numeric thresholds and to instruct MCPs by means of contract amendments, APLs or other similar instruction to implement changes.

AB 2117 (Chapter 602, Statutes of 2014)

Gives the boards of supervisors of both Santa Barbara and San Luis Obispo Counties the ability to order the dissolution of the Santa Barbara San Luis Obispo Regional Health Authority in order for the dissolution to become effective. Previously, state law only allowed the Santa Barbara Board of Supervisors the ability to dissolve the regional health authority. The purpose of the bill was to include the San Luis Obispo County Board of Supervisors in the decision making process regarding the dissolution of an organization that serves both counties.

Senate Bill (SB) 964 (Chapter 573, Statutes of 2014)

Authorizes the Department of Managed Health Care (DMHC) to develop standardized methodologies to be used by health care service plans (HCSPs) in making reports on compliance with timeliness access standards. The bill requires DMHC to review information regarding compliance with the timeliness standards on an annual basis, rather than at three-year intervals under current law, and to post this information on its Internet website. SB 964 requires an HCSP, as part of the annual reports, to submit data regarding network adequacy to DMHC, and requires DMHC to review that data for compliance with the Knox-Keene Act. An HCSP that provides services to Medi-Cal beneficiaries is required to provide the network adequacy report data to DHCS. The bill requires the Director of DHCS to publically report the final findings of annual medical audits.

SB 1053 (Chapter 576, Statutes of 2014)

Requires any HCSP contract, including an MCP contract, or any disability insurance policy issued, amended, or renewed on or after January 1, 2016, to provide coverage for women for all prescribed and Food and Drug Administration (FDA)-approved female contraceptive drugs, devices, and products, as well as voluntary sterilization procedures, contraceptive education and counseling, and related follow-up services. The bill prohibits HCSPs and disability insurance policies from imposing enrollee cost-

sharing requirements and any restrictions or delays on the coverage that are not otherwise authorized per the bill. Where the FDA has approved one or more therapeutic equivalents of a contraceptive drug, device, or product, an HCSP and a disability insurance policy is not required to cover all of those therapeutically equivalent versions as long as at least one is covered without cost sharing.

SB 1340 (Chapter 83, Statutes of 2014)

Makes clarifying changes to existing law prohibiting contracts between health plans or insurers and hospitals from restricting the release of information on cost of procedures or quality of services to subscribers or enrollees. This bill would require that an HCSP or insurer allow a provider or supplier with at least 30 days to review the methodology and data used and would make related, conforming changes.

If you have any questions regarding this APL, please contact Mike McLatchey at Michael.McLatchey@dhcs.ca.gov.

Sincerely,

Original Signed by Sarah C. Brooks

Sarah C. Brooks, Chief
Managed Care Quality and Monitoring Division
Department of Health Care Services