

**DEPARTMENT OF HEALTH CARE SERVICES  
LEGISLATIVE SUMMARY  
2008**

Compiled by the  
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**DEPARTMENT OF HEALTH CARE SERVICES  
ADMINISTRATION-SPONSORED LEGISLATION**

<b><u>BILL #</u></b>	<b><u>AUTHOR</u></b>	<b><u>CHAPTER #</u></b>	<b><u>SUBJECT</u></b>
AB 2120	Galgiani	260	Medical Telemedicine
SB 400	Corbett	134	Medi-Cal: Outpatient Prescription Drugs

**2008 BUDGET BILLS**

<b><u>BILL#</u></b>	<b><u>AUTHOR</u></b>	<b><u>CHAPTER #</u></b>	<b><u>SUBJECT</u></b>
AB 88	Comm. on Budget	269	Supplemental to Budget Act 2008
AB 1781	Laird	268	Budget Act of 2008

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BY DHCS PROGRAM AREA**

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## LEGAL SERVICES

AB 55           Laird (Chapter 290)  
**REFERRAL FEES: INFORMATION TECHNOLOGY AND TRAINING SERVICES**

AB 55, sponsored by the California Hospital Association, updates existing state law to conform to broader federal statutes and regulations related to such inducements and to fraud, bribery, kickbacks and “safe-harbor” exclusions from such rules.

## LEGISLATIVE AND GOVERNMENTAL AFFAIRS

AB 1183       Committee on Budget (Chapter 758)  
**HEALTH: BUDGET TRAILER BILL**

AB 1183, sponsored by author, extends the provisions of AB 1629 (Chapter 875, Statutes of 2004) by an additional two years (to July 31, 2011), establishes a rate cap of 5 percent for the additional two years, and establishes a stakeholder process to make recommendations to DHCS to ensure compliance with the intent of the AB 1629 provisions; provides DHCS the authority to contract for blood factor products for beneficiaries of the Medi-Cal, GHPP and CCS Program; implements a proposal to use a portion of the manufacturer rebates to completely self-fund the California Discount Prescription Drug Program and repay the General Fund; eliminates payment of the Medicare Part B premium payments for those Medi-Cal beneficiaries who have an unmet share of cost that exceeds \$500; reduces continuous eligibility for children from 12 months to six months and requires children to file semiannual status reports, until January 1, 2012; requires DHCS to conduct research and report to the Legislature on the impact of semiannual reporting requirements to children who have previously been protected by continuous eligibility for children; allows DHCS to establish a state-only Medi-Cal program, under the California Kinship Guardianship Assistance Payment Program, for children who do not meet Medi-Cal eligibility requirements due to excess property, excess income, or unsatisfactory immigration status; eliminates the September 1, 2008 inoperative date, and the January 1, 2009 sunset date for the 250% Working Disabled Program, thus making it a permanent program; eliminate the current sunset date (January 1, 2009) for the provision that limits reimbursement to providers for dental services provided to individuals 21 years or older to not more than \$1800 per beneficiary in any calendar year; sets the amounts payable by Medi-Cal managed care plans to noncontract hospitals for outpatient, emergency inpatient, and post-stabilization services, until January 1, 2011; allows DHCS to distribute provider bulletins and other provider communications for the Medi-Cal program and other related programs by either print or electronic medium, including posting on the DHCS Web site; limits the application of the

current 10 percent Medi-Cal provider payment reduction to dates of service July 1 through February 28, 2009, and establishes new and lower provider payment percentage reductions, effective March 1, 2009; establishes negotiated supplemental rebates on coagulation factors; establishes a two-year pilot program to utilize the federal Public Assistance Reporting Information System to identify veterans and their dependents or survivors who are enrolled in the Medi-Cal program and assist them in obtaining federal veteran health care benefits; expresses the intent of the Legislature to not appropriate funds to grant a cost-of-doing-business adjustment for fiscal year 2008-09, and for that fiscal year will set aside the penalty for those counties which do not meet required performance standards; authorizes and ensures the continuous transfer of certain federal funds intended for certain California hospitals into the appropriate State Fund to ensure timely payments of these federal funds to these hospitals; specifies a one-time reduction to the continuous State General Fund appropriation to the Private Hospital Supplemental Fund in fiscal year 2008-09 by \$13,600,000, and by an amount equal to one-half of the difference between \$18,300,000 and the amount of any reduction in the additional payments for distressed hospitals participating in the Selective Provider Contracting Program; specifies a one-time reduction to the available funding for distressed hospitals for fiscal year 2006-07 by \$18,300,000, only if the amount available is equal to or greater than \$18,300,000; reduces reimbursements to certain hospitals for inpatient services provided to Medi-Cal beneficiaries until January 1, 2013 and requires annual reports to the Legislature; amends existing law to provide clear statutory authority for the transfer of federal funding to the Los Angeles Medical Services Preservation Fund; extends the HIV/AIDS Pharmacy Pilot Program for an additional year and also limits the extra compensation (\$9.50 per claim) paid to the pharmacies for Medication Therapy Management Services to claims for drugs used to treat AIDS or AIDS-related opportunistic infections; requires DHCS to provide preliminary capitation rates to COHS plans by June 30<sup>th</sup> of each year or no later than 5 days after the budget is signed if the June 30<sup>th</sup> deadline has passed; clarifies the medical necessity criteria to be met in order for a resident of an ICF/DD-H to be authorized for Adult Day Health Care.

## **MEDI-CAL BENEFITS, WAIVERS ANALYSIS & RATES**

AB 572      Berg (Chapter 648)  
**ADULT DAY HEALTH CARE SERVICES**

AB 572, sponsored by the California Association for Adult Day Services (CAADS), makes changes to existing laws that govern the Adult Day Health Care (ADHC) program. Specifically, this bill makes changes that apply to the purpose and definitions applicable to the ADHC program to include adults with disabilities; allows other health professionals, besides a participant's personal health care provider, to identify and document that the participant has one or more chronic or post acute medical, cognitive, or mental health

conditions; clarifies departments' roles; establishes qualifications for program directors and social workers; establishes requirements for the provision of participants' meals; clarifies parameters for providing transportation to and from the participant's place of residence and the ADHC center; and provides parameters of written policies and procedures for dealing with natural disasters and emergency situations. (See Sign Message).

AB 1780

Galgiani (Chapter 320)

**MENTAL HEALTH MANAGED CARE CONTRACTS**

AB 1780, sponsored by the Department of Mental Health (DMH), requires the state DMH, in collaboration with DHCS and specified mental health advocacy groups, to codify an administrative structure for the delivery, review and oversight of the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) specialty mental health services provided under the Medi-Cal Specialty Mental Health Services managed care waiver program by county mental health plans. In addition, the bill establishes two requirements that entities awarded contracts to conduct client record reviews of EPSDT specialty mental health services shall: 1) comply with all federal and state privacy laws, including, but not limited to, the federal Health Insurance Portability and Accountability Act; and 2) not use, sell or disclose client records for a purpose other than the purpose for which the client records were given to the contractor.

AB 2120

Galgiani (Chapter 260)

**MEDICAL TELEMEDICINE**

AB 2120, sponsored by DHCS, authorizes "teleophthalmology and teledermatology services by store and forward" under the Medi-Cal program to continue by extending the January 1, 2009 sunset date to January 1, 2013. These telemedicine services are authorized to the extent that federal financial participation is available.

AB 2565

Eng (Chapter 465)

**HOSPITALS: BRAIN DEATH**

AB 2565, sponsored by the author, requires general acute care hospitals to adopt policies for providing families or next of kin with a reasonably brief period of accommodation from the time the patient is declared dead by reason of irreversible cessation of all functions of the entire brain through discontinuation of cardiopulmonary support. Further, the bill requires hospitals to make reasonable efforts to accommodate special religious or cultural practices or concerns of the patient's family or next of kin surrounding the issue of brain death.

## **MEDI-CAL ELIGIBILITY**

AB 2300 Laird (Chapter 673)  
**SCHOOL LUNCH AND BREAKFAST PROGRAMS: DIRECT CERTIFICATION**

AB 2300, sponsored by the author, requires the California Department of Education, in consultation with DHCS, to develop and implement a process to use participation data from the Medi-Cal program to directly verify children that are enrolled in Medi-Cal and, therefore, eligible for free or reduced price meals. If permitted by federal law, this bill also allows the use of Medi-Cal participation data to directly certify children into the school meal program.

SB 483 Kuehl (Chapter 379)  
**MEDI-CAL: HOME AND FACILITY CARE**

SB 483, sponsored by the AARP, Congress of California Seniors and California Advocates for Nursing Home Reform, amends state law to comply with changes made to federal law as a result of the Omnibus Budget Reconciliation Act of 1993 (OBRA '93) and the Deficit Reduction Act (DRA) of 2005. This bill requires, to the extent required by federal law, any applicant for, or recipient of, Medi-Cal benefits who requests medical assistance for 1915(c) home and community based waiver services or nursing facility level of care in a medical institution or nursing facility (home and facility care) to meet specific asset eligibility requirements.

SB 1136 Alquist (Chapter 479)  
**PUBLIC SOCIAL SERVICES: UNREASONABLE FEES**

SB 1136, sponsored by the Santa Clara County Board of Supervisors, makes it unlawful for a person to charge or receive an “unreasonable” fee to “prepare, aid, or advise any prospective applicant, applicant, or recipient in the procurement, maintenance, or securing of public social services.”

SB 1147 Calderon (Chapter 546)  
**MEDI-CAL: ELIGIBILITY: JUVENILE OFFENDERS**

SB 1147, sponsored by the Youth Law Center, requires DHCS’s Medi-Cal program to suspend benefits of institutionalized individuals under the age of 21 if they are Medi-Cal beneficiaries when they become inmates of a public institution. The bill provides that the suspension is effective the date of incarceration and requires the suspension to end on the date the inmate is released from the public institution or one year from the date s/he is incarcerated, whichever is sooner.

## **MEDI-CAL MANAGED CARE**

AB 1894      Krekorian (Chapter 631)  
**HEALTH CARE COVERAGE: HIV TESTING**

AB 1894, sponsored by the AIDS Healthcare Foundation, requires individual or group health care service plan contracts and health insurers, on or after January 1, 2009, to provide coverage for human immunodeficiency virus (HIV) testing regardless of whether the testing is related to a primary diagnosis. (See Sign Message)

## **PHARMACY BENEFITS**

SB 400      Corbett (Chapter 134)  
**MEDI-CAL: OUTPATIENT PRESCRIPTION DRUGS**

SB 400, sponsored by DHCS, amends existing statute to allow Medi-Cal to require that tamper resistant prescription forms be used, to the extent required by federal law, whenever a prescriber executes a prescription for a covered outpatient drug in written, non-electronic form, effective April 1, 2008.

## **SAFETY NET FINANCING**

AB 2527      Berg (Chapter 464)  
**MEDI-CAL: TARGETED CASE MANAGEMENT AND ADMINISTRATIVE CLAIMING PROCESS PROGRAMS**

AB 2527, sponsored by the author, allows local governmental agencies (LGAs) and local educational consortia (LECs) participating in the Targeted Case Management and Medi-Cal Administrative Activities programs to identify and certify allowable expenditures in compliance with federal regulation. It also allows LECs and LGAs to submit invoices to DHCS based on expenditures certified by city and other local public entities within their jurisdiction. Finally, it removes outdated and unnecessary language from existing statutes.

## **SYSTEMS OF CARE**

AB 2474      Galgiani (Chapter 496)  
**HEALTH CARE PROGRAMS: PROVIDER REIMBURSEMENT RATES**

AB 2474, sponsored by the California Children's Hospital Association, requires DHCS, until January 1, 2010, to reimburse inpatient hospital care authorized for non-Medi-Cal clients enrolled in the California Children's

Services Program or the Genetically Handicapped Persons Program at 90 percent of the Medi-Cal interim hospital rate. The bill further specifies that the rate shall not be subject to any reductions enacted in the 2007-08 Regular Sessions. AB 2474 is an urgency measure.

## **UTILIZATION MANAGEMENT**

AB 3043      Committee on PERS (Chapter 43)  
**PUBLIC EMPLOYEES**

AB 3043, sponsored by the Department of Personnel Administration, approves addenda to the memoranda of understanding (MOU) entered into by six state bargaining units, including Bargaining Unit 19 (Health and Social Services/Professional), which represents Pharmaceutical Consultant I positions. These addenda include a monthly recruitment and retention differential for Pharmaceutical Consultant I positions within DHCS.

## 2008 ENROLLED BILLS

BILL NUMBER	AUTHOR	FINAL STATUS	CHAPTER	PROGRAM*	PAGE NUMBER
AB 16	Evans	Veto		MC	---
AB 54	Dymally	Veto		MC	---
AB 55	Laird	Sign	290	LG	1
AB 88	Comm. on Budget	Sign	269	LA	---
AB 317	Berg	Veto		MB	---
AB 368	Carter	Veto		SC	---
AB 572	Berg	Sign	648	MB	2
AB 865	Davis	Veto		AD	---
AB 1183	Comm. on Budget	Sign	758	LA	1
AB 1701	Dymally	Veto		MB	---
AB 1780	Galgiani	Sign	320	MB	3
AB 1781	Laird	Sign	268	LA	---
AB 1894	Krekorian	Sign	631	MC	5
AB 1962	De La Torre	Veto		WH	---
AB 2120	Galgiani	Sign	260	MB	3
AB 2300	Laird	Sign	673	ME	4
AB 2440	Laird	Veto		MB	---
AB 2474	Galgiani	Sign	496	SC	5
AB 2527	Berg	Sign	464	SF	5
AB 2565	Eng	Sign	465	MB	3
AB 2784	La Malfa	Veto		SF	---
AB 3043	Comm. on PERS	Sign	43	UM	6
SB 400	Corbett	Sign	134	PB	5
SB 483	Kuehl	Sign	379	ME	4
SB 840	Kuehl	Veto		ME	---
SB 973	Simitian	Veto		MC	---
SB 1132	Migden	Veto		ME	---
SB 1136	Alquist	Sign	479	ME	4
SB 1147	Calderon	Sign	546	ME	4
SB 1198	Kuehl	Veto		MC	---
SB 1440	Kuehl	Veto		MC	---
SB 1634	Steinberg	Veto		SC	---
SB 1738	Steinberg	Veto		SC	---

\*See Program Assignments and Acronyms on Next Page.

## PROGRAM ASSIGNMENTS AND ACRONYMS

PROGRAM	CODE
Administration	AD
Audits and Investigations	AI
Budget Office	BO
Clinical Preventive Medicine, Office of	CP
Civil Rights, Office of	CR
Fiscal Intermediary & Contracts Oversight	FC
Fiscal Forecasting & Data Management	FF
HIPAA Compliance, Office of	HC
Health Policy	HP
Information Technology	IT
Legislative and Governmental Affairs, Office of	LA
Legal Services	LG
Long-Term Care	LT
Medi-Cal Benefits, Waivers Analysis and Rates	MB
Medi-Cal Managed Care	MC
Medi-Cal Eligibility	ME
Public Affairs, Office of	PA
Pharmacy Benefits	PB
Provider Enrollment	PE
Primary & Rural Health	RH
Systems of Care	SC
Safety Net Financing	SF
Third Party Liability & Recovery	TR
Utilization Management	UM
Women's Health, Office of	WH

# **SIGN MESSAGES**

(Sign and Veto messages follow this index in numeric order.)

<b><u>BILL#</u></b>	<b><u>AUTHOR</u></b>	<b><u>SUBJECT</u></b>	<b><u>DIV</u></b>
AB 88	Committee on Budget	Supplemental- Budget Act of 2008	LA
AB 572	Berg	Adult Day Health Care Services	MB
AB 1781	Laird	Budget Act of 2008	LA
AB 1894	Krekorian	Health Care Coverage: HIV Testing	MC

## VETO MESSAGES

<u>BILL#</u>	<u>AUTHOR</u>	<u>SUBJECT</u>	<u>DIV</u>
AB 16	Evans	Human Papillomavirus Vaccination	MC
AB 54	Dymally	Health Care Coverage: Acupuncture	MC
AB 317	Berg	Adult Day Health Care Centers: Disasters	MB
AB 368	Carter	Hearing Aids	SC
AB 865	Davis	State Agencies: Live Customer Service Agents	AD
AB 1701	Dymally	Medi-Cal: Pilot Project: Transfer of Pediatric Patients: Subacute Care Health Facilities	MB
AB 1962	De La Torre	Maternity Services	WH
AB 2440	Laird	Medi-Cal: Reimbursement Codes	MB
AB 2784	La Malfa	Medi-Cal: Hospitals: Reimbursements	SF
SB 840	Kuehl	Single-Payer Health Care Coverage	ME
SB 973	Simitian	California Health Benefits Service Program	MC
SB 1132	Migden	Medi-Cal: Foster Care Adolescents	ME
SB 1198	Kuehl	Health Care Coverage: Durable Medical Equipment	MC
SB 1440	Kuehl	Health Care Coverage: Benefits	MC
SB 1634	Steinberg	Health Care Coverage: Cleft Palates	SC
SB 1738	Steinberg	Medi-Cal: Frequent Users of Health Care Pilot Program	SC