



Department of Health Care Services



LEGISLATIVE SUMMARY 2011

**TOBY DOUGLAS
DIRECTOR**

**DEPARTMENT OF HEALTH CARE SERVICES
LEGISLATIVE SUMMARY
2011**

Compiled by the
Department of Health Care Services
Legislative and Governmental Affairs
MS 0006 ~ PO Box 997413
Sacramento, CA 95899-7413
(916) 440-7500

DEPUTY DIRECTOR

KELLY GREEN

Assistant Deputy Director

Steve Caldwell

Legislative Coordinators

Carolyn Brookins
Cynthia Robinson
Norma Solorio

Legislative Staff

Cynthia Bowman
George Cordero
Tina Johnson

DEPARTMENT OF HEALTH CARE SERVICES
LEGISLATIVE SUMMARY 2011
TABLE OF CONTENTS

	Page
2011 Sponsored Legislation and 2011-12 Budget Bills with Impact to DHCS.....	i
Index of Bills Signed by the Governor, by Program Area	ii
Summaries of Bills Signed by the Governor:	
HEALTH INFORMATION TECHNOLOGY	1
LEGAL SERVICES.....	1
LEGISLATIVE AND GOVERNMENTAL AFFAIRS.....	1
LONG TERM CARE	7
MEDI-CAL BENEFITS, WAIVER ANALYSIS AND RATES	7
MEDI-CAL ELIGIBILITY	10
MEDI-CAL MANAGED CARE	12
SAFETY NET FINANCING.....	12
SYSTEMS OF CARE	14
THIRD PARTY LIABILITY AND RECOVERY.....	14
Numeric Index of Enrolled Bills for Legislative Year 2011	15
Program Assignments and Acronyms	16
Sign & Veto Message Index	17
(No Sign/Veto Messages are included in PDF version of this report)	

DEPARTMENT OF HEALTH CARE SERVICES
Administration Sponsored Legislation

<u>BILL#</u>	<u>AUTHOR</u>	<u>CHAPTER #</u>	<u>SUBJECT</u>
SB 945	Committee on Health	433	Medi-Cal: electronic records

2011-12 BUDGET BILLS

<u>BILL#</u>	<u>AUTHOR</u>	<u>CHAPTER #</u>	<u>SUBJECT</u>
SB 87	Leno	33	2011-12 Budget
AB 97	Committee on Budget	3	Health care services
AB 99	Committee on Budget	4	CA Children & Families Act of 1998: use of funds
AB 102	Committee on Budget	29	Health trailer bill
AB 106	Committee on Budget	32	Human Services trailer bill

**INDEX OF BILLS SIGNED BY THE GOVERNOR
BY DHCS PROGRAM AREA**

HEALTH INFORMATION TECHNOLOGY

SB 945 Medi-Cal: electronic records1

LEGAL SERVICES

AB 410 Regulations: adoption: disability access1

LEGISLATIVE AND GOVERNMENTAL AFFAIRS

AB 97 Health Care Services1
AB 99 California Children and Families Act of 1998: use of funds.....4
AB 102 Health Trailer Bill.4
ABx1 16 Local Revenue Fund 20116
SB 72 Human Services6

LONG TERM CARE

AB 574 Program of All-Inclusive Care for the Elderly7

MEDI-CAL BENEFITS, WAIVER ANALYSIS AND RATES

AB 106 Human Services Trailer Bill7
AB 215 Emergency Services: Emergency Medical Air Transportation Act7
AB 415 Healing Arts: telehealth.....8
AB 667 Medi-Cal: subacute care program.....8
AB 1297 Medi-Cal: mental health9
ABx1 19 Long-Term Care9
SB 73 Health and Human Services9
SB 946 Public Health.....10

MEDI-CAL ELIGIBILITY

AB 396 Medi-Cal: juvenile detention facilities10
AB 499 Minors: medical care: consent11
AB 509 Federal Earned Income Tax Credit: notification: state departments and
agencies11
AB 641 Long-Term Care11
AB 1296 Health Care Eligibility, Enrollment, and Retention Act11
SB 695 Medi-Cal: county juvenile detention facilities12

MEDI-CAL MANAGED CARE

ABx1 21	Public Health: managed care plan taxes	12
---------	--	----

SAFETY NET FINANCING

AB 113	Health: hospitals: Medi-Cal	12
AB 678	Medi-Cal: supplemental provider reimbursement	13
AB 1066	Public Health Care: Medi-Cal: demonstration project waivers	13
SB 90	Health: hospitals: Medi-Cal	13
SB 335	Medi-Cal: hospitals: quality assurance fee.....	13

SYSTEMS OF CARE

AB 301	Medi-Cal: managed care.....	14
--------	-----------------------------	----

THIRD PARTY LIABILITY AND RECOVERY

AB 1305	Decedents' Estates: smaller estates	14
---------	---	----

SUMMARIES OF BILLS SIGNED BY THE GOVERNOR:

HEALTH INFORMATION TECHNOLOGY

SB 945 Committee on Health (Chapter 433)
MEDI-CAL: ELECTRONIC RECORDS

SB 945, sponsored by the California Department of Health Care Services (DHCS), allows DHCS to administer the Medi-Cal Electronic Health Record (EHR) Incentive Program, including the establishment of policy and disbursement of EHR incentive payments to eligible providers. Also allows for the establishment of a competitive bid process exempt from the Department of General Services' review and approval; issuance of provider bulletins or similar instructions without regulatory action; and an appeal process pursuant to Welfare and Institution Code (W&I Code) Section 14043.65. This article becomes inoperative on July 1, 2021, and is repealed January 1, 2022, unless another later enacted statute extends it.

LEGAL SERVICES

AB 410 Swanson (Chapter 495)
REGULATIONS: ADOPTION: DISABILITY ACCESS

AB 410, sponsored by the author, requires an agency that proposes certain regulations, upon a request from a person with a visual disability or other disability for which effective communication is required under state or federal law, to provide that person with a narrative description of the proposed regulation, and extends the public comment period for that person. The bill makes these requirements applicable to an agency only for purpose of a proposed regulation until that regulation is filed with the Secretary of State or until the agency otherwise concludes the regulatory adoption process. The bill requires an agency that adopts a regulation that is subject to the requirements of the bill to submit a report to the Governor and certain committees of the Legislature on or before February 1, 2014. This bill applies to regulations proposed by DHCS pertaining to the Medi-Cal program.

LEGISLATIVE AND GOVERNMENTAL AFFAIRS

AB 97 Committee on Budget (Chapter 3)
HEALTH CARE SERVICES

AB 97, sponsored by the Committee on Budget, implements the provisions of the State budget for fiscal year 2011-2012, as it pertains to DHCS, the Emergency Medical Services Authority, and the Managed Risk Medical Insurance Board (MRMIB). Specifically, AB 97:

- Revises statute related to the DHCS reimbursement mechanism to Medi-Cal managed care health plans serving Lanterman Developmental Center members to ensure there is no ambiguity as to DHCS' intent to pay a full risk rate rather than through a cost-based reimbursement model.
- Allows the more restrictive methodologies used to calculate premium payments required by AB 1269 (Brownley, Chapter 282, Statutes of 2009) to be delayed until 2014 when this provision will no longer violate the eligibility maintenance of effort provisions of the Patient Protection and Affordable Care Act (ACA) of 2010 which, along with the American Recovery and Reinvestment Act of 2009, prohibit states from implementing more restrictive eligibility standards, procedures, or methodologies than what were in place as of July 1, 2008, in order to receive increased or continued federal funding.
- Provides a one year extension of the sunset date (from January 1, 2012 to January 1, 2013) to the statute that establishes inpatient hospital rates as limits to the amounts that may be paid by Medi-Cal managed care health plans to out-of-network hospitals.
- Reduces payments by ten percent for Medi-Cal long-term care per-diem services provided in Intermediate Care Facilities for the Developmentally Disabled for dates of services on or after June 1, 2011. The ten percent payment reduction will be applied to payment rates currently capped at 2008-09 levels and DHCS will make an actuarially equivalent reduction to the capitation rates of Medi-Cal managed care plans.
- Adds inoperative and repeal date provisions to sunset the current one and five percent provider payment reductions that state law enacted effective March 1, 2009. Additionally, except for specified exemptions, the sections reduce provider payments by ten percent for Medi-Cal and specified non-Medi-Cal program fee-for-service (FFS) and managed care services rendered on or after June 1, 2011. DHCS will make an actuarially equivalent reduction to the capitation rates of Medi-Cal managed care plans.
- Makes California law consistent with federal law by expanding the collection of federal drug rebates to include covered outpatient drugs dispensed to enrollees of Medi-Cal managed care organizations.
- States the Legislature's intent to enact legislation by August 1, 2011, that provides for the development of a new reimbursement methodology that will enable DHCS to achieve savings, while continuing to reimburse pharmacy providers in compliance with federal law.

- Reduces payments by ten percent for Medi-Cal long-term care per-diem services provided in facilities subject to the AB 1629 (2004)/Medi-Cal Long Term Care Reimbursement Act on or after June 1, 2011. The ten percent payment reduction will be applied to payment rates established after the application of both the specified maximum annual increase for rate years 2010-11 and 2011-12 and the set-aside of funds for the Skilled Nursing Facility Quality and Accountability Supplemental Payment System. DHCS will make an actuarially equivalent reduction to the capitation rates of Medi-Cal managed care plans.
- Establishes a benefit cap amount of \$1,510 per fiscal year for the Medi-Cal optional hearing aid benefit for Medi-Cal beneficiaries in both Medi-Cal FFS and managed care. Specific managed care plans are excluded from the benefit cap, as well as beneficiaries over the age of 21, beneficiaries receiving care in specified long term care facilities, or beneficiaries receiving pregnancy-related benefits, and benefits for the treatment of other conditions that might complicate the pregnancy if not treated.
- Places a seven (7) visit per year cap on the number of outpatient physician office and/or clinic visits allowed per Medi-Cal beneficiary, per fiscal year, in both managed care and FFS settings; however, specific managed care plans are not subject to the cap. Medi-Cal will not pay for any physician visits beyond the established amount unless a physician or other medical professional under the supervision of the physician certifies that the visit meets specified circumstances.
- Eliminates over-the-counter cough and cold products as Medi Cal benefits for beneficiaries age 21 years and older. This section also limits enteral nutrition products, when used by beneficiaries age 21 years and older, to only those individuals that must be tube fed.
- Imposes mandatory copayments of up to \$5 for physician and Federally Qualified Health Center/Rural Health Centers office visits; up to \$5 for dental office visits; up to \$3 for preferred drug categories and up to \$5 for not preferred drug categories; up to \$50 for emergency and nonemergency emergency room visits; and up to \$100 per hospital inpatient day with a maximum of up to \$200 per admission. However, beneficiaries in certain managed care plans are excluded from the copayment requirement. Current voluntary copayments will continue until the mandatory copayments are implemented.
- Allows for elimination of the Fiscal Year (FY) 2011-12 cost of living adjustment granted to the counties as part of the allocation for county administration of the Medi-Cal program.

- Eliminates the Adult Day Health Care (ADHC) program as a Medi-Cal benefit and requires DHCS to implement a short-term program to fund organizations to assist individuals receiving ADHC services to transition to other Medi-Cal services, social services, and respite programs, or to provide social activities and respite assistance for individuals who were receiving ADHC services at the time the services were eliminated.
- States the Legislature's intent to adopt a new program, called Keeping Adults Free from Institutions, during the 2011-12 Regular Session, to provide a scope of services to eligible beneficiaries who meet a high medical acuity standard and are at significant risk of institutionalization in the absence of such community based services.

AB 99

Committee on Budget (Chapter 4)

CALIFORNIA CHILDREN AND FAMILIES ACT OF 1998: USE OF FUNDS

AB 99, sponsored by the Committee on Budget, provides for \$1 billion from the California Children and Families Act to be deposited into the newly created Children and Families Health and Human Services Fund, for fiscal year 2011-12 only, for the purpose of providing health and human services, including direct health care services, to children from birth through 5 years of age.

AB 102

Committee on Budget (Chapter 29)

HEALTH TRAILER BILL

AB 102, sponsored by the Committee on Budget, implements the provisions of the State budget for fiscal year 2011-2012, as it pertains to DHCS, the Department of Mental Health (DMH), and MRMIB. As it relates to DHCS, this bill:

- Authorizes DHCS to utilize existing health care service provider payment mechanisms, including the Medi-Cal program's fiscal intermediary, to provide specified health care coverage to individuals that meet Healthy Families Program (HFP) and the Access for Infants and Mothers (AIM) program eligibility requirements; allows DHCS to issue a benefits identification card for the purpose of identifying an individual who has been determined eligible to receive health care services from a Medi-Cal provider under the HFP; and allows participating Medi-Cal providers to act as rendering providers for the HFP and the AIM program and for such providers to be paid at prevailing Medi-Cal rates for the same service rendered under the Medi-Cal program.
- Makes technical amendments to clarify the implementation date of the requirement for DHCS to develop a new hospital inpatient payment methodology for general acute care services based upon diagnosis

related groups, as enacted in SB 853 (Chapter 717, Statutes of 2010), the 2010 health budget trailer bill.

- Contains various provisions related to the ten percent provider payment reductions enacted in AB 97, the health budget trailer bill. Specifically these provisions: delete the sunset language that currently applies to the one/five percent provider payment reductions, which DHCS implemented pursuant to the 2008 Health Trailer Bill (AB 1183, Committee on Budget, Chapter 758, Statutes of 2008) allowing DHCS to preserve and continue to apply the one/five percent provider payment reductions while it waits for federal approval of the June 1, 2011, ten percent provider payment reductions required by AB 97.
- Clarifies that to the extent that DHCS obtains federal approval, the bill will implement the provider payment reductions retroactive to June 1, 2011. Specifies that if DHCS does not obtain federal approval, then the one/five percent reductions shall remain in place. Stipulates that if there are conflicting provisions in Section 14105.191 and Section 14105.192 of the W&I Code, pertaining to the newer language in Section 14105.192 shall govern.
- Provide for a new pharmacy reimbursement methodology based on actual acquisition cost and makes it such that current pharmacy drug product payment methodology pursuant to this section shall no longer apply when DHCS determines that it has fully implemented the average acquisition cost methodology and has met the department's pharmacy budget reduction targets.
- Requires DHCS, beginning with FY 2012-13 and ongoing, to develop and implement a new budgeting methodology to reimburse counties for eligibility determinations for applicants and beneficiaries, including one-time eligibility processing and ongoing case maintenance. Requires DHCS to provide the new budgeting methodology to the legislative fiscal committees by March 1, 2012, and specifies DHCS may include the methodology in the May Medi-Cal Local Assistance Estimate, beginning with the May 2012 estimate, for the 2012-13 fiscal year and each fiscal year thereafter.
- Dissolves the California Medical Assistance Commission (CMAC) on July 1, 2012, and transfers all powers, duties and responsibilities of CMAC to the Director of DHCS until the new hospital inpatient payment methodology for general acute care services based upon diagnosis related groups is implemented. The bill also transfers on July 1, 2012, the executive director and all other staff positions serving the commission to DHCS, and requires DHCS to consult with CMAC, the Department of Finance, and the Department of Personnel Administration to develop a staff transition plan that will be included in the 2012-13 Governor's Budget.

- Allows the state to assess a fee of 20 percent on the total amount of intergovernmental transfer agreements that are entered into by DHCS and public entities.
- States the intent of the Legislature to transfer, no later than July 1, 2012, the state administration of Medi-Cal Specialty Mental Health Managed Care Program and the Early and Periodic Screening, Diagnosis, and Treatment Program, and the applicable functions related to federal Medicaid requirements, from DMH to DHCS. The bill also requires DHCS to work with DMH and the California Health and Human Services Agency (CHHSA) to develop an administrative and programmatic transition plan(s), and to begin stakeholder meetings, beginning no later than July 15, 2011, to inform the creation of the transition plan(s).
- Requires the state to annually seek the redirection of the Health Care Coverage Initiatives funds that will not be claimed to the Safety Net Care Pool in order to assure that all available federal funds are drawn down by the state and the designated public hospitals.

ABx1 16 Blumenfield (Chapter 13)
LOCAL REVENUE FUND 2011

ABx1 16, sponsored by the author, implements the provisions of the Public Safety State budget for fiscal year 2011-2012, and makes clarifying amendments necessary to implement the 2011 Public Safety Realignment that was contained in AB 118 (Committee on Budget, Chapter 40, Statutes of 2011), and its funding structure. Sections 4 and 9 of this bill impact DHCS by amending Government Code Section 30029.3 and W&I Code 10823 pertaining to counties contracting with DHCS, Alcohol Drug Awareness Program and the California Department of Social Services (CDSS) to provide for the provision or administration of the Medi-Cal Drug Treatment Program and to implement a statewide automated welfare system for public assistance program by the Office of Systems Integration (OSI).

SB 72 Committee on Budget and Fiscal Review (Chapter 8)
HUMAN SERVICES

SB 72, sponsored by the Committee on Budget and Fiscal Review, implements the provisions of the State budget for FY 2011-2012, as it pertains to CDSS and DHCS. As it relates to DHCS, this trailer bill:

- Requires CDSS to assess and determine whether it would be cost-efficient for the state to exercise the new federal Community First Choice Option enacted in 2010 under the ACA.
- Establishes the Home and Community Based Medication Dispensing Machine Pilot Project for utilization of an automated medication dispensing machine with associated monitoring and telephonic

reporting services to assist Medi-Cal FFS beneficiaries with taking prescribed medications.

- Prevents a Medi-Cal beneficiary enrolled in either the Nursing Facility/Acute Hospital Waiver or the In-Home Operations Waiver from receiving additional waiver personal care services hours to offset any in home supportive services hours reduced by an across-the-board reduction.

LONG TERM CARE

AB 574 Lowenthal, B. (Chapter 367)
PROGRAM OF ALL-INCLUSIVE CARE FOR THE ELDERLY

AB 574, sponsored by On Lok, allows further expansion of the Program of All-Inclusive Care for the Elderly (PACE), a capitated payment and an acute/long-term managed care system. The bill increases the limit on the number of PACE organizations that DHCS may authorize from 10 to 15. In addition, the bill changes the status of PACE within the State from an optional demonstration project to a permanent State program.

MEDI-CAL BENEFITS, WAIVER ANALYSIS & RATES

AB 106 Committee on Budget (Chapter 32)
HUMAN SERVICES

AB 106, sponsored by the Committee on Budget, is the Health and Human Services Budget Trailer Bill. The bill contains provisions, necessary to implement the health and human services-related portions of the State budget for fiscal year 2011-2012. As it relates to DHCS, this trailer bill:

- Requires the administrative functions for the Medi-Cal Drug Treatment Program (Drug Medi-Cal) that was previously performed by the State Department of Alcohol and Drug Programs (DADP) to be transferred to the DHCS no later than July 1, 2012.
- Requires DHCS in collaboration with DADP, and with stakeholder input, to develop an administrative and programmatic transition plan to guide the transfer of the Drug Medi-Cal functions.

AB 215 Beall (Chapter 392)
**EMERGENCY SERVICES:
EMERGENCY MEDICAL AIR TRANSPORTATION ACT**

AB 215, sponsored by the Air Medical Services Association, eliminates the requirement under the Emergency Medical Air Transportation Act (EMATA) that each county create a county EMATA fund to deposit the moneys collected from penalties for certain Vehicle Code and local ordinance violations. The bill removes the special remittance procedures imposed on counties for EMATA and allows them to remit their collections to the State

under an existing process established in current law. This change in remittance procedures increases the frequency of county remission of funds into the State's EMATA Fund from quarterly to monthly. This bill removes a county's ability to retain a portion of the moneys collected from the penalties to administer the EMATA and deletes the requirement that counties submit an annual report to DHCS on the funds they retain for administration costs.

AB 415

Logue (Chapter 547)

HEALING ARTS: TELEHEALTH

AB 415, sponsored by the California State Rural Health Association, makes various changes to existing law pertaining to telemedicine. Specifically, the bill:

- Replaces the statutory definition of "telemedicine" with a definition of "telehealth," thereby repealing a prohibition on health plans, health insurers and Medi-Cal from being required to pay for consultations provided by the health care provider by telephone or fax.
- Replaces the requirement for written informed consent prior to the use of telemedicine services with verbal consent prior to the use of telehealth services.
- Applies laws governing confidentiality of medical information to telehealth interactions.
- Prohibits Medi-Cal from requiring documentation of a barrier to an in-person visit for coverage of services provided using telehealth interactions subject to reimbursement policies adopted by DHCS.
- Prohibits health plans from making coverage contingent on the type of setting where services are provided for the patient or by the health care provider.
- Deletes the January 1, 2013, sunset date on existing law that authorizes teleophthalmology and teledermatology by store and forward in the Medi-Cal program.

AB 667

Mitchell (Chapter 294)

MEDI-CAL: SUBACUTE CARE PROGRAM

AB 667, sponsored by the Subacute Saratoga Hospital, places in statute the medical necessity criteria for authorization of pediatric subacute care under the Medi-Cal program. AB 667 limits the application of these criteria to only the population of patients receiving care in an acute hospital setting who would potentially be eligible for care in a pediatric subacute setting.

AB 1297 Chesbro (Chapter 651)
MEDI-CAL: MENTAL HEALTH

AB 1297, sponsored by the California Mental Health Director's Association, requires that certain provisions of the Medi-Cal Specialty Mental Health Services (SMHS) Waiver be based upon and limited to federal Medicaid requirements, the federally-approved California Medi-Cal State Plan, and provisions of the federally-approved Medi-Cal SMHS waiver. These provisions are: 1) administrative standards and guidelines; 2) timelines for submission of claims to the State by the county Medi-Cal mental health plans; and 3) reimbursement methodologies. The effective date for implementation is July 1, 2012.

ABx1 19 Blumenfield (Chapter 4)
LONG-TERM CARE

ABx1 19, sponsored by the author, imposes changes to freestanding skilled nursing facilities (SNF) and freestanding pediatric subacute care facilities related to the implementation of the Budget Act of 2011-12. Specifically, the bill:

- Eliminates the exemption for freestanding pediatric subacute care facilities from the assessment of a SNF Quality Assurance Fee (QAF), established pursuant to AB 1629 (Frommer, Chapter 875, Statutes of 2004).
- Extends the sunset date for the SNF QAF program by one year.
- Implements changes to the AB 1629 reimbursement methodology for the 2011-12 and 2012-13 rate years.
- Delays the implementation of the SNF Quality and Accountability Payment System Program by one year and establishes the 2011-12 rate year as a base year for collecting data and publishing performance measure data.
- Increases the amount of the penalty that may be imposed on a SNF or an intermediate care facility for Class "B" citations.

SB 73 Committee on Budget and Fiscal Review (Chapter 34)
HEALTH AND HUMAN SERVICES

SB 73, sponsored by the Committee on Budget and Fiscal Review, implements certain mid-year reductions that relate to health and human services programs should the December 15, 2011, forecast of General Fund (GF) revenue not meet certain targets triggering Section 3.94 (b) of the 2011-2012 Budget Act (AB 121, Committee on Budget, Chapter 4, Statutes of 2011).

The 2011-12 Budget Act requires the Director of Finance to forecast GF revenues for the 2011-12 fiscal year by December 15, 2011, and to determine whether that revenue forecast or the Legislative Analyst's November 2011 GF revenue forecast is higher [Section 3.94 (a)] The 2011-12 Budget Act also requires the Director of Finance to make reductions to specified items of appropriation if the higher revenue forecast is less than \$87,452,500,000 [Section 3.94 (b)] and to make additional reductions to specified items of appropriation if the higher revenue forecast is less than \$86,452,500,000 [Section 3.94 (c)].

As it relates to DHCS, SB 73 would: effective January 1, 2012, if Section 3.94 (b) of the 2011-12 Budget Act is operative, remove the exemption for PACE, the Senior Care Action Network, and the AIDS Healthcare Foundation managed care plan contracts from specified budget reductions that were included in AB 97 (Committee on Budget, Chapter 3, Statutes of 2011).

SB 946

Steinberg (Chapter 650)

**HEALTH CARE COVERAGE: MENTAL ILLNESS:
PERVASIVE DEVELOPMENTAL DISORDER OR AUTISM:
PUBLIC HEALTH**

SB 946, sponsored by the author, requires health care service plans and health insurers to provide coverage for behavioral health treatment for pervasive developmental disorder and autism from July 1, 2012 through July 1, 2014. This bill exempts Medi-Cal managed care plans from the behavioral health treatment mandate and makes changes to laws related to HIV reporting and mental health services payments.

As it relates to DHCS, this bill made changes to conform state law to existing federal regulations and current practice of the DMH with regard to negotiated rates and incentive payments for the provision of Medi-Cal reimbursable community mental health services.

MEDI-CAL ELIGIBILITY

AB 396

Mitchell (Chapter 394)

MEDI-CAL: JUVENILE INMATES

AB 396, sponsored by Los Angeles County, requires DHCS to develop a process to allow counties and the California Department of Corrections and Rehabilitation, Division of Juvenile Facilities (DJF), to receive any available Federal Financial Participation (FFP) for acute inpatient hospital services and inpatient psychiatric services provided to Medi-Cal eligible juvenile inmates admitted as inpatients into a medical institution. The bill also requires that Medi-Cal eligibility not be denied to a juvenile inmate who is an inpatient in a medical institution because of their status as an inmate of a public institution. This process would only be implemented to the extent that DJF and counties

voluntarily elect to provide the nonfederal share of expenditures for health care services provided to eligible juvenile inmates.

AB 499 Atkins (Chapter 652)
MINORS: MEDICAL CARE: CONSENT

AB 499, sponsored by the American Congress of Obstetricians and Gynecologists, California STD Controllers Association, and Health Officers Association of California, allows minors 12 years of age or older to consent to medical care related to the prevention of sexually transmitted diseases (STDs). The bill also made a technical change to update the health-reporting official as the State Public Health Officer instead of the State Director of Health Care Services when determining whether to report a disease or condition related to STDs to the local health officer.

AB 509 Skinner (Chapter 452)
**FEDERAL EARNED INCOME TAX CREDIT: NOTIFICATION:
STATE DEPARTMENTS AND AGENCIES**

AB 509, sponsored by the author, requires selected state departments, which provide services to low-income individuals and families, to notify the individuals at least once per year during “tax months” (January through April) that they may be eligible for Earned Income Tax Credit (EITC). Dissemination of the notice may be done by telephone, mail, electronic communication, or by in-person communication. This bill requires state departments and agencies that do not directly communicate with persons who may qualify for the EITC to communicate indirectly through agencies or districts serving those persons.

AB 641 Feuer (Chapter 729)
LONG-TERM CARE

AB 641, sponsored by the author, requires DHCS to seek approval from the Centers for Medicare & Medicaid Services (CMS) to permit Medi-Cal eligibility determination of same-sex spouses and registered domestic partners to be equal to that of opposite sex spouses when one spouse requests payment of long-term care or home and community-based waiver services and a transfer of assets has occurred. The federal approval, if received, would allow the Medi-Cal program to consider undue hardship for certain transfers of assets from the institutionalized individual to his/her same-sex spouse or registered domestic partner.

AB 1296 Bonilla (Chapter 641)
HEALTH CARE ELIGIBILITY, ENROLLMENT, AND RETENTION ACT

AB 1296, sponsored by the Western Center on Law and Poverty, implements various provisions of the ACA related to eligibility, enrollment and retention of state health subsidy programs, including Medi-Cal. The bill requires CHHSA,

in consultation with DHCS, MRMIB, OSI, the California Health Benefit Exchange, and stakeholders, to engage in a planning and development process that gives stakeholders the opportunity to provide meaningful input into the planning and development of various eligibility, enrollment and retention policies and procedures required by ACA. The bill also requires CHHSA to provide specified information to the Legislature on required policy and statutory changes by July 1, 2012.

SB 695 Hancock (Chapter 647)
MEDI-CAL: COUNTY JUVENILE DETENTION FACILITIES

SB 695, sponsored by Alameda County, allows, subject to the receipt of FFP, DHCS to provide Medi-Cal benefits to juveniles awaiting adjudication in a county juvenile detention facility if the individual is eligible for Medi-Cal, and the county agrees to pay the non-federal share of Medi-Cal expenditures and the state's administrative costs associated with the bill. The provisions of this bill will only be implemented if DHCS receives written confirmation from CMS that FFP is available to implement the bill, and the Director of DHCS executes a declaration that states implementation would not jeopardize the state's ability to receive federal funds. SB 695 sunsets on January 1, 2014.

MEDI-CAL MANAGED CARE

ABx1 21 Blumenfield (Chapter 11)
PUBLIC HEALTH: MANAGED CARE PLAN TAXES

ABx1 21, sponsored by the author, extends the sunset date of the existing 2.35-percent gross premiums tax on Medi-Cal managed care plans from July 1, 2011 to July 1, 2012, in order to continue a stable funding source for the Medi-Cal and HFP.

SAFETY NET FINANCING

AB 113 Monning (Chapter 20)
HEALTH: HOSPITALS: MEDI-CAL

AB 113, sponsored by the California Hospitals Association, establishes the Nondesignated Public Hospital Intergovernmental Transfer (NDPH-IGT) program and requires DHCS to develop, implement, and administer to provide supplemental payments to NDPHs. The bill also appropriates \$1.5 billion from the Hospital Quality Assurance Revenue Fund (HQARF) and \$1.5 billion from the Federal Trust Fund to DHCS to make supplemental payments to private hospitals under SB 90 (Steinberg, Chapter 19, Statutes of 2011).

AB 678 Pan (Chapter 397)
MEDI-CAL: SUPPLEMENTAL PROVIDER REIMBURSEMENT

AB 678, sponsored by the California Professional Firefighters, establishes a voluntary supplemental reimbursement payment program for participating governmental entities providing ground emergency medical transportation services to Medi-Cal beneficiaries. The bill requires DHCS to seek federal approval for the program and stipulates DHCS' administrative costs for administering the program will be reimbursed by the participating governmental entities.

AB 1066 Pérez, J. (Chapter 86)
PUBLIC HEALTH CARE: MEDI-CAL: DEMONSTRATION PROJECT WAIVERS

AB 1066, sponsored by the author, makes technical changes to existing law enacted by AB 342 (Pérez, Chapter 723, Statutes of 2010) and SB 208 (Steinberg, Chapter 714, Statutes of 2010) which implemented the Section 1115 (a) California Bridge to Reform (BTR) waiver. These changes are necessary to align the statutory provisions with the Special Terms and Conditions of the BTR waiver, as approved by CMS. The bill also establishes a new distribution methodology for disproportionate share hospitals (DSH) and Safety Net Care Pool funds to designated public hospitals (DPHs).

SB 90 Steinberg (Chapter 19)
HEALTH: HOSPITALS: MEDI-CAL

SB 90, sponsored by the California Hospital Association, creates a six-month Medi-Cal hospital provider fee and supplemental payment program modeled on the successful program set up by AB 1383 (Jones, Chapter 627, Statutes of 2009) and amended by AB 1653 (Jones, Chapter 218, Statutes of 2010) and SB 208 (Steinberg, Chapter 714, Statutes of 2010). In addition, the bill implements reductions to the DSH replacement payments; rescinds the existing rate freeze on hospital inpatient services and the ten percent payment reduction for inpatient services provided by non-contract hospitals; and authorizes the Office of Statewide Health Planning and Development to provide hospitals with an extension of up to seven years to help them comply with seismic safety requirements, provided certain criteria are met and contingent on approval of a 2011-12 QAF program that makes available \$320,000,000 for children's health care coverage. This bill becomes operative because AB 113 (Monning, Chapter 20, Statutes of 2011) was enacted. Appropriations for the supplemental payment program are contained in AB 113.

SB 335 Hernandez, E. (Chapter 286)
MEDI-CAL: HOSPITALS: QUALITY ASSURANCE FEE

SB 335, sponsored by the author, extends the QAF to be paid by certain hospitals to a 30-month period. The fees will be used to draw down FFP in

order to make supplemental and increased capitation payments to certain hospitals for the program period of July 1, 2011 through December 31, 2013, to pay for grants to designated and NDPHs, and to pay for health care coverage for children in the amount of \$920.5 million for the program period. The bill provides a \$42 million savings to the general fund through a reduction in DSH replacement payments and a reduction in the Private Hospital Supplemental Fund. The bill also creates a Low Income Health Program Medicaid Coverage Expansion Out-Of-Network Emergency Care Services Fund (LIHP Fund), which will be funded by IGTs from DPHs and money from the HQARF. The LIHP fund provides supplemental payments for emergency care services for LIHP beneficiaries at out-of-network private and NDPHs.

SYSTEMS OF CARE

AB 301 Pan (Chapter 460)
MEDI-CAL: MANAGED CARE

AB 301, sponsored by the Children's Specialty Care Coalition, California Children's Hospital Association, and the American Academy of Pediatrics, extends the sunset date for the California Children's Services (CCS) Medi-Cal managed care carve-out pilot project from January 1, 2012 to January 1, 2016; and allows the pilot project to continue the prohibition of services covered by the CCS program from being incorporated solely into Medi-Cal managed care until DHCS is able to consider the pilot evaluations, along with stakeholder input, and the most appropriate organized health care delivery models for children eligible for CCS program services. The bill also includes a technical fix to W&I Code Section 14015.18 regarding the ability for Healthy Families enrollees to opt out of the Healthy Families managed care provider network and instead seek care through the Medi-Cal provider network.

THIRD PARTY LIABILITY AND RECOVERY

AB 1305 Huber (Chapter 117)
DECEDENTS' ESTATES: SMALLER ESTATES

AB 1305, sponsored by the State Bar of California, raises the threshold from \$100,000 to \$150,000 of a decedent's estate without the need for formal probate. Additionally, the bill increases the amount a surviving spouse can collect, outside the formal probate process, from the deceased spouse's employer for salary and other compensation, including compensation for unused vacation, from \$5,000 to \$15,000 to be excluded from the value of the estate.

2011 ENROLLED BILLS

BILL NUMBER	AUTHOR	FINAL STATUS	CHAPTER	PROGRAM*	PAGE NUMBER
AB 96	Committee on Budget	Veto	---	LT	---
AB 97	Committee on Budget	Sign	3	LA	1
AB 99	Committee on Budget	Sign	4	LA	4
AB 102	Committee on Budget	Sign	29	PB,SF,ME, MB,LA,MC	4
AB 106	Committee on Budget	Sign	32	MB,LA	7
AB 113	Monning	Sign	20	SF	12
AB 172	Eng	Veto	---	LG	---
AB 215	Beall	Sign	392	MB	7
AB 301	Pan	Sign	460	SC	14
AB 396	Mitchell	Sign	394	ME	10
AB 410	Swanson	Sign	495	LG	1
AB 415	Logue	Sign	547	MB	8
AB 499	Atkins	Sign	652	ME	11
AB 509	Skinner	Sign	452	ME	11
AB 574	Lowenthal, B.	Sign	367	LT	7
AB 641	Feuer	Sign	729	ME	11
AB 667	Mitchell	Sign	294	MB	8
AB 678	Pan	Sign	397	SF	13
AB 1066	Pérez, J.	Sign	86	SF	13
AB 1182	Hernández, R.	Veto	---	ME	---
AB 1296	Bonilla	Sign	641	ME	11
AB 1297	Chesbro	Sign	651	MB	9
AB 1305	Huber	Sign	117	TR	14
ABx1 16	Blumenfield	Sign	13	ME,MB,LA,IT	6
ABx1 19	Blumenfield	Sign	4	MB	9
ABx1 21	Blumenfield	Sign	11	LA,MC	12
SB 72	Committee on Budget and Fiscal Review	Sign	8	LA	6
SB 73	Committee on Budget and Fiscal Review	Sign	34	MB	9
SB 90	Steinberg	Sign	19	SF	13
SB 335	Hernandez, E.	Sign	286	SF	13
SB 416	Kehoe	Veto	---	HP	---
SB 695	Hancock	Sign	647	ME	12
SB 791	Simitian	Veto	---	MB	---
SB 945	Committee on Health	Sign	433	HT	1
SB 946	Steinberg	Sign	650	MB	10

*See Program Assignments and Acronyms on Next Page.

PROGRAM ASSIGNMENTS AND ACRONYMS

PROGRAM	CODE
Administration	AD
Audits and Investigations	AI
Budget Office	BO
Civil Rights, Office of	CR
Fiscal Intermediary & Contracts Oversight	FC
Fiscal Forecasting & Data Management	FF
HIPAA Compliance, Office of	HC
Health Care Policy	HP
Information Technology	IT
Legislative and Governmental Affairs, Office of	LA
Legal Services, Office of	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

<u>BILL#</u>	<u>AUTHOR</u>	<u>SUBJECT</u>	<u>DIV</u>
ABx1 21	Blumenfield	Public health: managed care plan taxes.	LA,MC
SB 335	Hernandez	Medi-Cal: hospitals: quality assurance fee.	SF
SB 946	Steinberg	Health care coverage: mental illness: pervasive developmental disorder or autism: public health.	MB

VETO MESSAGES

<u>BILL#</u>	<u>AUTHOR</u>	<u>SUBJECT</u>	<u>DIV</u>
AB 96	Committee on Budget	Keeping Adults Free from Institutions program.	LT
AB 172	Eng	State agencies: information: Internet Web site.	LG
AB 1182	Hernández, R.	CalWORKs eligibility: asset limits: vehicles.	ME
SB 416	Kehoe	Health: survey.	HP
SB 791	Simitian	Health care: mammograms.	MB

(Sign and Veto messages are available on www.leginfo.ca.gov)