



Department of Health Care Services



LEGISLATIVE SUMMARY 2016

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DIRECTOR**

DEPARTMENT OF HEALTH CARE SERVICES
LEGISLATIVE SUMMARY
2016

Compiled by the
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DEPARTMENT OF HEALTH CARE SERVICES
LEGISLATIVE SUMMARY 2016
TABLE OF CONTENTS

2016-17 Budget Bills with Impact to the Department of Health Care Services.....	ii
Index of Bills Signed by the Governor, by Program Area	iii
Summaries of Bills Signed by the Governor by Primary Division:	
FAMILY PLANNING, OFFICE OF	1
HEALTH POLICY	1
INFORMATION MANAGEMENT.....	3
LEGAL SERVICES	4
LEGISLATIVE AND GOVERNMENTAL AFFAIRS, OFFICE OF	4
LONG TERM CARE	8
MANAGED CARE	8
MEDI-CAL BENEFITS.....	9
MEDI-CAL DENTAL	10
MEDI-CAL ELIGIBILITY	10
MENTAL HEALTH SERVICES.....	12
PHARMACY BENEFITS.....	15
SUBSTANCE USE DISORDER PROGRAM, POLICY & FISCAL.....	15
SYSTEMS OF CARE	16
Numeric Index of Enrolled Bills for Legislative Year 2016.....	17
Program Assignments and Acronyms	19
Veto Message Index	20
(Followed by Governor's Veto Messages in numeric order)	

FISCAL YEAR 2016-17 BUDGET BILLS

<u>BILL#</u>	<u>AUTHOR</u>	<u>CHAPTER #</u>	<u>SUBJECT</u>
AB 1603	Committee on Budget	25	Public Social Services Omnibus
AB 1606	Committee on Budget	26	Developmental Services
AB 1607	Committee on Budget	27	Medi-Cal: hospitals: quality assurance fee
AB 1618	Committee on Budget	43	Mental health services
AB 1625	Committee on Budget	320	Human services
SB 826	Committee on Budget and Fiscal Review	23	Budget Act of 2016
SB 833	Committee on Budget	30	Health Omnibus and Fiscal Review

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

FAMILY PLANNING, OFFICE OF

SB 999 Health care coverage: contraceptives: annual supply..... 1

HEALTH POLICY

AB 1568 Medi-Cal: demonstration project..... 1
AB 1863 Medi-Cal: federally qualified health centers: rural health centers..... 2
ABX2 1 Developmental services: Medi-Cal funding..... 2
SB 815 Medi-Cal: demonstration project..... 2
SB 1380 Homeless Coordinating and Financing Council 2
SBX2 2 Medi-Cal: managed care organization tax 3

INFORMATION MANAGEMENT

SB 1174 Medi-Cal: children: prescribing patterns: psychotropic medications 3

LEGAL SERVICES, OFFICE OF

AB 1244 Workers' compensation 4

LEGISLATIVE AND GOVERNMENTAL AFFAIRS, OFFICE OF

AB 1603 Public social services omnibus 4
AB 1606 Developmental services..... 4
AB 1607 Medi-Cal: hospitals: quality assurance fee..... 4
AB 1618 Mental health services 5
AB 1625 Human services 5
SB 833 Health Omnibus 5
SB 1477 Health 7

LONG-TERM CARE

SB 3 Minimum wage: in-home supportive services: paid sick days..... 8
SB 1384 California Partnership for Long-Term Care Program 8

MANAGED CARE

SB 1135 Health care coverage: notice of timely access to care..... 8

MEDI-CAL BENEFITS

AB 635 Medical interpretation services 9
AB 1696 Medi-Cal: tobacco cessation services..... 9

AB 2394	Medi-Cal: nonmedical transportation	9
AB 2439	HIV testing.....	9

MEDI-CAL DENTAL SERVICES

AB 2207	Medi-Cal: dental program	10
SB 1098	Medi-Cal: dental services: utilization rate: report	10

MEDI-CAL ELIGIBILITY

AB 1795	Health care programs: cancer.....	10
AB 1849	Foster youth: transition to independent living: health insurance coverage..	11
AB 2346	Public social services: hearings	11
SB 1339	Public social services: intercounty transfers	12

MENTAL HEALTH SERVICES

AB 38	Mental health: Early Diagnosis and Preventive Treatment Program.....	12
AB 59	Mental health services: assisted outpatient treatment	12
AB 168	Mental health: community-based services.....	13
AB 847	Mental health: community-based services.....	13
AB 1299	Medi-Cal: specialty mental health services: foster children.....	13
AB 1836	Mental health: referral of conservatees	13
AB 1997	Foster care	14
SB 1291	Medi-Cal: specialty mental health: minor and nonminor dependents.....	14

PHARMACY BENEFITS

AB 1114	Medi-Cal: pharmacist services.....	15
---------	------------------------------------	----

SUBSTANCE USE DISORDER PROGRAM, POLICY & FISCAL

SBX2 5	Electronic cigarettes.....	15
--------	----------------------------	----

SYSTEMS OF CARE

SB 586	Children’s services.....	16
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SUMMARIES OF BILLS SIGNED BY THE GOVERNOR:

FAMILY PLANNING, OFFICE OF

SB 999 Pavley (Chapter 499)
HEALTH CARE COVERAGE: CONTRACEPTIVES: ANNUAL SUPPLY

SB 999, sponsored by Planned Parenthood Affiliates of California, expands on existing contraceptive coverage policy by requiring all health care service plans and health insurers, including Knox-Keene licensed Medi-Cal managed care plans (MCPs) to cover up to a 12-month supply of Food and Drug Administration (FDA)-approved, self-administered hormonal contraceptives (such as the ring, the patch, and oral contraceptives) dispensed at one time by a prescriber, pharmacy, or onsite location licensed or authorized to dispense drugs or supplies. SB 999 authorizes a pharmacist to dispense up to a 12-month supply of FDA-approved, self-administered hormonal contraceptives with a valid prescription that specifies an initial quantity followed by periodic refills or at the patient's request when dispensed pursuant to protocols developed by the Board of Pharmacy. SB 999 prohibits a health care service plan or health insurer in the absence of clinical contradictions, from imposing utilization controls or other forms of medical management that would limit the supply of FDA-approved, self-administered hormonal contraceptives to less than a 12-month supply. Additionally, SB 999 requires the Department of Health Care Services (DHCS) to seek federal approval if necessary and issue all-plan letters or similar instructions to implement the provisions for the Medi-Cal MCPs.

HEALTH POLICY

AB 1568 Bonta (Chapter 42)
MEDI-CAL: DEMONSTRATION PROJECT

AB 1568, sponsored by the California Association of Public Hospitals, is an urgency measure that enacts certain provisions of the state's recently approved five-year federal Section 1115 Waiver, "Medi-Cal 2020 (Waiver)," which runs from January 1, 2016 through December 31, 2020. Those provisions include the Dental Transformation Initiative and the Whole Person Care program. DHCS is also required to conduct or arrange to have conducted all Waiver-related studies, reports and assessments required under the Waiver Special Terms and Conditions (STCs). AB 1568 is a companion bill to SB 815 (Hernandez, Chapter #111, Statutes of 2016).

AB 1863 Wood (Chapter 610)
MEDI-CAL: FEDERALLY QUALIFIED HEALTH CENTERS: RURAL HEALTH CENTERS

AB 1863, sponsored by the California Association of Marriage and Family Therapists and the California Primary Care Association, adds marriage and family therapists to the list of health care professionals whose services are reimbursed through Medi-Cal on a per-visit basis to federally qualified health centers (FQHCs) or rural health clinics (RHCs). In addition, AB 1863 includes a provision to include an osteopath to the list of health care professionals whose services may be billed as a visit by FQHCs and RHCs.

ABX2 1 Thurmond (Chapter 3)
DEVELOPMENTAL SERVICES: MEDI-CAL FUNDING

AB 1 of the second extraordinary session (ABX2 1), sponsored by the author, appropriates funds to the Department of Developmental Services (DDS) to provide rate increases for needed services to individuals with developmental disabilities through approved service providers or arranged through other publicly funded agencies. In addition, the bill increases reimbursement rates by 5 percent for intermediate care for the developmentally disabled, effective August 1, 2016, by removing the payment reduction imposed under AB 97 (Committee on Budget, Chapter 3, Statutes of 2011) and applying a 3.7 percent increase, and would prohibit DHCS from seeking to retroactively implement payment reductions for services provided by skilled nursing facilities that are distinct parts of general acute care hospitals.

SB 815 Hernandez (Chapter 111)
MEDI-CAL: DEMONSTRATION PROJECT

SB 815, sponsored by the California Association of Public Hospitals, is an urgency measure that enacts certain provisions of the state's recently approved five-year federal Section 1115 waiver, "Medi-Cal 2020," which runs from January 1, 2016 through December 31, 2020. The bill implements the Public Hospital Redesign and Incentive in the Medi-Cal program and the Global Payment Program (GPP), and the access assessment required under the STCs for the Medi-Cal 2020 Waiver. SB 815 also provides clarification for changes to the current Disproportionate Share Hospital methodology and its recipients as to facilitate the GPP. SB 815 is a companion bill to AB 1568 (Bonta, Chapter 42, Statutes of 2016).

SB 1380 Mitchell (Chapter 847)
HOMELESS COORDINATING AND FINANCING COUNCIL

SB 1380, sponsored by Poverty Matters, requires state programs that provide housing or housing-based services to people experiencing homelessness or at risk of homelessness to incorporate the core components of Housing First and collaborate with the Homeless Coordinating and Financing Council (Council), an entity established by this bill with up to 15 appointments by the

Governor, one by the Senate Committee on Rules, and one by the Assembly Speaker. The Council will serve as a single statewide homelessness planning and policy development resource by coordinating funding applications and creating partnerships among federal, state, and local agencies. SB 1380 also establishes a goal for the Council to create a statewide data system or warehouse to collect local data on homelessness through local Homeless Management Information Systems, with the ultimate goal of matching that data with Medi-Cal and other state program data.

SBX2 2 Hernandez (Chapter 2)
MEDI-CAL: MANAGED CARE ORGANIZATION TAX

SB 2 of the second extraordinary session (SBX2 2), sponsored by the author, implements a tax reform proposal to restructure the taxes paid by managed care plans in response to the Governor's call for a special session of the Legislature to consider and act upon legislation necessary to enact permanent and sustainable funding from a new Managed Care Organization (MCO) tax and/or alternative funding sources. SBX2 2 includes a replacement MCO tax for the tax expiring at the end of June 2016 and other taxes currently paid by the health plan industry.

INFORMATION MANAGEMENT

SB 1174 McGuire (Chapter 840)
MEDI-CAL: CHILDREN: PRESCRIBING PATTERNS: PSYCHOTROPIC MEDICATIONS

SB 1174, sponsored by the National Center for Youth Law, does the following: 1) adds repeated acts of clearly excessive prescribing, furnishing, or administering psychotropic medications to a minor, as specified, to the list of acts the Medical Board of California (MBC) must prioritize for investigation; 2) requires the MBC on a quarterly basis to review the data provided by DHCS and the California Department of Social Services (CDSS) to determine if any potential violations of law or departures from the standard of care exist and conduct an investigation, if warranted, and would require the MBC to take disciplinary action, as specified; 3) beginning July 1, 2017, requires MBC to report annually to the Legislature, DHCS, and CDSS on the results of their analysis; 4) requires the MBC, on or before January 1, 2022, and in conjunction with CDSS and DHCS, to conduct an internal review of its data review, investigative, and disciplinary activities, to determine the efficacy of those activities and revise its procedures if determined to be necessary, 5) requires DHCS and CDSS, pursuant to a specified data-sharing agreement, to provide information to the MBC regarding Medi-Cal physicians and their prescribing patterns of psychotropic medications and related services for specified youth in foster care; and 6) requires DHCS to disseminate treatment guidelines on an annual basis through its existing communications with Medi-Cal providers, as specified. With the exception of #1 above, the provisions of SB 1174 sunset on January 1, 2027, unless a later enacted statute deletes or extends that date.

LEGAL SERVICES, OFFICE OF

AB 1244 Gray (Chapter 852)
WORKERS' COMPENSATION

AB 1244, sponsored by the author, requires the Administrative Director of the Workers' Compensation Division (Administrative Director) to suspend medical service providers from participating in any capacity in the workers' compensation system, as specified. The Administrative Director is required to provide written notice to the medical provider who has been identified eligible for suspension, as specified. The bill prohibits a provider of medical services from submitting or pursuing a claim for payment from a payer, unless the claim for payment has been reduced to final judgement or the services or supplies are unrelated to a violation, as specified. The DHCS Director would be required to notify the Administrative Director if a medical provider is added to the Medi-Cal Suspended or Ineligible Provider List.

LEGISLATIVE AND GOVERNMENTAL AFFAIRS, OFFICE OF

AB 1603 Committee on Budget (Chapter 25)
PUBLIC SOCIAL SERVICES OMNIBUS

AB 1603, sponsored by the committee, enacts the provisions of the Budget Act for Fiscal Year (FY) 2016-17, as it pertains to CDSS and DHCS.

SEC. 33 requires CDSS and DHCS to update the legislative budget committees during the 2017 and 2018 legislative sessions on activities taken by the departments to implement Continuum of Care Reform pursuant to AB 403 (Chapter 773, Statutes of 2015).

AB 1606 Committee on Budget (Chapter 26)
DEVELOPMENTAL SERVICES

AB 1606, sponsored by the committee, enacts the provisions of the Budget Act for FY 2016-17, as it pertains to DDS and DHCS.

SEC. 6 requires DDS and DHCS to coordinate the transition of health care services for Medi-Cal eligible consumers who are transitioning from a developmental center into the community.

AB 1607 Committee on Budget (Chapter 27)
MEDI-CAL: HOSPITALS: QUALITY ASSURANCE FEE

AB 1607, sponsored by the committee, would extend the Hospital Quality Assurance Fee program operations from January 1, 2017 to January 1, 2018. The bill would also require moneys in the Hospital Quality Assurance Revenue Fund to be continuously appropriated for the second program period and any subsequent program periods, without regard to fiscal year.

AB 1618 Committee on Budget (Chapter 43)
MENTAL HEALTH SERVICES

AB 1618, sponsored by the committee, makes necessary statutory and technical changes to implement the Budget Act of 2016 related to the “No Place Like Home” Program to further the development of permanent supportive housing for persons who are in need of mental health services and are homeless, chronically homeless, or at risk of homelessness. The bill also makes changes to the Mental Health Services Act (MHSA) to improve transparency and accountability.

AB 1625 Committee on Budget (Chapter 320)
HUMAN SERVICES

AB 1625, sponsored by the committee, makes substantive and technical statutory changes impacting and corresponding to the Health and Human Services portions of the Budget Act of 2016 (SB 826, Leno, Chapter 23, Statutes of 2016), as it pertains to CDSS, Department of Rehabilitation, and DHCS.

SEC. 1 & 2 make technical changes to payment requirements imposed upon insurers related to their payment of the gross premiums tax.

SB 833 Committee on Budget and Fiscal Review (Chapter 30)
HEALTH OMNIBUS

SB 833, sponsored by the committee, implements provisions of the Budget Act for Fiscal Year (FY) 2016-17, as it pertains to the Department of Managed Health Care (DMHC), California Health and Human Services Agency (CHHSA), California Department of Public Health (CDPH), and DHCS.

SEC. 3 makes the Long-Term Care Quality Assurance Fund administered by DHCS, continuously appropriated without regard to fiscal year.

SEC. 18 & 19 eliminate the sunset date in the operative Labor Code (LC) Section 138.7 and permanently authorizes the Department of Industrial Relations authority to supply work-related injury and claim data from the Workers’ Compensation Information System (WCIS) to DHCS. It also repeals LC Section 138.7 that would have become operative on January 1, 2017, if the WCIS provisions had sunset.

SEC. 20 requires the California Health Facilities Financing Authority (CHFFA) and the Mental Health Services Oversight and Accountability Commission (MHSOAC) to establish a grant program, subject to appropriation, for local governments focused on increasing the number of facilities providing crisis services for children and youth under age 21 as well as support and training for families and triage personnel.

SEC. 21 removes an administrative mandate for DHCS and the Department of Finance to develop a new funding plan for the Emergency Medical Air Transportation Act (EMATA) augmentation program, upon the expiration of the current revenue source. This section would instead require DHCS to notify the Legislature, by March 1, 2017, of the fiscal impact to the Medi-Cal program resulting from the expiration of the current EMATA fund revenue source on January 1, 2018, and the planned reimbursement methodology for emergency medical air transportation services after those EMATA fund revenue sources cease collection.

SEC. 22 limits estate recovery to the probated estates of deceased Medi-Cal members 55 years of age and older for only federally mandated services (e.g. skilled nursing care, home and community-based services, and related services).

SEC. 23 expands the existing annual limit for General Fund from \$200,000 to \$425,000 for state administrative costs associated with the implementation of the Medi-Cal Electronic Health Record Incentive program.

SEC. 24 & 27 make minor technical changes to Welfare and Institutions Code Sections 14105.436 and 14105.86 as amended by SB 870 (Committee on Budget and Fiscal Review, Chapter 40, Statutes of 2014). These technical changes correct non-sequential lettering errors and inconsistent and erroneously omitted language in order to accurately preserve the intent and purpose of SB 870, to collect supplemental drug rebate revenues for certain prescription drugs based on drug utilization from all eligible Medi-Cal programs.

SEC. 25 & 26 allow California to meet federal mandates outlined in the Centers for Medicare and Medicaid Services (CMS) February 1, 2016, Final Rule on Covered Outpatient Drugs in a timely manner and thereby preserve federal matching funds.

SEC. 28 restores acupuncture services as a Medi-Cal covered benefit, effective July 1, 2016.

SEC. 29 authorizes DHCS to expeditiously establish a contract to assist specified individuals with finding comprehensive health coverage. The eligible individuals are those who were receiving only Behavioral Health Treatment (BHT) services from a Regional Center as of January 31, 2016, and will be losing eligibility for full-scope Medi-Cal without a share of cost on March 31, 2017, due to the transition of BHT services from a covered benefit under the California Home and Community-Based Waiver program for Individuals with Developmental Disabilities (DD waiver) to a covered benefit under the California Medi-Cal State Plan. Due to the time-limited and expedited need for this health insurance enrollment assistance, this section provides DHCS with flexibility and exemption from state contracting requirements that would otherwise apply.

SEC. 30 implements the Governor's Budget proposal to suspend the annual cost of living adjustment (COLA) provided to counties for county administration for the fiscal year FY 2016-17. The annual COLA for county administration has been suspended since 2008. DHCS provides funding for county staff and support costs to perform all activities associated with the Medi-Cal eligibility process.

SEC. 31-36 enable modernization of the Program for All-Inclusive Care for the Elderly (PACE) in order to remove barriers for DHCS to efficiently administer and oversee the program.

SB 1477 Committee on Health (Chapter 733)

HEALTH

SB 1477, sponsored by the committee, clarifies references to the California Health Benefit Exchange as Covered California; replaces references to the now-repealed Healthy Families Program (HFP) and Access for Infants and Mothers Program (AIM) Linked Infants Program and replaces those with the Medi-Cal Program and the Medi-Cal Access Infant Program respectively; and includes trade associations in the list of entities that are eligible to receive federal emergency preparedness funds, as specified. The bill authorizes DHCS to enter into contracts, as specified, for undertaking administrative activities by DHCS Mental Health and Substance Use Disorder Services (MHSUDS), as specified; requires DHCS to make provisions of the contracts publically available; and sunsets DHCS' authority on January 1, 2020. The bill also makes technical corrections to a cross reference relating to the Medi-Cal 2020 demonstration project.

SEC. 3-7 correctly identify the current names of two programs that transitioned from the Managed Risk Medical Insurance Board (MRMIB) to DHCS when MRMIB was eliminated in 2012. The AIM-Linked Infants program was renamed as Medi-Cal Access Infant Program and the children enrolled in the HFP were transferred to the Medi-Cal program.

SEC. 8 authorizes DHCS to enter into contracts, without review or approval from the Department of General Services (DGS), for undertaking administrative activities by DHCS MHSUDS, as specified; requires DHCS to make provisions of the contracts publically available; and sunsets DHCS' authority on January 1, 2020.

SEC. 9 makes technical corrections to a cross reference of a statutory code that was enacted by SB 815 (Hernandez, Chapter 111, Statutes of 2016).

LONG TERM CARE

SB 3 Leno (Chapter 4)
MINIMUM WAGE: IN-HOME SUPPORTIVE SERVICES: PAID SICK DAYS

SB 3, sponsored by the Service Employees International Union (SEIU), United Service Workers West, and Western Center on Law and Poverty, requires paid sick days for the In-Home Supportive Services workers, creates a schedule for a phased increase in the minimum wage from \$10.50 per hour to \$15 per hour over seven years, depending on the size of the employer and general economic conditions, and links the minimum wage to the U.S. Consumer Price Index once the minimum wage reaches \$15 per hour.

SB 1384 Lui (Chapter 487)
CALIFORNIA PARTNERSHIP FOR LONG-TERM CARE PROGRAM

SB 1384, sponsored by the author, requires the California Partnership for Long-term Care Program (Partnership) to offer a lower-priced and inflation protection option, and requires the Partnership to permit insurers to offer home care and community-based care-only policies. The bill also requires the insurer or producer, at the time of application, to provide to the individual a graph that illustrates the difference in premium rates and policy benefits payable in accordance with the inflation protection options available. Lastly, the bill requires DHCS to adopt regulations as specified and establish an executive and legislative task force to provide advice and assistance in implementing reforms to the Partnership and to consider other means to assist consumers in paying for long-term care services and supports.

MANAGED CARE

SB 1135 Monning (Chapter 500)
HEALTH CARE COVERAGE: NOTICE OF TIMELY ACCESS TO CARE

SB 1135, sponsored by Health Access California, requires a health care service plan (HCSP) contract or a health insurance policy that provides benefits through contracts with providers for alternative rates that is issued, renewed, or amended on or after July 1, 2017, to provide information to enrollees, insureds, and contracting providers regarding the standards for timely access to health care services and other specified health care access information, including information related to the receipt of interpreter services in a timely manner, no less than annually, as specified. The bill also requires an HCSP or a health insurer that contracts with providers for alternative rates of payment to provide a contracting health care provider with specified information related to the provision of referrals or health care services in a timely manner. The bill specifically makes these provisions applicable to all Knox-Keene licensed Medi-Cal managed care health plans.

MEDI-CAL BENEFITS

AB 635 Atkins (Chapter 600)
MEDICAL INTERPRETATION SERVICES

AB 635, sponsored by the author, requires DHCS to: 1) work with identified stakeholders to conduct a study, through June 30, 2020, and identify current requirements for medical interpretation services; 2) make recommendations on strategies that may be employed regarding the provision of medical interpretation services for Medi-Cal beneficiaries, who are limited English proficient (LEP); and 3) provide an update to the Legislature each year, commencing in 2017, during the annual state budget process, on implementation status. Based upon the recommendations of the study and available funding, DHCS must work with identified stakeholders to establish pilot projects in up to four separate sites to evaluate a mechanism to provide and improve medical interpretation services for LEP Medi-Cal beneficiaries. DHCS is authorized to use or contract with an external vendor, vendors or other contracted subject matter experts to implement the requirements of AB 635.

AB 1696 Holden (Chapter 606)
MEDI-CAL: TOBACCO CESSATION SERVICES

AB 1696, sponsored by the American Cancer Society Cancer Action Network, American Heart Association, American Stroke Association, and the American Lung Association, codifies Medi-Cal's tobacco cessation policy into state statute, including medical necessity standards and applicable utilization controls, consistent with United States Preventive Services Task Force grade A and B recommendations and American Academy of Pediatrics Bright Futures periodicity schedule and anticipatory guidance, as applicable.

AB 2394 Garcia, Eduardo (Chapter 615)
MEDI-CAL: NONMEDICAL TRANSPORTATION

AB 2394, sponsored by Western Center on Law and Poverty, effective July 1, 2017, requires Medi-Cal to cover non-medical transportation (NMT), subject to utilization controls and federally permissible time and distance standards. AB 2394 shall be implemented only to the extent federal financial participation is available, not jeopardized, and necessary federal approvals are obtained. DHCS is required to report to the Legislature on the status of pending regulations, commencing from January 1, 2018, on a semiannual basis, until regulations are adopted by July 1, 2018.

AB 2439 Nazarian (Chapter 668)
HIV TESTING

AB 2439, sponsored by AIDS Healthcare Foundation, creates a two-year pilot project administered by CDPH to assess and make recommendations regarding the effectiveness of routinely offering the human immunodeficiency

virus (HIV) tests in hospital emergency departments (ED). CDPH is required to select four hospitals, or fewer under specified circumstances, to voluntarily participate in the pilot to offer an HIV test to any patient in the ED who consented to the test. The pilot project begins March 1, 2017, and ends February 28, 2019, and CDPH must report its findings and recommendations to the Legislature by December 1, 2019.

MEDI-CAL DENTAL SERVICES

AB 2207 Wood (Chapter 613)
MEDI-CAL: DENTAL PROGRAM

AB 2207, sponsored by the author with DHCS technical assistance, does the following: 1) adds performance measures to the Medi-Cal Dental Program (Denti-Cal) fee-for-service (FFS) monitoring by provider in pediatric and adult dentistry; 2) requires DHCS to annually publish utilization data for the previous year for both dental FFS and dental managed care (DMC) programs on a “per-provider” basis, and report on annual preventive services by prevention, treatment, examination, and general anesthesia categories; 3) aligns FFS and DMC annual and quarterly reporting requirements; 4) further defines timing of the deactivation and disenrollment of dental providers, streamlines the provider application process, requires DHCS to annually review the treatment authorization request process and requires DHCS to assess opportunities to develop and implement innovative payment reform proposals; 5) requires Medi-Cal managed care plans to perform specified activities to ensure consumer access to covered services; and 6) codifies the Dental Transformation Initiative data reporting and evaluation quality measure requirements across all domains and be made publicly available.

SB 1098 Cannella (Chapter 630)
MEDI-CAL: DENTAL SERVICES: UTILIZATION RATE: REPORT

SB 1098, sponsored by the author, requires DHCS to report to the Legislature, by October 1, 2017, on the progress towards the goal of raising the Denti-Cal utilization rate among eligible child beneficiaries to 60 percent or greater and the date by which DHCS projects this utilization goal will be met. The bill also allows DHCS to include any recommendations for legislative consideration that would assist DHCS in meeting the goal by the specified date.

MEDI-CAL ELIGIBILITY

AB 1795 Atkins (Chapter 608)
HEALTH CARE PROGRAMS: CANCER

AB 1795, sponsored by the author, expands DHCS State-Only Breast and Cervical Cancer Treatment Program (BCCTP). Individuals with breast or cervical cancer receive a period of coverage for 18 months for breast cancer

treatment and 24 months of coverage for cervical cancer treatment. This bill allows individuals with a reoccurrence of breast or cervical cancer to re-enroll into the State-Only BCCTP with an additional treatment coverage period of 18 or 24 months, as long as they continue to meet all other eligibility requirements.

In addition, AB 1795 expands eligibility for breast cancer screening under the DHCS Every Woman Counts program to include symptomatic individuals of any age or individuals who are within the age range for routine breast cancer screening, as recommended by the United States Preventive Services Task Force, as specified.

AB 1849 Gipson (Chapter 609)
FOSTER YOUTH: TRANSITION TO INDEPENDENT LIVING: HEALTH INSURANCE COVERAGE

AB 1849, sponsored by the author, does the following: 1) revises the list of information, services, and documents that a county welfare department is required to provide to an eligible nonminor, who is age 18 or older, prior to the court terminating dependency jurisdiction, to include written verification that the eligible youth is enrolled in Medi-Cal, has possession of a Medi-Cal Benefits Identification Card, and has information notifying the nonminor of the availability of continued and uninterrupted Medi-Cal coverage pursuant to existing law; and 2) requires the mandatory health insurance information in the 90 day transition plan for a foster care youth age 18 or older to include verification that the eligible youth or eligible non-minor is enrolled in Medi-Cal and a description of the steps already taken and that will be taken to ensure the eligible youth or eligible non-minor is transitioned into the Medi-Cal Former Foster Youth program until age 26, without interruption in coverage and without requiring a new application.

AB 2346 Baker (Chapter 522)
PUBLIC SOCIAL SERVICES: HEARINGS

AB 2346, sponsored by the Coalition of California Welfare Rights Organizations, adds DHCS to the list of public and private agencies, including county departments of social services, which when required by law or choose to write a position statement for a fair hearing on an action taken for a public social services program, including the California Work Opportunity and Responsibility to Kids (CalWORKs) program, Supplemental Nutrition Assistance Program (known as CalFresh) and the Medi-Cal program, to make the position statement available to an applicant or recipient two business days prior to a scheduled fair hearing. Additionally, AB 2346 requires position statements to be sent through the United States Post Office, or, upon request, through electronic means, in addition to making it available at the county department of social services. When the position statement is sent electronically, the public or private agency must send through secure electronic means if required by state or federal privacy laws. If an agency is not capable of sending position statements securely, AB 2346 requires the

agency to submit a report to CDSS each calendar year explaining the barriers to sending position statements electronically and steps taken to address those barriers. The requirement to submit a report would become void once CDSS' new statewide electronic fair hearings case management system is operational.

SB 1339 Monning (Chapter 801)

PUBLIC SOCIAL SERVICES: INTERCOUNTY TRANSFERS

SB 1339, sponsored by the Coalition of California Welfare Rights Organizations, United Ways of California, and Western Center on Law and Poverty, requires intercounty transfers of all eligibility for public assistance programs, including Medi-Cal, CalWORKs and CalFresh, to be completed within the first day of the next available benefit month following 30 days from the date either county (sending or receiving) is notified of a beneficiary's change of residence to a new county within the state. The bill allows Medi-Cal beneficiaries who are required to receive services through a Medi-Cal MCP, or counties on their behalf, who move to a receiving county and are still enrolled in their MCP in the sending county, to request an expedited disenrollment from the sending county's MCP and to have access to Medi-Cal benefits in the receiving county through the Medi-Cal FFS delivery system until enrolled in an MCP in the receiving county. SB 1339 also deletes outdated provisions regarding determination of the county of residence for an aid recipient, who has been released or discharged from a state hospital. The provisions of the bill become effective June 1, 2017.

MENTAL HEALTH SERVICES

AB 38 Eggman (Chapter 547)

MENTAL HEALTH: EARLY DIAGNOSIS AND PREVENTIVE TREATMENT PROGRAM

AB 38, sponsored by the California Psychiatric Association, establishes the Early Diagnosis and Preventive Treatment (EDAPT) Program Fund in the State Treasury, for the purpose of depositing private or other non-General Fund sources of funding, to be used by the Regents of the University of California (UC Regents) to reimburse an EDAPT program for services provided to persons with severe mental illness and children with severe emotional disturbance whose private health benefit plans do not cover the full range of required services. This bill requires the UC Regents, if they accept money from the EDAPT Program Fund or federal funds distributed by DHCS, to report specified information to the health committees of both houses of the Legislature no later than January 1, 2023. The EDAPT Program Fund is repealed as of January 1, 2023.

AB 59 Waldron (Chapter 251)

MENTAL HEALTH SERVICES: ASSISTED OUTPATIENT TREATMENT

AB 59, sponsored by the author, extends the sunset date for the Assisted Outpatient Treatment Program Demonstration Project, also known as

“Laura’s Law,” from January 1, 2017, to January 1, 2022. In addition, AB 59 removes an existing one-time report to the Legislature.

AB 168 Maienschein (Chapter 283)
MENTAL HEALTH: COMMUNITY-BASED SERVICES

AB 168, sponsored by the author, requires DHCS, if selected as a participating state in the time-limited demonstration program for certified community behavioral health clinics (CCBHCs), to provide an update to the Legislature by March 1, 2017, which must include specified information, to the extent it is available, related to the demonstration program.

AB 847 Mullin (Chapter 6)
MENTAL HEALTH: COMMUNITY-BASED SERVICES

AB 847, sponsored by the Steinberg Institute, is an urgency measure that requires DHCS to develop a proposal for the United States Secretary of Health and Human Services for selection as a participating state in a time-limited demonstration program designed to improve mental health services provided by CCBHCs. One million dollars is appropriated from the Mental Health Services Act (MHSA) Fund to DHCS for any costs that will support the development of a competitive proposal, including, but not limited to, establishing actuarially sound rates and providing technical assistance to counties.

AB 1299 Ridley-Thomas (Chapter 603)
MEDI-CAL: SPECIALTY MENTAL HEALTH SERVICES: FOSTER CHILDREN

AB 1299, sponsored by the California Alliance of Child and Family Services, the Women's Foundation of California, and the Steinberg Institute, requires DHCS on or before July 1, 2017, to issue policy guidance that establishes conditions and exceptions for the presumptive transfer of responsibility for providing or arranging for specialty mental health services to foster youth from the county of original jurisdiction to the foster child’s county of residence. The bill requires DHCS, to issue guidance in consultation with CDSS and with input of stakeholders that include: The County Welfare Directors Association of California; the Chief Probation Officers of California; the County Behavioral Health Directors Association of California; provider representatives; and family and youth advocates. DHCS and CDSS are required to adopt regulations by no later than July 1, 2019.

AB 1836 Maienschein (Chapter 819)
MENTAL HEALTH: REFERRAL OF CONSERVATEES

AB 1836, sponsored by the Conference of California Bar Associations, authorizes the Probate Court, if a probate conservatorship has already been established after an evidentiary hearing, in consultation with a licensed physician or licensed psychologist, as specified, to refer a conservatee for an

assessment by the local mental health system or county mental health plan (MHP) to determine if the conservatee has a treatable mental illness, including whether the conservatee is gravely disabled as a result of a mental disorder or impairment by chronic alcoholism. The bill also requires the local mental health system or plan to file a copy of the assessment with the court that made the referral.

AB 1997 Stone, Mark (Chapter 612)
FOSTER CARE

AB 1997, sponsored by CDSS, builds on the provisions set forth by AB 403 (Stone, Chapter 773, Statutes of 2015) to continue implementation of the Continuum of Care Reform initiative, and includes modifications to the licensure and certification of short term residential treatment centers (STRTCs). AB 1997 changes the name of the existing STRTC category, to the Short-Term Residential Therapeutic Program (STRTP). The bill establishes additional protocols around the Resource Family Approval process, which moves from a pilot program to a statewide mandate in January 2017. It requires the basic rate paid to all families be the same regardless of approval process and other changes. AB 1997 requires all STRTPs to obtain DHCS mental health program approval and accreditation from a nationally recognized accreditation agency within specified time frames. It makes other conforming and technical changes, including deletion of statutory language that will become obsolete on January 1, 2017, when this bill is enacted, such as licensure categories and requirements for group homes.

SB 1291 Beall (Chapter 844)
MEDI-CAL: SPECIALTY MENTAL HEALTH: MINOR AND NONMINOR DEPENDENTS

SB 1291, sponsored by the National Center for Youth Law, requires each county mental health plan (MHP) to be monitored and reviewed annually by an External Quality Review Organization (EQRO) beginning July 1, 2018. The EQRO shall monitor and review MHPs regarding specific data on mental health services provided to minor and nonminor dependents in foster care. The bill requires MHPs to submit corrective action plans to DHCS, as specified, based on deficiencies identified by the EQRO. All MHP corrective action plans will be required to be posted on the DHCS Internet Website. DHCS will be required to annually share, with county boards of supervisors, specified disaggregated data on Medi-Cal eligible minor and nonminor dependents in foster care.

PHARMACY BENEFITS

AB 1114 Eggman (Chapter 602)
MEDI-CAL: PHARMACIST SERVICES

AB 1114, sponsored by the California Pharmacists Association, is an urgency measure that adds specified pharmacist services as a covered Medi-Cal benefit, subject to DHCS' protocols and utilization controls and approval by CMS. Specifically, the bill requires: 1) DHCS to establish a fee schedule for the list of covered pharmacist services, 2) the rate of reimbursement to be 85 percent of the Medi-Cal physician fee schedule, and 3) a pharmacist be enrolled as an ordering, referring, and prescribing provider under Medi-Cal prior to rendering a pharmacist service submitted by a Medi-Cal pharmacy provider for reimbursement. AB 1114 also authorizes DHCS to implement these provisions by means of all-county letters, plan letters, plan or provider bulletins, or similar instructions, without taking regulatory action, until regulations are adopted by July 1, 2021.

SUBSTANCE USE DISORDER PROGRAM, POLICY & FISCAL

SBX2 5 Leno (Chapter 7)
ELECTRONIC CIGARETTES

Senate Bill 5 of the second extraordinary session (SBX2 5), sponsored by the American Cancer Society-Cancer Action Network, the American Heart Association, and the American Lung Association, extends the existing restrictions and prohibitions of the Smoke Free Act, the Stop Tobacco Access to Kids Enforcement (STAKE) Act, and the Cigarette and Tobacco Products Licensing Act of 2003 (Licensing Act) to include an electronic device that delivers nicotine or other vaporized liquids to the person inhaling from the device, including but not limited to an electronic cigarette (e-cigarette), cigar, pipe, or hookah. SBX2 5 expands the definition of "smoking" to include the use of an electronic smoking device. SBX2 5 also requires that all cartridges for e-cigarettes, and solutions for filling or refilling e-cigarettes, to be in child-resistant packaging. The bill requires changes made to the Licensing Act to be operative commencing January 1, 2017, whereas the child-resistant requirements must be enforced by October 1, 2016. This bill declares that its provisions do not affect any law or regulation regarding medical marijuana, nor does it affect any product that has been approved by the United States Food and Drug Administration (FDA) for sale as a tobacco cessation product. Lastly, the bill prohibits selling, advertising, or furnishing tobacco products to, or the purchasing of tobacco products by, persons under 21 years of age, as specified.

SYSTEMS OF CARE

SB 586 Hernandez (Chapter 625)
CHILDREN'S SERVICES

SB 586, sponsored by the author, authorizes DHCS to establish the Whole-Child Model (WCM) program in designated County Organized Health System or Regional Health Authority counties to incorporate California Children's Services (CCS) program covered services for Medi-Cal eligible CCS children and youth into a Medi-Cal MCP contract. For non-WCM counties, the bill extends the CCS carve-out provision that prohibits the incorporation of CCS program covered services into a Medi-Cal MCP contract until January 1, 2022.

2016 ENROLLED BILLS

BILL NUMBER	AUTHOR	FINAL STATUS	CHAPTER	PROGRAM*	PAGE NUMBER
AB 38	Eggman	Sign	547	MH	12
AB 59	Waldron	Sign	251	MH	12
AB 168	Maienschein	Sign	283	MH	13
AB 635	Atkins	Sign	600	MB	9
AB 741	Williams	Veto	----	MH	
AB 847	Mullin	Sign	6	MH	13
AB 1114	Eggman	Sign	602	PB	15
AB 1244	Gray	Sign	852	LG	4
AB 1299	Ridley-Thomas	Sign	603	MH	13
AB 1568	Bonta	Sign	42	HP	1
AB 1603	Committee on Budget	Sign	25	LA	4
AB 1606	Committee on Budget	Sign	26	LA	4
AB 1607	Committee on Budget	Sign	27	LA	4
AB 1618	Committee on Budget	Sign	43	LA	5
AB 1625	Committee on Budget	Sign	320	LA	5
AB 1696	Holden	Sign	606	MB	9
AB 1739	Waldron	Veto	----	MB	
AB 1763	Gipson	Veto	----	MC	
AB 1795	Atkins	Sign	608	ME	10
AB 1831	Low	Veto	----	MC	
AB 1836	Maienschein	Sign	819	MH	13
AB 1849	Gipson	Sign	609	ME	11
AB 1863	Wood	Sign	610	HP	2
AB 1997	Stone, Mark	Sign	612	MH	14
AB 2017	McCarty	Veto	----	MH	
AB 2077	Burke	Veto	----	ME	
AB 2207	Wood	Sign	613	MD	10
AB 2279	Cooley	Veto	----	MH	
AB 2346	Baker	Sign	522	ME	11
AB 2394	Garcia, Eduardo	Sign	615	MB	9
AB 2439	Nazarian	Sign	668	MB	9
AB 2469	Frazier	Veto	----	MB	
AB 2821	Chiu	Veto	----	MC	
ABX2 1	Thurmond	Sign	3	HP	2
SB 3	Leno	Sign	4	LT	8
SB 123	Liu	Veto	----	SF	
SB 253	Monning	Veto	----	MH	
SB 586	Hernandez	Sign	625	SC	16
SB 815	Hernandez	Sign	111	HP	2
SB 833	Committee on Budget and Fiscal Review	Sign	30	LA	5
SB 999	Pavley	Sign	499	FP	1
SB 1098	Cannella	Sign	630	MD	10
SB 1113	Beall	Veto	----	MH	

SB 1135	Monning	Sign	500	MC	8
SB 1174	McGuire	Sign	840	IM	3
SB 1291	Beall	Sign	844	MH	14
SB 1300	Hernandez	Veto	----	FR	
SB 1339	Monning	Sign	801	ME	12
SB 1380	Mitchell	Sign	847	HP	2
SB 1384	Liu	Sign	487	LT	8
SB 1466	Mitchell	Veto	----	MC	
SB 1477	Committee on Health	Sign	733	LA	7
SBX2 2	Hernandez	Sign	2	HP	3
SBX2 5	Leno	Sign	7	SP	15

***PROGRAM ASSIGNMENTS AND ACRONYMS**

PROGRAM	CODE
Family Planning, Office of	FP
Health Policy	HP
Information Management	IM
Legal Services, Office of	LG
Legislative and Governmental Affairs, Office of	LA
Long Term Care	LT
Managed Care (Operations and Quality/Monitoring Divisions)	MC
Medi-Cal Benefits	MB
Medi-Cal Dental Services	MD
Medi-Cal Eligibility	ME
Mental Health Services	MH
Pharmacy Benefits	PB
Substance Use Disorder Program, Policy & Fiscal	SP
Systems of Care	SC

VETO MESSAGES

<u>BILL#</u>	<u>AUTHOR</u>	<u>SUBJECT</u>	<u>DIV</u>
AB 741	Williams	Mental health: community care facilities	MH
AB 1739	Waldron	Medi-Cal: allergy testing	MB
AB 1763	Gipson	Health care coverage: colorectal cancer: screening and testing	MC
AB 1831	Low	Health care coverage: prescription drugs: refills	MC
AB 2017	McCarty	College Mental Health Services Program	MH
AB 2077	Burke	Health Care Eligibility, Enrollment, and Retention Act	ME
AB 2279	Cooley	Mental Health Services Act: county-by-county spending reports	MH
AB 2469	Frazier	Specialized license plates: breast cancer awareness	MB
AB 2821	Chiu	Housing for a Healthy California Program.	MC
SB 123	Liu	Medi-Cal: school-based administrative activities	SF
SB 253	Monning	Juveniles: psychotropic medication	MH
SB 1113	Beall	Pupil health: mental health	MH
SB 1300	Hernandez	Medi-Cal: emergency medical transport providers: quality assurance fee	FR
SB 1466	Mitchell	Early and Periodic Screening, Diagnosis, and Treatment Program: trauma screening	MC

(Veto messages are also available on the California Legislative Information website:
<http://leginfo.legislature.ca.gov/>)



OFFICE OF THE GOVERNOR

SEP 30 2016

To the Members of the California State Assembly:

I am returning Assembly Bill 741 without my signature.

This bill establishes a licensing category for children's crisis residential centers which would be regulated by the Department of Social Services.

The licensing category proposed by this bill limits the length of treatment stays and the size of the centers. These restrictions are not consistent with federal rules and put funding in jeopardy.

I recognize there is an acute shortage of residential programs that provide crisis mental health treatment for children and teens. Therefore, I am directing the Departments of Social Services and Health Care Services to work with county behavioral health directors and children's advocates to develop a more viable licensing category.

Sincerely,

A handwritten signature in black ink that reads "Edmund G. Brown Jr." with a large, stylized flourish extending to the right.

Edmund G. Brown Jr.





OFFICE OF THE GOVERNOR

SEP 21 2016

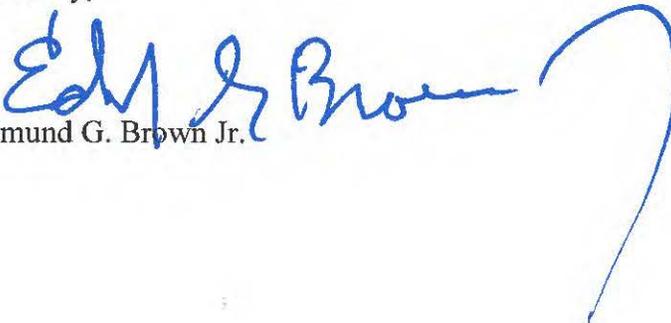
To the Members of the California State Assembly:

I am returning Assembly Bill 1739 without my signature.

This bill codifies a specific standard for allergy testing in Medi-Cal.

The Department of Health Care Services already has authority to set allergy testing standards and will be updating them later this year. When it does so, the Department should not be limited, as this bill requires, to considering just the guidelines from National Institutes of Health.

Sincerely,

A handwritten signature in blue ink that reads "Edmund G. Brown Jr." with a large, sweeping flourish at the end.

Edmund G. Brown Jr.





OFFICE OF THE GOVERNOR

SEP 23 2016

To the Members of the California State Assembly:

I am returning Assembly Bill 1763 without my signature.

This bill imposes a no cost sharing mandate on health plans and insurance policies for colorectal cancer screening services that exceeds the requirements of the federal Affordable Care Act.

I understand the importance of preventative health care services, and in particular, screening for various types of cancer. I believe, however, the cost sharing rules for these services as set in the Affordable Care Act are sufficient. Moreover, creating a no cost sharing rule for colorectal cancer sets it apart from all other cancers and contributes to increasing everyone's health care costs.

Sincerely,


Edmund G. Brown Jr.





OFFICE OF THE GOVERNOR

SEP 28 2016

To the Members of the California State Assembly:

I am returning Assembly Bill 1831 without my signature.

This bill requires health plans and insurance policies to pay for early refills of medicated eye drops.

Applying eye drops is sometimes difficult and imprecise. However, in most instances of spillage or loss, health plans or pharmacists provide an early refill to those who need it. Moreover, new mandates, even small ones, add to the high cost of health care.

Sincerely,

A handwritten signature in black ink that reads "Edmund G. Brown Jr." with a small flourish at the end.

Edmund G. Brown Jr.



OFFICE OF THE GOVERNOR

SEP 24 2016

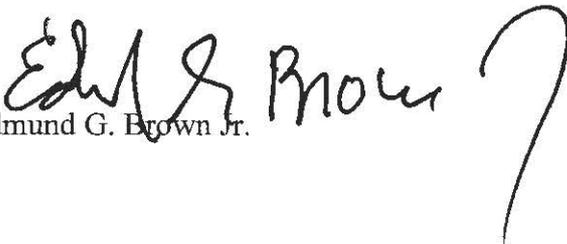
To the Members of the California State Assembly:

I am returning Assembly Bill 2017 without my signature.

This bill requires the Mental Health Services Oversight and Accountability Commission to establish a grant program for mental health services at public colleges and universities, subject to a future appropriation.

While well-intentioned, the bill is premature as it commits to a particular program structure without specifying the amount or source of funding. Without this pertinent information, I cannot give this matter full consideration, given the complexities of mental health funding.

Sincerely,


Edmund G. Brown Jr.





OFFICE OF THE GOVERNOR

SEP 24 2016

To the Members of the California State Assembly:

I am returning Assembly Bill 2077 without my signature.

This bill allows people to stay on Medi-Cal longer in order to sign up for Covered California. The bill also requires counties to prioritize applications from new enrollees into Medi-Cal from Covered California.

The ability to maintain coverage while transitioning between Medi-Cal and Covered California may indeed be a daunting task. I am not comfortable, however, with the approach this bill proposes by giving more time on Medi-Cal to some, and preferential enrollment to others.

The Department of Health Care Services and Covered California are currently working on improvements to the eligibility and enrollment systems to give people the timely information they need to ease the transition from one program to the other.

Sincerely,


Edmund G. Brown Jr.





OFFICE OF THE GOVERNOR

SEP 14 2016

To the Members of the California State Assembly:

I am returning Assembly Bill 2279 without my signature.

This bill requires the Department of Health Care Services to annually compile and publicly report financial data and program information from counties on their Mental Health Services Act expenditures.

The department is already in the process of collecting and posting county revenue and expenditure reports as well as updated three year program expenditure plans, which will provide much of the information outlined in this bill. I encourage the Legislature and interested stakeholders to continue to work with the department to identify useful information that can be integrated into the existing reports to improve transparency and accountability in the use of these funds.

Sincerely,


Edmund G. Brown Jr.



OFFICE OF THE GOVERNOR

AUG 29 2016

To the Members of the California State Assembly:

I am returning Assembly Bill 2469 without my signature.

This bill would authorize the Department of Health Care Services to request an additional year to collect a minimum of 7,500 applications to qualify a breast cancer awareness specialized license plate without notifying existing applicants of the extension or their option to cancel their order and receive a refund.

Since the department has already requested an extension and notified existing applicants of their option to request a refund, I believe this bill is unnecessary.

Sincerely,

A handwritten signature in black ink that reads "Edmund G. Brown Jr." with a long vertical flourish extending downwards from the end of the signature.

Edmund G. Brown Jr.



OFFICE OF THE GOVERNOR

SEP 27 2016

To the Members of the California State Assembly:

I am returning Assembly Bill 2821 without my signature.

This bill establishes a new program to provide rental assistance to homeless Medi-Cal beneficiaries.

While the goal of this bill is laudable and the policy could lead to savings in the health care system, codifying a program without an identified funding source raises false expectations. This grant program, like any new expenditure, is best left to budget discussions.

Sincerely,


Edmund G. Brown Jr.



OFFICE OF THE GOVERNOR

SEP 29 2016

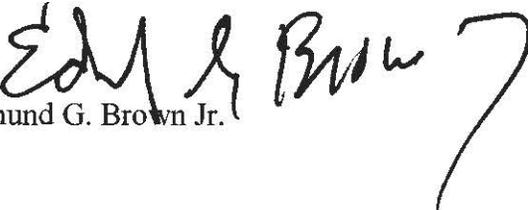
To the Members of the California State Senate:

I am returning Senate Bill 123 without my signature.

This bill establishes a work group jointly administered by the Departments of Health Care Services and Education to recommend changes to school-based Medi-Cal programs.

There is an advisory committee within the Department of Health Care Services whose very purpose is to continuously review and recommend improvements to these programs. Collaboration among the health and education departments and local education groups is very important, but the existing advisory committee is working well and certainly up to the task. Codification in this case is not needed.

Sincerely,


Edmund G. Brown Jr.



OFFICE OF THE GOVERNOR

SEP 29 2016

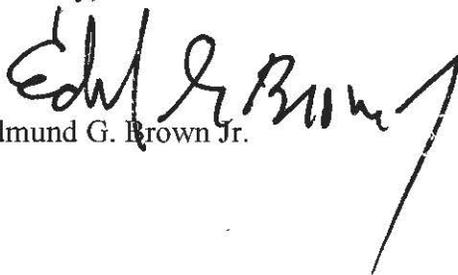
To the Members of the California State Senate:

I am returning Senate Bill 253 without my signature.

This bill adds more requirements for juvenile court authorization and oversight of psychotropic medications for children in the child welfare and probation systems.

Last year, I signed a bill that required the Judicial Council, working with stakeholders, to amend and adopt rules of court and forms to help judges determine whether to authorize the use of psychotropic medications. These new rules and forms took effect July 1, 2016, and require significantly more information to be submitted to the court. Until we know the impact of these changes, it is premature to legislate additional measures.

Sincerely,


Edmund G. Brown Jr.



OFFICE OF THE GOVERNOR

SEP 28 2016

To Members of the California State Senate:

I am returning the following four bills without my signature:

Assembly Bill 1198
Assembly Bill 1783
Assembly Bill 2182
Senate Bill 1113

Each of these bills creates unfunded new programs.

Despite significant funding increases for local educational agencies over the past few years, the Local Control Funding Formula remains only 96 percent funded. Given the precarious balance of the state budget, establishing new programs with the expectation of funding in the future is counterproductive to the Administration's efforts to sustain a balanced budget and to fully fund the Local Control Funding Formula.

Additional spending to support new programs must be considered in the annual budget process.

Sincerely,


Edmund G. Brown Jr.



OFFICE OF THE GOVERNOR

SEP 27 2016

To the Members of the California State Senate:

I am returning Senate Bill 1300 without my signature.

This bill creates a new ambulance quality assurance fee to be collected by the Department of Health Care Services. This fee would be used to claim additional federal funding necessary to increase Medi-Cal reimbursements for ambulance services.

I support establishing a quality assurance fee to bring in additional federal funding to support emergency transportation services. However, the structure of the rate increase in this bill is unlike any other fee structure supported by health care related quality assurance fees. I am concerned this structure puts the state general fund at risk for paying the increased rate if the revenue falls short or if the fee is reduced or removed in the future.

I urge the Legislature and ambulance providers to work with the Departments of Health Care Services and Finance to restructure this fee in a way that protects the general fund and allows for an increase in reimbursement for emergency transportation services.

Sincerely,


Edmund G. Brown Jr.





OFFICE OF THE GOVERNOR

SEP 28 2016

To the Members of the California State Senate:

I am returning Senate Bill 1466 without my signature.

This bill establishes a new trauma screening entitlement for every child on Medi-Cal.

Medi-Cal has grown from 8 million to 14 million beneficiaries since our implementation of the federal Affordable Care Act and provides coverage for over 5 million children. Given this dramatic expansion, I am reluctant to create another entitlement as required by this bill.

Sincerely,

A handwritten signature in black ink that reads "Edmund G. Brown Jr." with a large, sweeping flourish extending to the right.

Edmund G. Brown Jr.