



California  
Department of  
Health Services

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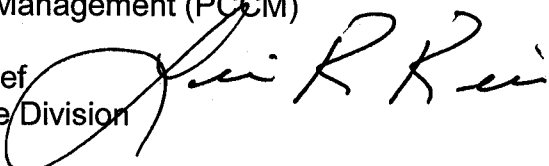


**ARNOLD SCHWARZENEGGER**  
Governor

January 6, 2005

MMCD All-Plan Letter 05001

TO:            County-Organized Health Systems  
               Geographic Managed Care Plans  
               Prepaid Health Plans  
               Two-Plan Model Plans  
               Primary Care Case Management (PCCM)

FROM:       Luis R. Rico, Acting Chief  
              Medi-Cal Managed Care Division 

SUBJECT:   SUMMARY OF 2003 AND 2004 CHAPTERED LEGISLATION  
              IMPACTING OR OF INTEREST TO MEDI-CAL MANAGED CARE PLANS

The purpose of this letter is to provide summary information about bills chaptered during 2003 and 2004 that impact, or are of interest to, Medi-Cal managed care plans (MCPs). The following information is included in this transmittal:

- Narrative summary of chaptered bills: The brief summary of each bill highlights the main provisions of the new law, indicates how Medi-Cal MCPs and other entities are affected, and cites relevant code sections. You may access complete copies of bills through the California State Legislature's website: <http://www.leginfo.ca.gov/billinfo>
- Impact summary table: Indicates the effective date for each bill, affected entities, and plan submissions and contract changes that will be required as a result of the legislation.

Please be advised that the legislation information provided is a condensed version and does not reflect all changes in State law that may affect the business practices, or daily operations, of contracting MCPs.

January 6, 2005

Each MCP is responsible for reviewing and analyzing the impact of chaptered legislation on their operations. Contractors are expected to implement statutory changes as required by the effective date of each chaptered bill and should not delay any required operational changes while the Medi-Cal Managed Care Division (MMCD) processes related contract amendments. In addition, MCPs are responsible for compliance with any regulatory requirements that are enforced by other state or Federal entities. (See General Terms and Conditions of your contract.)

MCPs are reminded that, due to these legislative actions, your contracts may be amended to require the following changes: new or revised reports, policies and procedures, provider directories, member informing materials, or subcontracts. Department of Health Services (DHS) review and approval also may be required before these changes are implemented. Please refer to your specific contract for approval requirements and time frames.

When necessary, MMCD will issue policy letters to clarify the application of some new laws to the Medi-Cal Managed Care Program. Laws that contain provisions specific to Medi-Cal may require DHS to promulgate new regulations as part of the implementation process. Future policy letters and proposed regulations related to new legislation will be distributed to contracting MCPs as they become available.

If you have any questions about how a specific chaptered bill affects your Med-Cal MCP contract, please contact your DHS contract manager at (916) 449-5000 for assistance.

Enclosures

**2003 CHAPTERED BILLS IMPACTING, OR OF INTEREST TO,  
MEDI-CAL MANAGED CARE DIVISION AND CONTRACTED PLANS.**

**AB 171 (Chapter 424, Statutes of 2003)** – Authorizes the governing board of specified county health authorities to meet in closed session for the purpose of discussion of, or taking action on, matters involving health authority trade secrets. Exempts from public disclosure those records of the health authorities and commissions that reveal the trade secrets of these authorities and commissions. It also exempts those records from disclosure pursuant to any local law requiring the disclosure of public records. Deletes the statutory provisions relating to the establishment of health authority for the City and County of San Francisco, the County of Alameda, and those counties selected by the director with concurrence of the county, to be interpreted independently and without reference to one another.

(Amends Sections 6276.24 and 54956.87 of the Government Code; amends Sections 14087.31, 14087.35, 14087.36, and 14087.38 of the Welfare and Institutions Code; and repeals Section 7 of Chapter 642 of the Statutes of 1994, relating to public records and meetings.)

**AB 175 (Chapter 203, Statutes of 2003)** – Adds a provision to the Health Care Providers' Bill of Rights that requires the rights and obligations of a health care provider contract, when a contracting agent sells, leases, or transfers the contract to a payor, to be governed by the underlying contract between the provider and the contracting agent.

(Adds Section 511.3 to the Business and Professions Code; amends Section 1375.7 of the Health and Safety Code; adds Sections 10178.4 to the Insurance Code; and adds Section 4610 to the Labor Code, relating to health care.)

**AB 348 (Chapter 94, Statutes of 2003)** – Provides that a psychologist who has personally evaluated or examined a person and has a collaborative treatment relationship with the psychiatrist may recommend a patient's early release in certain situations. In the event either the psychiatrist, or psychologist recommends the person's release and the other does not, the person may not be released unless the medical director of the facility where the person is being treated overrules the decision of the psychiatrist or psychologist opposing the release.

(Amends Sections 5152, 5154, 5259.3, 5264, 5267, and 5270.35 of the Welfare and Institutions Code, relating to mental health.)

**AB 362 (Chapter 80, Statutes of 2003)** – Requires the Department of Managed Health Care (DMHC) to maintain a database indicating for each county, the names of the health care service plans operating in that particular county.

(Adds Section 1346.1 to the Health and Safety Code, relating to health care service plans.)

**AB 373 (Chapter 139, Statutes of 2003)** – Provides that a subscriber in the Healthy Families program who selects or is assigned to a federally qualified health center, rural health clinic, or primary care clinic shall be deemed to have been assigned directly to the specified clinic and not to any individual provider performing services on behalf of these entities. It also provides that the

assignment of a subscriber to a physician employee of these entities constitutes an assignment to the specified clinic. It does not limit the rights of a subscriber to select an available primary care physician within a health care service plan's service area.

(Adds Section 12693.515 to the Insurance Code, relating to the Healthy Families Program.)

**AB 525 (Chapter 48, Statutes of 2003)** – Deletes the requirement that audiologists be certified, instead requiring them to be licensed by the state.

(Amends Section 3365.6 of the Business and Professions Code, relating to hearing aids.)

**AB 632 (Chapter 209, Statutes of 2003)** - Requires Department of Health Services (DHS) to perform or assure the performance of rights, duties, and obligations to pay contributions for workers' compensation coverage for In-home Support Services providers that are employed under contracts entered into by a county with a nonprofit agency or proprietary agency. It would require a county that has existing contracts with nonprofit agencies or proprietary agencies whose employees would be covered under this provision to reduce the contract hourly rate, as prescribed.

(Adds Section 12302.21 to the Welfare and Institutions Code, relating to public services).

**AB 747 (Chapter 659, Statutes of 2003)** – Requires specified boards within DHS, the Osteopathic Medical Board of California, and the State Board of Chiropractic Examiners to convene disciplinary hearings to revoke a license if the licensee has more than one conviction, as defined, for any felony involving Medi-Cal fraud committed by the licensee in conjunction with the Medi-Cal program, or the Denti-Cal element of the Medi-Cal program, and requires revocation, unless mitigating circumstances exists. It also requires DHS to establish a list of maximum allowable product costs for durable medical equipment (DME) provided under the Medi-Cal program. Additionally, it provides that the maximum reimbursement rate for the dispensing of each item of DME shall not exceed the lesser of the cost of the item, plus a percentage markup, the contracting rate, or the federal medicare reimbursement rate.

(Amends Section 810 of the Business and Professions Code, and amends Sections 14105.48, 19356, and 19805 of the Welfare and Institutions Code, relating to human services.)

**AB 786 (Chapter 436, Statutes of 2003)** – Requires the County of San Mateo to adopt the Minimum Data Set-Home Care assessment instrument for use until December 31, 2008, by home- and community-based programs, that serve elderly and disabled persons.

(Adds and repeals Chapter 14 [commencing with Section 15800] of Part 3, Division 9, of the Welfare and Institutions Code, relating to public social services.)

**AB 798 (Chapter 112, Statutes of 2003)** – Allows DHS to establish the Program of All-Inclusive Care for the Elderly (PACE) as a benefit under the Medicaid program as permitted by Federal Law. It allows the State to enter into three-way party agreements with Centers for Medicare and Medicaid Services (CMS) and each PACE organization. It allows current PACE demonstration programs to transition as Medicaid state options and grants authority for separate state

contracts with PACE Organizations to meet any other state requirements found necessary to provide comprehensive services to those Californians who are elderly and eligible for nursing facility care.

(Adds Sections 14132.94 and 14598 to the Welfare and Institutions Code, relating to health care.)

**AB 801 (Chapter 510, Statutes of 2003)** – Enacts the Cultural and Linguistic Competency of Physicians Act of 2003, where local medical societies of the California Medical Association would operate a voluntary competency program for physicians. The program will develop educational classes to teach foreign languages to interested physicians and will offer classes designed to teach physicians participants about cultural practices and beliefs that impact health care. The bill will also require the formation of a workgroup to examine and recommend whether successful participating physicians receive credit for the program and to evaluate the program. The bill to be funded by fees charged to physicians who elect to take the educational classes and by any other funds secured by local medical societies.

(Amends Section 853 of, and adds Article 10.5 [commencing with Section 2198] to Chapter 5, Division 2, of the Business and Professions Code, relating to the healing arts.)

**AB 948 (Chapter 438, Statutes of 2003)** – Authorizes a physician who is not a United States citizen but who is legally in this country and who is seeking postgraduate study to participate in a fellowship program in a specialty or subspecialty field in a clinic or hospital in a medically underserved area of the state. It requires these physicians and surgeons to be supervised by a physician and surgeon who is a specialist in the area in which the fellow is training, and who has an appointment with a medical school in the state.

(Adds Section 2115 to the Business and Professions Code, relating to physicians and surgeons.)

**AB 1196 (Chapter 748, Statutes of 2003)** – Expands the authorization of nurse practitioners to furnish drugs or devices classified as Schedule II under the California Uniform Controlled Substances Act. It also establishes additional requirements for a nurse practitioner to complete a continuing education course including Schedule II controlled substances based on standards developed by the board.

(Amends Section 2836.1 of the Business and Professions Code, and amends, repeals, and adds Section 11165 of the Health and Safety Code, relating to drugs.)

**AB 1286 (Chapter 591, Statutes of 2003)** – Makes several changes to continuity of care requirements. Requires a Health Care Service Plan to file a continuity of care policy with DMHC. Extends notice to enrollee of provider termination to 60 days, and blocks transfer filing with DMHC at least 75 days prior to the termination of its contract with a provider group of hospital. Also adds a new protected class to the current list of new enrollees entitled to completion of care with their existing provider, infants through the age of 36 months without evidence of disease, or special needs. (Identical language is enacted by SB 244.)

(Repeals and adds Sections 1373.65, 1373.95, and 1373.96 of the Health and Safety Code, and amends Section 10133.56 of the Insurance Code, relating to health care coverage.)

**AB 1496 (Chapter 579, Statutes of 2003)** – Revises the emergency services reimbursement requirement so that the director of DMHC must require reimbursement if the urgent care, or emergency services, is determined to be medically necessary. If the services are covered benefits, the enrollee's decision to secure the services was reasonable, and the plan does not require, or provide prior authorization for the services, reimbursement must be allocated.  
(Amends Section 1374.34 of the Health and Safety Code, relating to health care.)

**AB 1627 (Chapter 582, Statutes of 2003)** – Establishes the Payers' Bill of Rights. Requires a hospital, except a small and rural hospital, that uses a charge description master, as defined, to make available a copy in accordance with specified provisions. Requires a hospital to post a notice that informs patients that the hospital's charges description master is available. Requires each hospital to compile a list of the charges for 25 services, or procedures commonly charged to patients, and make this list available to any person upon request. Authorizes any person to file a claim with the department alleging violation of these provisions and requires the department to investigate and inform the complaining person of its determination whether a violation has occurred and what action it will take. Requires each hospital to file a copy of its charge description master and other information with the Office of Statewide Health Planning and Development, imposing related reporting requirements. Prohibits a hospital from conditioning acceptance of a contract with a health care service plan or health insurer on waiving any of the foregoing provisions.  
(Amends Sections 1971, 2154.2, 2201, and 3516.1 of the Business and Professions Code, to amend Section 92725 of the Education Code, and to amend Section 124425, 124765, 127755, 127928, 128040, 128205, 128215, 128235, 128260, 128330, and 128385 of, to add Section 128207 to, and to add Article 11 (Commencing with Section 1339.50) to Chapter 2 of Division 2 of, the Health and Safety Code, relating to health care.)

**AB 1628 (Chapter 583, Statutes of 2003)** – Requires a health care provider to contact an enrollee's health care service plan (HCSP) to obtain the enrollee's medical record information prior to admitting the enrollee as an in-patient for post-stabilization treatment following emergency treatment or prior to transferring an enrollee to a non-participating hospital for post-stabilization treatment following emergency treatment under specified conditions. The bill prohibits a health care provider that is required to contact the patient's HCSP and fails to do so from billing the patient for post-stabilization services. This bill declares that it is to take effect immediately as an urgency statute.  
(Amends Section 1371.4 of, and to add Section 1262.8 to, the Health and Safety Code, relating to health care.)

**AB 1762 (Chapter 230, Statutes of 2003)** – AB 1762 is associated with the Governor's Budget with many amendments, provisions, and repealed sections. The bill revises the continuously appropriated Medi-Cal providers Interim Payment Fund for payments made to Medi-Cal providers to include its use during the time the Medi-Cal appropriation has a deficiency. The bill revises the licensing and renewal fee provisions as a condition of participation in the Medi-

Cal program, impose a Quality Assurance fee on certain intermediate care facilities.

(Amends Sections 6254 and 16531.1 of, and repeals Sections 13967 of the Government Code. Amends Sections 1266, 104465, 104898.5, 120955, 124555, 124710, and 127280.1 of, amends and repeals Section 1316.5 of, adds Section 104181.6, 104466, 123853, and 125191 to, adds Article 7.5 (commencing with Section 1324) to Chapter 2 of Division 2 of, and adds Chapter 16 (commencing with Section 121345) to part 4 of Division 105 of, the Health and Safety Code. Amends Sections 12693.43, 12693.70, 12693.73, 12693.91, 12693.98, 12695.04, 12695.06, 12695.08, 12696.7, 12697, 12698.05, 12698.30, 12699.50, 12699.51, 12699.2, 12699.53, 12699.54, 12699.56, 12699.58, 12699.60, 12699.61, and 12699.62 of, amends the heading of Part 6.4 (commencing with section 12699.50) of Division 2 of, adds Section 12693.765 to, adds and repeals Section 12693.275 of, and repeals Sections 12693.99 and 12698.10 of, the Insurance Code. Amends Section 1026.2 of the Penal Code, amends Sections 4094.2, 4433, 4512, 4631.5, 4640.6, 4643, 4685.5, 4781.5, 5775, 14011.7, 14019.3, 14105.37, 14124.79, 14126.02, 14132.88, 14154, and 16809 of, amends and repeals Sections 14005.81 and 14110.65 of, adds Sections 4620.2, 4648.4, 4681.5, 4691.6, 14044, 14087.101, 14087.105, 14105.6, 14105.21, 14105.22, 14105.35, 14105.39, 14105.48, 14105.49, 14105.51, 14105.86, 14124.75, 14124.79, 14132.27, 14159, and 14684.1 to, adds Article 5.5 (commencing with section 144.64.5) to Chapter 8 of Part 3 of Division 9 of, adds and repeals Section 14105.19 of, the Welfare and Institutions Code, and repeals Section 13 of Chapter 9 of the Statutes of the First Extraordinary Session of 2003, relating to health, making an appropriation therefore, and declaring the urgency thereof, to take effect immediately.

**AB 1765 (Chapter 157, Statutes of 2003)** – Also known as the California Budget Act.

(The act makes appropriations for the support of the government of the State of California and for several public purposes in accordance with the provisions of Section 12 of Article IV of the Constitution of the State of California, and declaring the urgency thereof, to take effect immediately.)

**SB 2 (Chapter 673, Statutes of 2003)** – Requires employers to provide health care coverage for employees and dependents and the creation of the State Health Purchasing Program to be administered by the Managed Risk Medical Insurance Board. The bill required specified health benefits to be provided directly by employers or through the program. (Repealed November 2, 2004)

(Amends Section 6254 of the Government Code, adds Article 3.11 [commencing with Section 1357.20] to Chapter 2.2 of Division 2 of the Health and Safety Code, adds Section 12693.55 to and adds Chapter 8.1 [commencing with Section 10760] to Part 2 of Division 2 of the Insurance Code, adds Part 8.7 [commencing with Section 2120] to Division 2 of the Labor Code, amends Section 131 of and adds Section 976.7 to the Unemployment Insurance Code, and amends Section 14124.91 of and adds Sections 14105.981, 14124.915 and 14124.916 to, the Welfare and Institutions Code, relating to health care coverage, and making an appropriation thereof.)

**SB 24 (Chapter 895, Statutes of 2003)** – Modifies the Medi-Cal eligibility determination process and increases the responsibilities of counties in the administration of the Medi-Cal program. Requires DHS to adopt an electronic process, which will be known as the Newborn Hospital Gateway, for families to enroll an eligible newborn in the Medi-Cal program in hospitals that have elected to participate in the process.

(Adds Sections 14148.03, 14148.04, and 14148.05 to the Welfare and Institutions Code, relating to health care.)

**SB 25 (Chapter 907, Statutes of 2003)** – Effective July 1, 2004, provides that any person who uses a consumer credit report in connection with the approval of credit, as specified, may not lend money, extend credit, or complete the purchase, lease, or rental of goods, or non-credit-related services without taking reasonable steps to verify the consumer's identity in order to ensure that the

application for an extension of credit, or for the purchase, lease, or rental of goods, or non-credit-related services is not the result of identity theft. The bill also provides that on, or after July 1, 2004, but no later than July 1, 2005, a health care service plan, a provider of health care, an insurer, or a pharmacy benefits manager, a contractor, or another person, or entity shall make reasonable efforts to cooperate, through systems testing and other means, to ensure that the requirements of this article are implemented on or before the dates specified in this section.

(Amends Sections 1785.11.1, 1785.11.6, 1786.60, and 1798.85 of the Civil Code, relating to personal information.)

**SB 36 (Chapter 527, Statutes of 2003)** – Provides that federally qualified health centers and rural health clinic services, as defined, are covered benefits under the Medi-Cal program to be reimbursed to providers on a per-visit basis and will provide the various requirements pertaining to the reimbursement of these services. Specifies that it shall be implemented only to the extent that federal financial participation is obtained.

(Adds Section 14132.100 to the Welfare and Institutions Code, relating to Medi-Cal.)

**SB 244 (Chapter 590, Statutes of 2003)** – Identical to AB 1286.

**SB 292 (Chapter 544, Statutes of 2003)** – Commencing January 1, 2006, requires pharmacies to label and include a physical description of a drug, including its color, shape, and any identification code appearing on the tablets or capsules.

(Amends Section 4076 of the Business and Professions Code relating to pharmacy.)

**SB 308 (Chapter 253, Statutes of 2003)** – Includes within the definition of a local governmental agency, and for the purposes of the Medi-Cal program and the Administrative Claiming process, Native American tribes and tribal organizations as well as subgroups of these entities.

(Amends Section 14132.47 of the Welfare and Institutions Code, relating to Medi-Cal.)

**SB 359 (Chapter 595, Statutes of 2003)** – Requires various medical services boards to convene disciplinary hearings to suspend, revoke or take other action regarding a license or certificate, if the licensee or certificate holder has been convicted of any felony involving fraud committed in conjunction with providing benefits covered by worker's compensation insurance.

(Amends section 810 of the Business and Professions Code, relating to professions and vocations.)

**SB 370 (Chapter 321, Statutes of 2003)** – Provides that the utilization controls adopted by the department shall not include prior authorization for renal dialysis treatment provided to eligible recipients for the treatment of end stage renal disease.

(Adds Section 14133.45 to the Welfare and Institutions Code, relating to Medi-Cal.)



**SB 377 (Chapter 596, Statutes of 2003)** – Requires DHS to provide semi-annual prospective payments to a grantee operated by an American Indian health services during a 12-month fiscal period to the extent funds are available.  
(Adds Section 124586 to the Health and Safety Code, relating to health.)

**SB 413 (Chapter 545, Statutes of 2003)** – Permits the California Department of Aging to increase health insurance counseling fees and to assess the fee annually on a health care service plan for each enrollee under Medicare supplement contracts as of December 31 of the previous year.  
(Amends Section 9757.5 of the Welfare and Institutions Code, relating to health insurance.)

**SB 476 (Chapter 707, Statutes of 2003)** – Allows physician and surgeon providers to be reimbursed by a local Maddy Emergency Medical Services (EMS) fund up to 50 percent of the amount claimed for allowable uncompensated care costs and, subject to available funds, an additional amount of the claimed amount in a given year. It will also impose detailed reporting and other administrative requirements on a local agency that administers a local Maddy EMS fund.  
(Amends Sections 1797.98a, 1797.98b, 1797.98c, and 1797.98e of the Health and Safety Code, relating to health.)

**SB 490 (Chapter 651, Statutes of 2003)** – Authorizes a pharmacist to furnish emergency contraception drug therapy in accordance with a standardized procedure or protocol developed and approved by both the California State Board of Pharmacy and the Medical Board of California in consultation with specified entities.  
(Amends Section 4052 of the Business and Professions Code, relating to pharmacy.)

**SB 545 (Chapter 652, Statutes of 2003)** – Requires a pharmacy that participates in the Medi-Cal program to offer the initiation of emergency contraception drug therapy. The bill will prohibit a pharmacist initiating emergency contraception drug therapy from charging a dispensing fee in excess of the dispensing fee charged to Medi-Cal patients.  
(Amends Section 4052 of and adds Section 682 to the Business and Professions Code, relating to pharmacists.)

**SB 580 (Chapter 12, Statutes of 2003)** – Requires non-specialized health care service plans to pay 65% of the Department of Managed Health Care's costs and expenses for the ensuing fiscal year and specialized plans to pay 35% of the department's administration costs and expenses for the ensuing fiscal year, calculated on a per enrollee basis up to a maximum of \$10,000 per plan.  
(Amends, repeals, and adds Section 1356 of the Health and Safety Code, relating to health care service plans, and declaring the urgency thereof, to take effect immediately.)

**SB 798 (Chapter 417, Statutes of 2003)** – Requires the director of DMHC to notify a plan that has ceased to operate legally in Mexico that the plan is required to comply with the laws of Mexico or become licensed in California within a specified time period. The bill will require the director to issue an order requiring the plan to cease operations in California if the plan has not complied with either of these requirements.

(Amends Section 1351.2 of the Health and Safety Code, relating to health care service plans.)

**SB 853 (Chapter 713, Statutes of 2003)** – Requires the DMHC to adopt, not later than January 1, 2006, regulations ensuring access to language assistance and culturally competent health care services.

(Amends Section 1367 of, and adds Sections 1367.04 and 1367.07 to, the Health and Safety Code, and adds Sections 10133.8 and 10133.9 to the Insurance Code, relating to health care coverage.)

**SB 857 (Chapter 601, Statutes of 2003)** – Makes numerous changes to the Medi-Cal program intended to address provider fraud, including establishing new Medi-Cal application requirements for new providers, existing providers at new locations, and providers applying for continued enrollment. Creates Medi-Cal provisional provider and preferred provisional provider status. Specifies grounds for terminating a provider's provisional status and disenrolling the provider from the Medi-Cal program. Limits physician supervision of other providers. Requires patient and provider signatures to document the furnishing of prescription drugs, devices and clinical laboratory services. Additionally, this bill defines "Enrolled, or enrollment in the Medi-Cal program" as meaning authorized under any processes by the department, its agents or contractors to receive directly, or indirectly reimbursement for the provision of services, goods, supplies or merchandise to a Medi-Cal beneficiary. The language includes managed care arrangements down through all levels of subcontracting.

(Amends Sections 14043.1, 14043.15, 14043.65, 14043.75, 14044, 14123.25, 14124.12, 14172.5 and the heading of Article 1.3 (commencing with Section 14043) of Chapter 7 of Part 3 of Division 9 of, and adds Sections 14043.26, 14043.27, 14043.28, 14043.29, 14043.341, 14105.05, and 14170.10 to, the Welfare and Institutions Code, relating to Medi-Cal.)

**SB 907 (Chapter 485, Statutes of 2003)** – Requires Naturopathic Medicine practitioners, in initiating appropriate measures for obstetrical and neonatal emergencies, to submit a written plan to the Bureau of Naturopathic Medicine. In consultation with other health plan providers, the plan will include that all complications shall be immediately referred to a physician and surgeon. The plan will include emergency transfer and transport of an infant, or a maternity patient, or both, to an appropriate health care facility, and access to neonatal intensive care units, obstetrical units, or other patient care areas.

(Amends Sections 101, 144, 146, and 149 of, and adds and repeals Chapter 8.2 (commencing with section 3610) of Division 2 of the Business and Professions Code. Amends section 13401.5 of the Corporations Code, relating to professions and Vocations, and making an appropriation thereof.)

**SB 937 (Chapter 602, Statutes of 2003)** – Streamlines the administrative procedure for the licensure of new and continuing primary care clinics that will result in substantial cost savings to the state and improve access to health care for the underserved populations.

(Amends Sections 1212, 1217, 1228, and 1231 of and adds Sections 1218.1, 1218.2, 1226.3, and 1229.1 to the Health and Safety Code, relating to clinics.)

**SB 969 (Chapter 885, Statutes of 2003)** - Includes licensed clinical social workers as health care service professionals for purposes of Knox-Keene licensing and regulatory provisions. It requires a health care service plan to ensure that staff handling enrollee or subscriber calls, but who are not licensed, certified, or registered in various healing arts professions, do not provide telephone medical advice. It also requires a health care service plan and a telephone medical advice service to ensure that no staff member uses a title or designation that would cause a reasonable person to believe the staff member is licensed, certified, or registered as a specified type of health care professional unless the staff member meets those requirements.

(Amends Sections 4999.2 and 4999.7 of the Business and Professions Code and amends Section 1348.8 of the Health and Safety Code, relating to health care service plans.)

**SB 1077 (Chapter 607, Statutes of 2003)** – Exempts specified licensees and outpatient surgery clinics from the requirement of obtaining a fictitious name permit. The bill will add doctors of podiatric medicine, who are licensed and located outside this state, to be exempted from the Medical Practice Act under certain conditions.

(Amends Sections 29.5, 2060, 2135.5, 2190.5, 2285, 2386, 2415, 2441, 2442, 2570.4, 4980.44, 4980.57, 4982, 4982.2, 4984.8, 4996.18, 4996.21, 4996.22, 4996.23, 5657, 6737.1, 6737.3, 6756, 7029.1, 7124.6, 7138, 7141, 8030.2, 8762, 8766, 8773.2, and adds Section 8773.4 of, amends and repeals section 4997 of, amends, repeals, and adds section 2439 of, adds sections 7013.5, 7027.4, 7116.5, and 8710.1 to, and repeals sections 2106 of, the Business and Professions Code, and amends section 19825 of the Health and Safety Code, relating to professions and vocations.)

**2004 CHAPTERED BILLS IMPACTING, OR OF INTEREST TO,  
MEDI-CAL MANAGED CARE DIVISION AND CONTRACTED PLANS.**

**AB 343 (Chapter 234, Statutes of 2004)** - Specifies, except as provided, that no individual or organization may solicit or receive any compensation from an applicant or subscriber for offering or providing Healthy Families program application assistance. The bill would make a violation of this provision subject to a civil penalty that would be deposited into the Healthy Families Fund.  
(Amends Sections 12693.32, 12693.325, and 12693.326 of the Insurance Code, relating to health care coverage, and making an appropriation therefore.)

**AB 939 (Chapter 748, Statutes of 2004)** - Authorizes a mental health plan to enter into a contract for the provision of mental health services for Medi-Cal beneficiaries with a hospital that is reimbursed through the fee-for-service payment system, using the Medi-Cal fiscal intermediary, and that provides for a per diem reimbursement rate that includes room and board, routine hospital services, and all hospital-based ancillary services. It also provides separately for the attending mental health professional's daily visit fee.  
(Adds Section 5781 to the Welfare and Institutions Code, relating to Medi-Cal.)

**AB 1596 (Chapter 164, Statutes of 2004)** – Requires a health care service plan and a health insurer to make comparative benefit matrices available through a link on their Internet Web sites to the Web sites of the Department of Managed Health Care and the Department of Insurance. It also provides that the duration of covered services for a terminal illness may exceed 12 months from the contract termination date or the effective date of coverage for a new enrollee and excludes a newly covered enrollee of a health care service plan who is offered an out-of-network option or who had the option to continue with a health plan or provider and voluntarily chose to change health plans from these provisions.  
(Amends Sections 1363.07, 1373.65, and 1373.96 of the Health and Safety Code and amends Sections 10113.8 and 10133.56 of the Insurance Code, relating to health care coverage.)

**AB 2185 (Chapter 711, Statutes of 2004)** - Requires a health care service plan that covers outpatient prescription drug benefits to provide coverage for inhaler spacers, nebulizers, and peak flow meters when medically necessary for the management and treatment of pediatric asthma.  
(Adds Section 1367.06 to the Health and Safety Code, relating to health care coverage.)

**AB 2716 (Chapter 454, Statutes of 2004)** - Revises the definition of the Board of Supervisors of the County of Los Angeles local initiative commission's strategic plan to specifically include within the scope of that definition the plan as subsequently revised or amended. Requires that members of the commission's governing body be nominated by the Community Clinics Association of Los Angeles County. Renames the community advisory committee the regional community advisory committee and renames the executive advisory committee the executive community advisory committee. Revises the conditions allowing the member of the governing body to be deemed not interested in a contract or amendment to a contract entered into by the commission. Establishes conditions

under which unrelated income, as defined under the bill, from a contractor under the local initiative to a member or a member's organization would not cause the member of the governing body of the commission or the advisory panel to the governing body to be deemed to be interested in the contract or amendment to the contract.

(Amends Sections 14087.96, 14087.961, 14087.9625, 14087.966, and 14087.969 of the Welfare and Institutions Code, relating to Medi-Cal.)

**SB 29 (Chapter 148, Statutes of 2004)** - Requires Department of Health Services (DHS) to implement each electronic Medi-Cal enrollment process within 12 months after the date upon which the conditions with respect to funding and sufficient staff have occurred.

(Amends Sections 14148.03 and 14148.04 of the Welfare and Institutions Code, relating to Medi-Cal.)

**SB 142 (Chapter 687, Statutes of 2004)** - Extends the date by which DHS would be required to obtain newborn genetic disease screening from laboratories by competitive bid to August 1, 2005.

(Amends Section 125001 of the Health and Safety Code, relating to genetic testing.)

**SB 598 (Chapter 463, Statutes of 2004)** - Excepts from provisions for confidentiality of medical information specified disclosures that are made for the purpose of diagnosis or treatment of a patient.

(Amends Section 56.104 of the Civil Code, relating to confidentiality of medical information.)

**SB 785 (Chapter 389, Statutes of 2004)** - Requires DHS, upon the availability of federal funding, to modify the Medi-Cal mail-in application form, and other appropriate materials, and the single point-of-entry application form to allow applicants in counties served by managed health care plans to contact the enrollment contractor by using the Health Care Options toll-free telephone number to request and receive enrollment materials before a Medi-Cal eligibility determination has been made.

(Adds Section 14016.51 to the Welfare and Institutions Code, relating to Medi-Cal.)

**SB 1913 (Chapter 695, Statutes of 2004)** – Makes multiple revisions to licensing requirements for health practitioners including midwives, pharmacists, and ancillary service practitioners.

(Adds, amends and repeals various Sections of the Business and Professions Code, relating to licensing and other requirements. Amends Section 13401 of the Corporations Code. Amends Sections 11159.1 and 11207 of the Health and Safety Code, relating to professions).

**SJR 2 (Chapter 157, Statutes of 2004)** - Requests Congress to enact and the President to sign a Health Maintenance Organization Patient's Bill of Rights or alternative legislation expanding the rights of states. The measure would request the Governor to support that legislation and to lobby the Congress and the President in that regard.

**2003-04 CHAPTERED BILLS IMPACT SUMMARY**

BILL INFO		SUBJECT	EFFECTIVE DATE	PLANS AFFECTED	PLAN ACTIVITIES CONTRACT MONITORING		DHS CONTRACT MONITORING ACTIVITIES
Bill No.	Chap	Main Focus of Bill			New/Revised Policy and/or Procedure	Member Notice <sup>a</sup>	
<b>2003</b>							
AB 171	424	Public Records & Meetings	1/1/2004	AHF, PACE, SCAN, Family Mosaic	N	N	N
AB 175	203	Health Care Provider Bill of Rights	1/1/2004	All	N	N	N
AB 348	94	Mental Health	1/1/2004	All	N	N	N
AB 362	80	Health Care Service Plans	1/1/2004	All	N	N	N
AB 373	139	Healthy Families Program	1/1/2004	All	N	N	N
AB 525	48	Hearing Aid Dispensing	1/1/2004	All	N	N	N
AB 632	209	In-Home Support Services	1/1/2004	All	N	N	N
AB 747	659	Human Services: Medi-Cal	1/1/2004	Under Review			
AB 786	436	Home Care Assessment Pilot Project	1/1/2004	San Mateo	N	N	N
AB 798	112	Medi-Cal : All-Inclusive/Long Term Care For The Elderly	1/1/2004	PACE	N	N	N
AB 801	510	Licensing of Dentists, Physicians & Surgeons	1/1/2004	All	N	N	N
AB 948	438	Postgraduate Study Fellowship Program	1/1/2004	All	N	N	N
AB 1196	748	Nursing Practice Act:Drugs	1/1/2004	All	N	N	N
AB 1286	591	Continuity of Care	1/1/2004	Knox Keene	Y	Y	Y
AB 1496	579	Health Care	1/1/2004	All	N	N	N

<sup>a</sup> Member notice may involve changes to member informing materials, form changes and/or special mailings. See specific bill for member notice requirements.

**Note:** Complete text of chaptered bills available through the California State Legislature's website: <http://www.leginfo.ca.gov/billinfo>

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Bill No.	Chap	Main Focus of Bill			New/Revised Policy and/or Procedure	Member Notice <sup>a</sup>	
AB 1627	582	Health Care	1/1/2004	All	N	N	N
AB 1628	583	Health Care	9/29/03	All	Y	N	N
AB 1762	230	Committee on Budge: Health	1/1/2004	All	-	-	Under Review
AB 1765	157	The 20003-04 Budget Act	1/1/2004	All	N	N	N
SB 2	673	Health Care Coverage	1/1/2004	All	N	N	N
SB 24	895	Health Care: Accelerated Coverage	1/1/2004	All	Y	N	N
SB 25	907	Personal Information: Security	1/1/2004	All	N	N	N
SB 36	527	Medi-Cal: FQHC/RHC Reimbursement	1/1/2004	All	N	N	N
SB 244	590	Changes in Continuity of Care Requirements	1/1/2004	(duplicate of AB 1286)			
SB 292	544	Pharmacy: Prescription Labels	1/1/06	All	N	N	N
SB 308	253	Medi-Cal: Native Americans	1/1/2004	All	N	N	N
SB 359	595	Health Care: Professions & Vocations Disciplinary Hearings	1/1/2004	All	N	N	N
SB 370	321	Medi-Cal: Dialysis	1/1/2004	All	N	N	N
SB 377	596	Native Americans: DHS Semiannual Payments to Grantee.	1/1/2004	N/A	N	N	N
SB 413	545	Health Insurance Counseling: Fees	Fiscal Year 2004-05	All	N	N	N

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Bill No.	Chap	Main Focus of Bill			New/Revised Policy and/or Procedure	Member Notice <sup>a</sup>	
SB 476	707	Maddy Emergency Medical Services (EMS) Fund	1/1/2004	All	N	N	N
SB 490	651	Pharmacy Protocol: Emergency Contraception Drug Therapy	1/1/2004	All	N	N	N
SB 545	652	Administrative/Dispensing Fee: Emergency Contraception Drug Therapy	1/1/2004	All	N	N	N
SB 580	12	Health Care Service Plans vis-à-vis MHC costs	5/28/2003	Knox-Keene	N	N	N
SB 798	417	Mexican Health Plans	1/1/2004	All	N	N	N
SB 853	713	Health Care Language Assistance	1/1/2006	Knox-Keene	N	N	N
SB 857	601	Medi-Cal: Revise Provider Responsibilities	7/1/2003	All	Y	N	Y
SB 907	485	Professions & Vocations: Naturopathic Doctors	9/22/2003	All	N	N	N
SB 937	602	DHS Clinic Licensure and Operations	1/1/2004	All	N	N	N
SB 969	885	Telephone Medical Advice Services	1/1/2004	Knox-Keene	N	N	N
SB 1077	607	DHS Clinic Licensure & Operations	1/1/04	All	N	N	N

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<b>2004</b>							
AB 343	234	Healthy Families Program	1/1/2005	All	N	N	N
AB 939	748	Mental Health	1/1/2005	All	N	N	N
AB 1596	164	Benefit Matrixes on Internet / Covered Services	1/1/2005	Knox-Keene	Y	N	N
AB 2185	711	Outpatient Prescription Drug Benefits	1/1/2005	Knox-Keene	Y	N	N
AB 2716	454	Board of Supervisors of the County of Los Angeles	1/1/05	L.A. Care	N	N	N
SB 29	148	Electronic Enrollment Process	1/1/05	Two-Plan Model, GMC, Special Projects	N	N	N
SB 142	687	Genetic Disease Screening	1/1/05	All	N	N	N
SB 598	463	Confidentiality	1/1/05	All	N	N	N
SB 785	389	Enrollment/Eligibility	1/1/05	All	N	N	N
SB 1913	695	Licensing	1/1/05	All	N	N	N
SJR 2	157	HMO Patient's Bill of Rights	1/1/05	All	N	N	N

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