

Department of Health Care Services



LEGISLATIVE SUMMARY 2019

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DEPARTMENT OF HEALTH CARE SERVICES
LEGISLATIVE SUMMARY
2019

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DEPARTMENT OF HEALTH CARE SERVICES
LEGISLATIVE SUMMARY 2019
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AB 0074	Committee on Budget	023	Budget Act of 2019
AB 0097	Committee on Budget	040	Cannabis
SB 0075	Committee on Budget and Fiscal Review	051	Education finance: education omnibus budget trailer bill
SB 0078	Committee on Budget and Fiscal Review	038	Health
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SB 0080	Committee on Budget and Fiscal Review	027	Human services: omnibus
SB 0104	Committee on Budget and Fiscal Review	067	Health

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SUMMARIES OF BILLS SIGNED BY THE GOVERNOR:

FEE-FOR-SERVICE RATES DEVELOPMENT

AB 651 Grayson (Chapter 537)
AIR AMBULANCE SERVICES

AB 651, sponsored by the California Association of Air Medical Services, as it relates to the Department of Health Care Services (DHCS), provides a six-month extension for the Emergency Medical Air Transportation Act program. Specifically, AB 651: 1) extends the sunset for the current \$4 penalty assessed on every conviction for a non-parking violation of the Vehicle Code, or local ordinance adopted pursuant to the Vehicle Code, from January 1, 2020, to July 1, 2020; 2) requires DHCS to use funds appropriated from those penalties to pay for children's health care coverage services or to augment Medi-Cal reimbursements paid to eligible air ambulance providers who render services to Medi-Cal fee-for-service (FFS) beneficiaries until funds are exhausted or the extended date of December 31, 2021, whichever occurs first; and 3) extends the repeal date of the Emergency Air Transportation and Children's Coverage program statute from January 1, 2022, to July 1, 2022.

AB 1705 Bonta (Chapter 544)
MEDI-CAL: EMERGENCY MEDICAL TRANSPORTATION SERVICES

AB 1705, sponsored by the California Fire Chiefs Association and Fire Districts Association of California, ends DHCS' existing voluntary Ground Emergency Transportation (GEMT) Supplemental Payment Program, which allows publicly owned or operated emergency transportation providers (public providers), as defined, to receive reimbursement for 100 percent of their costs for transportation services rendered to Medi-Cal FFS beneficiaries. In addition, AB 1705 exempts public providers from the mandatory GEMT quality assurance fee (QAF) program, which currently applies to both public and private GEMT providers, and which increases provider reimbursement due to a fee paid by providers on every emergency transport that is used to draw down additional federal funding for both Medi-Cal FFS and Medi-Cal managed care transports. In lieu of these two programs, AB 1705, starting no sooner than July 1, 2021, requires DHCS to create the Public Provider Intergovernmental Transfer (IGT) Program for the purposes of securing increased reimbursement for public providers. The Public Provider IGT Program will be voluntary for public providers, like the GEMT Supplemental Payment Program, but apply to both Medi-Cal FFS and Medi-Cal managed care transports, like the GEMT QAF.

INTEGRATED SYSTEMS OF CARE

AB 0426 Maienschein (Chapter 424)
IN-HOME SUPPORTIVE SERVICES PROGRAM

AB 426, sponsored by the Coalition of California Welfare Rights Organizations, prohibits a licensed health care professional from charging a fee to an In-Home Supportive Services (IHSS) applicant or recipient for the completion of the Health Care Certification form.

AB 0567 Calderon (Chapter 746)
LONG-TERM CARE INSURANCE

AB 567, sponsored by the author, establishes the Long-Term Care Insurance Task Force, within the California Department of Insurance, to explore the feasibility of developing and implementing a statewide long-term care services and supports insurance program. In addition, this bill requires the Long-Term Care Insurance Task Force to produce its recommendations for establishing a statewide long-term care insurance program within a report submitted to the California Department of Insurance's Commissioner, the Governor, and the Legislature by July 1, 2021. AB 567 also requires the California Department of Insurance to submit an actuarial report, regarding the recommendations made by the Long-Term Care Insurance Task Force, to the Legislature by July 1, 2022.

AB 0781 Maienschein (Chapter 64)
MEDI-CAL: FAMILY RESPITE CARE

AB 781, sponsored by the Pediatric Day Health Center Coalition, clarifies that Pediatric Day Health Care services may be provided at any time of the day, on any day of the week (as long as the total number of authorized hours is not exceeded), for up to 23 hours per calendar day.

AB 1128 Petrie-Norris (Chapter 821)
PROGRAM OF ALL-INCLUSIVE CARE FOR THE ELDERLY

AB 1128, sponsored by CalPACE, exempts, no later than January 1, 2021, a Primary Care Clinic, an Adult Day Health Care Center, and a Home Health Agency that exclusively serves patients of a Program for All-Inclusive Care for the Elderly (PACE) center from California Department of Public Health (CDPH) licensure and transfer the oversight and regulatory responsibilities of CDPH, for those PACE-related facilities, to DHCS. In addition, this bill authorizes DHCS to implement an administrative fee, not greater than the fee or fees imposed as part of CDPH licensure, to be paid by each PACE Organization exempt from licensure upon enrollment, and annually thereafter. AB 1128 also authorize DHCS to implement and establish changes to the oversight and regulation of PACE centers through policy letters, information

notices, plan or provider bulletins, or other similar instructions, without taking regulatory.

SB 0289 Archuleta (Chapter 846)
MEDI-CAL: HOME- AND COMMUNITY-BASED SERVICES: MILITARY

SB 289, sponsored by the author, authorizes a dependent child or spouse of an active duty military service member who is on the waiting list for the Home and Community-Based Alternatives Waiver (HCBA Waiver), the Assisted Living Waiver (ALW), or the Home and Community-Based Services for the Developmentally Disabled (HCBS-DD) 1915(c) waiver programs, and transfers out of state because of the military service member's military orders, to retain their place on the waiting list if the dependent child or spouse complies with certain conditions as specified. In addition, this bill authorizes a dependent child or spouse of an active duty military service member who is enrolled in the HCBA Waiver, ALW, or HCBS-DD waiver programs, and transfers out of state because of the military service member's military orders, the ability to reenroll in the applicable waiver program or be placed in first place on the waiver program's waiting list (if there is no available slot) when the dependent child or spouse returns to California and meets specified conditions. SB 289 also authorizes a dependent child or spouse of an active duty service member, who resides outside of California, to submit an application to enroll in the HCBA Waiver, ALW, or HCBS-DD waiver program(s) as soon as the military service member receives official military orders to transfer to California. Lastly, SB 289 also specifies that the requirements of the bill shall be implemented only to the extent that federal financial participation (FFP) is available and authorizes DHCS to seek amendments to the waivers, or take other action, as necessary to implement these provisions.

SB 0453 Hurtado (Chapter 850)
OLDER ADULTS

SB 453, sponsored by the author, requires the California Department of Aging (CDA), in consultation with the Aging and Disability Resource Connection (ADRC) Advisory Committee within CDA, to develop a core model of ADRC best practices to be implemented by July 1, 2022, by all ADRC programs operated by area agencies on aging and independent living centers. In addition, this bill requires the ADRC Advisory Committee to serve as the primary adviser to CDA, the Department of Rehabilitation (DOR), and DHCS in the ongoing development and implementation of a statewide No Wrong Door System. SB 453 also requires DHCS, in consultation with CDA, to determine if the Medicaid administrative claiming process may be used to fund a No Wrong Door System, or activities related to the No Wrong Door System. Lastly, SB 453 makes implementation of the provisions of the bill contingent on an appropriation in the annual Budget Act, or another act, for that express purpose.

LEGISLATIVE AND GOVERNMENTAL AFFAIRS, OFFICE OF

AB 0074 Committee on Budget (Chapter 23)
BUDGET ACT OF 2019

AB 74 enacted the provisions of the Budget Act for Fiscal Year (FY) 2019-20, as it pertains to DHCS.

AB 0097 Committee on Budget (Chapter 40)
CANNABIS

AB 97 enacted the provisions of the Budget Act for FY 2019-20, as it pertains programs concerning substance use disorders.

SEC. 16. This section, as proposed by the Administration, requires contracts entered into or amended by DHCS to implement and administer programs for youth that are designed to educate about and to prevent substance use disorders (SUD) and to prevent harm from substance use be exempt from the State Administrative Manual, and not subject to the review or approval of the Department of General Services.

SB 0075 Committee on Budget and Fiscal Review (Chapter 51)
EDUCATION FINANCE: EDUCATION OMNIBUS BUDGET TRAILER BILL

SB 75 enacted the provisions of the Budget Act for FY 2019-20, as it pertains to education issues for the California Department of Education (CDE), the Department of Developmental Services (DDS), the Department of Finance (DOF) and DHCS.

SEC. 50. This section, as proposed by the Legislature, requires CDE to jointly convene with DDS and DHCS one or more workgroups for the purposes of: 1) improving transition of three-year-old children with disabilities from regional centers to local educational agencies; and 2) improving coordination and expansion of access to available federal funds through the Medi-Cal Local Educational Agency Billing Option Program, the School-Based Medi-Cal Administrative Activities Program, and medically necessary federal Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefits.

SEC. 67. This section, as proposed by the Legislature, establishes the Mental Health Student Services Act as a mental health partnership competitive grant program, to be administered by the Mental Health Services Oversight and Accountability Commission (MHSOAC), for the purpose of establishing mental health partnerships between a county's mental health or behavioral health departments and school districts, charter schools, and the county office of education within the county.

HEALTH

SB 78 implements the provisions of the Budget Act for FY 2019-20, as it pertains to health issues for DHCS.

SEC. 27 & 50. These sections, as proposed by the Administration, establishes targeted value based payments (VBP) programs in Medi-Cal Managed Care.

SEC. 46. This section, as proposed by the Legislature, expands the Medi-Cal benefit for adult Alcohol Misuse Screening and Behavioral Counseling Interventions in Primary Care to include screening for misuse of opioids and other drugs, in order to strengthen linkages and referral pathways between primary care and specialty SUD treatment.

SEC. 47. This section, as proposed by the Administration, authorizes DHCS to make a contingency payment to an identified provider during an identified service period to ensure continued access to healthcare services, subject to approval of DOF, if there is a Medi-Cal Checkwrite contingency.

SEC. 48. This section, as proposed by the Administration, establishes a special fund in which the state share of Medi-Cal drug rebates is deposited before being transferred to the General Fund.

SEC. 49. This section, as proposed by the Legislature, restores audiology and speech therapy services, optometric and optician (glasses) services, podiatric services, and incontinence creams and washes as covered benefits for all Medi-Cal beneficiaries, starting no sooner than January 1, 2020.

SEC. 51. This section, as proposed by the Legislature, requires DHCS to convene an advisory group to receive feedback on any changes, modifications, and operational timeframes relating to implementation of transitioning the Medi-Cal Managed Care pharmacy benefit to the Medi-Cal FFS delivery system.

SEC. 52. This section, as proposed by the Legislature, provides legislative intent language to enact a managed care organization provider tax in California.

SEC. 53. This section, as proposed by the Administration, extends the appropriated expenditure/encumbrance authority for the Health Home Program (HHP) Account Special Deposit Fund from June 30, 2020 to June 30, 2024. This time extension allows the sum of \$50 million to continue to be appropriated from the HHP Account to DHCS for the purposes of implementing the HHP.

SB 0079 Committee on Budget and Fiscal Review (Chapter 26)
MENTAL HEALTH

SB 79 enacts the provisions of the Budget Act for FY 2019-20, as it pertains to mental health issues for the MHSOAC and DHCS. This bill contained an urgency clause.

SEC. 1. This section, as proposed by the Legislature, authorizes state funds to be appropriated in the Early Psychosis and Mood Disorder Detection and Intervention Fund for the purposes of the Early Psychosis Intervention Plus Program.

SEC. 2. This section, as proposed by the Legislature, makes clarifying and technical changes to the composition of the MHSOAC.

SEC. 3 & 4. These sections, as proposed by the Legislature, expands and clarifies the timeline for which the Mental Health Services Act (MHSA) Innovation funds would be subject to reversion.

SB 0080 Committee on Budget and Fiscal Review (Chapter 027)
HUMAN SERVICES OMNIBUS

SB 80 implements the provisions of the Budget Act for FY 2019-20, as it pertains to human services issues for the California Department of Aging (CDA), the Department of Child Support Services (DCSS), DOR, the California Department of Social Services (CDSS), DOF, and DHCS.

SEC. 2, 18-20, 63-66, & 69-70. These sections, as proposed by the Legislature, extends the time for group homes to transition to short term residential therapeutic programs from January 1, 2020 to January 1, 2021.

SEC. 102. This section, as proposed by the Legislature, requires the County of Los Angeles to conduct a child welfare public health nursing early intervention program. This section, in part, requires DHCS, in consultation with the County of Los Angeles, to seek any federal approvals necessary to implement the program and shall seek to maximize federal financial participation available for this purpose.

SEC. 105. This section, as proposed by the Legislature, requires CDSS, DHCS, the California State Association of Counties representing counties, the California Welfare Directors Association, the County Behavioral Health Directors Association of California, and the California Probation Officers of California to provide quarterly in-person updates to the Legislature on progress toward the implementation of the Continuum of Care Reform.

SEC. 106 & 107. These sections, as proposed by the Legislature, establishes a coordinated, statewide Family Urgent Response System for Caregivers and Children or Youth.

SB 0104 Committee on Budget and Fiscal Review (Chapter 067)
HEALTH

SB 104 implements the provisions of the Budget Act for FY 2019-20, as it pertains to health issues for DOF and DHCS.

SEC. 1-5. These sections, as proposed by the Administration, renames and refocuses from the Council on Health Care Delivery Systems to the Healthy California for All Commission.

SEC. 6. This section, as proposed by the Legislature, requires pregnant individuals diagnosed with a maternal mental health condition to remain eligible for the Medi-Cal program for a period of one year following the last day of the individual's pregnancy. This section defines "maternal mental health condition" as a mental health condition that occurs during pregnancy or during the postpartum period and, includes, but is not limited to, postpartum depression.

SEC. 7. This section, as proposed by the Legislature, disregards all countable income over 100 percent of the Federal Poverty Level (FPL) up to 138 percent of the FPL, after taking all other income disregards, deductions, and exclusions into account, for the Aged, Blind, and Disabled FPL program.

SEC. 8. This section, as proposed by the Administration, provides full-scope Medi-Cal coverage to all eligible individuals, ages 19 through 25, regardless of their citizenship or immigration status.

SEC. 9. This section, as proposed by the Legislature, makes technical and clarifying changes to the PACE rate methodology.

MANAGED CARE

AB 1004 McCarty (Chapter 387)
DEVELOPMENTAL SCREENING SERVICES

AB 1004, sponsored by Children Now and First 5 LA, requires, consistent with federal law, that screening services provided as an EPSDT benefit include developmental screening services for individuals zero to three years of age, inclusive. AB 1004 requires Medi-Cal managed care health plans (MCPs) to ensure that screenings conducted by providers who contract with MCPs comply with the periodicity schedule and the standardized and validated tools established by the American Academy of Pediatrics/Bright Futures guidelines and that screenings are completed in their entirety. The bill requires DHCS to ensure that MCPs demonstrate an ongoing ability and readiness to comply with these requirements, and would require DHCS, as may be appropriate and in its discretion, to adjust an MCP's capitation rate, as specified. Until July 1, 2023, the bill requires DHCS' external quality review organization (EQRO), as part of its federally required review of MCPs in the annual

technical report, to annually review and report on MCP metrics for developmental screenings that are included in the Centers for Medicare and Medicaid Services' Core Set of Children's Health Care Quality Measures for Medicaid and the Children's Health Insurance Program. DHCS is required to use the EQRO technical report to monitor MCP compliance with providing access to developmental screening services.

AB 1642 Wood (Chapter 465)
MEDI-CAL: MANAGED CARE PLANS

AB 1642, sponsored by the author, requires DHCS' contracting Managed Care Organizations (MCOs), including MCPs, Dental Managed Care plans, county Mental Health Plans, and Drug Medi-Cal Organized Delivery System plans, to provide DHCS with additional information when submitting requests for alternative access standards (AAS) to existing network adequacy requirements; to assist requesting members who would travel farther than established time and distance standards in accessing covered services by arranging for covered transportation, clinically appropriate telecommunications technology, or an appointment with a network specialist within time and distance and appointment time standards, or by establishing a member-specific case agreement with an appropriate specialist within time and distance and appointment time standards; and to demonstrate to DHCS how the MCOs provided this assistance. AB 1642 requires MCOs that have a DHCS approved AAS to provide information to affected members, as specified, regarding the applicable approved AAS request(s), in a manner and timeframe determined by DHCS. AB 1642 requires DHCS' contracted EQROs to include additional AAS-related information in the federally required annual technical report. Lastly, this bill amends DHCS' existing state authority to impose monetary and other intermediate sanctions, as specified, on contractors, as defined.

MEDI-CAL BENEFITS

AB 0678 Flora (Chapter 433)
MEDI-CAL: PODIATRIC SERVICES

AB 678, sponsored by the California Podiatric Medical Association, aligns current Medi-Cal prior authorization, billing, and service policies for podiatric services rendered by podiatrists to be consistent with those for the same services when rendered by physicians.

AB 0744 Aguiar-Curry (Chapter 867)
HEALTH CARE COVERAGE: TELEHEALTH

AB 744, sponsored by the California Medical Association, makes various changes in state law to updates telehealth coverage requirements, including changes within the Medi-Cal program. The bill broadens an existing statute that allows Medi-Cal reimbursement for teleophthalmology, teledermatology,

and teledentistry to instead, to the extent FFP is available, allow Medi-Cal reimbursement for any health care service appropriately provided by store and forward, subject to DHCS' policies. The bill also requires health care service plans (HCSPs) and health insurers to provide coverage for the cost of health care services delivered through telehealth on the same basis and to the same extent that they are responsible for coverage of the same services through in-person diagnosis, consultation, or treatment. Similarly, AB 744 requires HCSPs and health insurers to reimburse the treating or consulting health care provider for the diagnosis, consultation, or treatment of an enrollee on the same basis and to the same extent that they are responsible for reimbursement for the same services through in-person diagnosis, consultation, or treatment. The bill specifies that the HCSP provisions do not apply to Knox-Keene licensed MCPs.

AB 1494 Aguiar-Curry (Chapter 829)
MEDI-CAL: TELEHEALTH: STATE OF EMERGENCY

AB 1494, sponsored by California Health+ Advocates and Redwood Community Health Coalition, prohibits DHCS from requiring face-to-face contact or a patient's physical presence on the premises of an enrolled community clinic, as defined, for the provision of services provided to a Medi-Cal beneficiary during or immediately following a Governor-declared state of emergency. AB 1494 also allows DHCS to extend this provision to another enrolled FFS Medi-Cal provider, clinic, or facility. AB 1494 also permits Medi-Cal reimbursement for telehealth services, telephonic services, and all covered services delivered by an enrolled community clinic or other FFS provider if the services are provided somewhere other than the clinic premises, such as a temporary shelter, a patient's home, or any other location, when the covered services are provided within the boundaries of the emergency proclamation. AB 1494 additionally requires DHCS to issue, on or before July 1, 2020, provider guidance to facilitate reimbursement for the services described in the bill.

SB 0165 Atkins (Chapter 365)
MEDICAL INTERPRETATION SERVICES

SB 165, sponsored by the author, amends existing law that requires DHCS to work with stakeholders to conduct a study of the current requirements for medical interpretation services (MIS) for Medi-Cal beneficiaries who are limited English proficient (LEP), to make recommendations on strategies to provide MIS, and, if funding is available, to establish a pilot project in up to four separate sites in order to achieve the goal of improving MIS. SB 165 removes the existing requirement that DHCS establish pilot project(s) based on the study for MIS and instead requires DHCS to establish pilot project(s) concurrent with the study. SB 165 changes the scope of the pilot(s) to evaluate the provision of MIS for LEP beneficiaries enrolled in both MCPs and FFS by evaluating a number of factors, including beneficiary and provider satisfaction with how MIS are provided, utilization of MIS by providers and MCPs, and if the pilot(s) reduce disparities in care. SB 165 also expands the

scope of the study to include recommendations based upon pilot projects, additional studies, and data, rather than make recommendations for pilot projects. Finally, SB 165 requires DHCS to expend up to \$5 million from the General Fund for the pilot project, as adopted in the Budget Act of 2019, and extends the sunset date of this program from July 1, 2020, to July 1, 2024.

SB 0639 Mitchell (Chapter 856)

MEDICAL SERVICES: CREDIT OR LOAN

SB 639, sponsored by the Western Center on Law and Poverty, recasts an existing statute that regulates the ability of health providers licensed under Division 2 of the Business and Professions Code to offer a line of credit or a loan extended by a third party to patients in order for those patients to secure funding to pay for services rendered by that provider. SB 639 requires providers, who are already required to prepare a written treatment plan that includes the anticipated costs of each service, and, if the patient has health care coverage, the patient's share of cost for each service, to indicate on the treatment plan if the Medi-Cal program would cover an "alternate, medically necessary service" for a Medi-Cal patient prior to establishing credit or a loan extended by a third party. SB 639 requires that the beneficiary's treatment plan state whether Medi-Cal will cover a different service to treat the beneficiary's condition, and advises the beneficiary that he or she should not sign up for the credit card or loan if he or she only wants services covered by Medi-Cal. SB 639 also prohibits a provider from offering an open-end credit or loan containing a deferred interest provision, except in certain cases; charging for treatment or costs more than 30 days before rendering services or incurring costs, unless the charge is for orthodontic treatment provided by a licensed dentist who may charge incremental fees throughout the course of treatment; charging for treatment or costs without first providing the patient with the treatment plan that includes a list of treatments and services; completing any portion of an application, or otherwise accepting an application that is not completely filled out by the patient; and arranging for or establishing credit or a loan in a treatment area where medical treatment is administered. SB 639 goes into effect on July 1, 2020.

MEDI-CAL ELIGIBILITY

AB 1088 Wood (Chapter 450)

MEDI-CAL: ELIGIBILITY

AB 1088, sponsored by Disability Rights California, Justice in Aging, and Western Center on Law and Poverty, allows individuals enrolled in the Aged, Blind, and Disabled Federal Poverty Level program to remain eligible for the program regardless of the state's payment of their Medicare Part B premiums, as long as they meet all other Medi-Cal eligibility requirements.

SB 260

Hurtado (Chapter 845)

AUTOMATIC HEALTH CARE COVERAGE ENROLLMENT

SB 260, sponsored by Health Access California and Western Center on Law and Poverty, requires, beginning no later than July 1, 2021, that the Health Benefit Exchange (Covered California) automatically enroll individuals who transition from Medi-Cal and the State Children's Health Insurance Program. SB 260 also requires that Covered California enroll individuals in the lowest cost silver plan or their previous managed care plan before the current health care coverage ends to prevent a gap in coverage; and provide an informing notice to individuals enrolled pursuant to the bill. Beginning January 1, 2021, SB 260 requires health care service plans and health insurers providing individual or group coverage to notify enrollees/policy holders annually that their contact information will be transferred to Covered California if the individual ceases to be enrolled in coverage and will allow individuals to opt out of the transfer of their contact information.

MENTAL HEALTH SERVICES

AB 0175

Gipson (Chapter 416)

FOSTER CARE: RIGHTS

AB 175, sponsored by California Youth Collection, reorganizes, clarifies, and expands the Foster Youth Bill of Rights (FYBR). In addition, this bill also requires the Office of the State Foster Care Ombudsperson to take specified actions, including providing trainings and technical assistance to stakeholders and recommending future FYBR updates to the Legislature. AB 175 also requires CDSS to ensure that a facility or home that provides foster care accord children in foster care their personal rights, including the FYBR.

AB 0984

Lackey (Chapter 445)

PERSONAL INCOME TAXES: VOLUNTARY CONTRUBUTIONS: SUICIDE PREVENTION VOLUNTARY TAX CONTRIBUTION FUND

AB 984, sponsored by the author, establishes the Suicide Prevention Voluntary Tax Contribution Fund (SPVTCF) within the State Treasury and allows individuals to make voluntary contributions, in excess of their personal income tax liability, to the SPVTCF. This bill also: 1) requires the funds to be appropriated to MHSOAC to award grants to crisis centers located in the state that are active members of the National Suicide Prevention Lifeline to provide suicide prevention services as specified; 2) requires MHSOAC to report on its website information on the process for awarding money, the amount of money spent on administration, and an itemization of how program funds are awarded; and 3) specifies that the SPVTCF shall remain in effect until January 1 of the seventh calendar year following the first appearance of the SPVTCF on the personal income tax return, and would be repealed as of December 1 of that year.

AB 1352 Waldron (Chapter 460)
**COMMUNITY MENTAL HEALTH SERVICES: MENTAL HEALTH
BOARDS**

AB 1352, sponsored by the author, clarifies that local mental health boards shall: 1) serve in an advisory role to the governing body; 2) have the authority to review and evaluate the local public mental health system and advise the governing body on community mental health services delivered by the local mental health agency or local behavioral health agency, as applicable; and 3) advise the governing body on community mental health services delivered by the local mental health agency or local behavioral health agency. In addition, this bill revises the roles and responsibilities of local mental health boards by authorizing local mental health boards to make recommendations to the governing body regarding concerns with county agreements. AB 1352 also requires the local mental or behavioral health agency to provide an annual report to the local governing body and DHCS that explains why any substantive recommendations made by the local mental health board are not included in the final MHSA Three-Year Program and Expenditure Plan or Annual Update.

SB 0040 Wiener (Chapter 467)
**CONSERVATORSHIP: SERIOUS MENTAL ILLNESS AND SUBSTANCE
USE DISORDERS**

SB 40, sponsored by the author, amends the five-year pilot program conservatorship for the County of Los Angeles, the County of San Diego, and the City and County of San Francisco established by SB 1045 (Wiener, Chapter 845, Statutes of 2018) as specified. This pilot program conservatorship allows County of Los Angeles, the County of San Diego, and the City and County of San Francisco to appoint a conservator for a person who is incapable of caring for the person's own health and well-being due to a serious mental illness and substance use disorder, as evidenced by frequent detention for evaluation and treatment.

SB 0389 Hertzberg (Chapter 209)
MENTAL HEALTH SERVICES ACT

SB 389, sponsored by the Los Angeles County District Attorney, amends the MHSA to permit counties to use MHSA funds to provide services to individuals who are participating in a pre-sentencing or post-sentencing diversion program or who are on parole, probation, post-release community supervision, or mandatory supervision. In addition, this bill removes language that specifies MHSA funds may not be used to pay for parolees from state prisons. SB 389 also makes technical, non-substantive changes within the MHSA.

SUBSTANCE USE DISORDER COMPLIANCE

AB 0919 Petrie-Norris (Chapter 811)
ALCOHOLISM AND DRUG ABUSE RECOVERY OR TREATMENT PROGRAMS

AB 919, sponsored by the author, requires a laboratory or certified outpatient program that operates housing units to maintain separate contracts for housing. The contract must require the payment for the housing to be the responsibility of the individual and require a repayment plan for any subsidized rent, as specified. It also prohibits the housing from being dependent on a client's agreement to receive services from the laboratory or the certified outpatient program. AB 919 also allows an alcoholism or drug abuse recovery or treatment facility (AOD treatment facility) to offer discounted housing following discharge, as specified, and prohibits an AOD treatment facility from offering ground or air transportation to a potential client unless specific requirements are met. AB 919 would broaden DHCS' existing authority to investigate violations of a provision of the HSC that prohibits patient brokering, which is found in HSC §11831.7, to instead apply to any violation of Chapter 7 of Part 2 of Division 10.5 of the HSC (commencing with HSC §11830). Chapter 7 previously included provisions related to investigations of deaths that occur in licensed facilities (HSC §11831.01), the outline for the alcohol and other drug voluntary certification program (HSC §11831.1, §11831.2, and §11831.5), the prohibition on patient brokering (HSC §11831.6), and DHCS' oversight of organizations that certify alcohol and other drug counselors (HSC §11833), and now includes the prohibitions on housing and travel described above should AB 919 be enacted. AB 919 requires DHCS to establish an enforcement program that would provide analytical support, general oversight and monitoring, and legal guidance relative to the above.

SB 0601 Morrell (Chapter 854)
STATE AGENCIES: LICENSES: FEE WAIVER

SB 601, sponsored by the R Street Institute, authorizes a state agency to establish a process, as specified, for a person or business that has been displaced or is experiencing an economic hardship as a result of an emergency, to submit an application (that the agency may grant), for a reduction or waiver of any required fees for licensure, renewal of licensure, or the replacement of a physical license for display. Additionally, for purposes of these provisions, the bill defines "displaced," "economic hardship," "emergency," and "license."

2019 ENROLLED BILLS

BILL NUMBER	AUTHOR	FINAL STATUS	CHAPTER	PROGRAM*	PAGE NUMBER
AB 0074	Committee on Budget	S	023	LA	04
AB 0097	Committee on Budget	S	040	LA	04
AB 0166	Gabriel	V	—	MB	
AB 0175	Gipson	S	416	MH	11
AB 0258	Jones-Sawyer	V	—	SP	
AB 0283	Chu	V	—	MC	
AB 0318	Chu	V	—	MC	
AB 0426	Maienschein	S	424	IS	02
AB 0512	Ting	V	—	MH	
AB 0567	Calderon	S	746	IS	02
AB 0651	Grayson	S	537	FR	01
AB 0678	Flora	S	433	MB	08
AB 0744	Aguiar-Curry	S	867	MB	08
AB 0781	Maienschein	S	064	IS	02
AB 0848	Gray	V	—	MB	
AB 0914	Holden	V	—	ME	
AB 0919	Petrie-Norris	S	854	CD	13
AB 0920	Petrie-Norris	V	—	CD	
AB 0984	Lackey	S	445	MH	11
AB 1004	McCarty	S	387	MC	07
AB 1085	McCarty	V	—	SP	
AB 1088	Wood	S	450	ME	10
AB 1128	Petrie-Norris	S	821	IS	02
AB 1175	Wood	V	—	MH	
AB 1227	Obernolte	V	—	CD	
AB 1322	Berman	V	—	SF	
AB 1352	Waldron	S	460	MH	12
AB 1494	Aguiar-Curry	S	829	MB	09
AB 1642	Wood	S	465	MC	08
AB 1702	Luz Rivas	V	—	HP	
AB 1705	Bonta	S	544	FR	01
SB 0010	Beall	V	—	MH	
SB 0035	Chang	V	—	HP	
SB 0040	Wiener	S	467	MH	12
SB 0075	Committee on Budget and Fiscal Review	S	051	LA	04
SB 0078	Committee on Budget and Fiscal Review	S	038	LA	05
SB 0079	Committee on Budget and Fiscal Review	S	026	LA	06
SB 0080	Committee on Budget and Fiscal Review	S	027	LA	06
SB 0075	Committee on Budget and Fiscal Review	S	051	LA	04

SB 0104	Committee on Budget and Fiscal Review	S	067	LA	07
SB 0154	Pan	V	—	MD	
SB 0163	Portantino	V	—	MC	
SB 0165	Atkins	S	<u>365</u>	MB	09
SB 0260	Hurtado	S	845	ME	11
SB 0289	Archuleta	S	846	IS	03
SB 0382	Nielsen	V	—	MC	
SB 0389	Hertzberg	S	<u>209</u>	MH	12
SB 0445	Portantino	V	—	SP	
SB 0453	Hurtado	S	<u>850</u>	IS	03
SB 0503	Pan	V	—	MC	
SB 0589	Bates	V	—	CD	
SB 0601	Morrell	S	<u>854</u>	CD	13
SB 0639	Mitchell	S	856	MB	10

PROGRAM ASSIGNMENTS AND ACRONYMS

PROGRAM	CODE
Fee-for-Service Rates Development	FR
Health Policy	HP
Integrated Systems of Care	IS
Legislative and Governmental Affairs, Office of	LA
Managed Care (Operations and Quality/Monitoring Divisions)	MC
Medi-Cal Benefits	MB
Medi-Cal Dental	MD
Medi-Cal Eligibility	ME
Mental Health Services	MH
Safety Net Financing	SF
Substance Use Disorder Compliance	CD
Substance Use Disorder Program, Policy & Fiscal	SP

VETO MESSAGES

<u>BILL#</u>	<u>AUTHOR</u>	<u>SUBJECT</u>	<u>DIV</u>
AB 0166	Gabriel	Medi-Cal: Violence Preventive Services	MB
AB 0258	Jones-Sawyer	Pupil health: School-Based Pupil Support Services Program Act	SP
AB 0283	Chu	CalWORKs: School Attendance: Immunizations	MC
AB 0318	Chu	Medi-Cal Materials: Readability	MC
AB 0512	Ting	Medi-Cal: Specialty Mental Health Services	MH
AB 0848	Gray	Medi-Cal: Covered Benefits: Continuous Glucose Monitors	MB
AB 0914	Holden	Medi-Cal: Inmates: Eligibility	ME
AB 0920	Petrie-Norris	Substance Abuse Recovery or Treatment Providers	CD
AB 1085	McCarty	After School Programs: Substance Use Prevention: Funding: Cannabis	SP
AB 1175	Wood	Medi-Cal: Mental Health Services	MH
AB 1227	Obernolte	Health and Human Services: Information Sharing: Administrative Actions	CD
AB 1322	Berman	School-Based Health Programs	SF
AB 1702	Rivas, Luz	Homeless Coordinating and Financing Council	HP
SB 0035	Chang	Human Trafficking: California ACTS Task Force	HP
SB 0154	Pan	Medi-Cal: Restorative Dental Services	MD
SB 0163	Portantino	Health Care Coverage: Pervasive Developmental Disorder or Autism	MC
SB 0382	Nielsen	Medi-Cal: Managed Care Health Plan	MC
SB 0445	Portantino	Alcohol and Drug Treatment: Youth	SP
SB 0589	Bates	Alcohol and Other Drug Abuse Recovery Services: Advertising and Marketing	CD

(Veto messages are also available on the California Legislative Information website:

<http://leginfo.legislature.ca.gov/>)



OFFICE OF THE GOVERNOR

OCT 18 2019

To the Members of the California State Assembly:

I am returning Assembly Bill 166 without my signature.

This bill would require the Department of Health Care Services to establish a hospital-based or hospital-linked violence prevention pilot program in at least nine designated counties by January 1, 2021. Medi-Cal would cover violence preventative services rendered by violence prevention professionals under the pilot program.

The 2019 Budget Act provided \$30 million in the General Fund for the California Violence Intervention and Prevention (CalVIP) Program, the largest investment in the program's history. I also signed AB 1603 (Wicks) which codifies the CalVIP program in statute and increases the grant amount that can be distributed. Hospital-based violence intervention programs are eligible for grant funding through CalVIP.

While I appreciate the Legislature's intent to secure additional funding for these programs, these changes should be considered in the annual budget process where we can have a comprehensive conversation about spending priorities for the Medi-Cal program.

Sincerely,

Gavin Newsom



OCT 12 2019

OFFICE OF THE GOVERNOR

To Members of the California Assembly:

I am returning Assembly Bill 258 without my signature.

This bill would authorize the Department of Health Care Services (DHCS) to redirect cannabis tax funds generated under Proposition 64 to in-school support services grant for local educational agencies, administered by the California Department of Education.

I support increased access to mental health prevention, early intervention, and support programs in schools, which is why I worked with the Legislature to provide an additional \$50 million for those programs.

While well intentioned, this bill, however, attempts to change the fund allocation process specified by Proposition 64. DHCS has already directed these funds toward expanding access to child care, which is one of our shared priorities and a commitment reflected in this year's budget deal. Additionally, Proposition 64 does not authorize the Legislature to modify the fund allocation process by July 1, 2028.

Sincerely,

Gavin Newsom

A large, stylized handwritten signature in black ink, appearing to read "Gavin Newsom".





OFFICE OF THE GOVERNOR

OCT 13 2019

To the Members of the California State Assembly:

I am returning Assembly Bill 283 without my signature.

This bill would make several changes to the California Work Opportunity and Responsibility to Kids (CalWORKs) program by eliminating penalties associated with school attendance requirements and extending compliance timelines for immunization requirements.

This bill would increase General Fund costs by more than \$10 million annually, a matter that should be considered in the annual budget process.

Sincerely,

Gavin Newsom

A large, stylized handwritten signature in black ink, appearing to be "Gavin Newsom", written over the printed name.



OFFICE OF THE GOVERNOR

OCT 13 2019

To the Members of the California State Assembly:

I am returning Assembly Bill 318 without my signature.

This bill would require field testing of translated materials for Medi-Cal consumers.

While I share the author's goal of ensuring limited-English proficient consumers have access to readable information about their health care coverage, the bill's requirements would create significant costs that should be evaluated in the annual budget process.

Sincerely,

A handwritten signature in black ink, appearing to read "Gavin Newsom", written over a horizontal line. The signature is stylized and somewhat abstract.

Gavin Newsom



OFFICE OF THE GOVERNOR

OCT 13 2019

To the Members of the California State Assembly:

I am returning Assembly Bill 512 without my signature.

This bill would require each county mental health plan to meet mental health disparities reduction targets developed by the Department of Health Care Services and imposes additional reporting requirements and processes on county mental health plans.

Although I support the intent and efforts of this bill to reduce mental health disparities, the new requirements imposed by this bill would result in significant General Fund cost pressures that are better considered through the state's annual budget process.

Sincerely,

Gavin Newsom



OFFICE OF THE GOVERNOR

OCT 13 2019

To the Members of the California State Assembly:

I am returning Assembly Bill 848 without my signature.

This bill would add continuous glucose monitors (CGMs) and related supplies for treating diabetes as a covered Medi-Cal benefit, when medically necessary.

The goal of this bill, enhancing access to CGMs in order to help individuals better manage their diabetes, is an important one and should be considered through the annual budget process.

Sincerely,

Gavin Newsom



OFFICE OF THE GOVERNOR

OCT 13 2019

To the Members of the California State Assembly:

I am returning Assembly Bill 914 without my signature.

This bill would, commencing October 1, 2020, require an indefinite suspension of Medi-Cal benefits for incarcerated individuals under 26 years of age to either end on the date of release from incarceration or when the individuals are no longer otherwise eligible for Medi-Cal benefits, whichever is sooner.

The bill has different age thresholds for indefinite suspension of benefits from those in federal law, resulting in violation of federal comparability requirements that would result in significant General Fund costs.

Sincerely,

A handwritten signature in black ink, appearing to read "Gavin Newsom".

Gavin Newsom



OFFICE OF THE GOVERNOR

OCT 12 2019

To the Members of the California State Assembly:

I am returning Assembly Bill 920 without my signature.

This bill would eliminate an existing voluntary outpatient certification program. Beginning January 1, 2021, it would attempt to require an outpatient substance use disorder (SUD) recovery or treatment services facility which is not licensed under existing law, to obtain licensure from the Department of Health Care Services (DHCS) to provide SUD services. The bill attempts to do this by replacing references to program certification in existing Health and Safety Code references to program licensure.

I am supportive of the Legislature's intent to license all SUD recovery and treatment services. However, developing a new licensing schema is a significant undertaking, and would require a significant departure from the bill as enrolled. This bill would need to be revised to provide adequate statutory authority for DHCS to effectively monitor and ensure compliance with outpatient licensure requirements. In addition, establishing the associated administrative oversight is not without significant cost. After reviewing this bill, it is clear that a substantial amount of work is still needed to develop a program that my administration can implement.

As such, I recommend the Legislature and sponsors of this bill work closely with DHCS on a more robust proposal for my consideration. Costs for implementation of such a bill would need to be considered in the budget process.

Sincerely,

Gavin Newsom



OFFICE OF THE GOVERNOR

OCT 13 2019

To the Members of the California State Assembly:

I am returning Assembly Bill 1175 without my signature.

This bill would require Medi-Cal managed care health plans (MCPs) and county mental health plans (MHPs) to exchange specific data, on a monthly basis, in order to identify individuals receiving specialty mental health services. The data would be shared pursuant to guidance from the Department of Health Care Services (DHCS).

I support the author's goal of improving care coordination for consumers who receive treatment from multiple delivery systems. As such, I am directing DHCS to exercise its administrative authority over MCPs and MHPs and identify and implement the most efficient and effective method for ensuring these entities coordinate care for Medi-Cal beneficiaries receiving these critically important services.

Sincerely,



Gavin Newsom



OFFICE OF THE GOVERNOR

SEP 27 2019

To the Members of the California State Assembly:

I am returning Assembly Bill 1227 without my signature.

This bill would require the Departments of Aging, Health Care Services, Public Health, Social Services and the Emergency Medical Services Authority to share information regarding adverse administrative actions against licensees, facilities or providers.

This bill is not needed because these entities are already sharing such information as authorized under current law.

Sincerely,

Gavin Newsom



OCT 11 2019

OFFICE OF THE GOVERNOR

To Members of the California State Assembly:

I am returning Assembly Bill 1322 without my signature.

This bill would establish a school-based health unit within the California Department of Education (CDE) to administer and support school-based health programs operated by local educational agencies.

In recognition that all state agencies must work together to better support our youth, the 2019 Budget Act included \$500,000 in one-time funding to support the creation of an interagency collaborative between the Department of Education, the Department of Health Care Services, and other regional and state agencies to improve the coordination and accessibility of services and supports to our students.

While this bill is well-intentioned, the creation of a school-based health unit at the CDE would be premature given this recent investment.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Gavin Newsom".
Gavin Newsom



OFFICE OF THE GOVERNOR

OCT 13 2019

To the Members of the California State Assembly:

I am returning Assembly Bill 1702 without my signature.

This bill requires the Homeless Coordinating and Financing Council to report to the Legislature on or before January 1, 2022, recommendations for statutory changes to streamline the delivery of services and enhance the effectiveness of homeless programs in the state.

The Homeless Coordinating and Financing Council is already in the process of developing a State Strategic Action Plan that will provide a blueprint for how state agencies and departments should align and prioritize their programs and resources, and how the state can support and complement regional solutions to homelessness. I fully support exploring opportunities to streamline service delivery and enhance the effectiveness of our state homeless programs, but these ideas should be incorporated into this plan rather than a separate report. Moreover, the development of the report will incur costs to the General Fund that were not included in the Budget Act.

Sincerely,

Gavin Newsom



OFFICE OF THE GOVERNOR

OCT 13 2019

To the Members of the California State Senate:

I am returning Senate Bill 10 without my signature.

This bill would require the Department of Health Care Services (DHCS) to establish a new state certification program for mental health and substance use disorder peer support specialists.

Peer support services can play an important role in meeting individuals' behavioral health care needs by pairing those individuals with trained "peers" who offer assistance with navigating local community behavioral health systems and provide needed support. Currently, counties may opt to use peer support services for the delivery of Medicaid specialty mental health services.

As the Administration, in partnership with the Legislature and counties, works to transform the state's behavioral health care delivery system, we have an opportunity to more comprehensively include peer support services in these transformation plans. I look forward to working with you on these transformations efforts in the budget process and future legislation, as improving the state of the state's behavioral health system is a critical priority for me.

This proposal comes with significant costs that should be considered in the budget process.

Sincerely,

Gavin Newsom

A large, stylized handwritten signature in black ink, overlapping the printed name "Gavin Newsom".



OFFICE OF THE GOVERNOR

OCT 13 2019

To the Members of the California State Senate:

I am returning Senate Bill 35 without my signature,

This bill would reestablish the California Alliance to Combat Trafficking and Slavery (California ACTS) for the purpose of gathering data on the nature and extent of human trafficking in California.

This bill's goals are laudable, and I share the author and proponents' concerns around the scourge of human trafficking in California. Through this year's budget we have invested in services for victims of trafficking, as well as studies on the scope of the problem in certain high incidence counties.

However, any new or reconstituted taskforce such as the one envisioned by the bill should be considered and evaluated through the budget process, not standalone legislation.

Sincerely,



Gavin Newsom



OFFICE OF THE GOVERNOR

OCT 13 2019

To the Members of the California State Senate:

I am returning Senate Bill 154 without my signature.

This bill would allow Medi-Cal dental providers to provide and be reimbursed for the application of silver diamine fluoride when used as an arresting agent for cavities on a per-tooth basis to prevent further decay, and under specified conditions.

Expanding the options available for treating dental decay is a worthwhile policy goal, but this bill would require significant General Fund spending not included in the state budget. As such, this change should be considered in the annual budget process.

Sincerely,

Gavin Newsom



OFFICE OF THE GOVERNOR

OCT 12 2019

To the Members of the California State Senate:

I am returning Senate Bill 163 without my signature.

This bill seeks to change the qualification standards necessary to be a qualified autism service professional or paraprofessional. When the Legislature enacted SB 946 (Steinberg, Chapter 650, Statutes of 2011), it clearly anticipated subsequent action to develop a comprehensive structure to license providers of behavioral health treatment to individuals with autism spectrum disorder. A formal licensing scheme that includes clinical expertise and administrative oversight is a more appropriate venue to address qualification standards for practitioners, ensure quality of care, and provide effective consumer protection. I encourage the Legislature to complete the work begun by SB 946.

In addition, by removing the health plan coverage exemption for contracts in the Medi-Cal program, this bill inadvertently creates conflicting requirements within the Medi-Cal program that could result in unintentional delays in access to care and jeopardizes continued receipt of federal financial participation for behavioral health treatment.

Sincerely,



Gavin Newsom



OFFICE OF THE GOVERNOR

OCT 12 2019

To the Members of the California State Senate:

I am returning Senate Bill 382 without my signature.

This bill would require Medi-Cal managed care health plans (MCPs) to ensure that members who remain in a general acute care hospital continue to receive medically necessary post-acute care services at the general acute care hospital, during a Governor-declared state of emergency, if specified requirements are met.

While the intent of this bill to ensure the MCP members who are impacted by an emergency continue to receive medically necessary care is admirable, it is also unnecessary. MCPs are responsible for ensuring the delivery of medically necessary services, even if they are unable to locate a post-acute care facility to which the member could be transferred. As such, members of an MCP would continue to receive needed care in a general acute care hospital during a state of emergency should access to post-acute care services be unavailable elsewhere.

However, to the extent that there are scenarios where a MCP has not appropriately reimbursed a general acute care hospital, I encourage the Legislature to work with my administration to address any such issues.

Sincerely,

Gavin Newsom





OFFICE OF THE GOVERNOR

OCT 13 2019

To the Members of the California State Senate:

I am returning Senate Bill 445 without my signature.

SB 445 would require the Department of Health Care Services (DHCS) to establish youth substance use disorder treatment quality standards including certification requirements for programs and professionals, and convene a workgroup to advise the Department on quality standards.

Although I support the author's intent to strengthen substance use disorder treatment services for youth, implementation of this bill requires significant General Fund spending that should be considered through the annual budget process.

I encourage the author and stakeholders to engage with DHCS's recently-formed Behavioral Health Stakeholder Advisory Committee to address concerns regarding youth substance use disorder treatment services.

Sincerely,

Gavin Newsom



OFFICE OF THE GOVERNOR

OCT 13 2019

To the Members of the California State Senate:

I am returning Senate Bill 503 without my signature.

This bill would impose several requirements on Medi-Cal managed care health plans (MCPs) related to their oversight of their subcontractors. Chief among SB 503's provisions is the requirement that MCPs, beginning January 1, 2022, conduct annual medical audits of any subcontractor responsible for medical review and decision-making.

Health plans are already required to exercise oversight over their subcontractors and I believe the goals of this bill can be achieved administratively. As such, I direct the Department of Health Care Services (DHCS) to remind MCPs of their contractual responsibilities to monitor their subcontracts, and to include a review of the MCP subcontractor auditing in its audits of MCPs.

Sincerely,

A handwritten signature in black ink, appearing to read "Gavin Newsom", written over a printed name label.

Gavin Newsom





OFFICE OF THE GOVERNOR

OCT 12 2019

To the Members of the California State Senate:

I am returning Senate Bill 589 without my signature.

This bill would establish several prohibitions related to the advertisement of substance use disorder services by the operator of a licensed or certified alcoholism or drug abuse recovery or treatment facility, a recovery residence, or a third party that provides any advertising or marketing services or directory listings to any of those entities.

While it is important to protect vulnerable patients and their families from unethical marketing practices, I am concerned that as crafted, this measure creates a false promise. The Department of Health Care Services (DHCS) has no jurisdiction or licensing oversight over recovery residences or third parties. As such, it cannot take enforcement against those entities for violations of advertisement requirements.

Sincerely,



Gavin Newsom

