

FINAL STATEMENT OF REASONS

UPDATE OF INITIAL STATEMENT OF REASONS

As authorized by Government Code Section 11346.9(d), the Department of Health Care Services (Department) incorporates by reference the Initial Statement of Reasons prepared for this rulemaking.

PUBLIC COMMENT PERIOD

The regulation text was made available for public comment for at least 45 days, from March 16, 2018 to May 4, 2018; and two parties submitted written comments. The Department did not receive a request for a public hearing, therefore a public hearing was not held for this regulatory action.

No changes were made to the proposed regulations nor were changes necessary to the Initial Statement of Reasons, following the 45-Day Public Comment Period.

SUMMARY AND RESPONSE TO PUBLIC COMMENTS

Summaries and responses to comments received during the 45-Day Public Comment Period are set forth in the Addendum to the Final Statement of Reasons.

LOCAL MANDATE DETERMINATION

The Department has determined that the proposed regulations would not impose a mandate on local agencies or school districts, nor are there any costs for which reimbursement is required by Part 7 (commencing with Section 17500) of Division 4 of the Government Code.

Participation in the Medi-Cal program is voluntary. The amendments proposed through this regulatory action will only impact providers who participate in the Medi-Cal program and submit treatment authorization requests (TARs) and TAR appeals. The majority of providers own and operate computers connected to the internet. This regulatory proposal leverages computing equipment and network access that these providers already have. Providers that do not have the capacity to electronically submit TARs and TAR appeals may continue to submit paper TARs and TAR appeals. Therefore, no considerable new cost impacts to these entities are presumed to be incurred as a result of adopting the proposed regulations.

ALTERNATIVES CONSIDERED

The Department has determined that no reasonable alternative considered by the Department, or that has otherwise been identified and brought to the attention of the Department would be more effective in carrying out the purpose for which this regulatory action was taken, would be as effective and less burdensome to affected

private persons than the regulatory action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

Regulations related to the TARs and TAR appeals are located in California Code of Regulations, Title 22, Chapter 3, Health Care Services. Using this regulatory proposal to make amendments related to TARs and TAR appeals is the most effective method to provide current information to those affected by the regulations in one convenient location (the California Code of Regulations). This regulatory action is also necessary to meet the mandate in Welfare and Institutions Code Section 14133.01 that the Department promulgate regulations to implement an electronic method to submit TARs. In turn, these regulations will promote the accurate and timely submission of TARs and TAR appeals through the eTAR system. Implementation of the eTAR system is another means by which the Department looks to improve and streamline the treatment authorization process.