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An act to amend Section 14148.8 of the Welfare and Institutions Code,
relating to Medi-Cal.



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THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 14148.8 of the Welfare and Institutions Code is amended to read:

14148.8. (a) (1) The State Department of Health Care Services shall provide Medi-Cal reimbursements to alternative birth centers for facility-related delivery costs at a statewide all-inclusive rate per delivery that shall not exceed 80 percent of the average Medi-Cal reimbursement received by general acute care hospitals with Medi-Cal contracts and shall be based on an average hospital length of stay of 1.7 days. The reimbursement rate shall be updated annually and shall be based on the California Medical Assistance Commission's annually published legislative report of average contract rates for general acute care hospitals with Medi-Cal contracts. However, the reimbursement shall not exceed the alternative birth center's charges to any non-Medi-Cal patient for similar services. This paragraph shall apply to Medi-Cal reimbursement for facility-related delivery costs of alternative birth centers until the effective date of any necessary federal approval obtained by the department pursuant to paragraph (2).

(2) Effective no earlier than July 1, 2017, the department shall reimburse facility-related Medi-Cal delivery costs of eligible alternative birth centers based on a statewide all-inclusive rate per delivery that shall not exceed 80 percent of the average diagnosis-related groups (DRG) Level 1 rates received by general acute care hospitals pursuant to Section 14105.28 and the applicable provisions of the Medi-Cal State Plan. Reimbursement pursuant to this paragraph shall not exceed the alternative birth center's charges to any non-Medi-Cal patient for similar services. The department shall seek



any federal approvals necessary to implement this paragraph. This paragraph shall not be implemented until any necessary federal approvals are obtained. This paragraph shall not be construed to make inoperative any existing payment reductions that are applicable to alternative birth center services, including, but not limited to, the payment reductions imposed pursuant to Section 14105.192.

(b) In order to be eligible for reimbursement pursuant to this section, an alternative birth center shall satisfy the following criteria as determined by the state department:

~~(1) At least 150 patients or 50 percent of the patient caseload served at the center each year, whichever is less, shall be Medi-Cal patients and low-income patients.~~

(1) The facility shall meet all applicable requirements of Section 1204.3 of the Health and Safety Code.

~~(2) The facility shall be currently certified as a comprehensive perinatal services provider. If not currently certified, the facility shall be certified with the first year of operation. Comprehensive Perinatal Services Program (CPSP) provider pursuant to Section 14134.5.~~

(3) ~~The facilities~~ facility may utilize licensed midwives, certified nurse midwives, certified nurse practitioners, and clinical nurse specialists ~~where~~ when appropriate.

(4) The facility shall meet the standards for certification established by the National Association of Childbearing Centers, or at least equivalent standards as determined by the department, including those relating to the proximity and involvement of hospitals, obstetricians, and pediatricians.

~~(5) The facility shall establish and maintain a quality assurance program.~~



~~(6) The facility shall maintain newborn followup care for at least one year.~~

~~(7) The gathering of data and preparing reports as required in subdivision (c).~~

~~(c) (1) Each alternative birth center awarded reimbursement pursuant to this section shall gather data and annually report outcome measures relating to the safety, cost-effectiveness, and patient acceptance of the center to the department to be made available upon request.~~

~~(2) The report shall include data on the incidence of maternal and infant death, preterm newborns, low birth weight newborns, maternal complications, newborn complications, cesarean sections, forcep-assisted deliveries, deliveries involving use of anesthesia, months of prenatal care, family involvement in childbirth, breast-feeding, infant immunizations, well baby care, adjusted cost per case for deliveries performed at the center, and cost per case for women transferred to hospitals for delivery.~~

~~(3) The department shall provide the Legislature with an annual report summarizing the data reported by the centers.~~

~~(4) The department shall, to the extent information and resources are available, as determined by the department, compare the data provided by the centers with information furnished by other providers of prenatal and delivery services. The department shall use the comparative data to determine for the Medi-Cal program whether alternative birth centers are cost-effective, improve access to prenatal care, reduce the anticipated incidence of maternal and newborn complications, and have a high degree of patient acceptance.~~

~~(d) The director shall administer this section and establish standards, procedures, and reimbursement rates, as the director deems necessary in carrying out this section.~~



~~The establishment of the reimbursement rates is not required to be adopted as regulations pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).~~

(c) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may implement, interpret, or make specific this section, in whole or in part, by means of provider bulletins or notices, policy letters, or other similar instructions, without taking regulatory action.

(c) Nothing in this act shall

(d) This section does not alter the scope of practice for any health care professional or authorize the delivery of health care services in a setting or in a manner not authorized by the Health and Safety Code or the Business and Professions Code.

(e) This section shall be implemented only to the extent that any necessary federal approvals are obtained and federal financial participation is available and is not otherwise jeopardized.



LEGISLATIVE COUNSEL'S DIGEST

Bill No.

as introduced, _____.

General Subject: Medi-Cal: alternative birth centers.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Comprehensive perinatal services are a covered benefit under the Medi-Cal program. Existing law requires the department to provide Medi-Cal reimbursements to alternative birth centers for facility-related delivery costs at a statewide all-inclusive rate per delivery that does not exceed 80% of the average Medi-Cal reimbursement received by general acute care hospitals with Medi-Cal contracts.

This bill would require the department, no earlier than July 1, 2017, to reimburse facility-related Medi-Cal delivery costs of eligible alternative birth centers based on a statewide all-inclusive rate per delivery that does not exceed 80% of the average



diagnosis-related groups Level 1 rates received by general acute care hospitals pursuant to a specified provision and the applicable provisions of the Medi-Cal State Plan. The bill would prohibit that reimbursement from exceeding the alternative birth center's charges to any non-Medi-Cal patient for similar services. The bill would declare that its provisions shall not be construed to make inoperative any existing payment reductions that are applicable to alternative birth center services, as specified. The bill would revise eligibility requirements for reimbursements to alternative birth centers, including applicable certification requirements.

Existing law requires the State Department of Health Care Services to provide the Legislature an annual report summarizing data reported by alternative birth centers, as specified.

This bill would delete those reporting requirements.

This bill would authorize the department to implement, interpret, or make specific its provisions, in whole or in part, by means of provider bulletins or notices, policy letters, or other similar instructions, without taking regulatory action. The bill would be implemented only to the extent that any necessary federal approvals are obtained and federal financial participation is available and is not otherwise jeopardized.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

