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An act to add Section 14197.5 to the Welfare and Institutions Code,
relating to Medi-Cal.



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is likely to be federally approved and remains financially and programmatically supportive of the Medi-Cal program.

(2) After consulting with the affected counties pursuant to paragraph (1), the department may do either of the following:

(A) Reduce the total size of CBRC DPP payments to be made in that applicable fiscal year. If the department elects to reduce the total size of payments, the amount of state funding required to be provided first as nonfederal share for an applicable fiscal year pursuant to subdivision (d) shall be reduced as calculated and determined by the department.

(B) Elect to not implement CBRC DPP payments for an applicable fiscal year or years.

(f) Notwithstanding any other law, for any fiscal year in which the department implements the CBRC DPP payments, the amount of state funding provided as described in subdivision (d) shall not be included in the total revenues as defined in paragraph (7) of subdivision (b) of Section 17612.5.

(g) 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 plan letters, provider bulletins, or other similar instructions, without taking regulatory action.

(h) 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: Cost-Based Reimbursement Clinics Directed Payment Program.

Existing law establishes the Medi-Cal program, that is administered by the State Department of Health Care Services, and under which health care services are provided to qualified, low-income persons. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Under existing law, the department contracts with providers, such as federally qualified health centers, fee-for-service providers, and managed care plans to provide medically necessary services, and providers receive reimbursement for services through various payment systems and rate methodologies as prescribed in statute, including, but not limited to, prospective payment system rates, fee-for-service rates, and capitated rates.

This bill, to the extent federal financial participation is available, any necessary federal approvals are obtained, and funds are appropriated by the Legislature for its purposes, would require the department to establish and operate, no sooner than July 1, 2019, a Cost-Based Reimbursement Clinic (CBRC) Directed Payment Program. The bill would require CBRCs, defined as clinics and hospital outpatient departments, except for emergency rooms, that are owned and operated by County of Los Angeles and participated in a specified Medicaid demonstration project for County of Los Angeles that contract with Medi-Cal managed care plans, as defined, to be reimbursed by the plans according to a Medi-Cal cost-based, fee-for-service methodology, as described. The bill would authorize the department to fund the nonfederal share of the program through voluntary intergovernmental transfers from affected counties or other entities, as specified. The bill would require the department to consult with affected counties to assess the program, as described. The bill would authorize the department to take specified action following the consultation with affected counties, such as reducing payments offered under this program. The bill would authorize the department to implement the program by means of all-county letters, plan letters, plan or provider bulletins, or similar instructions.

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

