

**Department of Health Care Services
Proposed Trailer Bill Legislation**

Increase Medi-Cal General Fund Loan Authority

Section 16531.1 of the Government Code is amended to read:

(a) Notwithstanding any other provision of law and without regard to fiscal year, if the annual State Budget is not enacted by June 30 of any fiscal year preceding the fiscal year to which the budget would apply or there is a deficiency in the Medi-Cal budget during any fiscal year, both of the following shall occur:

(1) The Controller shall annually transfer from the General Fund, in the form of one or more loans, an amount not to exceed a cumulative total of ~~two one~~ billion dollars ~~(\$2,000,000,000) (\$1,000,000,000)~~ in any fiscal year, to the Medical Providers Interim Payment Fund, which is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, the Medical Providers Interim Payment Fund is hereby continuously appropriated for the purpose of making payments to Medi-Cal providers, providers of services under Chapter 6 (commencing with Section 120950) of Part 4 of Division 105 of the Health and Safety Code, and providers of services under Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code, on or after July 1 of the fiscal year for which no budget has been enacted and before September 1 of that year or for the purpose of making payments to Medi-Cal providers, providers of services under Chapter 6 (commencing with Section 120950) of Part 4 of Division 105 of the Health and Safety Code, and providers of services under Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code, during the period in which the Medi-Cal program has a deficiency . Payments shall be made pursuant to this subdivision if both of the following conditions have been met:

(A) An invoice has been submitted for the services.

(B) Payment for the services is due and payable and the State Department of Health Care Services determines that payment would be valid.

(2) For any fiscal year to which this subdivision applies, there is hereby appropriated the sum of ~~two one~~ billion dollars ~~(\$2,000,000,000) (\$1,000,000,000)~~ from the Federal Trust Fund to the Medical Providers Interim Payment Fund.

~~(b) Upon the enactment of the annual Budget Act or a deficiency bill in any fiscal year to which subdivision (a) applies, the Controller shall transfer all expenditures and unexpended funds in the Medical Providers Interim Payment Fund to the appropriate Budget Act item.~~

~~(c)~~ **Notwithstanding any other provision of law, including section 14159 of the Welfare and Institutions Code,** the amount of any loan made pursuant to subdivision (a) and for which moneys were expended from the Medical Providers Interim Payment Fund **shall be repaid in the same fiscal year it was made or in the subsequent fiscal year, as determined by the Department of Health Care Services, in consultation with the Department of Finance. The loan shall be repaid by debiting the appropriate Budget Act item or with proceeds of a supplemental appropriation bill as determined by the Department of Health**

Care Services, in consultation with the Department of Finance. ~~in accordance with the procedure prescribed by the Department of Finance.~~

(c) Within thirty days of the enactment of the annual Budget Act or a supplemental appropriation bill, in any fiscal year to which subdivision (a) applies, the Department of Health Care Services, in consultation with the Department of Finance, shall inform the Controller of its determination pursuant to subdivision (b) and shall designate the year and item of the Budget Act to which any expenditures and unexpended funds in the Medical Providers Interim Payment Fund shall be transferred.