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An act to amend Section 16531.1 of the Government Code, relating to public social services, and making an appropriation therefor.



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

SECTION 1. Section 16531.1 of the Government Code is amended to read:

16531.1. (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 ~~one two~~ billion dollars ~~(\$1,000,000,000)~~ (\$2,000,000,000) 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 ~~one two~~ billion dollars ~~(\$1,000,000,000)~~ (\$2,000,000,000) 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)~~

(b) The Notwithstanding any other 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 either in the same fiscal year it was made or in the subsequent fiscal year, as determined by the State Department of Health Care Services, in consultation with the Department of Finance. The loan shall be repaid by debiting the appropriate Budget Act item in accordance with the procedure prescribed by the Department of Finance, or with the proceeds of a supplemental appropriations bill, as determined by the Department of Health Care Services, in consultation with the Department of Finance.

(c) Within 30 days of the enactment of the annual Budget Act or a supplemental appropriations bill, in any fiscal year to which subdivision (a) applies, the State Department of Health Care Services, in consultation with the Department of Finance, shall inform the Controller of the determinations made pursuant to subdivision (b) and



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shall designate the fiscal year and item of the Budget Act to which any expenditures and unexpended funds in the Medical Providers Interim Payment Fund shall be transferred.

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## LEGISLATIVE COUNSEL'S DIGEST

Bill No. \_\_\_\_\_  
as introduced, \_\_\_\_\_.  
General Subject: Medical Providers Interim Payment Fund.

Existing law creates the continuously appropriated Medical Providers Interim Payment Fund for the purposes of paying Medi-Cal providers, providers of drug treatment services for persons infected with HIV, and providers of services for the developmentally disabled. Existing law appropriates \$1 billion from the Federal Trust Fund to the Medical Providers Interim Payment Fund, if the state budget is not enacted by June 30 of the 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. Existing law also requires the Controller, under the same circumstances, to transfer \$1 billion from the General Fund, in the form of loans, to the Medical Providers Interim Payment Fund for the purpose of making payments, as specified, to the providers described above on and after July 1 of the fiscal year for which no budget has been enacted and before September 1 of that year, during the period in which in the Medi-Cal program has a deficiency. Existing law requires the Controller to transfer all expenditures and unexpended funds in the fund to the appropriate Budget Act item and requires that any loan made pursuant to the above provisions for which moneys were expended from the fund be repaid by debiting the appropriate Budget Act item, as specified.

This bill would increase each of the amount of the appropriation and the amount of the transfer described above to \$2 billion. The bill, notwithstanding any other law, would instead require any loans made pursuant to the above-described provisions to be repaid either in the same fiscal year or in the subsequent fiscal year, as determined by the State Department of Health Care Services, in consultation with the Department of Finance, by debiting the appropriate Budget Act item or with the proceeds of a supplemental appropriations bill, as specified. The bill would also require the Controller to be informed of these determinations and the appropriate Budget Act item to which any expenditures and unexpended funds in the fund will be transferred, as specified, within 30 days of the enactment of the Budget Act or a supplemental appropriations bill in any fiscal year to which the above-described loan provisions apply.

Vote: 2/3. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

