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An act to add Section 14105.36 to the Welfare and Institutions Code,  
relating to Medi-Cal, and making an appropriation therefor.



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

SECTION 1. Section 14105.36 is added to the Welfare and Institutions Code, to read:

14105.36. (a) (1) The Medi-Cal Drug Rebate Fund is hereby created in the State Treasury.

(2) Nonfederal moneys collected by the department pursuant to Sections 14105.33, 14105.332, 14105.436 and 14105.86 and Section 1396r-8 of Title 42 of the United States Code, as part of the state's share of state and federal supplemental Medi-Cal drug rebates, shall be deposited in the Medi-Cal Drug Rebate Fund.

(b) Notwithstanding Section 13340 of the Government Code, the funds deposited in the Medi-Cal Drug Rebate Fund shall be continuously appropriated, without regard to fiscal year, to the department for purposes of funding the nonfederal share of health care services for children, adults, seniors, and persons with disabilities enrolled in the Medi-Cal program.

(c) Notwithstanding Section 16305.7 of the Government Code, the Medi-Cal Drug Rebate Fund shall contain all interest and dividends earned on moneys in the fund and shall be used only for the purpose identified in subdivision (b).

(d) Notwithstanding any other law, the Controller may use the funds in the Medi-Cal Drug Rebate Fund for cashflow loans to the General Fund as provided in Sections 16310 and 16381 of the Government Code.



## LEGISLATIVE COUNSEL'S DIGEST

Bill No.  
as introduced, \_\_\_\_\_  
General Subject: Medi-Cal Drug Rebate Fund.

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. Existing law authorizes the department, among other things, to enter into contracts with certain drug manufacturers that provide for state rebates. Under existing law, the department is entitled to various drug rebates, including federal rebates in accordance with certain conditions, and drug manufacturers are required to calculate and pay interest on late or unpaid rebates.

This bill would establish the Medi-Cal Drug Rebate Fund in the State Treasury, and would provide that nonfederal moneys collected by the department and deposited into the account be continuously appropriated for purposes of funding the nonfederal share of health care services provided under the Medi-Cal program. The bill would authorize the Controller to use any money in the fund for cashflow loans to the General Fund, as specified. By establishing a continuously appropriated fund the bill would make an appropriation.

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

