

California Medical Assistance Commission

BUDGET NO. 4270

REPORT NO. 1

SB 73 (CHAPTER 592, STATUTES OF 2005) SECTION 1

SECTION 1.

(a) The sum of three million four hundred forty thousand dollars (\$3,440,000) is hereby appropriated from the General Fund for the 2005-06 fiscal year in accordance with the following schedule:

(1) One million seven hundred twenty thousand dollars (\$1,720,000) to the Regents of the University of California for one-time expenditures for instructional equipment, classroom and laboratory renovations, curriculum development, and faculty recruitment.

(2) One million seven hundred twenty thousand dollars (\$1,720,000) to the Trustees of the California State University for one-time expenditures for instructional equipment, classroom and laboratory renovations, curriculum development, and faculty recruitment.

(c) Pursuant to funding to be appropriated in the Budget Act of 2006, the Regents of the University of California and the Trustees of the California State University shall increase, by at least 130, the number of full-time equivalent students in entry-level master's degree nursing programs in their respective segments, beginning in the 2006-07 fiscal year. This increased number of students shall be in addition to the number of master's nursing students in each segment in the 2005-06 fiscal year. Each segment may also increase the number of bachelor's nursing students.

(d) The Regents of the University of California and the Trustees of the California State University shall each provide a report to the Governor and the Legislature on or before February 1, 2006. These reports shall relate to the proposed expenditure of the funds appropriated in subdivision (a) by the respective segments in the 2005-06 fiscal year.

COMMENTS/RECOMMENDATIONS:

The California Medical Assistance Commission was eliminated pursuant to Chapter 29, Statutes of 2011 (AB 102, Committee on Budget) effective June 30, 2012.

REPORT NO. 2

SB 131 (CHAPTER 80, STATUTES OF 2005) SECTION 37

SEC. 37.

On an annual basis, the State Department of Health Services and the California Medical Assistance Commission shall provide fiscal information to the Joint Legislative Audit Committee and the Joint Legislative Budget Committee on the funds provided to the contract hospitals participating in the Medi-Cal program, and the health plans participating in the Medi-Cal Managed Care Program, for implementation of nurse-to-patient ratios.

COMMENTS/RECOMMENDATIONS:

The California Medical Assistance Commission was eliminated pursuant to Chapter 29, Statutes of 2011 (AB 102, Committee on Budget) effective June 30, 2012.

REPORT NO. 3

WELFARE AND INSTITUTIONS CODE

DIVISION 9. PUBLIC SOCIAL SERVICES [10000. - 18996.]

(Division 9 added by Stats. 1965, Ch. 1784.)

PART 3. AID AND MEDICAL ASSISTANCE [11000. - 15766.]

(Part 3 added by Stats. 1965, Ch. 1784.)

CHAPTER 7. Basic Health Care [14000. - 14198.2.]

(Chapter 7 added by Stats. 1965, 2nd Ex. Sess., Ch. 4.)

ARTICLE 5.2. Medi-Cal Hospital Care/Uninsured Hospital Care Demonstration Project Act [14166. - 14166.26.]

(Article 5.2 added by Stats. 2005, Ch. 560, Sec. 1.)

14166.245.

(a) The Legislature finds and declares that the state faces a fiscal crisis that requires unprecedented measures to be taken to reduce General Fund expenditures to avoid reducing vital government services necessary for the protection of the health, safety, and welfare of the citizens of the State of California.

(b) (1) Notwithstanding any other provision of law, except as provided in Article 2.93 (commencing with Section 14091.3), for hospitals that receive Medi-Cal reimbursement from the State Department of Health Care Services and that are not under contract with the State Department of Health Care Services pursuant to Article 2.6 (commencing with Section 14081) of Chapter 7 of Part 3 of Division 9, the amounts paid as interim payments for inpatient hospital services provided on and after July 1, 2008, shall be reduced by 10 percent.

(2) (A) Beginning on October 1, 2008, amounts paid that are calculated pursuant to paragraph (1) shall not exceed the applicable regional average per diem contract rate for tertiary hospitals and for all other hospitals established as specified in subparagraph (C), reduced by 5 percent, multiplied by the number of Medi-Cal covered inpatient days for which the interim payment is being made.

(B) This paragraph shall not apply to small and rural hospitals specified in Section 124840 of the Health and Safety Code, or to hospitals in open health facility planning areas that were open health facility planning areas on October 1, 2008, unless either of the following apply:

(i) The open health facility planning area at any time on or after July 1, 2005, was a closed health facility planning area as determined by the California Medical Assistance Commission.

(ii) The open health facility planning area has three or more hospitals with licensed general acute care beds. State-owned or operated hospitals shall not be included in determining whether this clause shall apply.

(C) (i) For purposes of this subdivision and subdivision (c), the average regional per diem contract rates shall be derived from unweighted average contract per diem rates that are publicly available on June 1 of each year, trended forward based on the trends in the California Medical Assistance Commission's Annual Report to the Legislature. For tertiary hospitals, and for all other hospitals, the regional average per diem contract rates shall be based on the geographic regions in the California Medical Assistance Commission's Annual Report to the Legislature. The applicable average regional per diem contract rates for tertiary hospitals and for all other hospitals shall be published by the department on or before October 1, 2008, and these rates shall be updated annually for each state fiscal year and shall become effective each July 1, thereafter. Supplemental payments shall not be included in this calculation.

(ii) For purposes of clause (i), both the federal and nonfederal share of the designated public hospital cost-based rates shall be included in the determination of the average contract rates by multiplying the hospital's interim rate, established pursuant to Section 14166.4 and that is in effect on June 1 of each year, by two.

(iii) For the purposes of this section, a tertiary hospital is a children's hospital specified in Section 10727, or a hospital that has been designated as a Level I or Level II trauma center by the Emergency Medical Services Authority established pursuant to Section 1797.1 of the Health and Safety Code.

(D) For purposes of this section, the terms "open health facility planning area" and "closed health facility planning area" shall have the same meaning and be applied in the same manner as used by the California Medical Assistance Commission in the implementation of the hospital contracting program authorized in Article 2.6 (commencing with Section 14081).

(c) (1) Notwithstanding any other provision of law, for hospitals that receive Medi-Cal reimbursement from the State Department of Health Care Services and that are not under contract with the State Department of Health Care Services, pursuant to Article 2.6 (commencing with Section 14081), the reimbursement amount paid by the department for inpatient services provided to Medi-Cal recipients for dates of service on and after July 1, 2008, shall not exceed the amount determined pursuant to paragraph (3).

(2) For purposes of this subdivision, the reimbursement for inpatient services includes the amounts paid for all categories of inpatient services allowable by Medi-Cal. The reimbursement includes the amounts paid for routine services, together with all related ancillary services.

(3) When calculating a hospital's cost report settlement for a hospital's fiscal period that includes any dates of service on and after July 1, 2008, the settlement for dates of service on and after July 1, 2008, shall be limited to the lesser of the following:

(A) Ninety percent of the hospital's audited allowable cost per day for those services multiplied by the number of Medi-Cal covered inpatient days in the hospital's fiscal year on or after July 1, 2008.

(B) Beginning for dates of service on and after October 1, 2008, the applicable average regional per diem contract rate established as specified in subparagraph (A) of paragraph (2) of subdivision (b), reduced by 5 percent, multiplied by the number of Medi-Cal covered inpatient days in the hospital's fiscal year, or portion thereof. This subparagraph shall not apply to small and rural hospitals specified in Section 124840 of the Health and Safety Code, or to hospitals in open health facility planning areas that were open health facility planning areas on July 1, 2008, unless either of the following apply:

(i) The open health facility planning area at any time on or after July 1, 2005, was a closed health facility planning area as determined by the California Medical Assistance Commission.

(ii) The open health facility planning area has three or more hospitals with licensed general acute care beds. State-owned or operated hospitals shall not be included in determining whether this clause shall apply.

(d) Except as provided in Article 2.93 (commencing with Section 14091.3), hospitals that participate in the Selective Provider Contracting Program pursuant to Article 2.6 (commencing with Section 14081) and designated public hospitals under Section 14166.1, except Los Angeles County Martin Luther King, Jr./Charles R. Drew Medical Center and Tuolumne General Hospital, shall be exempt from the limitations required by this section.

(e) Notwithstanding the rulemaking provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the director may implement and

administer this section by means of provider bulletins, or other similar instructions, without taking regulatory action.

(f) The director shall promptly seek all necessary federal approvals in order to implement this section, including necessary amendments to the state plan.

(g) (1) Notwithstanding any other provision of this section, small and rural hospitals, as defined in Section 124840 of the Health and Safety Code, shall be exempt from the payment reductions set forth in this section for dates of service on and after November 1, 2008, through and including June 30, 2009. On and after July 1, 2009, small and rural hospitals as defined in this paragraph shall be subject to the reductions set forth in paragraph (1) of subdivision (b) and subparagraph (A) of paragraph (3) of subdivision (c), but shall be exempt from the provisions of subparagraph (A) of paragraph (2) of subdivision (b) and subparagraph (B) of paragraph (3) of subdivision (c).

(2) Notwithstanding any other provision of this section, hospitals that are certified by Medicare as Medical Critical Access Providers or as Rural Referral Centers shall be exempt from the payment reductions set forth in this section for dates of service on and after July 1, 2009.

(h) For hospitals that are subject to clauses (i) and (ii) of subparagraph (B) of paragraph (2) of subdivision (b) and that choose to contract pursuant to Article 2.6 (commencing with Section 14081), the California Medical Assistance Commission shall negotiate rates taking into account factors specified in Section 14083.

(i) In January 2010 and in January 2011, the department and the California Medical Assistance Commission shall submit a written report to the policy and fiscal committees of the Legislature on the implementation and impact of the changes made by this section, including, but not limited to, the impact of those changes on the number of hospitals that are contract and noncontract, patient access, and cost savings to the state.

(j) Commencing on the effective date of the act that added this subdivision, all of the following shall occur:

(1) Subdivisions (a) to (d), inclusive, and subdivisions (g) to (h), inclusive, shall no longer be applicable to fee-for-service hospital rates but shall continue to be applicable under subdivision (c) of Section 14091.3, in the same manner and to the same extent as if this section continued to be applicable to fee-for-service hospital rates.

(2) Medi-Cal reimbursement for inpatient hospital services for hospitals that receive Medi-Cal reimbursement from the department and that are not under contract with the department pursuant to Article 2.6 (commencing with Section 14081) for inpatient hospital services shall be determined in accordance with the applicable provisions in state law and the California Code of Regulations, and the applicable provisions of the California Medicaid State Plan that have been approved by the federal Centers for Medicare and Medicaid Services without application of subdivisions (a) to (d), inclusive, and subdivisions (g) to (h), inclusive.

(k) The reimbursement reductions and limits set forth in, or adopted pursuant to, Section 14105.192 do not apply to payments for inpatient hospital services furnished on a fee-for-service basis under Medi-Cal to hospitals that are not under contract with the department pursuant to Article 2.6 (commencing with Section 14081) for inpatient services provided to Medi-Cal beneficiaries.

(l) This section shall remain in effect only until January 1, 2013, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2013, deletes or extends that date.

(Amended (as amended by Stats. 2009, 4th Ex., Ch. 5) by Stats. 2011, Ch. 19, Sec. 4. Effective April 13, 2011. Repealed as of January 1, 2013, by its own provisions. Note: See conditional termination provisions in Sections 14166.2 and 14166.26.)

Bill	Lead Authors	Subject	Latest Bill Version	Last History Action	Status	Fiscal Committee	Vote Required
ABX3-5	Committee on Budget	Public health programs.	Chaptered 02/16/2008	02/16/2008 - Chaptered by Secretary of State. Chapter 3, Statutes of 2007-08 Third Extraordinary Session.	Secretary of State-Chaptered	Yes	Two Thirds
ABX4-5	Evans	Health.	Chaptered 07/28/2009	07/28/2009 - Chaptered by Secretary of State. Chapter 5, Statutes of 2009-10 Fourth Extraordinary Session.	Secretary of State-Chaptered	Yes	Two Thirds
ABX3-44	Evans	Health.	Amended Assembly 06/28/2009	10/26/2009 - Died at Desk.	Assembly-Died	Yes	Majority
AB-75	Huffman	Medi-Cal.	Amended Assembly 03/26/2009	11/30/2010 - From Senate committee without further action pursuant to Joint Rule 62(a).	Senate-Died	Yes	Two Thirds
AB-728	Nielsen	Medi-Cal: hospitals: reimbursements.	Introduced 02/26/2009	02/01/2010 - From committee without further action pursuant to Joint Rule 62(a).	Assembly-Died - Health	Yes	Two Thirds
AB-1183	Committee on Budget	Health.	Chaptered 09/30/2008	09/30/2008 - Chaptered by Secretary of State - Chapter 758, Statutes of 2008.	Secretary of State-Chaptered	Yes	Two Thirds
AB-2784	La Malfa	Medi-Cal: hospitals: reimbursements.	Enrolled 09/17/2008	09/30/2008 - Vetoed by Governor.	Assembly-Vetoed	Yes	Two Thirds
SBX3-3	Committee on Budget and Fiscal Review	Public health programs.	Amended Senate 02/13/2008	10/01/2008 - Died on file.	Senate-Died	Yes	Two Thirds
SB-90	Steinberg	Health: hospitals: Medi-Cal.	Chaptered 04/13/2011	04/13/2011 - Chaptered by Secretary of State. Chapter 19, Statutes of 2011.	Secretary of State-Chaptered	Yes	Two Thirds
SB-1077	Committee on	Health.	Amended	11/30/2008 -	Assembly-	Yes	Two

Bill	Lead Authors	Subject	Latest Bill Version	Last History Action	Status	Fiscal Committee	Vote Required
	Budget and Fiscal Review		Assembly 09/15/2008	From Assembly without further action.	Died		Thirds

COMMENTS/RECOMMENDATIONS:

The California Medical Assistance Commission was eliminated pursuant to Chapter 29, Statutes of 2011 (AB 102, Committee on Budget) effective June 30, 2012. Subdivision (l) repeals entire section on January 1, 2013.