



| | | | | | | |
|------|------------------|----------------|--------------|-----------------|------------------|--------------|
| Home | Bill Information | California Law | Publications | Other Resources | My Subscriptions | My Favorites |
|------|------------------|----------------|--------------|-----------------|------------------|--------------|

Code: Section:

[Up^](#) [Add To My Favorites](#)

WELFARE AND INSTITUTIONS CODE - WIC

DIVISION 9. PUBLIC SOCIAL SERVICES [10000 - 18999.98] (Division 9 added by Stats. 1965, Ch. 1784.)

PART 3. AID AND MEDICAL ASSISTANCE [11000 - 15771] (Part 3 added by Stats. 1965, Ch. 1784.)

CHAPTER 8.8. Medi-Cal Management: Alternative Methods [14600 - 14685.1] (Chapter 8.8 added by Stats. 1981, Ch. 102, Sec. 133.)

ARTICLE 2. Negotiated Hospital Rates [14610 - 14620] (Article 2 added by Stats. 1981, Ch. 102, Sec. 133.)

14610. As used in this article:

- (a) "Rate" means the rate of reimbursement per unit of service which is agreed to by the department and a hospital.
- (b) "Unit of service" means an inpatient day, a case, a discharge or admission, an episode, or any other measure of service which is a basis for reimbursement agreed to by a hospital and the department.
- (c) "Commission" means the California Health Facilities Commission.
- (d) "Private entity" means any private organization with appropriate experience and expertise to negotiate Medi-Cal hospital reimbursement rates on behalf of the state.

(Added by Stats. 1981, Ch. 102, Sec. 133. Effective June 28, 1981.)

14611. It is the intention of the Legislature to enact a method for reimbursing hospitals for inpatient and outpatient services provided to Medi-Cal beneficiaries on a prospectively negotiated contractual basis. The provisions of this article are intended to develop and test alternatives for contractually arranging for the payment and delivery of such services which will become the basis for a permanent contracting system.

(Added by Stats. 1981, Ch. 102, Sec. 133. Effective June 28, 1981.)

14612. The Legislature further intends that the alternatives developed and tested pursuant to the provisions of this article shall be consistent with the following objectives:

- (a) Providing reasonable access to all levels and types of hospital care by beneficiaries.
- (b) Providing reasonable geographical access to hospital care by beneficiaries.
- (c) Promoting efficiency and economy in the delivery of hospital care.
- (d) Fairness to the contracting hospitals.

(Added by Stats. 1981, Ch. 102, Sec. 133. Effective June 28, 1981.)

14613. (a) The department shall develop at least three alternative methods of reimbursing hospitals for providing inpatient and outpatient hospital services to Medi-Cal beneficiaries on a prospectively negotiated rate basis. Each method shall provide for prospectively negotiating rates for such care. Each method shall require the hospital to agree to provide a minimal number of units of service at the negotiated rate.

(b) The department shall consult with associations and other appropriate representatives of the hospital industry. The department shall make every reasonable effort to develop at least one alternative for prospectively negotiating hospital rates which is supported by such representatives of the hospital industry.

(c) The department shall consult with the commission regarding the development of at least one alternative for prospectively negotiating hospital rates. The department may enter into an interagency agreement with the commission for the development of such an alternative.

(Added by Stats. 1981, Ch. 102, Sec. 133. Effective June 28, 1981.)

14614. Each alternative method for prospectively negotiated rate reimbursement developed pursuant to this article shall do the following:

- (a) Reduce administrative cost to the department and to hospitals.
- (b) Provide incentives to hospitals to participate in the Medi-Cal program, including prospective interim payments, unless the parties agree otherwise.
- (c) Provide incentives to hospitals to provide services on an outpatient basis wherever possible.
- (d) Provide incentives to hospitals to reduce their costs.

(Added by Stats. 1981, Ch. 102, Sec. 133. Effective June 28, 1981.)

14616. Not sooner than 30 days after providing notification to the Joint Legislative Budget Committee, the department may implement on a test basis any of the alternatives for prospective hospital rate negotiations which have been reported to the Legislature pursuant to Section 14614. The department may enter into an interagency agreement with the commission, or contract with a private entity, for implementing any such alternative.

In testing alternatives, the department shall attempt to obtain participation by hospitals representing various sizes, types, ownership, and geographic locations. The department may not discriminate against hospitals wishing to participate on the basis of any of the characteristics described in the immediately preceding sentence.

(Added by Stats. 1981, Ch. 102, Sec. 133. Effective June 28, 1981.)

14617. Nothing in this article shall be construed to require that hospitals participate in a prospectively negotiated rate test, as provided by this article, as a condition of participation in the Medi-Cal program.

(Added by Stats. 1981, Ch. 102, Sec. 133. Effective June 28, 1981.)

14619. For the 1981–82 fiscal year, the Controller may transfer such funds among Items 426-001-001, 426-001-890, 426-101-001, and 426-101-890 of the Budget Act of 1981 as are necessary to implement the provisions of this article.

(Added by Stats. 1981, Ch. 102, Sec. 133. Effective June 28, 1981.)

14620. Authority to implement negotiated hospital rates after the completion of the pilot study and after June 30, 1983, shall be contingent on both of the following:

- (a) A special Budget Act item, following the submission by the State Department of Health Services of a final report which evaluates the results of the projects conducted under the provisions of this article.
- (b) Enactment of legislation specifying the negotiated hospital rate program.

(Added by Stats. 1981, Ch. 102, Sec. 133. Effective June 28, 1981.)