HEALTH AND SAFETY CODE - HSC

DIVISION 2. LICENSING PROVISIONS [1200 - 1796.70] *(Division 2 enacted by Stats. 1939, Ch. 60.)*

CHAPTER 2. Health Facilities [1250 - 1339.59] *(Chapter 2 repealed and added by Stats. 1973, Ch. 1202.)*

ARTICLE 7.5. Intermediate Care Facilities' Quality Assurance Fees [1324 - 1324.14] *(Article 7.5 added by Stats. 2003, Ch. 230, Sec. 5.)*

1324. For purposes of this article, the following definitions shall apply:

(a) (1) "Gross receipts" means gross receipts paid as compensation for services provided to residents of a designated intermediate care facility.

(2) "Gross receipts" does not mean charitable contributions.

(3) For state and local government owned facilities, "gross receipts" shall include any contributions from government sources or General Fund expenditures for the care of residents of a designated intermediate care facility.

(b) "Eligible facility" means a designated intermediate care facility that has paid the fee as described in Section 1324.2, for a particular state fiscal year.

(c) "Designated intermediate care facility" or "facility" means a facility as defined in subdivision (e), (g), or (h) of Section 1250.

(Added by Stats. 2003, Ch. 230, Sec. 5. Effective August 11, 2003. Conditionally inoperative as provided in Section 1324.12.)

1324.2. (a) As a condition for participation in the Medi-Cal program, there shall be imposed each state fiscal year upon the entire gross receipts of a designated intermediate care facility a quality assurance fee, as calculated in accordance with subdivision (b).

(b) The quality assurance fee to be paid pursuant to subdivision (c) of Section 1324.4 shall be an amount determined each quarter of the state fiscal year by multiplying the facility's gross receipts in the preceding quarter by 6 percent. For reporting purposes, the quality assurance fee is considered to be on a cash basis of accounting.

(Added by Stats. 2003, Ch. 230, Sec. 5. Effective August 11, 2003. Conditionally inoperative as provided in Section 1324.12.)

1324.4. (a) On or before August 31 of each year, each designated intermediate care facility subject to Section 1324.2 shall report to the department, in a prescribed form, the facility's gross receipts for the preceding state fiscal year.

(b) On or before the last day of each calendar quarter, each designated intermediate care facility shall file a report with the department, in a prescribed form, showing the facility's gross receipts for the preceding quarter.

(c) A newly licensed care facility, as defined by the department, shall be exempt from the requirements of subdivision (a) for its year of operation, but shall complete all requirements of subdivision (b) for any portion of the quarter in which it commences operations.

(d) The quality assurance fee, as calculated pursuant to subdivision (b) of Section 1324.2, shall be paid to the department on or before the last day of the quarter following the quarter for which the fee is imposed.

(e) The payment of the quality assurance fee a designated intermediate care facility shall be reported as an allowable cost for Medi-Cal reimbursement purposes.

(f) The department shall make retrospective adjustments, as necessary, to the amounts calculated pursuant to subdivision (b) of Section 1324.2 in order to assure that the facility's aggregate quality assurance fee for any particular state fiscal year does not exceed 6 percent of the facility's aggregate annual gross receipts for that year.

(Added by Stats. 2003, Ch. 230, Sec. 5. Effective August 11, 2003. Conditionally inoperative as provided in Section 1324.12.)

1324.6. (a) The Director of Health Services, or his or her designee, shall administer this article.

(b) The director may adopt regulations as are necessary to implement this article. These regulations may be adopted as emergency regulations in accordance with the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). For purposes of this article, the adoption of regulations shall be deemed an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare. The regulations shall include, but not be limited to, any regulations necessary for either of the following purposes:

(1) The administration of this article, including the proper imposition and collection of the quality assurance fee.

(2) The development of any forms necessary to obtain required information from facilities subject to the quality assurance fee.

(c) As an alternative to subdivision (b), and notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the director may implement this article by means of a provider bulletin, or other similar instructions, without taking regulatory action.

(Added by Stats. 2003, Ch. 230, Sec. 5. Effective August 11, 2003. Conditionally inoperative as provided in Section 1324.12.)

1324.8. (a) The quality assurance fee assessed and collected pursuant to this article shall be deposited in the General Fund.

(b) Notwithstanding subdivision (a), commencing August 1, 2013, the quality assurance fee assessed and collected pursuant to this article shall be deposited in the Long-Term Care Quality Assurance Fund established pursuant to Section 1324.9.

(Amended by Stats. 2012, Ch. 23, Sec. 15. (AB 1467) Effective June 27, 2012. Section conditionally inoperative as provided in Section 1324.12.)

1324.9. (a) The Long-Term Care Quality Assurance Fund is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, moneys in the fund shall be continuously appropriated, without regard to fiscal year, to the State Department of Health Care Services for the purposes of this article and Article 7.6 (commencing with Section 1324.20). Notwithstanding Section 16305.7 of the Government Code, the fund shall contain all interest and dividends earned on moneys in the fund.

(b) Notwithstanding any other law, beginning August 1, 2013, all revenues received by the State Department of Health Care Services categorized by the State Department of Health Care Services as long-term care quality assurance fees shall be deposited into the Long-Term Care Quality Assurance Fund. Revenue that shall be deposited into this fund shall include quality assurance fees imposed pursuant to this article and quality assurance fees imposed pursuant to Article 7.6 (commencing with Section 1324.20).

(c) Notwithstanding any other law, the Controller may use the funds in the Long-Term Care Quality Assurance Fund for cashflow loans to the General Fund as provided in Sections 16310 and 16381 of the Government Code.

(Amended by Stats. 2016, Ch. 30, Sec. 3. (SB 833) Effective June 27, 2016. Conditionally inoperative as provided in Section 1324.12.)

1324.10. In addition to the rate of payment that an eligible facility would otherwise receive for intermediate care facility services provided to Medi-Cal beneficiaries, an eligible facility shall receive quarterly supplemental Medi-Cal reimbursement, in an amount determined by the department.

The supplemental Medi-Cal reimbursement provided by this section shall be paid to support the facility's quality improvement efforts and shall be distributed under a payment methodology based on intermediate care services provided to Medi-Cal patients at the eligible facility, either on a per diem basis, or on any other federally permissible basis.

(Added by Stats. 2003, Ch. 230, Sec. 5. Effective August 11, 2003. Conditionally inoperative as provided in Section 1324.12.)

1324.12. (a) (1) The department shall seek approval from the federal Centers for Medicare and Medicaid Services for the implementation of this article.

(2) If after seeking federal approval, federal approval is not obtained, this article shall not be implemented.

(3) The Director of Health Services may alter the methodology specified in this article to the extent necessary to meet the requirements of federal law or regulations, or to obtain federal approval.

(b) If there is a final judicial determination by any court of appellate jurisdiction or a final determination by the Administrator of the federal Center for Medicare and Medicaid Services that the supplemental reimbursement provided by this article shall be made to any facility not described in this article, this article shall immediately become inoperative.

(Added by Stats. 2003, Ch. 230, Sec. 5. Effective August 11, 2003. Note: Implementation and termination provisions affect Article 7.5, comprising Sections 1324 to 1324.14.)

1324.14. In implementing this article, the department may utilize the services of the Medi-Cal fiscal intermediary through a change order to the fiscal intermediary contract to administer this program, consistent with the requirements of Sections 14104.6, 14104.7, 14104.8, and 14104.9 of the Welfare and Institutions Code.

(Added by Stats. 2003, Ch. 230, Sec. 5. Effective August 11, 2003. Conditionally inoperative as provided in Section 1324.12.)