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AB-349 Drug Medi-Cal Treatment Program: ratesetting process. (2017-2018)

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Assembly Bill No. 349

CHAPTER 643

An act to amend Section 14021.6 of the Welfare and Institutions Code, relating to Medi-Cal.

[Approved by Governor September 21, 2018. Filed with Secretary of State September 21, 2018.]

LEGISLATIVE COUNSEL'S DIGEST

AB 349, McCarty. Drug Medi-Cal Treatment Program: ratesetting process.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income persons receive health care benefits. The Medi-Cal program is, in part, governed and funded by federal Medicaid provisions.

Existing law also provides for the Drug Medi-Cal Treatment Program (Drug Medi-Cal), under which each county enters into contracts with the State Department of Health Care Services to provide various drug treatment services to Medi-Cal recipients, or the department directly arranges to provide these services if a county elects not to do so. Existing law specifies the method of determining the maximum allowable reimbursement rates for Drug Medi-Cal and group outpatient drug free services, and requires the department to adopt any necessary regulations to implement those provisions, including emergency regulations, as specified.

This bill would instead authorize the department to implement, interpret, or make specific those provisions until the time that necessary regulations are adopted. The bill would require the department to adopt regulations by July 1, 2020, and to provide semiannual status reports to the Legislature until the regulations are adopted, as specified. The bill would authorize the department to annually establish and update the statewide maximum allowable reimbursement rates described above by means of bulletins or similar instructions.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

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

SECTION 1. Section 14021.6 of the Welfare and Institutions Code is amended to read:

14021.6. (a) For the fiscal years prior to fiscal year 2004–05, and subject to the requirements of federal law, the maximum allowable rates for the Drug Medi-Cal Treatment Program shall be determined by computing the median rate from available cost data by modality from the fiscal year that is two years prior to the year for which the rate is being established.

(b) (1) For the fiscal year 2007–08, and subsequent fiscal years, and subject to the requirements of federal law, the maximum allowable rates for the Drug Medi-Cal Treatment Program shall be determined by computing the median rate from the most

recently completed cost reports, by specific service codes that are consistent with the federal Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. Sec. 300gg).

(2) For the fiscal years 2005–06 and 2006–07, if the State Department of Health Care Services determines that reasonably reliable and complete cost report data are available, the methodology specified in this subdivision shall be applied to either or both of those years. If reasonably reliable and complete cost report data are not available, the State Department of Health Care Services shall establish rates for either or both of those years based upon the usual, customary, and reasonable charge for the services to be provided, as the department may determine in its discretion. This subdivision is not intended to modify subdivision (h) of Section 14124.24, which requires certain providers to submit performance reports.

(c) Notwithstanding subdivision (a), for the 1996–97 fiscal year, the rates for nonperinatal outpatient methadone maintenance services shall be set at the rate established for the 1995–96 fiscal year.

(d) Notwithstanding subdivision (a), the maximum allowable rate for group outpatient drug free services shall be set on a per person basis. A group shall consist of a minimum of 2 and a maximum of 12 individuals, at least one of which shall be a Medi-Cal eligible beneficiary. For groups consisting of two individuals, if one of the individuals is ineligible for Medi-Cal, the individual who is ineligible for Medi-Cal shall be receiving outpatient drug free services for a substance use disorder diagnosed by a physician.

(e) The department shall develop individual and group rates for extensive counseling for outpatient drug free treatment, based on a 50-minute individual or a 90-minute group hour, not to exceed the total rate established for subdivision (d).

(f) (1) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may implement, interpret, or make specific this section by means of bulletins or similar instructions until the time any necessary regulations are adopted. The department shall adopt regulations by July 1, 2020, in accordance with the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. Beginning six months after the effective date of the act that added this paragraph, and notwithstanding Section 10231.5 of the Government Code, the department shall, on a semi-annual basis and in compliance with Section 9795 of the Government Code, provide a status report to the Legislature until the regulations have been adopted.

(2) Notwithstanding paragraph (1) and Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may annually establish and update the statewide maximum allowable reimbursement rates specified in this section by means of bulletins or similar instructions.

(g) Bills for services under the Drug Medi-Cal Treatment Program shall be submitted no later than six months from the date of service.