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SB-226 Medi-Cal: County of Sacramento. (2021-2022)

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Senate Bill No. 226

CHAPTER 446

An act to add Section 14087.385 to the Welfare and Institutions Code, relating to Medi-Cal.

[Approved by Governor October 01, 2021. Filed with Secretary of State October 01, 2021.]

LEGISLATIVE COUNSEL'S DIGEST

SB 226, Pan. Medi-Cal: County of Sacramento.

(1) Existing law establishes the Medi-Cal program, administered by the State Department of Health Care Services, under which health care services are provided to qualified low-income persons under various health care delivery systems, including fee-for-service and managed care. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law authorizes the department to enter into various types of contracts for the provision of services to beneficiaries, including contracts with Medi-Cal managed care plans.

Existing law provides that in counties selected by the Director of Health Care Services with the concurrence of the county, a special county health authority may be established, and in any county, by ordinance, a special commission may be established, in order to meet the problems of delivery of publicly assisted medical care in each county, and to demonstrate ways of promoting quality care and cost efficiency. Existing law authorizes several counties, including the County of Alameda, to establish, by ordinance, a health authority, and specified counties, such as the Counties of San Joaquin and Tulare, to establish, by ordinance, a special county health commission.

This bill would authorize the Board of Supervisors of the County of Sacramento to establish a health authority to perform specified duties, including negotiating and entering into contracts with health plans, as prescribed. The bill would require the health authority to meet with any health plans intending to contract with the department, and, subsequent to meeting with all interested health plans, to designate to the department at least 2 licensed health plans for the department's approval based on specified criteria.

(2) This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Sacramento.

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

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

SECTION 1. Section 14087.385 is added to the Welfare and Institutions Code, immediately following Section 14087.38, to read:

14087.385. (a) The following definitions apply for purposes of this section:

(1) "Board" means the Board of Supervisors of the County of Sacramento.

(2) "County" means the County of Sacramento.

(3) "Department" means the State Department of Health Care Services.

(4) "Health authority" means a separate public entity established by the board that meets the requirements of state and federal law and criteria established by the department and engages in activities authorized by this section.

(b) The Legislature finds and declares that it is necessary that a health authority be established in the county to meet the problems of delivery of publicly assisted medical care in the county and to demonstrate ways of promoting timely access, quality care, and cost efficiency.

(c) A health authority established by the board, consistent with Section 14087.38, may do all of the following:

(1) Designate a number of Knox-Keene licensed health plans for purposes of the department's Medi-Cal managed care plan procurement under Section 14089 for the County of Sacramento as specified under subdivision (d), until the health authority implements a county-sponsored local initiative health plan as authorized by Section 14087.38 as described in paragraph (3).

(2) Meet with health plans that operate as Medi-Cal managed care plans in the county pursuant to Section 14089 to review and discuss strategies for improving quality, cost, and access of Medi-Cal services in the county, until the health authority implements any activity described in paragraph (3).

(3) (A) Consistent with Section 14087.38, and upon approval of the health authority and the board, pursue either of the following activities:

(i) Seek and obtain Knox-Keene health plan licensure in order to serve as the county-sponsored local initiative to contract with the department to arrange for the provision of health care services to qualifying individuals, as authorized by Section 14087.3.

(ii) Negotiate and enter into a contract with a Knox-Keene licensed health plan to be the designated county-sponsored local initiative health plan for the purpose of contracting with the department for the provision of health care services to qualifying individuals as authorized by Section 14087.3.

(B) Upon the implementation of any activity described in subparagraph (A), the county may continue to administer its stakeholder advisory committee, as described under Section 14089.07.

(d) (1) For purposes of the designation of health plans pursuant to paragraph (1) of subdivision (c), prior to procurement under Section 14089, the health authority shall meet with any health plans intending to contract with the department as Medi-Cal managed care plans in the county. Any health plan intending to contract with the department as a Medi-Cal managed care plan in the county, and intending to submit a proposal to the department in a procurement process, shall first be required to meet with the health authority.

(2) Subsequent to meeting with all interested health plans, the health authority shall designate to the department at least two Knox-Keene licensed health plans for the department's approval based on the criteria described in paragraph (3).

(3) Any criteria used by the health authority to determine the designation of health plans pursuant to paragraph (1) of subdivision (c) shall not conflict with requirements for Medi-Cal managed care plans established by the department, the Department of Managed Health Care, the federal Medicaid program, or state law, and shall conform with any guidance issued by the department pursuant to paragraph (7). Designation requirements imposed by the health authority shall further the department's goals and requirements for procurement under Section 14089 including, but not limited to, increased quality, access, network adequacy, reduction of health disparities, and integration of behavioral and oral health within the delivery of health care services in the Medi-Cal program.

(4) Notwithstanding any designation by the health authority, only health plans approved by the department as meeting plan procurement requirements determined by the department shall be eligible to contract with the department as Medi-Cal managed care plans in the county. Designation by the health authority provides the health plan only with the opportunity to compete in the procurement process under Section 14089 and does not guarantee the award of a Medi-Cal managed care plan contract with the department.

(5) If the health authority does not designate at least two health plans that receive approval from the department, the department shall determine other health plans to contract with as Medi-Cal managed care plans to ensure there are at least two Medi-Cal managed care plans in Sacramento County.

(6) Designation of health plans by the health authority shall continue for the term of the Medi-Cal contract, unless the department determines that the criteria for designation specified in paragraph (3) is no longer met.

(7) 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 subdivision by means of letters or other similar instructions, without taking any further regulatory action. This may include, but need not be limited to, guidance to the health authority with respect to the requisite criteria and timing for the designation of health plans pursuant to this subdivision.

SEC. 2. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances in the County of Sacramento with respect to the operation and governance of the publicly assisted medical care program in the county.