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SB-779 Primary Care Clinic Data Modernization Act. (2023-2024)

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Date Published: 10/10/2023 09:00 PM

Senate Bill No. 779

CHAPTER 505

An act to amend and repeal Section 1216 of, to add Section 1216.1 to, and to add Chapter 2 (commencing with Section 128900) to Part 5 of Division 107 of, the Health and Safety Code, relating to clinics.

[Approved by Governor October 08, 2023. Filed with Secretary of State October 08, 2023.]

LEGISLATIVE COUNSEL'S DIGEST

SB 779, Stern. Primary Care Clinic Data Modernization Act.

Existing law provides for the licensure and regulation of clinics, including primary care clinics and specialty clinics, by the State Department of Public Health. A violation of these provisions is a crime. Existing law excludes certain facilities from those provisions, including a clinic that is operated by a primary care community or free clinic and that is operated on separate premises from the licensed clinic and is only open for limited services of no more than 40 hours a week, also referred to as an intermittent clinic.

Existing law imposes various reporting requirements on clinics, including requiring a clinic to provide a verified report to the Department of Health Care Access and Information including information relating to the previous calendar year, such as the number of patients served and specified descriptive information, medical and other health services provided, total clinic operating expenses, and gross patient charges by payer category. Existing law specifies that the reporting requirements apply to all primary care clinics.

Existing law requires the Department of Health Care Access and Information to be the single state agency designated to collect certain health facility or clinic data for use by all state agencies, as prescribed.

Commencing January 1, 2027, this bill would repeal and recast these reporting requirements, including, but not limited to, extending their application to intermittent clinics operated by licensed clinics. The bill would establish specific reporting requirements for specialty clinics, as defined. The bill would require an organization that operates, conducts, owns, or maintains a primary care clinic or intermittent clinic, and its officers, to file specified reports with the Department of Health Care Access and Information for every primary care clinic and every intermittent clinic that it operates, conducts, owns, or maintains, on or before the 15th day of February each year, including, but not limited to, a report of all mergers and acquisitions, a detailed labor report, and a report of quality and equity measures. The bill would require the department to adopt regulations necessary to implement these reporting requirements and to require the first annual reports to be submitted on or before February 15, 2028, using information relating to the calendar year beginning January 1, 2027.

Because a violation of certain provisions of the bill by a primary care clinic or intermittent clinic would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

SECTION 1. This act shall be known, and may be cited, as the Primary Care Clinic Data Modernization Act.

SEC. 2. The Legislature finds and declares as follows:

(a) The Department of Health Care Access and Information (HCAI), and its predecessor, the Office of Statewide Health Planning and Development, annually collects from licensed primary care clinics financial, utilization, and patient demographic information.

(b) HCAI makes each clinic's report available to the public. HCAI also creates a publicly available primary care clinic data set, which is used to produce additional publicly available data sets. The data sets and products are critical for accountability, transparency, and understanding trends in primary care.

(c) It is the intent of the Legislature to increase accountability, quality, and transparency in health care by updating annual data reporting and publication requirements for licensed primary care clinics, in recognition of the increasing complexity in the organization and operation of those clinics.

(d) It is in the interest of the state and consumers to collect greater information about primary care clinics, including, but not limited to, workforce, workforce development, financial and patient care quality and equity data, and to make that information publicly available to study health care policy questions, to assess trends in workforce, care, finance, and corporate responsibility, including anticipating workforce shortages, and to inform public funding and public policy decisions related to health care equity, quality, and access.

SEC. 3. Section 1216 of the Health and Safety Code is amended to read:

1216. (a) Every clinic holding a license shall, on or before the 15th day of February each year, file with the Department of Health Care Access and Information, upon forms to be furnished by the department, a verified report showing the following information relating to the previous calendar year:

(1) Number of patients served and descriptive information, including, but not limited to, age, gender, race, and ethnic background of patients.

(2) Number of patient visits by type of service, including all of the following:

(A) Child health and disability prevention screens, treatment, and followup services.

(B) Medical services.

(C) Dental services.

(D) Other health services.

(3) Total clinic operating expenses.

(4) Gross patient charges by payer category, including Medicare, Medi-Cal, the Child Health Disability Prevention Program, county indigent programs, other county programs, private insurance, self-paying patients, nonpaying patients, and other payers.

(5) Deductions from revenue by payer category, bad debts, and charity care charges.

(6) Additional information as may be required by the Department of Health Care Access and Information or the State Department of Public Health.

(b) In the event that a clinic fails to file a timely report, the department may suspend the license of the clinic until the report is completed and filed with the Department of Health Care Access and Information.

(c) In order to promote efficient reporting of accurate data, the Department of Health Care Access and Information shall consider the unique operational characteristics of different classifications of licensed clinics, including, but not limited to, the limited scope of services provided by some specialty clinics, in its design of forms for the collection of data required by this section.

(d) For the purpose of administering funds appropriated from the Cigarette and Tobacco Products Surtax Fund for support of licensed clinics, clinics receiving those funds may be required to report any additional data the Department of Health Care Access and Information or the State Department of Public Health may determine necessary to ensure the equitable distribution and appropriate expenditure of those funds. This shall include, but not be limited to, information about the poverty level of patients served and communicable diseases reported to local health departments.

(e) This section shall apply to all primary care clinics.

(f) This section shall apply to all specialty clinics, as defined in subdivision (b) of Section 1204 that receive tobacco tax funds pursuant to Article 2 (commencing with Section 30121) of Chapter 2 of Part 13 of Division 2 of the Revenue and Taxation Code.

(g) Specialty clinics that are not required to report pursuant to subdivision (f) shall report data as directed in Section 1216 as it existed prior to the enactment of Chapter 1331 of the Statutes of 1989 and Chapter 51 of the Statutes of 1990.

(h) This section shall remain in effect only until January 1, 2027, and as of that date is repealed.

SEC. 4. Section 1216.1 is added to the Health and Safety Code, to read:

1216.1. (a) Commencing January 1, 2027, every clinic holding a license and, notwithstanding subdivision (h) of Section 1206, every intermittent clinic operated by a licensed clinic and exempt from licensure shall file with the Department of Health Care Access and Information (HCAI) a verified report pursuant to Sections 127285, 128905, and 128910.

(b) If a clinic fails to file a timely report pursuant to Sections 127285, 128905, or 128910, either for itself or for any intermittent clinic it operates, the department may suspend the license of the clinic until all required reports are completed and filed with HCAI.

SEC. 5. Chapter 2 (commencing with Section 128900) is added to Part 5 of Division 107 of the Health and Safety Code, to read:

CHAPTER 2. Primary Care Clinic and Specialty Clinic Data

128900. The following definitions apply for purposes of this chapter:

(a) "Clinic" means an organized outpatient health facility required to be licensed pursuant to Chapter 1 (commencing with Section 1200) of Division 2.

(b) "Primary care clinic" means a clinic specified in subdivision (a) of Section 1204, including community clinics and free clinics.

(c) "Intermittent clinic" means a clinic operated by a primary care community or free clinic that is operated on separate premises from the licensed clinic and is only open for limited services, as described in subdivision (h) of Section 1206.

(d) "Specialty clinic" means a clinic specified in subdivision (b) of Section 1204 or in Section 1204.1, including surgical clinics, chronic dialysis clinics, rehabilitation clinics, alternative birth centers, and psychology clinics.

(e) "Department" means the Department of Health Care Access and Information.

(f) "FQHC" means a federally qualified health center.

(g) "RHC" means a rural health clinic.

128905. (a) Commencing January 1, 2027, every clinic holding a license and, notwithstanding subdivision (h) of Section 1206, every intermittent clinic operated by a licensed clinic and exempt from licensure shall, on or before the 15th day of February each year, file with the department, upon forms to be furnished by the department, a verified report showing the following information relating to the previous calendar year:

(1) Number of patients served and descriptive information, including, but not limited to, age, sex, race, ethnicity, preferred language spoken, disability status, sexual orientation, gender identity, and payor category. A clinic shall not be subject to any adverse action for not providing sexual orientation and gender identity information if the patient refused to provide that information.

(2) Number of patient visits by type of service, including all of the following:

(A) Child health and disability prevention screens, treatment, and followup services.

(B) Medical services.

(C) Dental services.

(D) Other health services.

(3) Primary care clinics participating in the Medi-Cal program or county indigent programs shall include the following:

(A) Number of assigned members per Medi-Cal managed care plan and county indigent program.

(B) Number of assigned members per Medi-Cal managed care plan and county indigent program that had one or more clinic visits.

(4) Total clinic operating expenses.

(5) Gross patient charges by payer category, including Medicare, Medi-Cal, the Child Health Disability Prevention Program, county indigent programs, other county programs, private insurance, self-paying patients, nonpaying patients, and other payers.

(6) Deductions from revenue by payer category, bad debts, and charity care charges.

(7) Average weekly number of clinic operating hours and whether or not the clinic is licensed or intermittent.

(8) Additional information as may be required by the department or the State Department of Public Health.

(9) This subdivision does not apply to specialty clinics.

(b) In order to facilitate timely enforcement of this section, the department shall send a written notice of violation to every clinic that fails to file a timely report pursuant to this section or pursuant to Section 127285 or 128910, either for itself or for any intermittent clinic it operates. The department shall also provide the State Department of Public Health with a list of every clinic that receives a written notice of violation and notify the State Department of Public Health when a clinic on the list completes and files all delinquent reports. The department shall make these notices and lists, including notifications of when a clinic on the list completes and files all delinquent reports, available on its internet website.

(c) In order to promote efficient reporting of accurate data, the department shall consider the unique operational characteristics of different classifications of licensed clinics, including, but not limited to, the limited scope of services provided by some specialty clinics, in its design of forms for the collection of data required by this section.

(d) For the purpose of administering funds appropriated from the Cigarette and Tobacco Products Surtax Fund for support of licensed clinics, clinics receiving those funds may be required to report any additional data the department or the State Department of Public Health may determine necessary to ensure the equitable distribution and appropriate expenditure of those funds. This shall include, but not be limited to, information about the poverty level of patients served and communicable diseases reported to local health departments.

(e) This section shall apply to all licensed primary care clinics, and to all intermittent clinics operated by those licensed primary care clinics, notwithstanding subdivision (h) of Section 1206.

(f) Specialty clinics shall report the following:

(1) Number of patients during the preceding year.

(2) Total amount of administrative or other charges or fees collected from patients.

(3) Total amount of revenues from other sources for the previous year.

(4) Total operating cost for clinic for the previous year.

(5) Additional information as may be required by regulation of the department.

128910. Commencing January 1, 2027, an organization that operates, conducts, owns, or maintains a primary care clinic or intermittent clinic, and the officers thereof, shall, for every primary care clinic and every intermittent clinic that it operates, conducts, owns, or maintains, on or before the 15th day of February each year, file with the department separate reports for each primary care clinic and each intermittent clinic on forms furnished by the department, in conjunction with the forms required under Sections 127285 and 128905 that are in accord, if applicable, with the systems of accounting and uniform reporting required by this part:

(a) The Medi-Cal FQHC/RHC prospective payment system (PPS) rate, if applicable.

(b) A detailed labor report including, but not limited to, the following information:

(1) The actual number of employees and full-time equivalents, by job classification, including nonlicensed and noncredentialed positions, at the beginning and end of the reporting period.

(2) The actual number of contracted or registry staff and full-time equivalents, of contracted or registry staff by job classification, including nonlicensed and noncredentialed positions at the beginning and end of the reporting period.

(3) The number of staff vacancies by job classification.

(4) The average base hourly wages and base hourly wage ranges (minimum and maximum base hourly wage) by job classification for each job classification with three or more employees.

(5) For clinics required to file Return of Organization Exempt From Income Tax form (Form 990) with the Department of Treasury Internal Revenue Service, information identifying job title and salary of the five highest compensated employees, who received reportable compensation of more than one hundred thousand dollars (\$100,000).

(6) Aggregated workforce demographic information for each clinic site, including, but not limited to, age, gender, race, and ethnicity, languages spoken, disability status, sexual orientation, and gender identity. Workers shall not be required to provide the information in this paragraph and shall not be subject to discipline or any other adverse action for not providing the information listed.

(c) A detailed workforce development report, including, but not limited to, the following:

(1) Participation in any local, regional, or statewide labor-management cooperation committee (LMCC), and for each LMCC, the identity of all partners.

(2) Data about the nature and extent of participation in allied health care professional degrees and certificate programs, including, but not limited to, the number of clinical placements for each program.

(3) Data about the nature and extent of participation in behavioral health professional degree and certificate programs, including, but not limited to, the number of clinical placements for each program.

128915. The department shall maintain a file of all reports filed under this chapter and under Sections 1216 and 127285 at its Sacramento office. Subject to any rules the department may prescribe, and in compliance with state and federal law, these reports shall be produced and made available for inspection upon the demand of any person, and shall also be posted on the department's internet website, to the extent permissible.

128920. The department shall administer this chapter and shall adopt all regulations necessary to implement the provisions of this chapter. The regulations shall require the first annual reports described in Section 128910 to be submitted on or before February 15, 2028, using information relating to the calendar year beginning January 1, 2027.

SEC. 6. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.