

**ASSEMBLY BILL**

**No. 900**

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**Introduced by Assembly Member Alejo**

February 22, 2013

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An act to add Section 14105.194 to the Welfare and Institutions Code, relating to Medi-Cal, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 900, as introduced, Alejo. Medi-Cal: reimbursement: distinct part nursing facilities.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. Existing law requires, except as otherwise provided, Medi-Cal provider payments to be reduced by 1% or 5%, and provider payments for specified non-Medi-Cal programs to be reduced by 1%, for dates of service on and after March 1, 2009, and until June 1, 2011. Existing law requires, except as otherwise provided, Medi-Cal provider payments and payments for specified non-Medi-Cal programs to be reduced by 10% for dates of service on and after June 1, 2011.

This bill would instead require that this payment reduction not apply to skilled nursing facilities that are a distinct part of a general acute care hospital for dates of service on or after June 1, 2011.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 14105.194 is added to the Welfare and  
2 Institutions Code, to read:

3 14105.194. (a) Notwithstanding Sections 14105.191 and  
4 14105.192, reimbursement for services provided by skilled nursing  
5 facilities that are distinct parts of general acute care hospitals shall  
6 be determined, for dates of service on or after June 1, 2011, without  
7 application of the reductions set forth in Sections 14105.191 and  
8 14105.192.

9 (b) The director shall do all of the following in the event that  
10 he or she is prevented from implementing subdivision (a) for any  
11 dates of service on or after June 1, 2011:

12 (1) Implement subdivision (a) to the maximum extent permitted  
13 by law and for the maximum time period for which the director  
14 obtains necessary federal approval.

15 (2) Increase payments to facilities described in subdivision (a)  
16 for services provided on or after June 1, 2011, or on or after the  
17 first date of service permitted by law and for which federal financial  
18 participation is available, until the date the total amount of  
19 Medi-Cal payments to those facilities for services provided on or  
20 after June 1, 2011, is not less than the payments the facilities would  
21 have received if the reductions in Sections 14105.191 and  
22 14105.192 had not been imposed for dates of service on or after  
23 June 1, 2011. The director shall increase payments under this  
24 paragraph for the shortest period of time possible.

25 (c) The director shall promptly seek all necessary federal  
26 approvals to implement this section.

27 (d) Notwithstanding Chapter 3.5 (commencing with Section  
28 11340) of Part 1 of Division 3 of Title 2 of the Government Code,  
29 the department may implement this section by means of provider  
30 bulletins or notices, policy letters, or other similar instructions,  
31 without taking regulatory action.

32 SEC. 2. This act is an urgency statute necessary for the  
33 immediate preservation of the public peace, health, or safety within  
34 the meaning of Article IV of the Constitution and shall go into  
35 immediate effect. The facts constituting the necessity are:

- 1 In order to ensure and maintain access to medically necessary
- 2 care for the patients and residents needing skilled nursing services,
- 3 it is necessary that this act take effect immediately.