

# The 2007 Legislative Session In Review

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**Gretchen Lachance** – *California Association of Health Plans*  
V.P. Legal & Regulatory Affairs

**Dietmar Grellmann** – *California Hospital Association*  
Sr. V.P. Managed Care & Professional Services

**Bill Barcellona** – *California Association of Physician Groups*  
V.P. Government Affairs

# Health Care Reform

	AB 8 (Vetoed)	Governor's Plan (Not a bill)	ABX1 (Compromise)
Financing	<ul style="list-style-type: none"><li>• Employer contribution</li><li>• State and federal funds</li></ul>	<ul style="list-style-type: none"><li>• Employer contribution</li><li>• State and federal funds</li><li>• Hospital fee</li><li>• Leasing the state lottery.</li></ul>	<ul style="list-style-type: none"><li>• Employer contribution</li><li>• State and federal funds</li><li>• Hospital fee</li><li>• Tobacco tax</li></ul>

# Health Care Reform

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Individual Mandate	<ul style="list-style-type: none"><li>• None</li></ul>	<ul style="list-style-type: none"><li>• All individuals required to have a minimum level of coverage</li></ul>	<ul style="list-style-type: none"><li>• Individual mandate with exceptions for affordability and hardship</li></ul>

# Health Care Reform

	AB 8 (Vetoed)	Governor's Plan (Not a bill)	ABX1 (Compromise)
Employer Contributions	<ul style="list-style-type: none"><li>• Employers pay or play by contributing 7.5% of payroll or paying into state pool</li></ul>	<ul style="list-style-type: none"><li>• Employers pay or play on a sliding scale of 0-4% of payroll</li></ul>	<ul style="list-style-type: none"><li>• Employers pay or play on a sliding scale of 2-6.5% of payroll</li></ul>

# Health Care Reform

	AB 8 (Vetoed)	Governor's Plan (Not a bill)	ABX1 (Compromise)
<b>Affordability</b>	<ul style="list-style-type: none"><li>• Premiums for employees with incomes less than 300% FPL would not exceed 5% of family income</li></ul>	<ul style="list-style-type: none"><li>• Sliding scale under 250% FPL</li><li>• Tax credit between 250 and 300% FPL</li><li>• Premium does not exceed 5% of income</li></ul>	<ul style="list-style-type: none"><li>• Exemption from the indiv. mandate for premiums &gt; 6.5% of income</li><li>• Tax subsidy for moderate-income individuals</li></ul>

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# Health Care Reform

## Hospital Fee

- **Governor's Health Reform Proposal**
    - Funded by 4% "Coverage Dividend Fee"
      - Rural <50 beds excluded from tax
    - Two tier approach
      - Per diem fee on FFS days and Mgd Care days
      - Medicare and Long Term Care days excluded
    - Effective tax rate could be less than or greater than 4% of net patient revenue
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# Health Care Reform

## Hospital Fee

### ■ **Governor's Health Reform Proposal**

- Model predicts: (excluding designated publics)
    - \$1.7 billion in fees raised
    - \$1.5 billion Medi-Cal payment increases
    - \$800 million in Medi-Cal managed care increases
    - \$1.0 billion in payments for the previously uninsured who move to:
      - Medi-Cal, Healthy Families, Purchasing Pool
      - Employer and individual mandated coverage
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# Health Care Reform

- Political Dynamics
- What does the future hold?

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# 2007 Legislative Overview

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Bills signed into law

Taking effect on January 1, 2008

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# AB 3 (Bass)

- Expands independence of Physician Assistants to meet manpower shortage
  - Increases doctor supervision ratio from 1:2 to 1:4
  - Supervising doctor must audit 5% of charts
  - P.A. has expanded authority to administer schedule II through V controlled substances
  - P.A. services can now be billed to Medi-Cal
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# AB 381 (Galgiani)

- Will clarify that hospitals and other specified providers are allowed to continue to check Medi-Cal eligibility using a beneficiary's social security number until CDHS has established an automated HIPAA-compliant system.
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# AB 474 (Kuehl)

- To extend and modify state law related to the Medi-Cal hospital financing waiver. Legislation has to pass during 2007 to ensure continuation of the waiver funding.
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# AB 1269 (Hernandez)

- Will require specified inpatient burn DRGs be separately reimbursed at 120 percent of facility costs until an alternate rate methodology is adopted by regulation.
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# AB 1298 (Jones)

- Expands the California Medical Information Act consumer protections for “personal information” beyond doctors and hospitals to new firms providing online personal health records to consumers
  - Targets new Microsoft “health vault” product and eventual Google product
  - Expands the definition of “personal information,” as that term is used in California's data breach notification laws, to include medical and health insurance information.
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# AB 1324 (De la Torre)

- Once a health plan authorizes treatment and a provider provides the treatment in good faith, a health plan cannot rescind or modify that authorization for any reason, including eligibility determinations
  - Arises out of rescission lawsuits brought by CMA & CHA against health plans; however, AB 1324's impact is much broader.
  - Will force plans and delegated groups to more closely verify eligibility in cases of potential retroactive termination of coverage for non-payment
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# AB 1559 (Berryhill)

- Will require community colleges that evaluate applicants for admission to nursing programs to use five measures specified in the bill.
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# SB 94 (Kuehl)

- This bill requires a Medi-Cal rate increase that will bring family planning rates to at least 80 percent of the weighted average of the federal Medicare rates for similar office visits. The rate increase in this bill will apply to office visits on or after January 1, 2008.
  - The bill will require that the rate increase would be for specified office visits for family planning services that occur under specified CPT codes.
  - The affected codes include: 99201, 99202, 99203, 99204, 99211, 99212, 99213 and 99214
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# SB 102 (Migden)

- The Medical Board requires that physicians administering blood transfusions provide a pre-printed flyer on the risks of infection from blood transfusions
  - This new law now extends the requirement to a doctor of podiatric medicine
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## SB 139 (Scott)

- Will prohibit CSU and community colleges with RN programs from requiring students with baccalaureate degrees to complete additional general education requirements
  - Will establish a healthcare workforce clearinghouse in OSHPD to serve as the central source of health care workforce and educational pipeline data in the state.
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# SB 350 (Runner)

- Will clarify several aspects of legislation enacted in 2006 (AB 774 – Chan) that requires hospitals to have charity care and discount payment policies.
  - Allows a hospital to base the amount charged for services – provided to those eligible for a discounted payment – on an amount it would expect, in good faith, to receive for providing services from Medicare, Medi-Cal, Health Families or any other government-sponsored health program in which it participates, whichever is greater.
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# Two-year Bills

- AB 16 - Child Vaccination Review Process
  - AB 1155 - Expands DMHC Director Powers
  - AB 1203 - Contract Cancellation during Acquisition
  - AB 1390 - Website Posting of Payment Complaints against Plans and Groups
  - AB 1554 - Automobile-style Rate Regulation of Health Insurance
  - SB 32 - Children's Health Care Expansion
  - SB 697 - Bans Balance Billing in Healthy Families
  - SB 840 - Single Payer Healthcare
  - SB 981 - Non-contracted Provider Default Payment Rates and Balance Billing Prohibition
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# 2007 Regulations

- DMHC Language Assistance Regulation
  - DMHC Timely Access Regulation
  - CDI Timely Access Regulation
  - DMHC Post-Claims Underwriting Regulation
  - DMHC Discount Health Plan Regulation
  - DMHC Geographic Access Regulation
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# Good Luck in 2008!

