
The 2009 Legislative Session In Review

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Themes & Issues in 2009

- Budget woes dominated the 2009 session
 - State revenues dropped to the 1997 level
 - Safety net programs threatened
 - Most health bills stalled for fiscal reasons
 - Lowest health legislation volume in a decade
 - Some creative funding solutions achieved
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2009 Legislative Overview

- Health Plan Related Legislation - Charles
 - Hospital Related Legislation – Natalie
 - Physician Related Legislation & Regulatory - Bill
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Health Plans

- Rescission of Coverage
 - Non-Gender Based Health Coverage Pricing
 - Psychiatric Emergency Coverage
 - Gross Premiums Tax
 - Coordination of Mental Health Benefits
 - Cleft Palate Reconstructive Surgery
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AB 108 (Hayashi)

**Health Care Coverage: Rescission
Prohibition after 24 months**

AB 119 (Jones)

**Prohibition against using gender in
underwriting**

AB 235 (Hayashi)

Emergency Services and Notification Mandates on Hospitals and Health Plans

AB 1422 (Bass)

Gross Premiums Tax to Protect the Healthy Families Program

SB 296 (Lowenthal)

Identification Card and Website Disclosure Requirements

SB 630 (Steinberg)

Dental and Orthodontic Services Mandate for Cleft Palate

Hospitals

- Medi-Cal
 - Mental Health
 - Workers' Compensation
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Medi-Cal

■ **AB 1383 (Jones/Alquist) - *Signed***

- ❑ Directs DHCS to seek federal approval from CMS for a hospital fee program to make supplemental Medi-Cal payments to hospitals.
- ❑ Raises \$2 billion in annual fees.

Distributions

- \$320 million - Children's Coverage
- \$310 million - Designated Public Hospitals (direct grants)
- Administrative costs for staffing and implementation
- ❑ Remaining fees draw down \$2.3 billion in federal matching funds.

■ **AB 188 (Jones) - *Signed***

- ❑ Provides the necessary appropriation for the Department of Health Care Services to begin work to seek the federal approvals to implement AB 1383.

Medi-Cal – Section 1115 Waiver

■ **CHA Waiver Goals:**

- ❑ Strengthen California's Health Care Safety Net
- ❑ Reduce the Number of Uninsured Individuals
- ❑ Increase Federal Financial Participation
- ❑ Promote Efficient Use of State and Local Funds
- ❑ Improve Health Care Quality and Outcomes
- ❑ Promote Home and Community-Based Care

■ **CHA Waiver Initiatives**

- ❑ Promote Organized Delivery Systems of Care
 - ❑ Strengthen and Expand the Health Care Safety Net
 - ❑ Implement Value-Based Purchasing Strategies
 - ❑ Enhance the Delivery System for the Uninsured to Prepare for National Reform
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Mental Health

- **AB 235 (Hayashi) – *Signed***
 - ❑ Defines psychiatric emergency medical condition, clarifies treatment necessary to relieve or eliminate a psychiatric emergency may include inpatient admission to an acute-care hospital.
 - ❑ Requires hospitals notify patients' health plan of transfer or admissions, provided hospital has health plan information.

 - **SB 743 (Senate Health Committee) - *Signed***
 - ❑ Expands existing immunity from civil and criminal liability regarding detention of people for evaluation of a mental disorder.
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Workers' Compensation (WC)

- July 2009 – **RAND Working Paper**
 - Outlined potential medical savings in the OMFS
- October 2009 – **DWC released 12-point plan** to control medical costs through updating current WC regulations

Hospital Concerns:

- Elimination of Spinal Hardware Pass-Through
 - Puts patient access at risk due to inadequate reimbursement
 - Reducing Ambulatory Surgical Center Fees
 - Proposes paying ASC's at Medicare's 2008 fee schedule rates
 - In 2007 Medicare outpatient hospital reimbursement resulted in a negative 11.7% margin
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Physicians and Provider Groups

- New Laws & Regs:
 - *Timely Access to Care*
 - *Payment to non-par providers*
 - *Medi-Cal Managed Care expansion for SBD population*
 - *Transparency of education and certification*
 - Failed Laws:
 - *New system for doctor peer-review*
 - *Partial Waivers of Corporate Practice of Medicine Ban*
 - *Reporting of electronic breach of personal health records*
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Patient Privacy Enforcement

- Last year, the passage of AB 211 created a consolidation of enforcement power at CalOHII over violations of the CMIA
 - In 2009 the CalPSAB adopted bi-level privacy guidelines that require both opt-out consent for direct treatment and opt-in for all other purposes
 - A 2009 Senate bill requiring e-submission of breach notices to the Attorney General was vetoed by the Governor (SB 20 Simitian)
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Medicaid Section 1115 Waiver

- A budget trailer bill included language requiring the restructuring of Medi-Cal to reduce its growth rate in expenditures to the most medically vulnerable , high-cost beneficiaries (ABx4 6)
 - The bill requires the state's waiver application to include application for funding of increased medical home and managed care enrollment for SPD populations
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Health Professions

- Physically disabled physicians may now apply for a limited license (AB 773 Lieu)
 - Health professionals must now post their degrees, board certification, etc. on their nametags or office walls (AB 583 Hayashi)
 - Settlements over \$30,000 carry increased public disclosure requirements (AB 1070 Hill)
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2009 Regulations

- DMHC Timely Access Regulation – operative 12/2010
 - *Applies to non-emergency access to care provided by plans and doctors*
 - *Sets a small number of time-elapse standards for routine, urgent, specialty and ancillary services appointments*
 - *Requires 24/7 phone triage/ screening by plans*
 - *Language assistance services must be coordinated in a timely way*
 - *Monitoring and auditing by Plans of physicians will be difficult*
 - *DMHC workgroup will be formed to consider implementation issues*
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2009 Regulations

- DMHC enforcement of AB 1455 “reasonable & customary” payments to non-contracted E.R. providers
 - *November, 20 provider survey collects data on historic payment trends*
 - *October 6th Cease & Desist Order against 100% Medicare payment by S.B. IPA now challenged by plan and group*
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Thank You!

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