



2016 Annual Conference

Annual Legislative Update

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- Leadership & Committee changes
- State Budget/Special Session
- Mandates
- Surprise Billing
- Stalled Legislation
- Elections

Overview of 2016 Session



- Intended to protect patients from surprise medical bills when they receive services at an in-network hospital, lab, imaging center or other health facility.
- Non-contracted physicians cannot balance bill patients for non-emergency covered services performed at an in-network facility
- Patient's cost-share is held at in-network rate
- DMHC & CDI will issue regulations in late 2017

Surprise Billing – AB 72



- Definition of “facility” is broad
- Dispute resolution process will differ from the current Gould Criteria for emergency services
 - Payment floor of 125% of Medicare FFS rate
 - Payment ceiling of “average contracted payment” that is benchmarked at 2015 rates with a one-time COLA
- Deadlines:
 - July 1, 2017: Plans and RBOs must submit rates
 - Sept. 1, 2017: IDRPs must be established
 - Jan 1, 2019: DMHC must set methodology for average contracted rate via regulation

AB 72 Regulatory Issues



- Reproductive Health – AB 1954
- Mid-Year Share of Cost – SB 923
- Notice of Timely Access – SB 1135
- Autism Coverage extension – AB 796
- Unreasonable Rate Increase – SB 908

Knox Keene Mandate Bills



- SB 1159 enacted a process to create a statewide all-payer claims database
- An expert panel is created to determine the content and scope of the APCD
- Cal HHS has been meeting with stakeholders all summer and is finalizing an application to CMS for development funding

Health Care Cost & Quality



- CCS Services – SB 586
- Medi-Cal Transportation – AB 2394
- Prop 56 Tobacco Tax passed
- Prop 52 Hospital Medi-Cal Fee
- Prop 55 High Income Tax Extension

Medi-Cal Legislation



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- ASC Patient Notice – SB 1365
- Elimination of DP/SNF Clawback – SBx2
- Physician Employment – AB 2024

Hospital Legislation



Legislation to limit the use of arbitration clauses by corporations on a take-it-or-leave-it basis

- SB 1078 was intended to curtail the use of “repeat player” arbitrators – but it was vetoed
- SB 1065 passed, affects how quickly an appellate court can rule on whether an arbitration clause is valid in elder abuse situations

Consumer Arbitration



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- Provider Directories
- Timely Access to Care
- Reproductive Health
- Unreasonable Rate Increase Notice
- Health Care Cost Database

2017 Regulatory Agenda



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2017 Legislative Issues



- AB 1300 was intended to address the issue of mental health patients backing up in the ED
- The bill stalled
- The problem continues: 58 separate county systems with differing procedures, and a 40-year-old statute on 5150 72-hour holds

Behavioral Health



- Legislative interest in the impact of provider-entity consolidation on health care costs increased and proposed legislation by Senator Hernandez would have required DMHC oversight of all provider mergers
- Massachusetts standard now includes fiscal impact analysis on post-merger costs – could be a model for California

Health Entity Mergers



- Legislation was brought in 2016 to address the continued increase in costs of both specialty and generic drugs
- Strong opposition by the Pharma Industry resulted in stalled legislation in 2016
- The problem isn't going away and we expect further attempts to solve the issue in 2017

High Cost Drugs



- New Congress & Administration
- Repeal & Replacement of ACA
- California Medi-Cal Impact
- Covered California
- Existing Legislative “Repeal” Triggers in California ACA Implementation Laws
- Timetable: Not immediate, build consensus

2017 Election Impacts



- Block Grant Medicaid Funding
- Cross-State health insurance sales
- Continuous Coverage mandate versus Individual Mandate
- Loss of Employer Mandate
- Loss of Exchange Subsidies
- HSA Expansion

Unanswered Questions