

Introduced by Senator Hernandez

February 15, 2011

An act to add Article 5.7 (commencing with Section 14186) to Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 359, as introduced, Hernandez. Medi-Cal: ground ambulance rates.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which health care services, including medical transportation services, are provided to qualified low-income persons. The Medi-Cal program is partially governed and funded under federal Medicaid provisions. Existing law and regulations prescribe various requirements governing payment policies and reimbursement rates for these services.

This bill would require the department, by July 1, 2012, to adopt regulations establishing the Medi-Cal reimbursement rate for ground ambulance services using one of 2 specified methodologies.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

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

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) The State Department of Health Care Services is required
- 4 to adhere to the current regulations establishing Medi-Cal payment

1 rates for ground ambulance services and the department is currently
2 not in compliance with those regulations.

3 (b) Regarding Medi-Cal payment rates for ground ambulance
4 services, the State Plan under Title XIX of the federal Social
5 Security Act for the State of California requires that reimbursement
6 for each of the other types of care or service listed in Section 1396d
7 of Title 42 of the United States Code that are included in the
8 program under the plan will be at the lesser of usual charges or
9 the limits specified in Article 7 (commencing with Section 51501)
10 of Chapter 3 of Division 3 of Title 22 of the California Code of
11 Regulations.

12 (c) In establishing the evidentiary base, the Ninth Circuit Court
13 of Appeals has ordered the department to consider the costs of
14 providing the service.

15 (d) Current law requires ground ambulance services provided
16 to state prison inmates to be reimbursed at the maximum rate of
17 120 percent of the Medicare Ambulance Fee Schedule (Sec. 5023.5,
18 Pen. C.).

19 (e) Current law requires ground ambulance services provided
20 under the state workers compensation program to be reimbursed
21 at the maximum rate of 120 percent of the Medicare Ambulance
22 Fee Schedule (8 Cal. Code Regs. 9789.70).

23 (f) Emergency medical services systems are a critical safety net
24 service relied upon by the entire California population.

25 (g) Ninety percent of Medi-Cal ground ambulance transports
26 are emergencies. Ground ambulance safety net providers cannot
27 legally or morally refuse to respond to emergency medical requests
28 for service and cannot refuse medically necessary emergency
29 medical treatment and transport.

30 (h) Independent government cost studies indicate current
31 Medi-Cal payment rates cover just one quarter of the average cost
32 of ground ambulance service. Severe below-cost Medi-Cal payment
33 rates threaten to collapse the entire 911 emergency medical system
34 safety net in California.

35 SEC. 2. Article 5.7 (commencing with Section 14186) is added
36 to Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions
37 Code, to read:

1 Article 5.7. Ground Ambulance Services

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3 14186. (a) No later than July 1, 2012, the department shall
4 adopt regulations establishing the Medi-Cal reimbursement rate
5 for ground ambulance services, based upon existing statutes,
6 regulations, and case law.

7 (b) In establishing the rates as required in subdivision (a), the
8 department shall use one of the following methodologies:

9 (1) Establish payment rates through regulation based on the
10 methodology required by the courts including doing all of the
11 following:

12 (A) Develop a rate study or establish a cost-based evidentiary
13 base that results in proposed rates.

14 (B) Present the proposed rates at a public hearing.

15 (C) Combine public input and the evidentiary base for a final
16 adopted regulation.

17 (2) Establish payment rates for ground ambulance services at
18 120 percent of the current Medicare Ambulance Fee Schedule and
19 designate the ambulance cost study conducted by the federal
20 Government Accountability Office (GAO-07-383) as the
21 evidentiary base.