

Health Omnibus Trailer Bill – AB 80/SB 102

COVID-19 Medi-Cal Response Activities.

- Requires DHCS to implement any federal Medicaid waiver or flexibility approved by the U.S. Centers for Medicare and Medicaid Services (CMS) related to the COVID-19 public health emergency.
- Authorizes DHCS to extend coverage for COVID-19 testing and treatment services to uninsured individuals for the duration of the COVID-19 emergency period pursuant to the option detailed in the federal Families First Coronavirus Response Act.
- Requires DHCS to maximize federal financial participation for applicable Medi-Cal expenditures available to respond to the COVID-19 emergency, including the temporary increase in the Federal Medical Assistance Percentage (FMAP).
- Authorizes DHCS, in consultation with stakeholders, to seek federal approval for a temporary extension or multiple temporary extensions of all or select components of California’s Medi-Cal 2020 Demonstration that is set to expire on December 31, 2020.

Full-Scope Medi-Cal for Undocumented Seniors. Requires full scope Medi-Cal coverage for individuals 65 years of age and older regardless of immigration status be prioritized for inclusion in the budget for the upcoming fiscal year if DOF projects a positive ending balance in the Special Fund for Economic Uncertainties (SFEU) for the upcoming fiscal year and each of the following three fiscal years that exceeds the cost of providing full scope benefits to this population.

HIV, HCV, and STD Funding.

- Eliminates provisions that require, under specified circumstances, the suspension of \$5 million General Fund each (\$15 million total) for CDPH programs that seek to prevent the spread of HIV, Hepatitis C (HCV), and sexually transmitted diseases (STDs).
- Recall, this funding was initially appropriated in the 2019 Budget Act and was subject to December 31, 2021, suspension upon a Department of Finance (DOF) determination. With the removal of this language, this funding becomes ongoing.

AIDS Drug Assistance Program (ADAP). Authorizes CDPH to electronically retrieve ADAP clients’ modified adjusted gross income (MAGI) data from the California Franchise Tax Board (CFTB). Includes federal definitions of “household” and “family size.”

PrEP/PEP 30-Day Supply. Authorizes CDPH Office of AIDS (OA) to subsidize costs of up to 30 days of pre-exposure prophylaxis (PrEP) and post-exposure prophylaxis (PEP) medications for prevention of HIV infection.

Incarcerated Juvenile Medi-Cal Eligibility. Brings statute into compliance with the federal “Substance Use Disorder Prevention that Promotes Opioid Recovery and Treatment of Patients and Communities (SUPPORT) Act,” which requires states to no longer terminate Medicaid eligibility for juveniles who are incarcerated and allows states to adopt indefinite Medi-Cal suspension for eligible incarcerated juveniles, beginning October 1, 2020. Eliminates current one-year Medi-Cal suspension for incarcerated juveniles.

Drug Medi-Cal MAT Reimbursement. Adds medication assisted treatment (MAT) services as a reimbursable Drug Medi-Cal (DMC) Treatment Program benefit for all DMC provider types, which includes all medications approved by the U.S. Food and Drug Administration (FDA) to treat opioid disorders, counseling services, and behavioral therapy.

Medically Tailored Meals Pilot Program. Extends length of the Medically Tailored Meals pilot program by one year, delays program evaluation deadline, and delays statutory sunset for program.

Pharmacy Services.

- Expands Medi-Cal contract drug list “best price” definition to include foreign and domestic prices, effective January 1, 2021.

- Requires DHCS, upon DOF approval, to seek federal approvals to establish and administer a drug rebate program to collect rebate payments from drug manufacturers with respect to drugs furnished to selected populations of California residents ineligible for full-scope Medi-Cal benefits. Requires DHCS and DOF to determine non-Medi-Cal populations to be included in the drug rebate program.
 - Sunsets statutory limit of six prescription drugs per month for Medi-Cal beneficiaries, effective January 1, 2021.
- Sunsets statutory requirement for Medi-Cal beneficiaries to make copayments on prescription drugs, effective January 1, 2021.

340B Supplemental Payment Pool.

- Requires DHCS, upon an appropriation by the Legislature, to provide fee-for-service-based supplemental payments from a fixed-amount payment pool to qualifying nonhospital 340B community clinics, beginning January 1, 2021.
- Requires DHCS to establish a stakeholder process on or before July 15, 2020, to develop and implement a payment distribution methodology, including eligibility criteria for receipt of payments, the aggregate amount of pool funding, criteria for apportioning funding, and timing of payments. Requires the methodology to be finalized no later than October 1, 2020.

Proposition 56 Suspensions.

- Suspends the Proposition 56 Value-Based Payment (VBP) program and Proposition 56 Medi-Cal provider supplemental payments on July 1, 2021, unless either of the following conditions are met:
 - 1) General Fund revenue and expenditure estimates (as contained in the 2021 May Revision) for the 2021-22 and 2022-23 fiscal years contain annual General Fund revenues that exceed estimated General Fund expenditures for 2021-22 and 2022-23 fiscal years by an amount equal to or greater than the sum total of all General Fund appropriations for all programs subject to suspension; or
 - 2) if the suspension takes effect but the Legislature identifies alternative solutions to restore this program.
- Proposition 56 Medi-Cal provider payment suspension would be applied to all Medi-Cal provider types currently receiving supplemental payments but excepts women's health services providers.

State Hospitals.

- Extends authorization for Patton State Hospital to house up to 1,530 patients until September 2030.
- Requires Governor to appoint one medical director for the Department of State Hospitals (DSH) and one medical director for each state hospital.
- Requires DSH Director to appoint specified leadership positions.

Electronic Health Record Incentive Program. Modifies the name of the Electronic Health Record Incentive Program to the Medi-Cal Promoting Interoperability Program and extends the sunset date by three years until January 1, 2024.

Provider Rate Review. Requires DHCS Director to periodically (rather than annually) review reimbursement levels for physician and dental services in the Medi-Cal fee-for-service delivery system to align with federal requirements (every three years). Requires DHCS to revise reimbursement rates to the extent the DHCS Director deems necessary to comply with federal Medicaid requirements.

Managed Care Efficiencies and Savings.

- Requires DHCS, in consultation with impacted Medi-Cal managed care plans, to develop and implement a risk corridor that is symmetrical to risk and profit to limit the financial risk of either significant capitation rate overpayments or underpayments. Applies the risk corridor from July 1, 2019, to December 31, 2020. Authorizes application of risk corridor past January 1, 2021, if deemed actuarially appropriate to account for impacts of the COVID-19 public health emergency.

- Requires DHCS to reduce capitation rate increments by up to 1.5 percent for capitation rates associated with the July 1, 2019, to December 31, 2020, time period. Authorizes continuation of reduction beyond January 1, 2021, if deemed actuarially appropriate to account for impacts of the COVID-19 public health emergency.