

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original
POSITION: Neutral

BILL NUMBER: SB 370
AUTHOR: S. Kuehl

BILL SUMMARY: Medi-Cal: Organ Transplants

This bill would require the Department of Health Care Services (DHCS) to modify its utilization controls to include guidelines on the circumstances and criteria the DHCS will use for approving facilities and personnel for organ transplants eligible for receiving reimbursement under the Medi-Cal program. This would be done by expanding current law which allows DHCS to implement utilization controls through guidelines, protocols, algorithms, or criteria for various drugs, medical supplies, durable medical equipment, and enteral formula.

FISCAL SUMMARY

This bill would have no fiscal impact.

COMMENTS

Finance is neutral on this bill because it would clarify the authority for the department's current practices, and would enhance its ability to implement utilization controls through guidelines, protocols, algorithms, or criteria for organ transplants.

The DHCS has already been applying the criteria developed by the Medi-Cal Advisory Committee on Anatomical Transplants (MACAT) in approving and paying for organ transplants, and for denying requests for authorization. The DHCS regularly updates these adopted criteria and reviews operations of the centers. In cases where centers fail to meet the criteria, the DHCS may revoke the ability of the center to perform Medi-Cal transplants or may place them on probation requiring changes in operations, as well as more frequent reporting.

The MACAT was convened in response to Chapter 1173, Statutes of 1983, and the criteria it developed were incorporated into a State Plan Amendment which was approved by the federal government. Nevertheless, the DHCS authority to require specific guidelines and approve and disapprove facilities has been legally challenged by organ transplant facilities. This bill seeks to clarify that DHCS has this authority and also would provide them with an enhanced ability to implement utilization controls through guidelines, protocols, algorithms, or criteria for organ transplants. This would enable the DHCS to update the utilization controls more timely than through the regulatory process.

Code/Department Agency or Revenue Type	(Fiscal Impact by Fiscal Year)									Fund Code
	SO	(Dollars in Thousands)								
	LA	CO	PROP	2006-2007		2007-2008		2008-2009		
	RV	98	FC	FC	FC	FC	FC	FC	FC	
4260/Hlth Care	SO	No	-----	No/Minor Fiscal Impact					-----	0001
4260/Hlth Care	SO	No	-----	No/Minor Fiscal Impact					-----	0890

<u>Fund Code</u>	<u>Title</u>
0001	General Fund
0890	Trust Fund, Federal

Analyst/Principal (0543) T. Williams	Date	Program Budget Manager Michael Wilkening	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

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