

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: April 4, 2011
POSITION: Neutral

BILL NUMBER: AB 1066
AUTHOR: J. Perez
RELATED BILLS: AB342 (2010); SB208 (2010)

BILL SUMMARY: Medi-Cal: Demonstration Project Waivers

This bill would make technical changes necessary for the Department of Health Care Services (DHCS) to implement the Special Terms and Conditions required by the federal government in the approval of the new Section 1115 Medi-Cal Demonstration Project.

FISCAL SUMMARY

This bill would not have a fiscal impact on the General Fund.

COMMENTS

The Department of Finance is neutral on this bill. This bill will make technical changes necessary for DHCS to implement the Section 1115 Medi-Cal Demonstration Project.

Specifically, this bill would do the following:

- 1. Clarify what provisions of the 2005 Medi-Cal Section 1115 Hospital Uninsured Care Demonstration waiver apply to the 2010 successor demonstration project;
2. Establish a distribution formula for federal Disproportionate Share Hospital (DSH) funds to designated public hospitals;
3. Revise the Safety Net Care Pool (SNCP) funds distribution formula and establish a methodology to distribute the Delivery System Reform Incentive Pool funding;
4. Authorize DHCS to establish incentives for improvement activities;
5. Define the local Low Income Health Program (LIHP) and the Medi-Cal Coverage Expansion (MCE) populations.

The California Association of Public Hospitals (CAPH ) developed the language with technical assistance from DHCS. DHCS does not anticipate any hospital concerns related to the new DSH distribution formula and revised SNCP distribution formula.

Chapter 723, Statutes of 2010 (AB 342, Perez) authorized DHCS to implement the new federal Medicaid Demonstration Project waiver, and approve local Coverage Expansion and Enrollment Demonstration (Coverage Initiative) projects supported by local and federal funds. Coverage Initiative projects will allow counties to draw down federal dollars to implement projects that serve beneficiaries not previously eligible to receive Medi-Cal benefits.

Chapter 714, Statutes of 2010 (SB 208, Steinberg) authorized DHCS to do the following activities: (1) create pilot projects to enroll dual-eligible (Medicare and Medi-Cal) beneficiaries in managed care plans; (2) establish managed care plans for California Children's Services (CCS); (3) require seniors and persons with disabilities (SPDs) to enroll in managed; and, (4) establish demonstration projects to improve coverage expansion.

Analyst/Principal Date Program Budget Manager Date
(0544) J. Wunderlich Lisa Ann L. Mangat

Department Deputy Director Date

Governor's Office: By: Date: Position Approved
Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

**BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)**

**AUTHOR**

**AMENDMENT DATE**

**BILL NUMBER**

J. Perez

April 4, 2011

AB 1066

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)						Fund Code
	LA	(Dollars in Thousands)						
	CO	PROP						
	RV	98	FC	2010-2011	FC	2011-2012	FC	2012-2013
4260/Hlth Care	SO	No		-----	No/Minor	Fiscal Impact	-----	0001