BILL SUMMARY: Medi-Cal: medically necessary services.

This bill modifies the definition of "medically necessary" regarding the Medi-Cal program's Early, Periodic, Screening, Diagnosis, and Treatment (EPSDT) services to match the current federal definition.

FISCAL SUMMARY

At the time of this analysis, the Department of Health Care Services was unable to provide a fiscal analysis, however, this bill will likely result in costs for the Department to update documents and beneficiary handbooks and procure regulations. Finance notes concern that future federal financial participation could be jeopardized should the federal government modify its definition of "medically necessary," rendering state statute noncompliant.

COMMENTS

Finance is opposed to this bill because it is not necessary to modify the definition of "medically necessary" for the Department to offer comprehensive access to EPSDT services for Medi-Cal beneficiaries up to age 21, as the Department already meets this requirement. Further, the issue this bill attempts to address could be more effectively and appropriately addressed administratively by the Department via All Plan Letters and provider education and outreach.

Specifically, this bill:

• Modifies the definition of "medically necessary" in statute.

• Requires the Department of Health Care Services to notify Medi-Cal fee-for-service providers and Medi-Cal managed care plans that EPSDT services are not subject to prior authorization.

• Requires the Department and Medi-Cal fee-for-service providers and Medi-Cal managed care plans to update documents, beneficiary handbooks, and related publications to reflect these changes.

• Requires the Department to adopt regulations by July 1, 2022.

According to the author's office, this bill would ensure that the correct medical necessity standard is used for health coverage for children under age 21 in the Medi-Cal program, and broadens the current state definition.
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Fund Code | Title
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0001 | General Fund
0890 | Trust Fund, Federal