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2015 Oversight and Informational Hearings

Joint Oversight Hearing - Senate Committee on Health and Select Committee on Mental Health: Mental Health Parity and Access Oversight

Wednesday, December 16, 2015

The purpose of this hearing was to examine access to mental health treatment for Californians with health insurance. The Senate Committee on Health and the Select Committee on Mental Health heard from health insurance regulators, health plans, health care providers, family members and patients about challenges accessing the right treatment at the right time. Patients are frustrated by ineffective medications, having to wait weeks for psychiatry appointments, and the lack of psychiatric care facilities. Committee members were interested in hearing how laws to ensure mental health parity, timely access and adequate health insurance networks are being implemented with respect to mental health treatment and what should be done to improve access for Californians.

Oversight Hearing - The Future of the California Children's Services Program.

November 18, 2015

In mid-2015, the Department of Health Care Services (DHCS) released its proposal for a reorganization of the California Children's Services Program (CCS) program based on a "whole-child model." DHCS proposed a three-year managed care carve-out extension for most counties (until at least January 2019) and implementation of a whole-child model, primarily for County-Organized Health Systems, no sooner than January 2017. Under the DHCS "whole-child model," a CCS-eligible child would receive all of their care through the COHS, rather than continuing to receive care for their CCS-eligible conditions outside their Medi-Cal managed care plan. The purpose of this informational hearing is to hear from DHCS on its proposal for the CCS program and how it will ensure high quality care for CCS children. The members of the committee will then hear from the parents of children enrolled in the CCS program, county CCS physicians and nurses and CCS health care providers on what works well and what does not work well in the

CCS program and needs to be changed, their position on the DHCS proposal and any alternatives or changes to the DHCS proposal.

**Joint Informational Hearing - Senate Human Services and Senate Health Committee:
Psychotropic Medication and Mental Health Services for Foster Youth: Seeking Solutions
for a Broken System**

August 11, 2015

This was a continuation of the informational hearing that the Senate Human Services Committee and the Senate Select Committee on Mental Health had in February 2015, which highlighted concerns regarding a statewide trend toward increased prescribing of psychotropic medications to foster youth. This hearing looked more closely at the system wide standards and oversight tools used by state and local agencies in evaluating the effectiveness of county mental health plans, county child welfare agencies, contracted providers, and individual prescribers in providing access to a broad spectrum of timely, effective, trauma-informed psychosocial services that minimize the need for psychotropic medication. While the August informational hearing did not produce any specific legislation, some bills that were developed in response to the issue that prompted the February hearing include: SB 238 (Mitchell, Chapter 534, Stats of 2015), SB 253 (Monning, inactive file on Assembly Floor), SB 319 (Beall, Chpt. 535, Stats of 2015), and SB 484 (Beall, Chpt. 540, Stats of 2015).

Informational Hearing- Making Health Care Affordable: The Impact on Consumers

March 18, 2015

The third in a series of hearings the Committee convened to discuss factors that contribute to the growing cost of health care in California and efforts to make care more affordable, this hearing served to educate members and the public about the effect of health care costs on consumers. Consumers are impacted by high health care costs in a variety of ways including through the premium share they are required to pay as well as deductible, coinsurance copayment requirements, benefit designs, and access to broad or narrow provider networks. Patients with complex medical conditions can face higher financial burdens or less access to broader networks of providers. SB 26 (Hernandez) resulted from this series of hearings.

**Joint Oversight Hearing - Senate Health Committee, Assembly Health Committee, & Joint
Legislative Audit Committee: Medi-Cal Dental Program, Audit Report 2013-125**

March 17, 2015

In December of 2014, the California State Auditor released a report detailing the lack of access to dental care for children in the Medi-Cal Dental program. Child beneficiaries can receive dental services under the program through either a fee-for-service or a managed care delivery system, or from federally qualified health centers, rural health clinics, and Indian Health Service clinics. Health Care Services contracts with Delta Dental of California (Delta Dental) to help administer the program. The Auditor found California's utilization rates to be lower than those of

many states- nearly 56 percent of the 5.1 million children enrolled in Medi-Cal not receiving dental care through the program. The Auditor also found that in 2013 five counties with at least 2,000 child beneficiaries may not have any active providers and no dental providers were willing to accept new Medi-Cal patients in 11 counties. In 16 counties, the number of dental providers willing to accept new Medi-Cal patients appeared to be insufficient. Additionally, California's reimbursement rates for Medi-Cal fee-for-service dental services have not increased since fiscal year 2000–01 yet the rates are significantly lower than national and regional averages and lower than those of other states. SB 75 (Committee on Budget and Fiscal Review), Chapter 18, Statutes of 2015, the 2015-16 health budget trailer bill, repealed the existing 10 percent provider rate reduction in Denti-Cal fee-for-service and for Denti-Cal managed care plans.

Joint Oversight Hearing - Senate Health and Assembly Health Committees: Health Disparities in California

Wednesday March 11, 2015

This joint hearing of the Senate and Assembly Committees on Health sought to educate the Legislature and the public about what health disparities are; how some Affordable Care Act payment reforms might exacerbate disparities; what disparities look like for the majority of Californians; and how the Department of Health Care Services (DHCS), Department of Public Health (DPH), Covered California, and health care partners should be collecting data to identify and address those disparities. While no legislation was produced in response to this hearing, some related bills include: AB 176 (Bonta, vetoed), AB 532 (McCarty, Chapter 433, Statutes of 2015), AB 959 (Chiu, Chapter 565, Statutes of 2015), and SB 291 (Lara, vetoed).

Joint Oversight Hearing - Senate Health and Assembly Health Committees: Do Medi-Cal Rates Ensure Access to Care?

March 4, 2015

This oversight hearing of the Senate and Assembly Health Committees examined whether Medi-Cal rates ensure program beneficiaries have access to health care services. The Medi-Cal program provides health care services to nearly 12 million low-income Californians. Medi-Cal is administered by DHCS, and the federal Centers for Medicare and Medicaid Services (CMS) oversees the program to ensure compliance with federal law. The committee heard from the Department of Health Care Services (DHCS), the Legislative Analyst's Office, the Bureau of State Audits, and affected stakeholders regarding the following: How DHCS currently sets rates for Medi-Cal managed care plans and fee-for-service; DHCS compliance with the annual review and revision requirements in existing law for Medi-Cal physician and dental services; How Medi-Cal rates compare with other states' Medicaid programs, Medicare rates and rates paid by third party health plans and insurers; The impact of the Medi-Cal managed care plan and provider payment reductions currently in effect; Whether Medi-Cal rates are sufficient to ensure access to care for Medi-Cal beneficiaries; and, How the state determines and monitors whether Medi-Cal beneficiaries have access to care. SB 243 (Hernandez) and AB 366 (Bonta) would have repealed prior year Medi-Cal provider and managed care rate reductions, would have increased specified fee-for-service Medi-Cal provider rates to Medicare levels and would have

required rates paid to Medi-Cal managed care plans to be actuarially equivalent to the payment rates established under the Medicare program. However, neither of these bills became law. SB 75 (Committee on Budget and Fiscal Review, Chapter 18, Statutes of 2015), the 2015-16 health budget trailer bill, repealed the existing 10 percent provider rate reduction in Denti-Cal fee-for-service and for Denti-Cal managed care plans.

Oversight Hearing - Examining Provider Moratoriums in Fee-for-Service Medi-Cal

February 18, 2015

Under existing law, DHCS is authorized to implement a 180-day moratorium on the enrollment of new providers in FFS Medi-Cal to safeguard public funds or to maintain the fiscal integrity of the Medi-Cal program. DHCS has three enrollment moratoriums currently in effect relating to certain types of pharmacies in Los Angeles County, durable medical equipment (DME) providers in several Southern California counties, and clinical laboratories statewide. The Committee members and the public heard from DHCS and affected stakeholders regarding the following: an overview of existing law relating to Medi-Cal provider moratoriums; the purpose of the current moratoriums; the health care providers currently subject to a moratoriums; the evidence used by DHCS to place providers on a moratorium, and to renew a provider moratorium, including an explanation of random claim reviews, targeted data reviews, and data mining; how providers can seek an exemption from the moratorium; how exemptions from the moratorium are established by DHCS; whether the moratoriums affect access to care or services in the Medi-Cal program, and if so, how; whether the provider moratoriums should be changed, and if so, why; whether the moratoriums effectively reduce fraud, and the risk of removing the moratorium; what measures the state should take to prevent fraud in Medi-Cal in the absence of moratoriums. Following the hearing, DHCS announced it would lift the moratorium for laboratory providers once it had implemented its new on-line provider enrollment system for Medi-Cal providers, which is currently scheduled for implementation in early 2016.

Informational Hearing - Making Health Care Affordable: What's Driving Costs?

February 4, 2015

This was the second in a series of hearings the Committee convened to discuss factors that contribute to the growing cost of health care in California and efforts to make care more affordable, this hearing served to educate members and the public about some of the cost drivers within the health care system, and provide a better understanding of why health care is so expensive. In particular, the Chair sought to identify cost drivers in an effort to understand if health care costs are appropriate and to keep focus on the need for affordable health care premiums. SB 26 (Hernandez) resulted from this series of hearings.

Second Extraordinary Session– Senate Committee on Public Health and Developmental Services

Informational Hearing - Managed Care Organization Tax Options and Issues

August 18, 2015

The purpose of this hearing was for the committee to explore in more detail the Governor's managed care organization (MCO) tax proposal, discuss pros and cons of other potential MCO tax structures and receive an update from the California Association of Health Plans on its efforts to model alternative proposals. The hearing also provided an overview of more health insurance market data and trends. SB x2 14 was introduced in response.

Informational Hearing - Shoring up California's Public Health Care and Developmental Services Financing

July 2, 2015

This hearing explored the funding challenges before the Legislature as articulated in a proclamation issued by Governor Brown calling for the extraordinary session. The Governor convened the extraordinary session to enact permanent and sustainable funding from a new Managed Care Organization tax and/or alternative funding sources. The revenue solutions are needed to generate \$1.1 billion annually to stabilize the General Fund's costs for the Medi-Cal program, sufficient funding to continue the 7% restoration of In-Home Supportive Services hours for recipients beyond fiscal year 2015-16 (estimated at \$226 million in 2015-16), sufficient funding to provide increases in payments to Medi-Cal providers (estimated at potentially up to \$6.5 billion depending upon which providers receive increases and the amount of those increases), and sufficient funding to increase payment rates for service providers who serve people with developmental disabilities (at least another \$63 million based on the proposed legislative budget compromise which was not included in the final budget).

2015-16 Second Extraordinary Session Conference Committee on SBX2 2 and ABX2 1

Informational Hearing - Update on MCO Tax Options

December 1, 2015

This hearing was a follow up to the July 2, 2015 and August 18, 2015 hearings, which explored the funding challenges before the Legislature as articulated in the Governor's proclamation and examined the Governor's initial and revised MCO tax proposals.

Informational Hearing - Public Health Impacts of Tobacco

December 16, 2015

One of the Governor's charges for the Second Extraordinary Session is to improve the efficiency and efficacy of the health care system, reduce the cost of providing health care services, and improve the health of Californians. This hearing will provide an overview of one of the most pervasive and expensive public health threats facing Californians today: tobacco consumption. The hearing will also examine how a tax on tobacco and tobacco products would affect the use of tobacco, and how a tobacco tax would help decrease the health care costs associated with tobacco consumption.