



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

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August 25, 2011

To: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Don Knabe
Supervisor Zev Yaroslavsky

From: William T Fujioka
Chief Executive Officer 

SACRAMENTO UPDATE

This memorandum contains pursuits of County position on legislation regarding the extension of the hospital provider fee and health care coverage for behavioral health treatment for individuals with autism; an update on County-sponsored legislation related to the Los Angeles Regional Interoperable Communications System (LA-RICS) and the authorization for medical consent by a probation officer for detained minors; the status of County-advocacy legislation related to Workforce Investment Act funding; and a report on legislation of County interest regarding the Emergency Medical Services Program.

Pursuit of County Position on Legislation

SB 335 (Hernandez and Steinberg), which as amended on August 18, 2011, would among other provisions: 1) extend the existing Medi-Cal hospital provider fee from July 1, 2011 through December 31, 2013; 2) provide grants to designated public hospitals (DPHs) and non-designated public hospitals (NDPHs); 3) provide funds for children's health care coverage; and 4) provide supplemental payments to hospitals for services provided through the Low Income Health Program (LIHP) Medicaid expansion.

Existing law imposes a provider fee on certain hospitals, except public hospitals. The revenue generated by the fees is used to match Federal Medicaid funds thereby increasing Medi-Cal provider payments. The hospital provider fee expired on

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June 30, 2011. Existing law also authorizes the LIHP to provide scheduled health care services to eligible low-income patients ages 19 to 64, who are not otherwise eligible for Medi-Cal.

SB 335 would extend the existing hospital provider fee through December 31, 2013. All funds received by public and private hospitals must be used to enhance Federal Financial Participation for hospital services in the Medi-Cal program. The measure also would establish the LIHP Medicaid Expansion Out-of-Network Emergency Care Services Fund. Fee revenues would be directed to the LIHP Fund solely to meet the non-Federal share of supplemental payments for emergency and post-stabilization services provided by private and non-designated public hospitals to individuals covered under the LIHP Medicaid expansion.

According to the Department of Health Services (DHS), SB 335 would support the Department's ongoing efforts to implement the 1115 Medicaid Waiver as a bridge to health care reform in 2014. The Department estimates that SB 335 would result in approximately \$30.0 million in increased funding annually through December 31, 2013. DHS indicates that there are other issues which may need to be worked out in 2012 with respect to the provider fee, including how it relates to the opening of the new Martin Luther King, Jr. Hospital. This office will work with DHS to determine the need for potential legislative remedies for inclusion in the 2012 Legislative Agenda.

The Department of Health Services and this office support SB 335. Therefore, consistent with existing Board policy to support proposals to expand the use of intergovernmental transfers, health provider fees, and other allowable methods to increase net Federal Medicaid matching payments to California and health providers like the County at no cost to the State General Fund, **the Sacramento advocates will support SB 335.**

SB 335 is sponsored by the California Hospital Association, and supported by Adventist Health, Alliance of Catholic Health Care, California Children's Hospital Association, Loma Linda University Medical Center, and Private Essential Access Community Hospitals, Inc. There is no registered opposition at this time.

SB 335 passed the Assembly Appropriations Committee by a vote of 17 to 0 on August 25, 2011. This measure now proceeds to the Assembly Floor.

SB 770 (Steinberg and Evans), which as amended on August 16, 2011, would require health care service plan contracts and health insurance policies to provide coverage for behavioral health treatment of autism.

Current mental health parity law requires coverage for diagnosis and medically necessary treatment of severe mental illness, autism, and pervasive developmental disorders.

SB 770 would require health care service plan contracts and health insurance policies to provide coverage for behavioral treatment and other prescribed intervention therapies for individuals with autism. The measure also would define the scope of treatment and expand the definition of qualified autism service providers to include a person, entity or group that is nationally certified by an entity such as, but not limited to, the Behavioral Analyst Certification Board accredited by the National Commission for Certifying Agencies.

The Department of Health Services indicates that it does not anticipate significant programmatic or fiscal impacts from the proposed legislation. DHS anticipates substantial benefit to early detection and treatment of autism spectrum disorders, particularly in areas such as speech therapy and other related treatments that can produce positive health outcomes.

The Department of Mental Health (DMH) indicates that autism spectrum disorder is an excluded diagnosis from the Medi-Cal program; therefore, the department does not treat this disorder. Currently, Regional Centers provide services for individuals with this diagnosis. According to DMH, enactment of the proposed legislation would have no effect on the department at this time. However, when Federal Health Care Reform is fully implemented in 2014, DMH would need to conduct a comprehensive analysis to determine County impact at that time.

The Chief Executive Office Compensation and Benefits Branch indicates that SB 770 would expand coverage by mandating universal screening of all children regardless of risk for pervasive developmental disorders or autism, and mandate new treatments not required under current law. For the Choices and Options plans, there would be no immediate impact; however, for the Flex and MegaFlex plans, which cover approximately 12 percent of the county workforce, additional costs could be approximately \$300,000 per year for the County.

This office recommends a support position on SB 770. Therefore, consistent with your Board action of April 19, 2011 instructing the Chief Executive Office to advocate for legislation to require health care service plan contracts and health insurance policies to provide coverage for the screening, diagnosis and treatment of autism spectrum disorders, **the Sacramento advocates will support SB 770.**

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SB 770 is similar to County-supported SB 166 (Steinberg) and AB 171 (Beall). SB 166 was held in the Senate Health Committee and AB 171 was held on the Assembly Appropriations suspense file.

There is no registered support or opposition on file for SB 770. However, SB 166 was sponsored by the Alliance of California Autism Organizations and supported by numerous organizations including: the Advisory Commission on Special Education, California Association of School Psychologists, California Disabilities Services Associations, Alameda County Developmental Disabilities Coalition, Association of Regional Center Agencies, Contra Costa County Developmental Disabilities Council, and United Cerebral Palsy in California and of Sacramento, Los Angeles, Ventura and Santa Barbara Counties. The measure was opposed by American's Health Insurance Plans, Association of California Life and Health Insurance Companies, California Association of Health Plans, and the California Chamber of Commerce.

SB 770 was placed on the Assembly Appropriations Committee suspense file on August 25, 2011.

Status of County-Sponsored Legislation

County-supported AB 946, which would have reauthorized the State-County Property Tax Administration Program to allow counties, upon the recommendation of the county assessor and adoption of a resolution by the county board of supervisors, to receive loans to provide supplemental funding for local administration of the ad valorem property tax was amended on August 24, 2011 to delete these provisions and to incorporate County-sponsored legislation regarding the LA-RICS Authority.

As amended on August 24, 2011, **County-sponsored AB 946 (Lowenthal, Butler, Smyth, Mitchell)** would allow the County of Los Angeles, or the LA-RICS Authority located in Los Angeles County, the option to procure a regional interoperable communications system. Specifically, it would allow the use of a solicitation process to award a contract for design, construction and delivery of a regional interoperable communications system and all related infrastructure.

The Los Angeles Regional Interoperable Communications System Authority, established in 2009, is a collaborative effort which includes law enforcement, fire service, and health service professionals, and would serve over 34,000 first responders in the Los Angeles region through voice and data communication systems. The need is especially great in the Los Angeles region to connect over 50 law enforcement agencies and 31 fire departments that serve a 4,084 square mile region with ten million County residents. This project will provide direct communication interoperability between law

enforcement, fire, EMS, Federal, State and military agencies at the scene of major, multi-agency incidents, such as fires, floods, civil disturbances, and terrorist incidents. The safety of the on-scene personnel involved in these incidents will be enhanced through real-time, unit to unit communication.

As reported in the August 17, 2011 Sacramento Update, the Sacramento advocates have been pursuing on County-sponsored legislation to allow an option to procure a regional interoperable communications system in the Los Angeles region. The pursuit of this measure is consistent with existing Board policy to support legislation to provide resources to implement new technical standards for public safety interoperability communications in the Los Angeles region, and policy to support proposals to implement or expand interoperable communications systems.

AB 946 was heard in the Senate Governmental Organization Committee on August 25, 2011 and passed by a vote of 11 to 0. This measure now proceeds to the Senate Floor.

County-sponsored SB 913 (Pavley), which as amended on June 27, 2011, would authorize a probation officer to consent to non-emergency medical care, under specified conditions, for detained minors if the parent or legal guardian cannot be located, passed the Senate Floor by a vote of 34 to 0 on August 22, 2011. This measure now proceeds to the Governor.

County-Advocacy Legislation

County-opposed SB 776 (DeSaulnier), which as amended on August 15, 2011, would continue to impose requirements related to the expenditure of Workforce Investment Act funds for adult and dislocated worker job training programs, among other provisions, failed in the Assembly Appropriations Committee on August 25, 2011.

Legislation of County Interest

AB 210 (Solorio), which as amended August 15, 2011, would change the roles and responsibilities of cities, counties, and fire districts regarding prehospital Emergency Medical Services (EMS).

Existing law allows counties to develop an EMS Program and to designate a Local Emergency Medical Services Agency (LEMSA). AB 210 would allow cities and fire districts to establish their own EMS standards, and they would no longer be required to meet LEMSA requirements.

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The Department of Health Services indicates that AB 210, as currently drafted, would result in a fractured, ineffective EMS system and the Department would not be able to enforce prehospital care standards countywide, such as determining required medical equipment, medications, and staffing requirements for paramedic units operating in the County.

A group of interested stakeholders, including the County's LEMSA, have been working over the past several months to resolve outstanding issues regarding AB 210, including access to appropriate levels of prehospital EMS. The stakeholders have determined that additional time is needed to address the outstanding concerns of counties, including Los Angeles. The California State Association of Counties, Regional Council of Rural Counties, Urban Counties Caucus, and the County Health Executives of California have sent a letter to Assembly Member Solorio requesting that any further action on AB 210 be delayed until 2012 to allow negotiations among the stakeholders to continue. DHS and this office concur with this strategy.

However, if AB 210 continues to move through the legislative process prior to adjournment of the Legislature on September 9, 2011, DHS recommends an oppose position on this bill as currently amended and this office concurs. Opposition will be based on existing Board policy to oppose proposals that reduce county medical control over LEMSA, such as prior legislative attempt to reduce county authority over medical control of EMS providers by moving it to cities, which has the potential to fragment the system and allow different levels of service, including patient care within a county.

AB 210 is sponsored by the California Professional Firefighters and supported by the American Federation of State, County and Municipal Employees, California Senior Legislature, and Santa Ana Firemen's Benevolent Association. A co-sponsor, the Emergency Medical Services Administration Association of California supports AB 210 with concerns. This measure is opposed by American Medical Response, California Ambulance Association, the San Joaquin County Board of Supervisors, and the Tulare County Board of Supervisors.

AB 210 is currently on the Senate Floor.

We will continue to keep you advised.

WTF:RA
MR:IGEA:sb

c: All Department Heads
Legislative Strategist