



CAHP IMPLEMENTATION GUIDELINE

AB 80 (Committee on Budget) Chapter 12, Statutes of 2020

As a service to our members, the California Association of Health Plans produces guidelines designed to assist in the interpretation and implementation of new laws, and to promote full compliance with those laws. This document, however, is not intended to be authoritative. Any questions about official interpretations of the law should be directed to the appropriate state regulatory agency such as the Department of Managed Health Care or the Department of Health Care Services, as well as your legal counsel.

PUBLIC HEALTH OMNIBUS

BACKGROUND

Assembly Bill 80 (Committee on Budget) is a budget trailer bill that, among other things, establishes the Health Care Payments Data (HPD) Program, which will collect data on health care expenditures for inclusion in a Health Care Payments Data System. The data system will collect information regarding health care costs, utilization, quality, and equity with the intent of providing greater transparency to inform public policy decisions. The bill also requires publicly available reporting and data releases as specified, requires the protection of personal information, and allow OSHPD to assess a fee for access to nonpublic information in the system.

In 2018 Governor Jerry Brown approved AB 1810 (Committee on Budget), a budget trailer bill that established the Legislature's intent for the Office of Statewide Health Planning and Development (OSHPD) to create a Health Care Cost Transparency Database in order to collect information regarding the cost of health care. AB 1810 also required OSHPD to convene a review committee, made up of health care stakeholders and experts to advise OSHPD on the establishment, implementation, and ongoing administration of the database, including a business plan for sustainability without using moneys from the state General Fund. CAHP along with a diverse set of labor, consumer and provider groups participated on the review committee. Pursuant to AB 1810, in March 2020, the review committee submitted its report to the Legislature which included 36 recommendations that were unanimously approved for the Health Care Payments Database (HPD) Program.

Two vehicles emerged in 2020 to statutorily enact the HPD. First, Governor Newsom included the establishment of the HPD as part of his January budget proposal. No specific budget language was released at that time. Subsequently, Assemblymember Jim Wood (D- Healdsburg), Chair of the Assembly Health Committee, introduced, AB 2830, a more substantive bill on the matter.

CAHP took an Oppose Unless Amended position on AB 2830. CAHP took the position that any legislation to enact the Database should be in alignment with the consensus based recommendations of the Committee. Unfortunately, AB 2830 diverged from the HPD recommendations in two important areas. First, the bill required plans and carriers to finance the database whereas the HPD review committee thoughtfully recommended that OSHPD pursue the maximum possible available

from CMS Medicaid matching funds or other federal sources, establish user fee schedule, and explore other alternative revenue sources. CAHP also opposed the requirement that health plans and carriers submit contracted rates to OSHPD without the benefit of confidentiality. This requirement was not included in the Committee recommendations. We asked that these provisions be stricken from the bill. Ultimately, AB 2830 was abandoned in favor of moving the Governor's proposal through the budget process.

On March 8, 2020, the Governor's Department of Finance released its language to implement the HPD Program. The Governor's version was a mixed bag for the plans and carriers. While this version did not require land and carriers to finance the database, it included the language requiring the submission of contracted rates to OSHPD. Additional amendments complicated the bill further by adding provisions that could result in the relatively extensive release of nonpublic data.

REQUIREMENTS

Amends Section 100500 of the Government Code, amends Sections 1367.0085, 1386, 105250.1, 120962, 120972, 127671, and 127672 of, amends the heading of Chapter 8.5 (commencing with Section 127671) of Part 2 of Division 107 of, adds Sections 127671.1, 127672.8, 127672.9, 127673.1, 127673.2, 127673.3, 127673.4, 127673.5, 127673.6, 127673.7, 127673.8, 127673.81, 127673.82, 127673.83, 127673.84, and 127674.1 to, repeal Sections 120512, 120780.6, 122441, and 127671.5 of, repeals and adds Sections 127673 and 127674 of, the Health and Safety Code, amends Section 10112.296 of, and adds Chapter 4.1 (commencing with Section 10403) to Part 2 of Division 2 of, the Insurance Code, amends Section 19548.2 of the Revenue and Taxation Code, and amends Sections 4107, 4300, 4301, 4305, 4306, 4307, 4308, 4309, 4314, 14007.8, 14011.10, 14021.51, 14042.1, 14046, 14046.1, 14079, 14105.31, 14124.24, 14134, 14188, and 14188.1 of, amends and repeals Section 14133.22 of, adds Sections 14105.334, 14105.467, 14124.12, and 14301.11 to, repeals Section 4315 of, and repeals and adds Sections 14046.8 and 14188.4 of, the Welfare and Institutions Code, relating to health..

Specifically, AB 80 does the following:

- 1) Establishes the Health Care Payments Data Program, which will collect data on health care expenditures for inclusion in a Health Care Payments Data System. The data system will collect information regarding health care costs, utilization, quality, and equity to provide greater transparency to inform public policy decisions.
- 2) Prohibits termination of Medi-Cal eligibility for incarcerated juveniles to comply with provisions of the federal Substance Use Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities (SUPPORT) Act.
- 3) Changes the name of the Electronic Health Record Incentive Program to the Medi-Cal Promoting Interoperability Program and extends the program sunset date from July 1, 2021, to January 1, 2024.
- 4) Prioritizes full-scope Medi-Cal expansion to undocumented seniors in the upcoming budget if the Department of Finance determines there are sufficient General Fund revenues for that fiscal year and the ensuing three fiscal years to support the expansion.
- 5) Authorizes the Department of Health Care Services (DHCS) to reimburse for medication assisted treatment (MAT) services in the Drug-Medi-Cal program.

- 6) Adjusts rate reviews for physician and dental reimbursable services to more closely align with federal access-to-care requirements.
- 7) Amends the definition of “best price” to allow DHCS to negotiate prescription drug rebates for Medi-Cal beneficiaries using the best international price, rather than the best domestic price.
- 8) Authorizes DHCS to negotiate prescription drug rebates on behalf of nonMedi-Cal populations.
- 9) Eliminates the monthly limit of six prescriptions and the one dollar copayment for prescriptions for Medi-Cal beneficiaries in the fee-for-service delivery system.
- 10) Requires DHCS to implement any approved federal Medicaid waiver or flexibility related to the novel coronavirus 2019 (COVID-19) public health emergency.
- 11) Authorizes DHCS to extend coverage for COVID-19 to uninsured individuals for the duration of the COVID-19 emergency period, pursuant to the option afforded to states in the federal Families First Coronavirus Response Act (FFCRA).
- 12) Requires DHCS to maximize federal financial participation for Medi-Cal expenditures to respond to the COVID-19 public health emergency, including the temporary increase granted in the FFCRA, and to comply with any conditions placed on receipt of those funds.
- 13) Authorizes DHCS, in consultation with stakeholders, to seek federal approval for a temporary extension of all or select components of the state’s 1115Waiver Demonstration project, Medi-Cal 2020, which is scheduled to expire on December 31, 2020.
- 14) Suspends the Value-Based Payments program and supplemental payments to providers in Medi-Cal from Proposition 56 tobacco tax revenue effective July 1, 2021, unless the Department of Finance estimates that General Fund revenues exceed expenditures for the 2021-22 and 2022-23 fiscal years by an amount sufficient to support these programs and payments.
- 15) Authorizes DHCS to reduce applicable capitation rate increments for Medi-Cal managed care plans by up to 1.5 percent for the July 1, 2019, to December 31, 2020, rating period to account for reduced utilization related to the COVID-19 public health emergency.
- 16) Authorizes DHCS, in consultation with affected Medi-Cal managed care plans, to develop and implement a risk corridor to limit the financial risk of either overpayments or underpayments of capitation rates during the July 1, 2019, to December 31, 2020, rating period.
- 17) Authorizes the Department of Public Health (DPH) to allow the Pre-Exposure Prophylaxis (PrEP) Assistance Program to pay for an initial 30-day supply of PrEP and post-exposure prophylaxis (PEP) medication.
- 18) Authorizes the Franchise Tax Board to provide electronic retrieval of modified adjusted gross income data for the purposes of determining eligibility for the AIDS Drug Assistance Program.

19) Exempts the Lead-Related Construction Program from the Administrative Procedures Act for the purposes of addressing funding issues through fees established through the fee report authorized in the 2018 Budget Act.

20) Extends the authority for Patton State Hospital to house up to 1,530 patients from September 2020 until September 2030.

21) Authorizes the Governor, upon recommendation of the director, to appoint medical directors for the Department of State Hospitals and each of the individual state hospitals. Also allows the director to designate other hospital employees as officers.

22) Allows the board and staff members of Covered California to provide volunteer professional services if certain conditions are met.

23) Authorizes the actuarial value for a nongrandfathered bronze level health plan or health insurance policy that either covers and pays for at least one major service, other than preventive services, before the deductible or meets the requirements to be a high deductible health plan to range from plus 5% to minus 2%.

24) Extends the program period and reappropriates and extends availability of funding for the Medically-Tailored Meals pilot program authorized in the 2017 Budget Act.

25) Removes statutory language authorized in the 2019 Budget Act that would have suspended funding for DPH programs for the prevention of human immunodeficiency virus, hepatitis C, and sexually transmitted diseases.

26) Authorizes DHCS to establish, implement, and maintain a supplemental payment pool for nonhospital community clinics participating in the federal 340B program.

27) General Fund expenditure authority of \$1.4 million approved in the 2017 Budget Act for a medically tailored meals pilot program and makes those funds available for encumbrance or expenditure until June 30, 2023.

COMPLIANCE DATES

The effective date of this bill is July 1, 2020 since it is a budget trailer bill. The bill requires the Healthcare Payments Data System to be “substantially complete” no later than July 1, 2023.

IMPLEMENTATION ISSUES

The implementation issues outlined in this guide pertain only to the requirements related to the Healthcare Payments Data System (HPD).

The HPD will use the national All Payer Claims Database (APCD) Common Data Layout (APCD-CDL™) for the following files: enrollment/eligibility, medical claims, pharmacy claims, dental claims, and provider data. This will require plans to reformat existing data to conform with the standard format. OSHPD will require mandatory submitters to submit three years’ worth of claims data by July 1, 2023 in the APCD-CDL™ format.

Plans may need to coordinate data submissions with other entities for whom the plan has delegated the responsibility of paying health care claims on behalf of the enrollee, such as pharmacy benefits managers (PBMs), specialized health plans, and delegated medical groups.

OSHPD will promulgate regulations to codify the requirements for mandatory submitters, and data quality and validation. Plans will be required to comply with the provisions of these regulations.

Plans should participate on the OSHPD Data Submitter Workgroup, which will provide technical assistance and guidance to OSHPD related to claims submission and non-claims payments data (ex. Capitation, bundled payments, etc.)