

Summary of A.B. 205

Background

Assemblymember Jim Wood introduced A.B. 205 this year to bring the regulation of Medi-Cal managed care plans in compliance with the 2016 federal Medicaid Managed Care Final Rule (the Final Rule) issued by CMS—specifically, network adequacy standards. If passed by Governor Brown by October 15, A.B. 205 will take effect for contract periods beginning on or after January 1, 2018 and remain so until January 1, 2022. The legislature plans to revisit network adequacy standards for Medi-Cal managed care plans at that time.

Network Adequacy Telehealth Provisions

A.B. 205 requires that Medi-Cal managed care plans comply annually with network adequacy standards required by law or contract with the Department of Health Care Services (DHCS), operative for contracts effective on or after July 1, 2018. The bill allows DHCS to authorize plans to use telehealth to provide alternative access to care, if the plan is unable to meet network adequacy time and distance standards under the law.

The relevant provision reads:

The department may allow for the use of clinically appropriate telecommunications technology as a means of determining annual compliance with the time and distance standards established pursuant to this section or approving alternative access to care, including telehealth consistent with the requirements of Section 2290.5 of the Business and Professions Code,¹ e-visits, or other evolving and innovative technological solutions that are used to provide care from a distance. (A.B. 205 sec. 7(e)(4)).

Fiscal Analysis

The Assembly Appropriations Committee’s analysis notes that DHCS requested and was provided \$10.4 million to implement the Final Rule in the 2016-17 budget, and that DHCS has requested an additional \$8.9 million and 15 positions for the 2017-18 budget for the same purposes. The Appropriations Committee notes that federal requirements regarding timely access to care present a “significant fiscal impact.” However, this impact is not quantified, nor is the telehealth network adequacy provision specifically mentioned as having a fiscal impact.

¹ Section 2290.5 of the Business and Professions Code became effective in 2012 and is commonly referred to as the Telehealth Advancement Act of 2011 (A.B. 415). Its provisions define “telehealth” to include store-and-forward technologies, and it removed restrictive Medi-Cal regulations on covering telehealth services.