

Senate Bill No. 523

CHAPTER 773

An act to add and repeal Article 3.91 (commencing with Section 14129) of Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, relating to Medi-Cal, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor October 13, 2017. Filed with
Secretary of State October 13, 2017.]

LEGISLATIVE COUNSEL'S DIGEST

SB 523, Hernandez. Medi-Cal: emergency medical transport providers: quality assurance fee.

Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law establishes a quality assurance fee program for skilled nursing and intermediate care facilities, as prescribed.

This bill, commencing July 1, 2018, and subject to federal approval and the availability of federal financial participation, would impose a quality assurance fee for each emergency medical transport provided by an emergency medical transport provider, as defined, subject to the quality assurance fee in accordance with a prescribed methodology. The bill would authorize the Director of Health Care Services to exempt categories of emergency medical transport providers from the quality assurance fee if necessary to obtain federal approval. The bill would require the Director of Health Care Services to deposit the collected quality assurance fee into the Medi-Cal Emergency Medical Transport Fund, which the bill would create in the State Treasury, to be continuously appropriated, thereby making an appropriation, to the department to be used exclusively in a specified order of priority to enhance federal financial participation for ambulance services under the Medi-Cal program, and to provide additional reimbursement to, and to support quality improvement efforts of, emergency medical transport providers, to pay for state administrative costs, and to provide funding for health care coverage for Californians. The bill would require each emergency medical transport provider to report to the department data on the number of actual emergency medical transports by payer type and on gross receipts, as defined, in accordance with a specified timeline in a manner and form prescribed by the department. The bill would authorize the department to establish an Internet Web site for the submission of these data reports. The bill would authorize the department to require a certification by each emergency medical transport provider, under penalty of perjury, of the truth

of these data reports. By expanding the scope of the crime of perjury, the bill would impose a state-mandated local program. The bill would authorize the department, upon written notice to the emergency medical transport provider, to impose a \$100 per day penalty, to be deposited into the Medi-Cal Emergency Medical Transport Fund, against the provider for each day that the provider fails to make a report within 5 business days of the date upon which the data report was due.

The bill, commencing July 1, 2018, and subject to federal approval and the availability of federal financial participation, would increase the Medi-Cal reimbursement to emergency medical transport providers for emergency medical transports, including both fee-for-service transports paid by the department and managed care transports paid by Medi-Cal managed care health plans, as specified.

The bill would authorize the department to implement, interpret, or make specific these provisions by means of provider bulletins, plan letters, or other similar instructions.

The bill would authorize the director to decide to not implement these provisions in any state fiscal year if, before June 1 preceding the start of an applicable state fiscal year, he or she finds that the implementation is likely no longer a benefit to the General Fund for the applicable state fiscal year. The bill would provide that the provisions of the bill shall cease to be operative on the first day of the state fiscal year beginning on or after the date one or more of certain conditions, including withdrawal of federal approval, are satisfied. The bill would authorize the department to conduct appropriate close-out activities if these provisions become inoperative, and would repeal these provisions when those activities have been completed and the director notifies specified state entities.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

This bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) The Legislature recognizes the essential role that emergency medical transport providers play in serving the state's Medi-Cal beneficiaries. To that end, it has been and remains the intent of the Legislature to improve funding for emergency medical transport providers and obtain all available federal funds to make supplemental Medi-Cal payments to emergency medical transport providers.

(b) It is the intent of the Legislature to impose a quality assurance fee to be paid by emergency medical transport providers, which will be used to increase federal financial participation in order to increase Medi-Cal payments to emergency medical transport providers.

(c) It is the intent of the Legislature to increase the Medi-Cal emergency medical transport reimbursement in Medi-Cal fee-for-service and Medi-Cal managed care by increasing the fee-for-service payment schedule for emergency medical transports to support quality improvement efforts by emergency medical transport providers, including, but not limited to, the provision of advanced life support services, as defined in Section 1797.52 of the Health and Safety Code.

(d) It is the further intent of the Legislature that the increased fee-for-service and Medi-Cal managed care payment schedule amounts pursuant to Article 3.91 (commencing with Section 14129) of Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code shall not result in any expenditure from the General Fund.

SEC. 2. Article 3.91 (commencing with Section 14129) is added to Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, to read:

Article 3.91. Medi-Cal Emergency Medical Transportation
Reimbursement Act

14129. For purposes of this article, the following definitions apply:

(a) “Annual quality assurance fee rate” means the quality assurance fee assessed on each emergency medical transport during each applicable state fiscal year.

(b) “Aggregate fee schedule increase amount” means the product of the quotient described in paragraph (2) of subdivision (a) of Section 14129.3 and the Medi-Cal emergency medical transports, including both fee-for-service transports paid by the department and managed care transports paid by Medi-Cal managed care health plans, utilizing the billing codes for emergency medical transport for the state fiscal year.

(c) “Available fee amount” shall be calculated as the sum of the following:

(1) The amount deposited in the Medi-Cal Emergency Medical Transport Fund established under Section 14129.2 during the applicable state fiscal year, less the amounts described in subparagraphs (A) and (B) of paragraph (2) of subdivision (f) of Section 14129.2.

(2) Any federal financial participation obtained as a result of the deposit of the amount described in paragraph (1) in the Medi-Cal Emergency Medical Transport Fund, created pursuant to Section 14129.2, for the applicable state fiscal year.

(d) “Department” means the State Department of Health Care Services.

(e) “Director” means the Director of Health Care Services.

(f) “Effective state medical assistance percentage” means a ratio of the aggregate expenditures from state-only sources for the Medi-Cal program

divided by the aggregate expenditures from state and federal sources for the Medi-Cal program for a state fiscal year.

(g) “Emergency medical transport” means the act of transporting an individual from any point of origin to the nearest medical facility capable of meeting the emergency medical needs of the patient by an ambulance licensed, operated, and equipped in accordance with applicable state or local statutes, ordinances, or regulations that are billed with billing codes A0429 BLS Emergency, A0427 ALS Emergency, and A0433 ALS2, and any equivalent, predecessor, or successor billing codes as may be determined by the director. “Emergency medical transports” shall not include transportation of beneficiaries by passenger car, taxicabs, litter vans, wheelchair vans, or other forms of public or private conveyances, nor shall it include transportation by an air ambulance provider. An “emergency medical transport” does not occur when, following evaluation of a patient, a transport is not provided.

(h) “Gross receipts” means gross payments received as patient care revenue for emergency medical transports, determined on a cash basis of accounting. “Gross receipts” shall include all payments received as patient care revenue for emergency medical transports, including payments for billing codes A0429 BLS Emergency, A0427 ALS Emergency, and A0433 ALS2, and any equivalent, predecessor, or successor billing codes as may be determined by the director, and any other ancillary billing codes associated with emergency medical transport as may be determined by the director. “Gross receipts” shall not include supplemental amounts received pursuant to Section 14105.94.

(i) “Emergency medical transport provider” means any provider of emergency medical transports.

(j) “Emergency medical transport provider subject to the fee” means all emergency medical transport providers that bill and receive patient care revenue from the provision of emergency medical transports, except emergency medical transport providers that are exempt pursuant to subdivision (c) of Section 14129.6.

(k) “Medi-Cal managed care health plan” means a “managed health care plan” as that term is defined in subdivision (ab) of Section 14169.51.

14129.1. (a) (1) The department shall establish the manner and format for emergency medical transport providers to report the data required pursuant to this section.

(2) The department may establish an Internet Web site for the submission of reports required by this section.

(3) The department may require a certification by each emergency medical transport provider under penalty of perjury of the truth of the reports required under this section. Upon written notice to an emergency medical transport provider, the department may impose a penalty of one hundred dollars (\$100) per day against an emergency medical transport provider for every day that an emergency medical transport provider fails to make a report required by this section within five days of the date upon which the report was due. Any funds resulting from a penalty imposed pursuant to this

paragraph shall be deposited in the Medi-Cal Emergency Medical Transport Fund created pursuant to subdivision (f) of Section 14129.2.

(b) Each emergency medical transport provider shall report to the department data on the number of actual emergency medical transports by payer type, including, without limitation, Medi-Cal fee-for-service emergency medical transports and Medi-Cal managed care emergency medical transports per quarter, as follows:

(1) For each quarter beginning on July 1, 2015, through the quarter beginning on July 1, 2017, inclusive, the data shall be submitted on or before October 15, 2017.

(2) For the quarter beginning on October 1, 2017, and continuing each quarter thereafter, the data shall be submitted on or before the 45th day after the last day of the applicable quarter.

(c) Each emergency medical transport provider shall report to the department data on the gross receipts received from the provision of emergency medical transports per state fiscal year, as follows:

(1) For the state fiscal years beginning on July 1, 2015, and July 1, 2016, the data shall be submitted on or before October 15, 2017.

(2) For each state fiscal year beginning on July 1, 2017, and continuing each state fiscal year thereafter, the data shall be submitted on or before the 45th day after the last day of the applicable state fiscal year.

14129.2. (a) (1) Commencing with the state fiscal quarter beginning on July 1, 2018, and continuing each state fiscal quarter thereafter for which this article is implemented, there shall be imposed a quality assurance fee for each emergency medical transport provided by each emergency medical transport provider subject to the fee in accordance with this section.

(2) The director shall ensure that the quality assurance fee per emergency medical transport imposed pursuant to this article is collected.

(b) (1) On or before June 15, 2018, and continuing each June 15 thereafter for which this article is implemented, the director shall calculate the annual quality assurance fee rate applicable to the following state fiscal year based on the most recently collected data from emergency medical transport providers pursuant to Section 14129.1. The director may correct any identified material or significant errors in the data collected from emergency medical transport providers pursuant to Section 14129.1 for the purposes of calculating the annual quality assurance fee rate. The director's determination whether to exercise his or her discretion to correct any data pursuant to this paragraph shall not be subject to judicial review, except that an emergency medical transport provider may bring a writ of mandate under Section 1085 of the Code of Civil Procedure to rectify an abuse of discretion by the director in correcting that emergency medical transport provider's data when that correction results in a greater fee amount for that provider pursuant to this section.

(A) For the state fiscal year beginning on July 1, 2018, the annual quality assurance fee rate shall be calculated by multiplying the projected total annual gross receipts for all emergency medical transport providers subject to the fee by 5.1 percent, which resulting product shall be divided by the

projected total annual emergency medical transports by all emergency medical transport providers subject to the fee for the state fiscal year.

(B) For state fiscal years beginning July 1, 2019, and continuing each state fiscal year thereafter, the annual quality assurance fee rate shall be calculated by a ratio, the numerator of which shall be the sum of: (i) the product of the projected aggregate fee schedule amount and the effective state medical assistance percentage and (ii) the amount described in subparagraph (A) of paragraph (2) of subdivision (f) for the state fiscal year, and the denominator of which shall be 90 percent of the projected total annual emergency medical transports by all emergency medical transport providers subject to the fee for the state fiscal year.

(2) On or before June 15, 2018, and continuing each June 15 thereafter for which this article is implemented, the director shall publish the annual quality assurance fee rate on its Internet Web site.

(3) In no case shall the fees calculated pursuant to this subdivision and collected pursuant to this article exceed the amounts allowable under federal law. If, on or before June 15 of each year, the director makes a determination that the fees collected pursuant to this subdivision exceed the amounts allowable under federal law, the director may reduce the add-on increase to the fee-for-service payment schedule described in Section 14129.3 only to the extent necessary to reflect the amount of fees allowable under federal law in an applicable state fiscal year.

(4) If, during a state fiscal year for which this article is operative, the actual or projected available fee amount exceeds or is less than the actual or projected aggregate fee schedule amount by more than 1 percent, the director shall adjust the annual quality assurance fee rate so that the available fee amount for the state fiscal year will approximately equal the aggregate fee schedule amount for the state fiscal year. The available fee amount for a state fiscal year shall be considered to equal the aggregate fee schedule amount for the state fiscal year if the difference between the available fee amount for the state fiscal year and the aggregate fee schedule amount for the state fiscal year constitutes less than 1 percent of the aggregate fee schedule amount for the state fiscal year.

(c) (1) Each emergency medical transport provider subject to the fee shall remit to the department an amount equal to the annual quality assurance fee rate for the 2018–19 state fiscal year multiplied by the number of transports reported or that should have been reported by the emergency medical transport provider pursuant to subdivision (b) of Section 14129.1 in the quarter beginning on April 1, 2018, based on a schedule established by the director. The schedule established by the director for the fee payment described in this paragraph shall require remittance of the fee payment according to the following guidelines:

(A) The director shall require an emergency medical transport provider that rendered 35,000 or more Medi-Cal fee-for-service emergency medical transports during the 2016–17 state fiscal year to remit the fee payment described in this paragraph on or after July 1, 2018.

(B) The director shall require an emergency medical transport provider that rendered fewer than 35,000 Medi-Cal fee-for-service emergency medical transports during the 2016–17 state fiscal year to remit 50 percent or less of the fee payment described in this paragraph on or after August 1, 2018.

(C) The director shall require an emergency medical transport provider that rendered fewer than 35,000 Medi-Cal fee-for-service emergency medical transports during the 2016–17 state fiscal year to remit any remaining fee payment amount described in this paragraph on or after August 15, 2018.

(2) Commencing with the state fiscal quarter beginning on October 1, 2018, and continuing each state fiscal quarter thereafter, on or before the first day of each state fiscal quarter, each emergency medical transport provider subject to the fee shall remit to the department an amount equal to the annual quality assurance fee rate for the applicable state fiscal year multiplied by the number of transports reported or that should have been reported by the emergency medical transport provider pursuant to subdivision (b) of Section 14129.1 in the immediately preceding quarter.

(d) (1) Interest shall be assessed on quality assurance fees not paid on the date due at the greater of 10 percent per annum or the rate at which the department assesses interest on Medi-Cal program overpayments pursuant to subdivision (h) of Section 14171. Interest shall begin to accrue the day after the date the payment was due and shall be deposited in the Medi-Cal Emergency Medical Transport Fund established in subdivision (f).

(2) In the event that any fee payment is more than 60 days overdue, the department may deduct the unpaid fee and interest owed from any Medi-Cal reimbursement payments owed to the emergency medical transport provider until the full amount of the fee, interest, and any penalties assessed under this article are recovered. Any deduction made pursuant to this subdivision shall be made only after the department gives the emergency medical transport provider written notification. Any deduction made pursuant to this subdivision may be deducted over a period of time that takes into account the financial condition of the emergency medical transport provider.

(3) In the event that any fee payment is more than 60 days overdue, a penalty equal to the interest charge described in paragraph (1) shall be assessed and due for each month for which the payment is not received after 60 days. Any funds resulting from a penalty imposed pursuant to this paragraph shall be deposited into the Medi-Cal Emergency Medical Transport Fund created pursuant to subdivision (f).

(4) The director may waive a portion or all of either the interest or penalties, or both, assessed under this article in the event the director determines, in his or her sole discretion, that the emergency medical transport provider has demonstrated that imposition of the full amount of the quality assurance fee pursuant to the timelines applicable under this article has a high likelihood of creating an undue financial hardship for the provider. Waiver of some or all of the interest or penalties pursuant to this paragraph shall be conditioned on the emergency medical transport provider's agreement to make fee payments on an alternative schedule developed by the department.

(e) The department shall accept an emergency medical transport provider's payment even if the payment is submitted in a rate year subsequent to the rate year in which the fee was assessed.

(f) (1) The director shall deposit the quality assurance fees collected pursuant to this section in the Medi-Cal Emergency Medical Transport Fund, which is hereby created in the State Treasury and, notwithstanding Section 13340 of the Government Code, is continuously appropriated without regard to fiscal years to the department for the purposes specified in this article. Notwithstanding Section 16305.7 of the Government Code, the fund shall also include interest and dividends earned on moneys in the fund.

(2) The moneys in the Medi-Cal Emergency Medical Transport Fund, including any interest and dividends earned on money in the fund, shall be available exclusively to enhance federal financial participation for ambulance services under the Medi-Cal program and to provide additional reimbursement to, and to support quality improvement efforts of, emergency medical transport providers, and to pay for the state's administrative costs and to provide funding for health care coverage for Californians, in the following order of priority:

(A) To pay for the department's staffing and administrative costs directly attributable to implementing this article, not to exceed the following amounts:

(i) For the 2018–19 state fiscal year, one million three thousand dollars (\$1,003,000), exclusive of any federal matching funds.

(ii) For the 2019–20 state fiscal year and each state fiscal year thereafter, three hundred seventy-four thousand dollars (\$374,000), exclusive of any federal matching funds.

(B) To pay for the health care coverage in each applicable state fiscal year in the amount of 10 percent of the annual quality assurance fee collection amount, exclusive of any federal matching funds.

(C) To make increased payments to emergency medical transport providers pursuant to this article.

(g) In the event of a merger, acquisition, or similar transaction involving an emergency medical transport provider that has outstanding quality assurance fee payment obligations pursuant to this article, including any interest and penalty amounts owed, the resultant or successor emergency medical transport provider shall be responsible for paying to the department the full amount of outstanding quality assurance fee payments, including any applicable interest and penalties, attributable to the emergency medical transport provider for which it was assessed, upon the effective date of such transaction. An entity considering a merger, acquisition, or similar transaction involving an emergency medical transport provider may submit a request pursuant to Chapter 3.5 (commencing with Section 6250) of Title 1 of the Government Code to ascertain the outstanding quality assurance fee payment obligations of the emergency medical transport provider pursuant to this article as of the date of the department's response to that request.

14129.3. (a) Commencing July 1, 2018, and for each state fiscal year thereafter for which this article is operative, reimbursement to emergency

medical transport providers for emergency medical transports shall be increased by application of an add-on to the associated Medi-Cal fee-for-service payment schedule. The add-on increase to the fee-for-service payment schedule under this section shall be calculated on or before June 15, 2018, and shall remain the same for later state fiscal years for which this article is operative, to the extent the department determines federal financial participation is available and is not otherwise jeopardized. The add-on increase to the fee-for-service payment schedule under this section shall apply only to those billing codes identified in, or any equivalent, predecessor, or successor billing codes as may be determined by the director pursuant to, subdivision (g) of Section 14129. The department shall calculate the projections required by this subdivision based on the data submitted pursuant to Section 14129.1. The fee-for-service add-on shall be equal to the quotient of the available fee amount projected by the department on or before June 15, 2018, for the 2018–19, state fiscal year, divided by the total Medi-Cal emergency medical transports, including both fee-for-service transports paid by the department and managed care transports paid by Medi-Cal managed care health plans, utilizing these billing codes projected by the department on or before June 15, 2018, for the 2018–19 state fiscal year. The resulting fee-for-service payment schedule amounts after the application of this section shall be equal to the sum of the Medi-Cal fee-for-service payment schedule amount for the 2015–16 state fiscal year and the add-on increase.

(b) Each applicable Medi-Cal managed care health plan shall satisfy its obligation under Section 438.114(c) of Title 42 of the Code of Federal Regulations for emergency medical transports and shall provide payment to noncontract emergency medical transport providers consistent with Section 1396u-2(b)(2)(D) of Title 42 of the United States Code. Effective July 1, 2018, and for each state fiscal year thereafter for which this article is operative, the amounts a noncontract emergency medical transport provider could collect if the beneficiary received medical assistance other than through enrollment in a Medi-Cal managed care health plan pursuant to Section 1396u-2(b)(2)(D) of Title 42 of the United States Code shall be the resulting fee-for-service payment schedule amounts after the application of this section.

(c) The increased payments required by this section shall be funded solely from the following:

(1) The quality assurance fee set forth in Section 14129.2, along with any interest or other investment income earned on those funds.

(2) Federal reimbursement and any other related federal funds.

(d) The proceeds of the quality assurance fee set forth in Section 14129.2, the matching amount provided by the federal government, and any interest earned on those proceeds shall be used to supplement existing funding for emergency medical transports provided by emergency medical transport providers and not to supplant this funding.

(e) Notwithstanding any provision of this article, the department may seek federal approval to implement any add-on increase to the fee-for-service

payment schedule pursuant to this section for any state fiscal year or years, as applicable, on a time-limited basis for a fixed program period, as determined by the department.

(f) Notwithstanding any provision of this article, the add-on increase to the fee-for-service payment schedule pursuant to this section shall only be required and payable for state fiscal years for which a quality assurance fee payment obligation exists for emergency medical transport providers.

14129.4. If there is a delay in the implementation of this article for any reason, including a delay in any required approval of the quality assurance fee and reimbursement methodology specified by the federal Centers for Medicare and Medicaid Services, both of the following shall apply:

(a) An emergency medical transport provider subject to the fee may be assessed the amount the provider would be required to pay to the department if the add-on increase to the fee-for-service payment schedule described in Section 14129.3 were already approved, but shall not be required to pay the fee until the add-on increase to the fee-for-service payment schedule described in Section 14129.3 is approved. The director shall establish a schedule for payment of retroactive fees pursuant to this subdivision in consultation with emergency medical transport providers to minimize the disruption to the cashflow of emergency medical transport providers.

(b) The department may retroactively implement the add-on increase to the fee-for-service payment schedule pursuant to Section 14129.3 to the extent the department determines that federal financial participation is available and is not otherwise jeopardized.

14129.5. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may implement, interpret, or make specific this article, in whole or in part, by means of provider bulletins, plan letters, or other similar instructions, without taking regulatory action. The department shall provide notification to the fiscal and appropriate policy committees of the Legislature within 10 business days after the above-described action is taken. The department shall make use of appropriate processes to ensure that affected stakeholders are timely informed of, and have access to, applicable guidance issued pursuant to this authority, and that this guidance remains publicly available so long as this article remains operative.

14129.6. (a) (1) The department shall request any approval from the federal Centers for Medicare and Medicaid Services it deems necessary for the use of fees pursuant to this article and for the purpose of receiving associated federal matching funds.

(2) In making that request, the department may seek, as it deems necessary, a request for waiver of the broad-based requirement, waiver of the uniformity requirement, or both, pursuant to paragraphs (1) and (2) of subdivision (e) of Section 433.68 of Title 42 of the Code of Federal Regulations, or a request for waiver of any other provisions of federal law or regulation necessary to implement this article.

(3) This article shall be implemented only to the extent that any necessary federal approvals are obtained and federal financial participation is available and is not otherwise jeopardized.

(b) The director may modify or make adjustments to any methodology, fee amount, or other provision specified in this article to the extent necessary to meet the requirements of federal law or regulations or to obtain federal approval. If the director, after consulting with affected emergency medical transport providers, determines that a modification is needed, the director shall execute a declaration stating that this determination has been made and that the actual or projected available fee amount for a state fiscal year remains approximately equal to the actual or projected aggregate fee schedule amount for each applicable state fiscal year, as defined by paragraph (4) of subdivision (b) of Section 14129.2. The director shall retain the declaration and provide a copy, within five working days of the execution of the declaration, to the fiscal and appropriate policy committees of the Legislature.

(c) The director may add categories of exempt emergency medical transport providers or apply a nonuniform fee per transport to emergency medical transport providers that are subject to the fee in order to meet requirements of federal law or regulations. The director may exempt categories of emergency medical transport providers from the fee if necessary to obtain federal approval.

(d) If, before June 1 preceding the start of an applicable state fiscal year, the director finds that the implementation of this article is likely no longer a benefit to the General Fund for the applicable state fiscal year, the director may decide to not implement this article for that state fiscal year. The director shall notify the appropriate fiscal and policy committees of the Legislature, and emergency medical transport providers individually and via the department's Internet Web site of its finding pursuant to this subdivision.

14129.7. (a) This article shall be implemented only if, as long as, and to the extent that, all of the following conditions are met:

(1) The federal Centers for Medicare and Medicaid Services does not determine that the quality assurance fee revenues may not be used for the purposes set forth in this article.

(2) The department obtains any necessary federal approvals for the collection of the quality assurance fee pursuant to this article and the add-on increase to the fee-for-service payment schedule described in subdivision (a) of Section 14129.3.

(3) The state continues its maintenance of effort for the level of state funding not derived from the quality assurance fee of emergency medical transports reimbursement for the 2018–19 rate year, and for each applicable rate year thereafter, in an amount not less than the amount that the state would have paid for the same number of emergency medical transports under the rate methodology that was in effect on July 31, 2016.

(4) Federal financial participation is available, and is not otherwise jeopardized.

(b) This article shall cease to be operative on the first day of the state fiscal year beginning on or after the date one or more of the following conditions is satisfied:

(1) The federal Centers for Medicare and Medicaid Services no longer allows the collection or use of the emergency medical transport provider assessment provided in this article.

(2) The increase to the Medi-Cal payments described in Section 14129.3 no longer remains in effect.

(3) The quality assurance fee assessed and collected pursuant to this article is no longer available for the purposes specified in this article.

(4) The director determines that a change in federal law or federal Medicaid policy results or is likely to result in a reduction of associated federal financial participation for the Medi-Cal program such that the director determines the continued implementation of this article is no longer a benefit to the General Fund.

(5) A final judicial determination is made by the California Supreme Court or any California Court of Appeal that the revenues collected pursuant to this article that are deposited in the Medi-Cal Emergency Medical Transport Fund are either of the following:

(A) “General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as used in subdivision (b) of Section 8 of Article XVI of the California Constitution.

(B) “Allocated local proceeds of taxes,” as used in subdivision (b) of Section 8 of Article XVI of the California Constitution.

(6) A final judicial determination made by any state or federal court that is not appealed, or by a court of appellate jurisdiction that is not further appealed, in any action by any party, or a final determination by the administrator of the federal Centers for Medicare and Medicaid Services that is not appealed, that federal financial participation is not available with respect to any payment made under the methodology implemented pursuant to this article.

(7) The state does not continue its maintenance of effort for the level of state funding of emergency medical transports reimbursement for the 2018–19 state fiscal year, or for any subsequent state fiscal year, in an amount not less than the amount that the state would have paid for the same number of emergency medical transports under the rate methodology in effect on July 31, 2016.

(c) In the event one or more of the conditions listed in subdivision (b) is satisfied, the director shall notify, in writing and as soon as practicable, the Secretary of State, the Secretary of the Senate, the Chief Clerk of the Assembly, the Legislative Counsel, and the fiscal and appropriate policy committees of the Legislature of the condition and the approximate date or dates that it occurred. The director shall post the notice on the department’s Internet Web site.

(d) (1) Notwithstanding any other law, in the event this article becomes inoperative pursuant to subdivision (b), the department shall be authorized to conduct all appropriate close-out activities and implement applicable

provisions of this article for prior state fiscal years during which this article was operative including, but not limited to, the collection of outstanding quality assurance fees pursuant to Section 14129.2 and payments associated with any add-on increase to the Medi-Cal fee-for-service payment schedule pursuant to Section 14129.3. In implementing these close-out activities, the department shall ensure that the actual or projected available fee amount for each applicable state fiscal year remains approximately equal to the aggregate fee schedule amount for the state fiscal year, as defined by paragraph (4) of subdivision (b) of Section 14129.2. During this close-out period, the full amount of the quality assurance fee assessed and collected remains available only for the purposes specified in this article.

(2) Upon a determination by the department that all appropriate close-out and implementation activities pursuant to paragraph (1) have been completed, the director shall notify, in writing, the Secretary of State, the Secretary of the Senate, the Chief Clerk of the Assembly, the Legislative Counsel, and the fiscal and appropriate policy committees of the Legislature of that determination. This article shall be repealed as of the effective date of the notification issued by the director pursuant to this paragraph.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make the necessary changes to increase Medi-Cal payments to emergency ambulance providers, at the earliest possible time, and to allow this act to be operative as soon as approval from the federal Centers for Medicare and Medicaid Services is obtained by the State Department of Health Care Services, it is necessary that this act take effect immediately.