

California Department of Health Care Services

May Revision Proposed Trailer Bill

Reduce Payments to Private Hospitals by 10%

Version: 5/18/09 at 1730

Section 14166.115 is added to the Welfare & Institutions Code, to read:

14166.115 (a) Due to the large state budget deficit and in order to implement changes in the level of funding for health care services, the department shall reduce disproportionate share hospital replacement payments to private hospitals made pursuant to Section 14166.11, as specified in this section.

(b) Disproportionate share hospital replacement payments to private hospitals pursuant to Section 14166.11, shall be reduced by 10 percent. The reductions shall be applied to all disproportionate share hospital replacement payments to private hospitals made for fiscal year 2009-10, including, but not limited to, interim payments, tentative adjusted monthly payments, data corrected payments, and the final adjusted payment.

(c) 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 and administer this section by means of provider bulletins, or similar instructions, without taking regulatory action.

(d) The reductions described in this section shall apply only to payments for services when the General Fund share of the payment is paid with funds appropriated to the Department in the annual Budget Act.

(e) The department shall promptly seek any necessary federal approvals for the implementation of this section.