

Assembly Bill 2428: Consolidated Licensing

Assemblywoman Lorena Gonzalez Fletcher

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OVERVIEW

Today, roughly 1,300 community health centers (CHCs) in California provide high-quality comprehensive care to 6.5 million people – that's 1 in 6 Californians. For decades, community health centers have provided care to everyone, regardless of their ability to pay, their immigration status, or their individual circumstances. Community health centers provide the full spectrum of care, from primary care to dental to behavioral health care and a variety of enabling and wraparound services.

CONSOLIDATED LICENSING REQUIREMENTS

AB 2053 (Gonzalez-Fletcher), signed by Governor Brown in 2016, created the consolidated license process for CHCs. This process allows a health center to include additional physical locations, within ½ mile of the licensed facility to a single consolidated license, for the purposes of consolidating administrative functions. By doing so, this bill paved the path for health centers to better serve their communities, respond to changing service needs, and expand services.

THE PROBLEM

Upon implementation, several challenges were identified which may inhibit or limit the benefits originally intended for the consolidated license process. Specifically, although health centers will be allowed to apply for a consolidated license, which would undoubtedly streamline the licensure process, they are currently unable to include the additional facility in the licensed facility's prospective payment system (PPS) rate and bill accordingly.

Determining a health center's rate, and being able to immediately bill with that rate, is incredibly important to the fiscal viability of a health center site. To avoid a lengthy, multi-year process, health centers must be given the option to be able to establish an individual rate for the newly consolidated site or use the PPS rate of the licensed facility. With consolidated sites often being an extension of a licensed facility, using

that facilities preexisting PPS rate may be fiscally and operationally responsible.

THE SOLUTION

Assembly bill 2428 would:

- Modify the Welfare and Institutions Code (WIC) to allow health centers that opt to utilize the consolidated license process, to share administrative functions, including billing the PPS under a shared rate, or to establish a separate (PPS) rate for the consolidated site, at the health center discretion.
- Allow the new site to be enrolled with Medi-Cal through the existing site.
- Create parallel permissions for consolidated-like sites that were established prior to AB 2053 in 2016.

This bill would build upon the prior legislation from 2016 to ensure that the consolidated license process is being utilized by CHCs in the most effective way. Additionally, this bill works to ensure that all CHCs have the ability to employ the consolidated license process, regardless of any previous consolidated-like license arrangement the health center had prior to the passage of AB 2053. In doing so, this bill will pave the path for patients throughout California to have greater access to care.

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