

AB 2428: Consolidated Licensing Talking Points

March 20, 2018



COMMUNITY HEALTH CENTER BACKGROUND

- Today, more than 1,300 community health centers serve the state of California, and provide comprehensive, high quality care to 6.5 million people – or 1 in 6 Californians.
- Community health centers (CHC) provide the full spectrum of care, from primary care to dental to behavioral health care and a variety of enabling and wraparound services.
- California's community health centers contribute to the employment of close to 59,000 people and nearly \$5 billion in spending to our state's economy.

CONSOLIDATED LICENSING REQUIREMENTS

- AB 2053 (Gonzalez Fletcher), signed by Governor Brown in 2016, created the consolidated license process.
- This process allows a currently licensed health center, in good standing, to include additional physical locations, within ½ mile of the licensed facility to a single license for the purposes of sharing administrative functions and redirecting resources back to patient care.
- 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 of AB 2053, several challenges inhibiting optimal implementation were identified.
- Specifically, although health centers will be allowed to apply for a consolidated license, 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.

THE SOLUTION: AB 2428

- AB 2428 amends the Welfare and Institutions code to allow health centers that choose to utilize the consolidated license process to have the option to share all administrative functions of the licensed facility, including billing a shared PPS rate.
- Additionally, this bill allows the new site to be enrolled with Medi-Cal through the existing site and creates parallel permissions for consolidated-like site that were established prior to AB 2053 in 2016.
- Ultimately, AB 2428 will increase access to services for California's vulnerable populations by streamlining the consolidated license process and providing health centers with the flexibility they need to best serve their communities.