

## Senate Bill No. 743

### CHAPTER 572

An act to add Section 14132.07 to the Welfare and Institutions Code, relating to Medi-Cal.

[Approved by Governor October 7, 2017. Filed with  
Secretary of State October 7, 2017.]

#### LEGISLATIVE COUNSEL'S DIGEST

SB 743, Hernandez. Medi-Cal: family planning providers.

Existing law provides for 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 through fee-for-service or managed care delivery systems. The Medi-Cal program is, in part, governed by, and funded pursuant to, federal Medicaid program provisions. Existing law provides that family planning services are a covered Medi-Cal benefit, subject to utilization controls, as specified.

This bill would prohibit a Medi-Cal managed care plan, as defined, from restricting the choice of the qualified provider, as defined, from whom a Medi-Cal beneficiary enrolled in the plan may receive family planning services. The bill would require a Medi-Cal managed care plan to reimburse an out-of-plan or out-of-network qualified provider at the applicable fee-for-service rate. If federal approval is required to implement these provisions, the bill would be implemented only to the extent that federal approval is obtained. The bill would make related legislative findings and declarations.

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

SECTION 1. This act shall be known, and may be cited as, the Protection of Choice for Family Planning Act.

SEC. 2. The Legislature hereby finds and declares all of the following:

(a) California has a long history of, and commitment to, expanding access to services that aim to reduce the risk of unintended pregnancies, improve reproductive and sexual health outcomes, and reduce state costs.

(b) According to the Guttmacher Institute, one-half of all pregnancies in the United States each year are unintended. By 45 years of age, more than one-half of all women in the United States will have experienced an unintended pregnancy, and 3 in 10 will have had an abortion.

(c) Recognizing the importance of timely, confidential access to reproductive health care, the current federal "freedom of choice" provision passed in 1986 allows Medicaid managed care beneficiaries to access

reproductive health care from “any willing provider” that serves patients covered by Medicaid, even if the provider is out of the managed care plan’s network.

(d) The federal Balanced Budget Act of 1997 further cemented the ability of Medicaid managed care beneficiaries to go out of network to have direct access to family planning providers.

(e) California has implemented the federal freedom of choice provision for decades, but it is not codified in California law.

(f) To ensure that Californians enrolled in Medi-Cal managed care plans do not lose the existing ability to go out of network if the freedom of choice provision is repealed on the federal level, the provision must be established in California statute.

SEC. 3. Section 14132.07 is added to the Welfare and Institutions Code, to read:

14132.07. (a) A Medi-Cal managed care plan shall not restrict the choice of the qualified provider from whom a beneficiary enrolled in the managed care plan may receive family planning services covered by the Medi-Cal program pursuant to subdivision (n) of Section 14132.

(b) The following definitions shall apply for purposes of this section:

(1) “Medi-Cal managed care plan” means an applicable organization or entity that contracts with the department to provide services to enrolled Medi-Cal beneficiaries pursuant to any of the following:

(A) Article 2.7 (commencing with Section 14087.3).

(B) Article 2.8 (commencing with Section 14087.5).

(C) Article 2.81 (commencing with Section 14087.96).

(D) Article 2.82 (commencing with Section 14087.98).

(E) Article 2.91 (commencing with Section 14089).

(F) Chapter 8 (commencing with Section 14200).

(2) “Qualified provider” means a provider that is licensed to furnish family planning services, is an enrolled Medi-Cal provider, and is willing to furnish family planning services to an enrollee. A qualified provider may be an out-of-plan or out-of-network provider.

(c) A Medi-Cal managed care plan shall reimburse an out-of-plan or out-of-network qualified provider at the applicable fee-for-service rate.

(d) If federal approval is required to implement this section, the section shall be implemented only to the extent that federal approval is obtained.