

**BILL:** AB 2043 (Boerner, D-Solana Beach)  
Introduced February 1, 2024

**SUBJECT:** AB 2043 would require Medi-Cal Managed Care Plans to reimburse public transit operators for nonmedical transportation and nonemergency medical transportation services.

**STATUS:** Pending in the Assembly Health Committee

**SUMMARY AS OF MARCH 6, 2024:**

Historically, Medi-Cal could directly reimburse transportation providers, through an agreement, for nonmedical and nonemergency medical transportation for individuals that were covered by Medi-Cal so long as they were utilizing the transportation services to gain access to services that were also covered by Medi-Cal. However, following the enactment of AB 2394 (Chapter 615, Statutes of 2016), transportation reimbursement is now included in a customer's capitated health care coverage, and invoices for reimbursement are sent to the customer's Managed Care Plan (MCP) instead of transportation providers, including public transportation operators. The MCPs are then tasked with reimbursing the transportation providers if the Medi-Cal customer requests the transportation from their MCP in advance. If the customer does not notify their MCP and submits a request, then transportation providers are responsible for acquiring reimbursement from the MCP on their own. MCPs can receive both state and federal funds to offer Medi-Cal related transportation services, but they are not required to reimburse transportation providers. As a result, MCPs are placed under little to no pressure to partner with transportation providers.

AB 2043 (Boerner Horvath, D-Carlsbad) requires the California Department of Health Care Services (DHCS) to require MCPs to contract with public transit operators to establish reimbursement rates for nonmedical and nonemergency medical transportation trips. It further requires the reimbursement rates by the MCP to the public transit operator to be based on the fee-for-service rates determined by DHCS for nonmedical and nonemergency medical transportation service.

**EFFECTS ON ORANGE COUNTY:**

The Orange County Transportation Authority (OCTA) operates OC ACCESS, which is a shared-ride service that is available to qualified applicants whose physical or cognitive limitations prevent them from utilizing the regular OC Bus fixed-route service. Public transportation operators are federally mandated to provide transportation for medically necessary Medi-Cal related services, such as traveling to a doctor's appointment and picking up prescriptions or medical supplies. In these instances, public transportation is the only affordable option to access such care. AB 2043 would provide a more robust line of communication between the MCPs and public transportation operators, taking the onus off of the transportation provider to make reimbursement requests on their own. AB 2043 will create an opportunity for a more equitable reimbursement system to occur and ultimately, save the transit operators money. As public transit operators face long-term financial hurdles, it is important to ensure they are receiving this reimbursement to which they are entitled.

OCTA supported AB 719 (Boerner, D-Solana Beach) last year, which is identical to this legislation. AB 719 was vetoed because the Governor indicated in his veto message that DHCS was unable to perform the series of federal approvals to implement these provisions. Since that veto, there has been further guidance from the federal government stating that public paratransit agencies should not be unduly burdened by the cost of these services. Discussions are anticipated to commence with the DHCS to find a path forward this year as a result of this latest guidance.

This legislation is sponsored by the San Diego Metropolitan Transit System. A SUPPORT position is consistent with OCTA's 2023-24 State Legislative Platform principles to "Seek additional funding for paratransit operations and transit accessibility capital improvements that support persons with disabilities and senior citizens."

**OCTA POSITION:**

Staff recommends: SUPPORT

**ASSEMBLY BILL**

**No. 2043**

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**Introduced by Assembly Member Boerner**

February 1, 2024

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An act to add Section 14197.06 to the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 2043, as introduced, Boerner. Medi-Cal: nonmedical and nonemergency medical transportation.

Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services, through managed care or fee-for-service delivery systems. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law covers emergency or nonemergency medical transportation, and nonmedical transportation, under the Medi-Cal program, as specified.

This bill would require the department to require Medi-Cal managed care plans that are contracted to provide nonemergency medical transportation or nonmedical transportation to contract with public paratransit service operators who are enrolled Medi-Cal providers, for the purpose of establishing reimbursement rates for those transportation trips provided by a public paratransit service operator. The bill would require that the rates be based on the department's fee-for-service rates for the transportation service, as specified.

The bill would condition implementation of these provisions on receipt of any necessary federal approvals and the availability of federal financial participation.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

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

1 SECTION 1. Section 14197.06 is added to the Welfare and  
2 Institutions Code, to read:  
3 14197.06. (a) The department shall require Medi-Cal managed  
4 care plans that are contracted to provide nonemergency medical  
5 transportation or nonmedical transportation pursuant to Section  
6 14132 to contract with public paratransit service operators who  
7 are enrolled Medi-Cal providers, for the purpose of establishing  
8 reimbursement rates for nonemergency medical transportation and  
9 nonmedical transportation trips provided by a public paratransit  
10 service operator.  
11 (b) Notwithstanding any other law, rates reimbursed by the  
12 managed care plan to the public paratransit service operator shall  
13 be based on the department’s fee-for-service rates for  
14 nonemergency medical transportation or nonmedical transportation  
15 service that does not include fixed-route transportation service.  
16 The Legislature finds and declares that the reimbursement of the  
17 passenger’s fare does not equal the fee-for-service rate.  
18 (c) This section shall be implemented only to the extent that  
19 any necessary federal approvals are obtained and federal financial  
20 participation is available and not otherwise jeopardized.

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