

**California Department of Health Care Services
Proposed May Revision Trailer Bill Legislation**

**Medi-Cal Cost Containment Proposal: Benefit Cap for Selected Optional
Benefits**

Add Section 14131.05 of the Welfare and Institutions Code as follows:

14131.05. (a) Notwithstanding any other provision of this chapter, Chapter 8 (commencing with Section 14200), or Chapter 8.75 commencing with Section 14590), in order to implement changes in the level of funding for health care services, specific optional benefits are subject to per-beneficiary “benefit cap amounts” under the Medi-Cal program.

(b) A benefit cap amount is defined as the maximum amount of Medi-Cal coverage for specified optional benefits in subdivision (c) of this section, for each beneficiary, for each fiscal year.

(c) The following optional benefits are subject to a benefit cap amount under the Medi-Cal program:

(1) Hearing aids benefits are subject to a benefit cap amount of \$1,510.

(2) Durable medical equipment benefits are subject to a benefit cap amount of \$1,604.

(3) Select disposable medical supply benefits are subject to the following benefit cap amounts:

(A) Incontinence medical supplies are subject to a benefit cap of \$1,659.

(B) Urological medical supplies are subject to a benefit cap of \$6,435.

(C) Wound care medical supplies are subject to a benefit cap of \$391.

(d) The benefit cap amounts in subdivision (c) of this section do not apply to the following items:

(1) Compressed oxygen equipment and supplies

(2) Respiratory equipment and supplies

(3) Tracheostomy medical supplies

(4) Ostomy medical supplies

(5) Diabetic medical supplies

(6) Respiratory medical supplies

(7) Infusion supplies

(8) Disposable gloves

(9) Medical supplies categorized as “miscellaneous” on the Medi-Cal list of covered medical supplies.

(e) Pregnancy-related benefits and benefits for the treatment of other conditions that might complicate the pregnancy are not subject to the benefit cap amounts in subdivision (c) of this section.

(f) The benefit cap amounts in subdivision (c) of this section do not apply to the following beneficiaries:

(1) Beneficiaries under the Early and Periodic Screening Diagnosis and Treatment Program.

- (2) Beneficiaries receiving long-term care in a nursing facility that is both:
- (A) A skilled nursing facility or intermediate care facility as defined in subdivisions (c) and (d) of Section 1250 of the Health and Safety Code.
 - (B) Licensed pursuant to subdivision (k) of Section 1250 of the Health and Safety Code.
- (g) This section shall only be implemented to the extent permitted by federal law.
- (h) 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 the provisions of this section by means of all-county letters, provider bulletins, or similar instructions, without taking further regulatory action.
- (i) This section shall be implemented on the first day of the month following 90 days after the operative date of this section.