

AMENDED IN SENATE JUNE 24, 2002

AMENDED IN ASSEMBLY APRIL 22, 2002

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 1806

**Introduced by Assembly Member Richman
(Principal coauthor: Assembly Member Thomson)
(Coauthors: Assembly Members Chan, Goldberg, Koretz,
Negrete McLeod, and Strom-Martin)**

January 16, 2002

An act to ~~add Section 14005.301 to~~ amend Section 14005.30 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 1806, as amended, Richman. Medi-Cal: eligibility: resources.

Existing law provides for the federal medicaid program, administered by each state, California's version of which is the Medi-Cal program. The Medi-Cal program, which is administered by the State Department of Health Services, provides qualified low-income persons with health care services. Existing federal and state law establish eligibility criteria for the program including income and resources requirements.

Existing law further provides that to the extent that federal financial participation is available, the department shall exercise its option under the federal Social Security Act as necessary to expand eligibility for Medi-Cal by establishing the amount of countable resources individuals or families are allowed to retain at the same amount



medically needy individuals and families are allowed to retain, with a specified exception.

This bill would *instead* require the department, ~~on and after January 1, 2003, to the extent that federal financial participation is available,~~ to exercise its option under the federal Social Security Act as necessary to expand eligibility for Medi-Cal by ~~maximizing to the fullest extent possible the amount of resources that individuals are allowed to retain for purposes of Medi-Cal eligibility.~~ The bill would specify that its provisions would be implemented only to the extent that federal financial participation is available *exempting all resources.*

By increasing counties' responsibilities for Medi-Cal eligibility determination, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

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

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

- 1 SECTION 1. ~~Section 14005.301 is added to the Welfare and~~
- 2 ~~Institutions Code, to read:~~
- 3 14005.301. ~~(a) Notwithstanding any other provision of law,~~
- 4 ~~commencing on January 1, 2003, the department shall exercise its~~
- 5 ~~option under Section 1396u-1(b)(2)(C) of Title 42 of the United~~
- 6 ~~States Code as necessary to expand eligibility for Medi-Cal under~~
- 7 ~~subdivision (a) of Section 14005.30 by maximizing to the fullest~~
- 8 ~~extent possible the amount of resources that individuals are~~
- 9 ~~allowed to retain for purposes of Medi-Cal eligibility.~~
- 10 ~~(b) This section shall be implemented only to the extent that~~
- 11 ~~federal financial participation is available.~~



1 SECTION 1. Section 14005.30 of the Welfare and Institutions
2 Code is amended to read:

3 14005.30. (a) (1) To the extent that federal financial
4 participation is available, Medi-Cal benefits under this chapter
5 shall be provided to individuals eligible for services under Section
6 1396u-1 of Title 42 of the United States Code, including any
7 options under Section 1396u-1(b)(2)(C) made available to and
8 exercised by the state.

9 (2) The department shall exercise its option under Section
10 1396u-1(b)(2)(C) of Title 42 of the United States Code to adopt
11 less restrictive income and resource eligibility standards and
12 methodologies to the extent necessary to allow all recipients of
13 benefits under Chapter 2 (commencing with Section 11200) to be
14 eligible for Medi-Cal under paragraph (1).

15 (3) To the extent federal financial participation is available, the
16 department shall exercise its option under Section
17 1396u-1(b)(2)(C) of Title 42 of the United States Code authorizing
18 the state to disregard all changes in income or assets of a
19 beneficiary until the next annual redetermination under Section
20 14012. The department shall implement this paragraph only if, and
21 to the extent that, the State Child Health Insurance Program
22 waiver described in Section 12693.755 of the Insurance Code
23 extending Healthy Families Program eligibility to parents and
24 certain other adults is approved and implemented.

25 (b) To the extent that federal financial participation is
26 available, the department shall exercise its option under Section
27 1396u-1(b)(2)(C) of Title 42 of the United States Code as
28 necessary to expand eligibility for Medi-Cal under subdivision (a)
29 by ~~establishing the amount of countable resources individuals or~~
30 ~~families are allowed to retain at the same amount medically needy~~
31 ~~individuals and families are allowed to retain, except that a family~~
32 ~~of one shall be allowed to retain countable resources in the amount~~
33 ~~of three thousand dollars (\$3,000) exempting all resources.~~

34 (c) To the extent federal financial participation is available, the
35 department shall, commencing March 1, 2000, adopt an income
36 disregard for applicants equal to the difference between the
37 income standard under the program adopted pursuant to Section
38 1931(b) of the federal Social Security Act (42 U.S.C. Sec.
39 1396u-1) and the amount equal to 100 percent of the federal
40 poverty level applicable to the size of the family. A recipient shall



1 be entitled to the same disregard, but only to the extent it is more
2 beneficial than, and is substituted for, the earned income disregard
3 available to recipients.

4 (d) For purposes of calculating income under this section
5 during any calendar year, increases in social security benefit
6 payments under Title II of the federal Social Security Act (42
7 U.S.C. Sec. 401 and following) arising from cost-of-living
8 adjustments shall be disregarded commencing in the month that
9 these social security benefit payments are increased by the
10 cost-of-living adjustment through the month before the month in
11 which a change in the federal poverty level requires the department
12 to modify the income disregard pursuant to subdivision (c) and in
13 which new income limits for the program established by this
14 section are adopted by the department.

15 (e) ~~Subdivision (b) shall be applied retroactively to January 1,~~
16 ~~1998.~~

17 (f) ~~Notwithstanding Chapter 3.5 (commencing with Section~~
18 ~~11340) of Part 1 of Division 3 of Title 2 of the Government Code,~~
19 ~~the department shall implement, without taking regulatory action,~~
20 ~~subdivisions (a) and (b) of this section by means of an all county~~
21 ~~letter or similar instruction. Thereafter, the department shall adopt~~
22 ~~regulations in accordance with the requirements of Chapter 3.5~~
23 ~~(commencing with Section 11340) of Part 1 of Division 3 of Title~~
24 ~~2 of the Government Code. Beginning six months after the~~
25 ~~effective date of this section, the department shall provide a status~~
26 ~~report to the Legislature on a semiannual basis until regulations~~
27 ~~have been adopted.~~

28 SEC. 2. Notwithstanding Section 17610 of the Government
29 Code, if the Commission on State Mandates determines that this
30 act contains costs mandated by the state, reimbursement to local
31 agencies and school districts for those costs shall be made pursuant
32 to Part 7 (commencing with Section 17500) of Division 4 of Title
33 2 of the Government Code. If the statewide cost of the claim for
34 reimbursement does not exceed one million dollars (\$1,000,000),
35 reimbursement shall be made from the State Mandates Claims
36 Fund.

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