

AMENDED IN ASSEMBLY APRIL 29, 2002

AMENDED IN ASSEMBLY APRIL 1, 2002

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 2491

Introduced by Assembly Member Goldberg

February 21, 2002

An act to amend Section 14005.37 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 2491, as amended, Goldberg. Medi-Cal: notice of termination of benefits.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Services, pursuant to which medical benefits are provided to public assistance recipients and certain other low-income persons.

Existing law requires counties to take certain steps to contact a Medi-Cal beneficiary before sending a beneficiary a notice of termination of Medi-Cal benefits.

This bill would require that counties document, ~~on a notice of termination of benefits,~~ the dates that each of 3 steps were taken prior to sending a notice of termination of benefits to a Medi-Cal beneficiary.

Under existing law, counties are responsible for the implementation of eligibility determinations under the Medi-Cal program.

By requiring counties to implement the documentation of the procedures affected by this bill, this bill would result in an increased level of service, resulting in 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 14005.37 of the Welfare and
2 Institutions Code is amended to read:
3 14005.37. (a) Except as provided in Section 14005.39,
4 whenever a county receives information about changes in a
5 beneficiary’s circumstances that may affect eligibility for
6 Medi-Cal benefits, the county shall promptly redetermine
7 eligibility. The procedures for redetermining Medi-Cal eligibility
8 described in this section shall apply to all Medi-Cal beneficiaries.
9 (b) Loss of eligibility for cash aid under the CalWORKs
10 program shall not result in a redetermination under this section
11 unless the reason for the loss of eligibility is one that would result
12 in the need for a redetermination for a person whose eligibility for
13 Medi-Cal under Section 14005.30 was determined without a
14 concurrent determination of eligibility for cash aid under the
15 CalWORKs program.
16 (c) A loss of contact, as evidenced by the return of mail marked
17 in such a way as to indicate that it could not be delivered to the
18 intended recipient or that there was no forwarding address, shall
19 require a prompt redetermination according to the procedures set
20 forth in this section.
21 (d) Except as otherwise provided in this section, Medi-Cal
22 eligibility shall continue during the redetermination process
23 described in this section. A Medi-Cal beneficiary’s eligibility shall
24 not be terminated under this section until the county makes a



1 specific determination based on facts clearly demonstrating that
2 the beneficiary is no longer eligible for Medi-Cal under any basis
3 and due process rights guaranteed under this division have been
4 met.

5 (e) For purposes of acquiring information necessary to conduct
6 the eligibility determinations described in subdivisions (a) to (d),
7 inclusive, a county shall make every reasonable effort to gather
8 information available to the county that is relevant to the
9 beneficiary's Medi-Cal eligibility prior to contacting the
10 beneficiary. Sources for these efforts shall include, but are not
11 limited to, Medi-Cal, CalWORKs, and Food Stamp Program case
12 files of the beneficiary or of any of his or her immediate family
13 members, which are open or were closed within the last 45 days,
14 and wherever feasible, other sources of relevant information
15 reasonably available to the counties.

16 (f) If a county cannot obtain information necessary to
17 redetermine eligibility pursuant to subdivision (e), the county shall
18 attempt to reach the beneficiary by telephone in order to obtain this
19 information, either directly or in collaboration with
20 community-based organizations so long as confidentiality is
21 protected.

22 (g) If a county's efforts pursuant to subdivisions (e) and (f) to
23 obtain the information necessary to redetermine eligibility have
24 failed, the county shall send to the beneficiary a form, which shall
25 highlight the information needed to complete the eligibility
26 determination. The county shall not request information or
27 documentation that has been previously provided by the
28 beneficiary, that is not absolutely necessary to complete the
29 eligibility determination, or that is not subject to change. The form
30 shall be accompanied by a simple, clear, consumer-friendly cover
31 letter, which shall explain why the form is necessary, the fact that
32 it is not necessary to be receiving CalWORKs benefits to be
33 receiving Medi-Cal benefits, the fact that receipt of Medi-Cal
34 benefits does not count toward any time limits imposed by the
35 CalWORKs program, the various bases for Medi-Cal eligibility,
36 including disability, and the fact that even persons who are
37 employed can receive Medi-Cal benefits. The cover letter shall
38 include a telephone number to call in order to obtain more
39 information. The form and the cover letter shall be developed by
40 the department in consultation with the counties and



1 representatives of consumers, managed care plans, and Medi-Cal
2 providers. A Medi-Cal beneficiary shall have no less than 20 days
3 from the date the form is mailed pursuant to this subdivision to
4 respond. Except as provided in subdivision (h), failure to respond
5 prior to the end of this 20-day period shall not impact his or her
6 Medi-Cal eligibility.

7 (h) If the purpose for a redetermination under this section is a
8 loss of contact with the Medi-Cal beneficiary, as evidenced by the
9 return of mail marked in such a way as to indicate that it could not
10 be delivered to the intended recipient or that there was no
11 forwarding address, a return of the form described in subdivision
12 (g) marked as undeliverable shall result in an immediate notice of
13 action terminating Medi-Cal eligibility.

14 (i) If, within 20 days of the date of mailing of a form to the
15 Medi-Cal beneficiary pursuant to subdivision (g), a beneficiary
16 does not submit the completed form to the county, the county shall
17 send the beneficiary a written notice of action stating that his or her
18 eligibility shall be terminated 10 days from the date of the notice
19 and the reasons for that determination, unless the beneficiary
20 submits a completed form prior to the end of the 10-day period.

21 (j) If, within 20 days of the date of mailing of a form to the
22 Medi-Cal beneficiary pursuant to subdivision (g), the beneficiary
23 submits an incomplete form, the county shall attempt to contact the
24 beneficiary by telephone and in writing to request the necessary
25 information. If the beneficiary does not supply the necessary
26 information to the county within 10 days from the date the county
27 contacts the beneficiary in regard to the incomplete form, a 10-day
28 notice of termination of Medi-Cal eligibility shall be sent.

29 (k) If, within 30 days of termination of a Medi-Cal
30 beneficiary's eligibility pursuant to subdivision (h), (i), or (j), the
31 beneficiary submits to the county a completed form, eligibility
32 shall be determined as though the form was submitted in a timely
33 manner and if a beneficiary is found eligible, the termination under
34 subdivision (h), ~~(i)~~, or (j) shall be rescinded.

35 (l) If the information reasonably available to the county
36 pursuant to the redetermination procedures of subdivisions (d),
37 (e), (g), and (m) does not indicate a basis of eligibility, Medi-Cal
38 benefits may be terminated so long as due process requirements
39 have otherwise been met.



1 (m) The department shall, with the counties and
2 representatives of consumers, including those with disabilities,
3 and Medi-Cal providers, develop a timeframe for redetermination
4 of Medi-Cal eligibility based upon disability, including ex parte
5 review, the redetermination form described in subdivision (g),
6 timeframes for responding to county or state requests for
7 additional information, and the forms and procedures to be used.
8 The forms and procedures shall be as consumer-friendly as
9 possible for people with disabilities. The timeframe shall provide
10 a reasonable and adequate opportunity for the Medi-Cal
11 beneficiary to obtain and submit medical records and other
12 information needed to establish eligibility for Medi-Cal based
13 upon disability.

14 (n) The county shall document, ~~on the notice of termination of~~
15 ~~benefits~~, the dates on which the county implemented the ex parte
16 review and telephone contact with the consumer, and the date a
17 request for information was mailed pursuant to the requirements
18 of this section to ensure that those steps were completed prior to
19 sending a notice of termination of eligibility for Medi-Cal benefits
20 to a consumer.

21 (o) This section shall be implemented on or before July 1, 2001,
22 but only to the extent that federal financial participation under
23 Title XIX of the federal Social Security Act (Title 42 U.S.C. Sec.
24 1396 and following) is available.

25 (p) Notwithstanding Chapter 3.5 (commencing with Section
26 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
27 the department shall, without taking any regulatory action,
28 implement this section by means of all county letters or similar
29 instructions. Thereafter, the department shall adopt regulations in
30 accordance with the requirements of Chapter 3.5 (commencing
31 with Section 11340) of Part 1 of Division 3 of Title 2 of the
32 Government Code. Comprehensive implementing instructions
33 shall be issued to the counties no later than March 1, 2001.

34 SEC. 2. Notwithstanding Section 17610 of the Government
35 Code, if the Commission on State Mandates determines that this
36 act contains costs mandated by the state, reimbursement to local
37 agencies and school districts for those costs shall be made pursuant
38 to Part 7 (commencing with Section 17500) of Division 4 of Title
39 2 of the Government Code. If the statewide cost of the claim for
40 reimbursement does not exceed one million dollars (\$1,000,000),



- 1 reimbursement shall be made from the State Mandates Claims
- 2 Fund.

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