

AMENDED IN SENATE MAY 2, 2007

AMENDED IN SENATE APRIL 19, 2007

AMENDED IN SENATE MARCH 28, 2007

SENATE BILL

No. 32

Introduced by Senator Steinberg

(Principal coauthor: Assembly Member Laird)

(Coauthor: Assembly Member Wolk)

December 4, 2006

An act to amend Sections 12693.43 and 12693.70 of, to amend and repeal Section 12693.981 of, to add Sections 12693.55, 12693.56, 12693.57, 12693.701, 12693.981a, and 12693.983 to, to add Chapter 16.2 (commencing with Section 12694.1) to Part 6.2 of Division 2 of, and to repeal Section 12693.73 of, the Insurance Code, and to amend Section 14005.23 of, and to add Sections 14005.26, 14011.01, and 14011.61 to, the Welfare and Institutions Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 32, as amended, Steinberg. Health care coverage: children.

(1) Existing law establishes various public programs to provide health care coverage to eligible children, including the Medi-Cal program administered by the State Department of Health Care Services and county welfare agencies, and the Healthy Families Program administered by the Managed Risk Medical Insurance Board. Children through 18 years of age are eligible for health care coverage under these programs if they meet certain household income and other criteria including specified citizenship and immigration status requirements. Under existing law, the applicant's signed statement as to the value or amount

of income is accepted for eligibility purposes under the Healthy Families Program if documentation cannot otherwise be provided.

This bill would expand eligibility for the Medi-Cal program and would expand eligibility for the Healthy Families Program by allowing children with family incomes at or below 300% of the federal poverty level to qualify for the program and would delete the specified citizenship and immigration status requirements. The bill would accept the applicant's signature on the application for the Healthy Families Program as verification of the value or amount of income for purposes of establishing eligibility for the program. The bill would create the Healthy Families Buy-In Program that would be administered by the Managed Risk Medical Insurance Board and would make the coverage provided under the Healthy Families Program available to children whose household income exceeds 300% of the federal poverty level and who meet other specified criteria. The bill would specify the family contribution required for children enrolled in the buy-in program. The bill would also make various related modifications to the Medi-Cal program and the Healthy Families Program. Because the expansion of and modifications to the Medi-Cal program would impose certain duties on counties relative to administration of that program, the bill would impose a state-mandated local program. The bill would require the Managed Risk Medical Insurance Board and the State Department of Health Care Services to take specified actions to improve and coordinate the application and enrollment processes for the Medi-Cal program and the Healthy Families Program and to develop a process to transition the enrollment of children from local children's health initiatives into those programs.

(2) Existing law establishes the Healthy Families-to-Medi-Cal Bridge Benefits Program to provide any person enrolled for coverage under the Healthy Families Program who meets certain criteria, as specified, with ~~two~~ 2 calendar months of health care benefits in order to provide the person with the opportunity to apply for the Medi-Cal program.

This bill would establish the Healthy Families to Medi-Cal Presumptive Eligibility Program to provide a child who meets certain criteria, as specified, with presumptive eligibility benefits identical to the full scope of benefits provided under the Medi-Cal program until a Medi-Cal eligibility determination is made, at which point either the child would be enrolled in the Medi-Cal program with no interruption in coverage or the presumptive eligibility benefits would terminate in accordance with due process requirements. The bill would require the

Managed Risk Medical Insurance Board to execute a declaration upon implementation of this program and would make the Healthy Families-to-Medi-Cal Bridge Benefits Program inoperative as of the date of that declaration.

(3) Existing law requires the state to administer, to the extent allowed under federal law, and only if federal financial participation is available, a program to provide a child who meets specified eligibility requirements, including the income requirements of the Healthy Families Program, with benefits identical to full scope benefits under the Medi-Cal program with no share of cost for the period during which the child has an application pending for coverage under the Healthy Families Program.

This bill would establish, to the extent allowed by federal law and to the extent federal financial participation is available, the Medi-Cal Presumptive Eligibility Program that would provide a child who meets specified eligibility requirements with presumptive eligibility benefits identical to full scope benefits under the Medi-Cal program with no share of cost until the child is found eligible for the Medi-Cal program. The bill would require the county to forward the child's application to the Healthy Families Program if it finds the child eligible for the Medi-Cal program with a share of cost.

(4) Existing law creates the Healthy Families Fund, and provides that money in the fund is continuously appropriated for purposes of the Healthy Families Program.

This bill would provide that the Managed Risk Medical Insurance Board may implement the provisions of the bill expanding the Healthy ~~Family~~ *Families* Program only to the extent that funds are appropriated for those purposes in the annual Budget Act or in another statute.

(5) 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.

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. It is the intent of the Legislature to accomplish
2 the following:

3 (a) Allow all children, from birth to 19 years of age, living in
4 California to have access to affordable, comprehensive health care
5 coverage.

6 (b) Build upon the successful aspects of California's publicly
7 funded state health care coverage programs, the Healthy Families
8 Program and the Medi-Cal program, and improve their operations,
9 including modernizing and simplifying the processes of enrolling
10 all eligible children in coverage and maintaining their enrollment
11 in the programs.

12 (c) Build upon the lessons and successes of local children's
13 health initiatives.

14 (d) Support coverage for children currently enrolled in local
15 children's health initiatives until the expansion of the statewide
16 program is fully implemented and provide for a smooth transition
17 for these children into the Healthy Families Program and the
18 Medi-Cal program.

19 (e) Ensure sustainable financing that supports the statewide
20 programs over the long term, including maximizing federal funding
21 for those programs.

22 SEC. 2. Section 12693.43 of the Insurance Code is amended
23 to read:

24 12693.43. (a) Applicants applying to the purchasing pool shall
25 agree to pay family contributions, unless the applicant has a family
26 contribution sponsor. Family contribution amounts consist of the
27 following two components:

28 (1) The flat fees described in subdivision (b) or (d).

29 (2) Any amounts that are charged to the program by participating
30 health, dental, and vision plans selected by the applicant that exceed
31 the cost to the program of the highest cost family value package
32 in a given geographic area.

33 (b) In each geographic area, the board shall designate one or
34 more family value packages for which the required total family
35 contribution is:

36 (1) Seven dollars (\$7) per child with a maximum required
37 contribution of fourteen dollars (\$14) per month per family for

1 applicants with annual household incomes up to and including 150
2 percent of the federal poverty level.

3 (2) Nine dollars (\$9) per child with a maximum required
4 contribution of twenty-seven dollars (\$27) per month per family
5 for applicants with annual household incomes greater than 150
6 percent and up to and including 200 percent of the federal poverty
7 level and for applicants on behalf of children described in clause
8 (ii) of subparagraph (A) of paragraph (6) of subdivision (a) of
9 Section 12693.70.

10 (3) On and after July 1, 2005, fifteen dollars (\$15) per child
11 with a maximum required contribution of forty-five dollars (\$45)
12 per month per family for applicants with annual household income
13 greater than 200 percent and up to and including 250 percent of
14 the federal poverty level.

15 (4) Twenty-two dollars and fifty cents (\$22.50) per child with
16 a maximum required contribution of sixty-seven dollars and fifty
17 cents (\$67.50) per month per family for applicants with an annual
18 household income greater than 250 percent and up to and including
19 300 percent of the federal poverty level.

20 (c) Combinations of health, dental, and vision plans that are
21 more expensive to the program than the highest cost family value
22 package may be offered to and selected by applicants. However,
23 the cost to the program of those combinations that exceeds the
24 price to the program of the highest cost family value package shall
25 be paid by the applicant as part of the family contribution.

26 (d) The board shall provide a family contribution discount to
27 those applicants who select the health plan in a geographic area
28 that has been designated as the Community Provider Plan. The
29 discount shall reduce the portion of the family contribution
30 described in subdivision (b) to the following:

31 (1) A family contribution of four dollars (\$4) per child with a
32 maximum required contribution of eight dollars (\$8) per month
33 per family for applicants with annual household incomes up to and
34 including 150 percent of the federal poverty level.

35 (2) Six dollars (\$6) per child with a maximum required
36 contribution of eighteen dollars (\$18) per month per family for
37 applicants with annual household incomes greater than 150 percent
38 and up to and including 200 percent of the federal poverty level
39 and for applicants on behalf of children described in clause (ii) of

1 subparagraph (A) of paragraph (6) of subdivision (a) of Section
2 12693.70.

3 (3) On and after July 1, 2005, twelve dollars (\$12) per child
4 with a maximum required contribution of thirty-six dollars (\$36)
5 per month per family for applicants with annual household income
6 greater than 200 percent and up to and including 250 percent of
7 the federal poverty level.

8 (4) Sixteen dollars (\$16) per child with a maximum required
9 contribution of forty-eight dollars (\$48) per month per family for
10 applicants with an annual household income greater than 250
11 percent and up to and including 300 percent of the federal poverty
12 level.

13 (e) Applicants, but not family contribution sponsors, who pay
14 three months of required family contributions in advance shall
15 receive the fourth consecutive month of coverage with no family
16 contribution required.

17 (f) Applicants, but not family contribution sponsors, who pay
18 the required family contributions by an approved means of
19 electronic fund transfer shall receive a 25-percent discount from
20 the required family contributions.

21 (g) It is the intent of the Legislature that the family contribution
22 amounts described in this section comply with the premium cost
23 sharing limits contained in Section 2103 of Title XXI of the Social
24 Security Act. If the amounts described in subdivision (a) are not
25 approved by the federal government, the board may adjust these
26 amounts to the extent required to achieve approval of the state
27 plan.

28 (h) The adoption and one readoption of regulations to implement
29 paragraph (3) of subdivision (b) and paragraph (3) of subdivision
30 (d) shall be deemed to be an emergency and necessary for the
31 immediate preservation of public peace, health, and safety, or
32 general welfare for purposes of Sections 11346.1 and 11349.6 of
33 the Government Code, and the board is hereby exempted from the
34 requirement that it describe specific facts showing the need for
35 immediate action and from review by the Office of Administrative
36 Law. For purposes of subdivision (e) of Section 11346.1 of the
37 Government Code, the 120-day period, as applicable to the
38 effective period of an emergency regulatory action and submission
39 of specified materials to the Office of Administrative Law, is
40 hereby extended to 180 days.

1 SEC. 3. Section 12693.55 is added to the Insurance Code, to
2 read:

3 12693.55. The board shall maximize federal matching funds
4 available under the program and implement strategies that
5 coordinate and integrate other programs that provide health care
6 coverage for children to maximize federal ~~and state~~ matching funds
7 *and efficiently use state funds.*

8 SEC. 4. Section 12693.56 is added to the Insurance Code, to
9 read:

10 12693.56. The confidentiality and privacy protections of
11 Sections 10500 and 14100.2 of the Welfare and Institutions Code
12 shall apply to all children seeking, applying for, or enrolled in, the
13 program.

14 SEC. 5. Section 12693.57 is added to the Insurance Code, to
15 read:

16 12693.57. Upon implementation of Section 14005.26 of the
17 Welfare and Institutions Code and Section 12693.701, the board,
18 in consultation with the State Department of Health Care Services,
19 shall develop a process for the transition of eligible children from
20 local children's health initiatives to the Medi-Cal program and to
21 the Healthy Families Program. The process shall include, but not
22 be limited to, the following provisions:

23 (a) A child enrolled in comprehensive health care coverage
24 provided by a children's health initiative shall, upon his or her
25 annual renewal date, be automatically enrolled in the Medi-Cal
26 program or the Healthy Families Program, if an application is made
27 and the child is eligible for either program. The child shall be
28 enrolled in the same health plan that provided coverage to the child
29 under the local children's health initiative, if the health plan is a
30 participating plan in the Medi-Cal program or the Healthy Families
31 Program.

32 (b) Upon a child's enrollment in the Medi-Cal program or in
33 the Healthy Families Program, the department or the board shall
34 immediately notify the child's family that it may change coverage
35 to another health plan. The family may make this change at any
36 time within 90 days from the date of its receipt of this notice.

37 SEC. 6. Section 12693.70 of the Insurance Code is amended
38 to read:

39 12693.70. To be eligible to participate in the program, an
40 applicant shall meet all of the following requirements:

1 (a) Be an applicant applying on behalf of an eligible child, which
2 means a child who is all of the following:

3 (1) Less than 19 years of age. An application may be made on
4 behalf of a child not yet born up to three months prior to the
5 expected date of delivery. Coverage shall begin as soon as
6 administratively feasible, as determined by the board, after the
7 board receives notification of the birth. However, no child less
8 than 12 months of age shall be eligible for coverage until 90 days
9 after the enactment of the Budget Act of 1999.

10 (2) Not eligible for no-cost full-scope Medi-Cal or Medicare
11 coverage at the time of application.

12 (3) In compliance with Sections 12693.71 and 12693.72.

13 (4) A resident of the State of California pursuant to Section 244
14 of the Government Code; or, if not a resident pursuant to Section
15 244 of the Government Code, is physically present in California
16 and entered the state with a job commitment or to seek
17 employment, whether or not employed at the time of application
18 to or after acceptance in, the program.

19 (5) (A) In either of the following:

20 (i) In a family with an annual or monthly household income
21 equal to or less than 200 percent of the federal poverty level.

22 (ii) When implemented by the board, subject to subdivision (b)
23 of Section 12693.765 and pursuant to this section, a child under
24 the age of two years who was delivered by a mother enrolled in
25 the Access for Infants and Mothers Program as described in Part
26 6.3 (commencing with Section 12695). Commencing July 1, 2007,
27 eligibility under this subparagraph shall not include infants during
28 any time they are enrolled in employer-sponsored health insurance
29 or are subject to an exclusion pursuant to Section 12693.71 or
30 12693.72, or are enrolled in the full scope of benefits under the
31 Medi-Cal program at no share of cost. For purposes of this clause,
32 any infant born to a woman whose enrollment in the Access for
33 Infants and Mothers Program begins after June 30, 2004, shall be
34 automatically enrolled in the Healthy Families Program, except
35 during any time on or after July 1, 2007, that the infant is enrolled
36 in employer-sponsored health insurance or is subject to an
37 exclusion pursuant to Section 12693.71 or 12693.72, or is enrolled
38 in the full scope of benefits under the Medi-Cal program at no
39 share of cost. Except as otherwise specified in this section, this
40 enrollment shall cover the first 12 months of the infant's life. At

1 the end of the 12 months, as a condition of continued eligibility,
2 the applicant shall provide income information. The infant shall
3 be disenrolled if the gross annual household income exceeds the
4 income eligibility standard that was in effect in the Access for
5 Infants and Mothers Program at the time the infant's mother
6 became eligible, or following the two-month period established
7 in Section 12693.981 or the period established in Section
8 12693.981a if the infant is eligible for Medi-Cal with no share of
9 cost. At the end of the second year, infants shall again be screened
10 for program eligibility pursuant to this section, with income
11 eligibility evaluated pursuant to clause (i), subparagraphs (B) and
12 (C), and paragraph (2) of subdivision (a).

13 (B) All income over 200 percent of the federal poverty level
14 but less than or equal to 300 percent of the federal poverty level
15 shall be disregarded in calculating annual or monthly household
16 income.

17 (C) In a family with an annual or monthly household income
18 greater than 300 percent of the federal poverty level, any income
19 deduction that is applicable to a child under Medi-Cal shall be
20 applied in determining the annual or monthly household income.
21 If the income deductions reduce the annual or monthly household
22 income to 300 percent or less of the federal poverty level,
23 subparagraph (B) shall be applied.

24 (b) The applicant shall agree to remain in the program for six
25 months, unless other coverage is obtained and proof of the coverage
26 is provided to the program.

27 (c) An applicant shall enroll all of the applicant's eligible
28 children in the program.

29 (d) In providing information to meet program eligibility
30 requirements, the applicant's signature on the application shall be
31 deemed to constitute verification of the applicant's value or amount
32 of income.

33 (e) An applicant shall pay in full any family contributions owed
34 in arrears for any health, dental, or vision coverage provided by
35 the program within the prior 12 months.

36 (f) By January 2008, the board, in consultation with
37 stakeholders, shall implement processes by which applicants for
38 subscribers may certify income at the time of annual eligibility
39 review, including rules concerning which applicants shall be
40 permitted to certify income and the circumstances in which

1 supplemental information or documentation may be required. The
2 board may terminate using these processes not sooner than 90 days
3 after providing notification to the Chair of the Joint Legislative
4 Budget Committee. This notification shall articulate the specific
5 reasons for the termination and shall include all relevant data
6 elements that are applicable to document the reasons for the
7 termination. Upon the request of the Chair of the Joint Legislative
8 Budget Committee, the board shall promptly provide any additional
9 clarifying information regarding implementation of the processes
10 required by this subdivision.

11 SEC. 7. Section 12693.701 is added to the Insurance Code, to
12 read:

13 12693.701. (a) Notwithstanding any other provision of law,
14 a child under 19 years of age who meets the state residency
15 requirements of the Medi-Cal program or the Healthy Families
16 Program shall be eligible for either the Medi-Cal program (Chapter
17 7 (commencing with Section 14000) of Part 3 of Division 9 of the
18 Welfare and Institutions Code) if he or she meets the income and
19 resource requirements of Section 14005.7 or 14005.30 of the
20 Welfare and Institutions Code or the Healthy Families Program if
21 he or she lives in a family with a household income at or below
22 300 percent of the federal poverty level, including for both
23 programs those children for whom federal financial participation
24 is not available under Title XIX of the federal Social Security Act
25 (42 U.S.C. Sec. 1396 et seq.), or under Title XXI of the federal
26 Social Security Act (42 U.S.C. Sec. 1397aa et seq.).

27 (b) A child described in subdivision (a) who is ineligible for the
28 full scope of benefits under the Medi-Cal program at no share of
29 cost because of his or her family's household income shall be
30 eligible for the Healthy Families Program if he or she is ineligible
31 for Medicare coverage and complies with Sections 12693.71 and
32 12693.72. A child's eligibility for the Healthy Families Program
33 pursuant to this section shall not affect that child's eligibility for
34 the Medi-Cal program with a share of cost in accordance with
35 Section 14005.7 of the Welfare and Institutions Code.

36 (c) Nothing in this section shall be construed to authorize the
37 denial of medical assistance under the Medi-Cal program (Chapter
38 7 (commencing with Section 14000) of Part 3 of Division 9 of the
39 Welfare and Institutions Code) to a child who, without the
40 application of this section, would qualify for that assistance or to

1 excuse the Medi-Cal program or the Healthy Families Program of
2 the obligation to determine eligibility on all other available
3 grounds.

4 (d) The board shall implement this section, and children made
5 eligible for the program by this section shall be able to enroll in
6 the program, no later than January 1, 2008.

7 SEC. 8. Section 12693.73 of the Insurance Code is repealed.

8 SEC. 9. Section 12693.981 of the Insurance Code is amended
9 to read:

10 12693.981. (a) (1) The Healthy Families-to-Medi-Cal Bridge
11 Benefits Program is hereby established to provide any person
12 enrolled for coverage under this part who meets the criteria set
13 forth in subdivision (b) with a two calendar-month period of health
14 care benefits in order to provide the person with an opportunity to
15 apply for Medi-Cal.

16 (2) The Healthy Families-to-Medi-Cal Bridge Benefits Program
17 shall be administered by the board.

18 (b) (1) Any person who meets all of the following requirements
19 shall be eligible for two additional calendar months of Healthy
20 Families benefits:

21 (A) He or she has been receiving, but is no longer eligible for,
22 benefits under the program.

23 (B) He or she appears to be income eligible for full-scope
24 Medi-Cal benefits without a share of cost.

25 (2) The two additional calendar months of benefits under this
26 chapter shall begin on the first day of the month following the last
27 day of the person's eligibility for benefits under the program.

28 (c) The two-calendar-month period of Healthy Families benefits
29 provided under this chapter shall be identical to the scope of
30 benefits that the person was receiving under the program.

31 (d) Nothing in this section shall be construed to provide Healthy
32 Families benefits for more than a two-calendar-month period under
33 any circumstances, including the failure to apply for benefits under
34 the Medi-Cal program or the failure to be made aware of the
35 availability of the Medi-Cal program unless the circumstances
36 described in subdivision (b) reoccur.

37 (e) This section shall become inoperative if an unappealable
38 court decision or judgment determines that any of the following
39 apply:

1 (1) The provisions of this section are unconstitutional under the
2 United States Constitution or the California Constitution.

3 (2) The provisions of this section do not comply with the State
4 Children's Health Insurance Program, as set forth in Title XXI of
5 the federal Social Security Act.

6 (3) The provisions of this section require that the health care
7 benefits provided pursuant to this section are required to be
8 furnished for more than two calendar months.

9 (f) This section shall become inoperative on the date that the
10 board executes a declaration stating that the implementation of the
11 Healthy Families to Medi-Cal Presumptive Eligibility Program
12 established pursuant to Section 12693.981a has commenced. As
13 of the next occurring January 1, this section is repealed, unless a
14 later enacted statute, enacted before that January 1 date, deletes
15 or extends the dates on which this section becomes inoperative
16 and is repealed.

17 SEC. 10. Section 12693.981a is added to the Insurance Code,
18 to read:

19 12693.981a. (a) The Healthy Families to Medi-Cal
20 Presumptive Eligibility Program is hereby established to provide
21 a child who meets the criteria set forth in subdivision (c) with
22 presumptive eligibility benefits until the child's eligibility for full
23 scope Medi-Cal benefits with no share of cost has been determined.

24 (b) The Healthy Families to Medi-Cal Presumptive Eligibility
25 Program shall be administered by the board.

26 (c) A child who meets both of the following requirements shall
27 be eligible for presumptive eligibility benefits under the Healthy
28 Families to Medi-Cal Presumptive Eligibility Program:

29 (1) He or she has been receiving, but is no longer eligible for,
30 benefits under the Healthy Families Program.

31 (2) He or she otherwise appears to be income-eligible for
32 full-scope Medi-Cal benefits with no share of cost.

33 (d) The presumptive eligibility benefits under this section shall
34 begin on the first day of the month following the board's
35 determination that the child is no longer eligible for the Healthy
36 Families Program. To prevent an interruption in coverage, benefits
37 under the Healthy Families Program shall continue until the end
38 of the month in which that determination is made.

39 (1) If the county determines that the child is eligible for the
40 Medi-Cal program, the county shall enroll the child in the Medi-Cal

1 program without an interruption in coverage. The presumptive
2 eligibility benefits under this section shall terminate on the last
3 day of the month that precedes the month in which the child begins
4 receiving benefits under the Medi-Cal program.

5 (2) If the county determines that the child is ineligible for the
6 Medi-Cal program, with or without a share of cost, the county
7 shall terminate the child's benefits under the Healthy Families to
8 Medi-Cal Presumptive Eligibility Program in accordance with due
9 process requirements.

10 (e) The income methodology for determining a child's family
11 income for the purposes of the Healthy Families to Medi-Cal
12 Presumptive Eligibility Program, as required by subdivision (c),
13 shall be the same methodology used in determining a child's
14 eligibility for the full scope of Medi-Cal benefits.

15 (f) The scope of presumptive eligibility benefits provided under
16 the Healthy Families to Medi-Cal Presumptive Eligibility Program
17 shall be identical to the full scope of benefits under the Medi-Cal
18 program.

19 (g) No family contribution is required for a child receiving
20 presumptive eligibility benefits under the Healthy Families to
21 Medi-Cal Presumptive Eligibility Program.

22 (h) To the extent necessary and to the extent allowed by federal
23 law, the State Department of Health Care Services, counties, and
24 the board may exchange a child's case file solely for the purpose
25 of determining the child's eligibility for the Medi-Cal program or
26 the Healthy Families Program, without requiring the family's
27 consent. Any information, including the child's case file, shall be
28 kept confidential by the department and the board in accordance
29 with the confidentiality and privacy protections set forth in Sections
30 10500 and 14100.2 of the Welfare and Institutions Code.

31 (i) The board shall develop, in consultation with consumer
32 advocates and other stakeholders, a system for tracking cases where
33 children receive benefits under the Healthy Families to Medi-Cal
34 Presumptive Eligibility Program for more than two months and
35 for followup of those cases. The followup system shall include the
36 following activities to ensure that children in the Healthy Families
37 to Medi-Cal Presumptive Eligibility Program are enrolled in a
38 timely manner into the ongoing health care benefits program for
39 which they are eligible:

1 (1) The board shall identify those cases where children are
2 enrolled in the Healthy Families to Medi-Cal Presumptive
3 Eligibility Program for more than two months and report those
4 cases to the department. The department shall consult with the
5 counties to determine the status of each case and provide support
6 and technical assistance to assist the counties to take the necessary
7 actions to complete the eligibility determination process for each
8 child to obtain the ongoing health care benefits for which the child
9 is eligible.

10 (2) If children in the Healthy Families to Medi-Cal Presumptive
11 Eligibility Program are not enrolled in the Medi-Cal program or
12 denied enrollment in the Medi-Cal program in accordance with
13 due process requirements within two months of their enrollment
14 date in the Healthy Families to Medi-Cal Presumptive Eligibility
15 Program, the board shall contact the State Department of Health
16 Care Services or the county where the child resides in order to
17 determine the status of the child's application for, and enrollment
18 in, the Medi-Cal program. The department shall assist the county
19 in enrolling the child in the program for which he or she is eligible.

20 (j) Notwithstanding Chapter 3.5 (commencing with Section
21 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
22 the board shall implement this section by means of all-county
23 letters or similar instructions without taking any further regulatory
24 action. Thereafter, the board may adopt regulations, as necessary,
25 to implement this section in accordance with the requirements of
26 Chapter 3.5 (commencing with Section 11340) of Part 1 of Division
27 3 of Title 2 of the Government Code.

28 (k) Upon implementation of the Healthy Families to Medi-Cal
29 Presumptive Eligibility Program pursuant to this section, the board
30 shall execute a declaration, which it shall retain, stating that
31 implementation of the section has commenced.

32 SEC. 11. Section 12693.983 is added to the Insurance Code,
33 to read:

34 12693.983. (a) The board and the State Department of Health
35 Care Services shall monitor the Healthy Families Presumptive
36 Eligibility Program in Section 12693.98a and the Healthy Families
37 to Medi-Cal Presumptive Eligibility Program in Section
38 12693.981a in order to ensure that all children are enrolled in a
39 timely manner in the presumptive eligibility benefits for which
40 they are eligible.

1 (b) The monitoring responsibilities required by this section shall
2 consist of the following activities:

3 (1) The board and the department shall collect and make publicly
4 available the following data on a monthly and annual basis:

5 (A) The number of children enrolled in the Healthy Families
6 Presumptive Eligibility Program and the number of children
7 enrolled in the Healthy Families to Medi-Cal Presumptive
8 Eligibility Program.

9 (B) The length of time these children were enrolled in each
10 program.

11 (C) The status of the children enrolled in each program,
12 including a status report for each child enrolled more than one
13 month in the Healthy Families Presumptive Eligibility Program
14 and more than two months in the Healthy Families to Medi-Cal
15 Presumptive Eligibility Program.

16 (2) The board and the department shall record all attempts to
17 assist the child to enroll in ongoing health benefits programs and
18 shall record the final disposition of the child's application for
19 continuing health coverage.

20 (c) The board and the department shall report to the Legislature
21 the data collected pursuant to subdivision (b) on a monthly and
22 annual basis.

23 SEC. 12. Chapter 16.2 (commencing with Section 12694.1) is
24 added to Part 6.2 of Division 2 of the Insurance Code, to read:

25
26 CHAPTER 16.2. HEALTHY FAMILIES BUY-IN PROGRAM
27

28 12694.1. On or after ____, the board shall implement the
29 Healthy Families Buy-In Program that shall be referred to as the
30 buy-in program for purposes of this chapter.

31 12694.2. A child under 19 years of age is eligible for the buy-in
32 program if he or she meets all of the following criteria:

33 (a) Lives in a family whose monthly or annual income exceeds
34 300 percent of the federal poverty level.

35 (b) Is not eligible for full scope Medi-Cal benefits or the Healthy
36 Families Program.

37 (c) Has been without health care coverage for, at minimum, a
38 period of six consecutive months immediately preceding the date
39 of application for the buy-in program.

1 12694.4. The coverage for children in the buy-in program shall
2 be identical to the coverage for children enrolled in the Healthy
3 Families Program and shall be provided solely by a participating
4 health plan.

5 12694.5. (a) The family of a child enrolled in the buy-in
6 program shall pay the board a monthly contribution amount that
7 equals the full cost of coverage for the child under the Healthy
8 Families Program.

9 (b) The family of a child enrolled in the buy-in program shall
10 receive the same discounts from their contributions under this
11 section as provided to applicants pursuant to paragraph (4) of
12 subdivision (d) of, and subdivisions (e) and (f) of, Section 12693.43
13 and shall be subject to the payment procedures set forth in Section
14 2699.6813 of Title 10 of the California Code of Regulations.

15 12694.6. (a) A county that determines a child ineligible for
16 the Medi-Cal program or for the Healthy Families Program shall
17 inform the applicant of the option of enrolling the child in the
18 buy-in program and, with the applicant's approval, shall transmit
19 the application to the board.

20 (b) If the board determines a child is ineligible for the Healthy
21 Families Program or the Medi-Cal program, it shall inform the
22 applicant of the option of enrolling the child in the buy-in program
23 and, with the applicant's approval, shall consider the application
24 for the child's eligibility for the buy-in program.

25 SEC. 13. Section 14005.23 of the Welfare and Institutions
26 Code is amended to read:

27 14005.23. (a) To the extent federal financial participation is
28 available, the department shall, when determining eligibility for
29 children under Section 1396a(l)(1)(D) of Title 42 of the United
30 States Code, designate a birth date by which all children who have
31 not attained the age of 19 years will meet the age requirement of
32 Section 1396a(l)(1)(D) of Title 42 of the United States Code.

33 (b) On and after January 1, 2008, the department shall apply
34 the less restrictive income deduction described in Section 1396a(r)
35 of Title 42 of the United States Code when determining eligibility
36 for the children identified in Section 14005.26. The amount of this
37 deduction shall be the difference between 133 percent and 100
38 percent of the federal poverty level applicable to the size of the
39 family.

1 SEC. 14. Section 14005.26 is added to the Welfare and
2 Institutions Code, to read:

3 14005.26. (a) Notwithstanding any other provision of law, a
4 child under 19 years of age who meets the state residency
5 requirements of the Medi-Cal program or the Healthy Families
6 Program (Part 6.2 (commencing with Section 12693) of Division
7 2 of the Insurance Code) shall be eligible for either the Medi-Cal
8 program if he or she meets the income and resource requirements
9 of Section 14005.7 or 14005.30, or the Healthy Families Program
10 if he or she lives in a family with household income at or below
11 300 percent of the federal poverty level, including for both
12 programs those children for whom federal financial participation
13 is not available under Title XIX of the federal Social Security Act
14 (42 U.S.C. Sec. 1396 et seq.), or under Title XXI of the federal
15 Social Security Act (42 U.S.C. Sec. 1397aa et seq.).

16 (b) A child described in subdivision (a) who is ineligible for the
17 full scope of benefits under the Medi-Cal program at no share of
18 cost because of his or her family's household income, shall be
19 eligible for the Healthy Families Program pursuant to Section
20 12693.701 of the Insurance Code if he or she is ineligible for
21 Medicare coverage and complies with Sections 12693.71 and
22 12693.72 of the Insurance Code. A child's eligibility for the
23 Healthy Families Program pursuant to this section shall not affect
24 the child's eligibility for the Medi-Cal program with a share of
25 cost in accordance with Section 14005.7.

26 (c) Nothing in this section shall be construed to authorize the
27 denial of medical assistance under the Medi-Cal program to a child
28 who, without the application of this section, would qualify for that
29 assistance or to excuse the Medi-Cal program or the Healthy
30 Families Program of the obligation to determine eligibility on all
31 other available grounds.

32 (d) The department shall maximize federal matching funds
33 available for eligible children's health insurance under the
34 Medi-Cal program, and the department shall implement strategies
35 to coordinate and integrate existing children's health insurance
36 programs to *efficiently use state funds and* maximize available
37 ~~state and~~ federal matching funds, such as matching funds available
38 for emergency or pregnancy-related Medi-Cal benefits, for all
39 eligible children.

(e) The department shall implement this section, and children made eligible for the Medi-Cal program by this section shall be able to enroll in the Medi-Cal program, no later than January 1, 2008.

SEC. 15. Section 14011.01 is added to the Welfare and Institutions Code, to read:

14011.01. (a) The department, in coordination with the Managed Risk Medical Insurance Board, counties, consumer advocates, and other stakeholders, shall make technological improvements to the existing eligibility determination and enrollment systems for the Medi-Cal program, such as the Medi-Cal Eligibility Data System (MEDS), and the Healthy Families Program based on the guidelines set forth in subdivisions (b), (c), and (d) in order to better integrate the enrollment processes for those programs.

(b) The improvements shall allow families to be screened for, and with their consent to apply to, multiple programs from more than one location.

(c) The improvements shall include, but not be limited to, accomplishment of all of the following objectives:

(1) Promote accessible enrollment opportunities through public service programs that are widely used by families, including schools, and other public access points, while incorporating mechanisms to minimize duplicate applications and to identify whether a child is currently enrolled in the Medi-Cal program, the Healthy Families Program, or other coverage before processing a new application.

(2) Eliminate all duplicative requests and requirements for applications and other information and require the Managed Risk Medical Insurance Board, the department, and the counties to use the procedures in subdivisions (e) to (g), inclusive, of Section 14005.37 for all applications to minimize the burdens on families.

(3) Support electronic and digital signature approaches to reduce the burden of the applicant appearing in person and to allow the applicant to submit any application without appearing in person, wherever possible.

(4) Eliminate all documentation requirements, other than those required by federal law, and verify necessary information through other available databases and through the use of the procedures

1 established in subdivisions (e) to (g), inclusive, of Section
2 14005.37.

3 (5) Promote data integrity by expanding access to and improving
4 MEDS search and file clearance functionality.

5 (6) Include the ability to obtain birth and other state maintained
6 verification documents electronically.

7 (7) Support electronic exchange of information with the
8 Statewide Automated Welfare System.

9 (8) Guarantee privacy protections and secure information
10 exchange.

11 (d) To improve the integration and efficiency of technological
12 systems used by the state to operate the Medi-Cal program and
13 the Healthy Families Program, the department shall take the
14 following actions:

15 (1) Establish reusable service-based interfaces to allow multiple
16 existing enrollment systems to exchange data electronically.

17 (2) Support the electronic submission of verification documents
18 that are also available for exchange and reuse by multiple existing
19 enrollment systems.

20 (3) Develop a plan and timeline for the implementation of
21 technology that provides an infrastructure to allow legacy systems,
22 new enrollment systems, and other systems to access common
23 system functions, features, and rules through a central repository
24 of shared services.

25 SEC. 16. Section 14011.61 is added to the Welfare and
26 Institutions Code, to read:

27 14011.61. (a) To the extent allowed under Title XIX of the
28 federal Social Security Act (42 U.S.C. Sec. 1396 et seq.) and Title
29 XXI of the federal Social Security Act (42 U.S.C. Sec. 1397aa et
30 seq.), and only if federal financial participation is available under
31 Title XXI of the federal Social Security Act, the department shall
32 administer the Medi-Cal Presumptive Eligibility Program to
33 provide a child who meets the criteria set forth in subdivision (c)
34 with presumptive eligibility benefits for the period described in
35 subdivision (f).

36 (b) A county shall perform an initial screen of every application
37 for the Medi-Cal program or the Healthy Families Program that
38 is filed in that county. The initial screen shall be completed within
39 48 hours from the time of submission of the application for the
40 Medi-Cal program or the Healthy Families Program.

1 (c) On the basis of the initial screen performed by the county,
2 a child who meets all of the following requirements shall be eligible
3 for presumptive eligibility benefits under this section:

4 (1) The child, or his or her parent or guardian, submits an
5 application for the Medi-Cal program or the Healthy Families
6 Program directly to the county.

7 (2) The child's income, as screened by the county on the basis
8 of the application described in paragraph (1), appears to be within
9 the income levels necessary to establish eligibility for the Medi-Cal
10 program with no share of cost.

11 (3) The child is under 19 years of age at the time of the
12 application.

13 (4) The child is not receiving no-cost Medi-Cal benefits or
14 benefits under the Healthy Families Program at the time that the
15 application is submitted.

16 (d) When the county performs the initial screen and determines
17 that the child meets the criteria described in subdivision (c), the
18 county shall immediately establish presumptive eligibility for the
19 Medi-Cal program for that child. The presumptive eligibility
20 benefits provided under this section shall be identical to the benefits
21 provided to children who receive full-scope Medi-Cal benefits
22 with no share of cost and shall only be made available through a
23 Medi-Cal program provider.

24 (e) Once presumptive eligibility has been established, the county
25 shall continue to determine a child's eligibility for the Medi-Cal
26 program on the basis of the application submitted to it.

27 (f) The period of presumptive eligibility provided for under this
28 section begins on the first day of the month that the application is
29 filed.

30 (g) If the county determines that the child is eligible for the
31 Medi-Cal program without a share of cost, the county shall enroll
32 the child in the Medi-Cal program without an interruption in
33 coverage. If the county determines that the child is eligible for the
34 Medi-Cal program with a share of cost, the county shall enroll the
35 child in the Medi-Cal program and forward the application to the
36 Managed Risk Medical Insurance Board for an evaluation of the
37 child's eligibility for the Healthy Families Program. To ensure
38 continuity of coverage, the presumptive eligibility benefits under
39 this section shall terminate on the last day of the month that

1 precedes the month in which the child begins receiving benefits
2 under the Medi-Cal program.

3 (h) If the county determines that the child is ineligible for the
4 Medi-Cal program with or without a share of cost, the county shall
5 terminate the child's presumptive eligibility benefits under this
6 section in accordance with due process requirements.

7 (i) The Managed Risk Medical Insurance Board and the
8 department, in consultation with counties, consumer advocates,
9 and other stakeholders, shall develop a notice to inform families
10 of the transfer of a case between the Medi-Cal program and the
11 Healthy Families Program and from presumptive eligibility benefits
12 to benefits under one of those programs, to minimize the confusion
13 for the family, to clarify that coverage is continued during the
14 transfer, and to provide the family with contact information
15 advising the family where to ask questions about continuity of
16 coverage and access to care.

17 (j) 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 this section by means of all-county
20 letters or similar instructions, without taking any further regulatory
21 action. Thereafter, the department may adopt regulations, as
22 necessary, to implement this section in accordance with the
23 requirements of Chapter 3.5 (commencing with Section 11340) of
24 Part 1 of Division 3 of Title 2 of the Government Code.

25 (k) The department, in consultation with representatives of the
26 local agencies that administer the Medi-Cal program, consumer
27 advocates, and other stakeholders, shall develop and distribute the
28 policies and procedures, including any all-county letters, necessary
29 to implement this section.

30 (l) Nothing in this section shall be construed to authorize the
31 denial of medical assistance under the Medi-Cal program to a child
32 who, without the application of this section, would qualify for that
33 assistance or to excuse the Medi-Cal program or the Healthy
34 Families Program of the obligation to determine eligibility on all
35 other available grounds.

36 (m) The department shall begin to implement this section on
37 January 1, 2008.

38 SEC. 17. Notwithstanding any other provision of law, the
39 Managed Risk Medical Insurance Board may implement the
40 provisions of this act expanding the Healthy Families Program

1 only to the extent that funds are appropriated for those purposes
2 in the annual Budget Act or in another statute.

3 SEC. 18. If the Commission on State Mandates determines
4 that this act contains costs mandated by the state, reimbursement
5 to local agencies and school districts for those costs shall be made
6 pursuant to Part 7 (commencing with Section 17500) of Division
7 4 of Title 2 of the Government Code.

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