

AMENDED IN ASSEMBLY JUNE 27, 2007

AMENDED IN SENATE MAY 24, 2007

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: Senator Alquist)

(Coauthor: Assembly Member Wolk)

December 4, 2006

An act to amend Sections 12693.43, 12693.70, *12693.73*, 12693.76, 12693.98, and 12693.98a 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, *and* 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~~ *Sections 14005.23, 14011.65, and 14011.65a* 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 and would require the State Department of Health Care Services and the Managed Risk Medical Insurance Board to maximize federal matching funds for 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 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 establishes the Healthy Families Presumptive Eligibility Program, administered by the Managed Risk Medical Insurance Board, to provide a child who satisfies specified criteria health care benefits while the board determines the child's eligibility for the Healthy Families Program.

This bill would rename the program the Medi-Cal to Healthy Families Presumptive Eligibility Program and would require the Managed Risk Medical Insurance Board and the State Department of Health Care Services to monitor the program to ensure children are timely enrolled in the presumptive eligibility benefits for which they are eligible.

(4) Existing law requires the state to administer, to the extent allowed under federal law, and only if federal financial participation is available, ~~a program the Medi-Cal to Healthy Families Presumptive Eligibility 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. *Under existing law, this program becomes inoperative 3 years after its implementation.*

This bill would *rename the program the Healthy Families Presumptive Eligibility Program and would delete the provisions making the program inoperative. The bill would also* 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.

(5) 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 Families Program only to the extent that funds are appropriated for those purposes in the annual Budget Act or in another statute.

(6) 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.

1 (e) Ensure sustainable financing that supports the statewide
2 programs over the long term, including maximizing federal funding
3 for those programs.

4 SEC. 2. Section 12693.43 of the Insurance Code is amended
5 to read:

6 12693.43. (a) Applicants applying to the purchasing pool shall
7 agree to pay family contributions, unless the applicant has a family
8 contribution sponsor. Family contribution amounts consist of the
9 following two components:

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

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

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

18 (1) Seven dollars (\$7) per child with a maximum required
19 contribution of fourteen dollars (\$14) per month per family for
20 applicants with annual household incomes up to and including 150
21 percent of the federal poverty level.

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

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

34 (4) Twenty-two dollars and fifty cents (\$22.50) per child with
35 a maximum required contribution of sixty-seven dollars and fifty
36 cents (\$67.50) per month per family for applicants with an annual
37 household income greater than 250 percent and up to and including
38 300 percent of the federal poverty level.

39 (c) Combinations of health, dental, and vision plans that are
40 more expensive to the program than the highest cost family value

1 package may be offered to and selected by applicants. However,
2 the cost to the program of those combinations that exceeds the
3 price to the program of the highest cost family value package shall
4 be paid by the applicant as part of the family contribution.

5 (d) The board shall provide a family contribution discount to
6 those applicants who select the health plan in a geographic area
7 that has been designated as the Community Provider Plan. The
8 discount shall reduce the portion of the family contribution
9 described in subdivision (b) to the following:

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

14 (2) Six dollars (\$6) per child with a maximum required
15 contribution of eighteen dollars (\$18) per month per family for
16 applicants with annual household incomes greater than 150 percent
17 and up to and including 200 percent of the federal poverty level
18 and for applicants on behalf of children described in clause (ii) of
19 subparagraph (A) of paragraph (6) of subdivision (a) of Section
20 12693.70.

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

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

31 (e) Applicants, but not family contribution sponsors, who pay
32 three months of required family contributions in advance shall
33 receive the fourth consecutive month of coverage with no family
34 contribution required.

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

39 (g) It is the intent of the Legislature that the family contribution
40 amounts described in this section comply with the premium cost

1 sharing limits contained in Section 2103 of Title XXI of the Social
2 Security Act. If the amounts described in subdivision (a) are not
3 approved by the federal government, the board may adjust these
4 amounts to the extent required to achieve approval of the state
5 plan.

6 (h) The adoption and one readoption of regulations to implement
7 paragraph (3) of subdivision (b) and paragraph (3) of subdivision
8 (d) shall be deemed to be an emergency and necessary for the
9 immediate preservation of public peace, health, and safety, or
10 general welfare for purposes of Sections 11346.1 and 11349.6 of
11 the Government Code, and the board is hereby exempted from the
12 requirement that it describe specific facts showing the need for
13 immediate action and from review by the Office of Administrative
14 Law. For purposes of subdivision (e) of Section 11346.1 of the
15 Government Code, the 120-day period, as applicable to the
16 effective period of an emergency regulatory action and submission
17 of specified materials to the Office of Administrative Law, is
18 hereby extended to 180 days.

19 SEC. 3. Section 12693.55 is added to the Insurance Code, to
20 read:

21 12693.55. The board and the State Department of Health Care
22 Services shall maximize federal matching funds available under
23 the program and the Medi-Cal program and shall implement
24 strategies that coordinate and integrate other programs that provide
25 health care coverage for children to maximize federal matching
26 funds, such as matching funds available for emergency or
27 pregnancy-related benefits under the Medi-Cal program for all
28 eligible children.

29 SEC. 4. Section 12693.56 is added to the Insurance Code, to
30 read:

31 12693.56. The confidentiality and privacy protections of
32 Sections 10500 and 14100.2 of the Welfare and Institutions Code
33 shall apply to all children seeking, applying for, or enrolled in, the
34 program.

35 SEC. 5. Section 12693.57 is added to the Insurance Code, to
36 read:

37 12693.57. Upon implementation of Section 14005.26 of the
38 Welfare and Institutions Code and Section 12693.701, the board,
39 in consultation with the State Department of Health Care Services,
40 shall develop a process for the transition of eligible children from

1 local children's health initiatives to the Medi-Cal program and to
2 the Healthy Families Program. The process shall include, but not
3 be limited to, the following provisions:

4 (a) A child enrolled in comprehensive health care coverage
5 provided by a children's health initiative shall, upon his or her
6 annual renewal date, be automatically enrolled in the Medi-Cal
7 program or the Healthy Families Program, if an application is made
8 and the child is eligible for either program. The child shall be
9 enrolled in the same health plan that provided coverage to the child
10 under the local children's health initiative, if the health plan is a
11 participating plan in the Medi-Cal program or the Healthy Families
12 Program.

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

18 SEC. 6. Section 12693.70 of the Insurance Code is amended
19 to read:

20 12693.70. To be eligible to participate in the program, an
21 applicant shall meet all of the following requirements:

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

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

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

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

34 (4) A resident of the State of California pursuant to Section 244
35 of the Government Code; or, if not a resident pursuant to Section
36 244 of the Government Code, is physically present in California
37 and entered the state with a job commitment or to seek
38 employment, whether or not employed at the time of application
39 to or after acceptance in, the program.

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

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

3 (ii) When implemented by the board, subject to subdivision (b)
4 of Section 12693.765 and pursuant to this section, a child under
5 the age of two years who was delivered by a mother enrolled in
6 the Access for Infants and Mothers Program as described in Part
7 6.3 (commencing with Section 12695). Commencing July 1, 2007,
8 eligibility under this subparagraph shall not include infants during
9 any time they are enrolled in employer-sponsored health insurance
10 or are subject to an exclusion pursuant to Section 12693.71 or
11 12693.72, or are enrolled in the full scope of benefits under the
12 Medi-Cal program at no share of cost. For purposes of this clause,
13 any infant born to a woman whose enrollment in the Access for
14 Infants and Mothers Program begins after June 30, 2004, shall be
15 automatically enrolled in the Healthy Families Program, except
16 during any time on or after July 1, 2007, that the infant is enrolled
17 in employer-sponsored health insurance or is subject to an
18 exclusion pursuant to Section 12693.71 or 12693.72, or is enrolled
19 in the full scope of benefits under the Medi-Cal program at no
20 share of cost. Except as otherwise specified in this section, this
21 enrollment shall cover the first 12 months of the infant's life. At
22 the end of the 12 months, as a condition of continued eligibility,
23 the applicant shall provide income information. The infant shall
24 be disenrolled if the gross annual household income exceeds the
25 income eligibility standard that was in effect in the Access for
26 Infants and Mothers Program at the time the infant's mother
27 became eligible, or following the two-month period established
28 in Section 12693.981 or the period established in Section
29 12693.981a if the infant is eligible for Medi-Cal with no share of
30 cost. At the end of the second year, infants shall again be screened
31 for program eligibility pursuant to this section, with income
32 eligibility evaluated pursuant to clause (i), subparagraphs (B) and
33 (C), and paragraph (2) of subdivision (a).

34 (B) All income over 200 percent of the federal poverty level
35 but less than or equal to 300 percent of the federal poverty level
36 shall be disregarded in calculating annual or monthly household
37 income.

38 (C) In a family with an annual or monthly household income
39 greater than 300 percent of the federal poverty level, any income
40 deduction that is applicable to a child under Medi-Cal shall be

1 applied in determining the annual or monthly household income.
2 If the income deductions reduce the annual or monthly household
3 income to 300 percent or less of the federal poverty level,
4 subparagraph (B) shall be applied.

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

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

10 (d) In providing information to meet program eligibility
11 requirements, the applicant's signature on the application shall be
12 deemed to constitute verification of the applicant's value or amount
13 of income.

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

17 (f) By January 2008, the board, in consultation with
18 stakeholders, shall implement processes by which applicants for
19 subscribers may certify income at the time of annual eligibility
20 review, including rules concerning which applicants shall be
21 permitted to certify income and the circumstances in which
22 supplemental information or documentation may be required. The
23 board may terminate using these processes not sooner than 90 days
24 after providing notification to the Chair of the Joint Legislative
25 Budget Committee. This notification shall articulate the specific
26 reasons for the termination and shall include all relevant data
27 elements that are applicable to document the reasons for the
28 termination. Upon the request of the Chair of the Joint Legislative
29 Budget Committee, the board shall promptly provide any additional
30 clarifying information regarding implementation of the processes
31 required by this subdivision.

32 SEC. 7. Section 12693.701 is added to the Insurance Code, to
33 read:

34 ~~12693.701. (a) (1) Notwithstanding any other provision of~~
35 ~~law, all~~

36 *12693.701. (a) (1) All children under 19 years of age who*
37 *meet the state residency requirements of the Medi-Cal program or*
38 *the Healthy Families Program shall be eligible for health care*
39 *coverage in accordance with subdivision (b) if they satisfy either*
40 *of the following criteria:*

1 (A) Live in families with countable household income at or
2 below 300 percent of the federal poverty level.

3 (B) Meet the income requirements of Section 14005.7 of the
4 Welfare and Institutions Code or the income and resource
5 requirements of Section 14005.30 of the Welfare and Institutions
6 Code.

7 (2) The eligibility under paragraph (1) includes for both
8 programs ~~those~~ *all* children for whom federal financial participation
9 ~~is not available~~ under Title XIX of the federal Social Security Act
10 (42 U.S.C. Sec. 1396 et seq.), or under Title XXI of the federal
11 Social Security Act (42 U.S.C. Sec. 1397aa et seq.) *is not available*
12 *because of their immigration status or date of entry into the United*
13 *States, but does not include children who are ineligible for funds*
14 *under those titles for other reasons.*

15 (b) Children described in subdivision (a) in families whose
16 household income would make them ineligible for the Medi-Cal
17 program with no share of cost or for Medicare, and who are in
18 compliance with Sections 12693.71 and 12693.72, shall be eligible
19 for the Healthy Families Program and shall also be eligible for the
20 Medi-Cal program with a share of cost in accordance with Section
21 14005.7 of the Welfare and Institutions Code. The remaining
22 children described in subdivision (a) shall be eligible for the
23 Medi-Cal program with no share of cost.

24 (c) Nothing in this section shall be construed to authorize the
25 denial or reduction of medical assistance under the Medi-Cal
26 program (Chapter 7 (commencing with Section 14000) of Part 3
27 of Division 9 of the Welfare and Institutions Code) *or the Healthy*
28 *Families Program* to a person who, without the application of this
29 section, would qualify for that assistance or to relieve the Medi-Cal
30 program ~~or the Healthy Families Program~~ of the obligation to
31 determine eligibility on all other available grounds.

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

35 ~~SEC. 8. Section 12693.73 of the Insurance Code is repealed.~~

36 *SEC. 8. Section 12693.73 of the Insurance Code is amended*
37 *to read:*

38 12693.73. Notwithstanding any other provision of law, children
39 excluded from coverage under Title XXI of the Social Security
40 Act are not eligible for coverage under the program, except as

1 specified in clause (ii) of subparagraph (A) of paragraph ~~(6)~~ (5)
2 of subdivision (a) of Section 12693.70, *Section 12693.701*, and
3 Section 12693.76.

4 SEC. 9. Section 12693.76 of the Insurance Code is amended
5 to read:

6 12693.76. (a) Notwithstanding any other provision of law, a
7 child shall not be determined ineligible solely on the basis of his
8 or her *immigration status or* date of entry into the United States.

9 (b) Notwithstanding any other provision of law, subdivision (a)
10 may only be implemented to the extent provided in the annual
11 Budget Act.

12 (c) Notwithstanding any other provision of law, an uninsured
13 parent or responsible adult who is a qualified alien, as defined in
14 Section 1641 of Title 8 of the United States Code, shall not be
15 determined to be ineligible solely on the basis of his or her date
16 of entry into the United States.

17 (d) Notwithstanding any other provision of law, subdivision (c)
18 may only be implemented to the extent of funding provided in the
19 annual Budget Act.

20 SEC. 10. Section 12693.98 of the Insurance Code is amended
21 to read:

22 12693.98. (a) (1) The Medi-Cal-to-Healthy Families Bridge
23 Benefits Program is hereby established to provide a child who
24 meets the criteria set forth in subdivision (b) with a one
25 calendar-month period of health care benefits in order to provide
26 the child with an opportunity to apply for the Healthy Families
27 Program.

28 (2) The Medi-Cal-to-Healthy Families Bridge Benefits Program
29 shall be administered by the board and the State Department of
30 Health Care Services.

31 (b) (1) A child who meets all of the following requirements
32 shall be eligible for one calendar month of Healthy Families
33 benefits funded by Title XXI of the Social Security Act, known
34 as the State Children's Health Insurance Program:

35 (A) He or she has been receiving, but is no longer eligible for,
36 full-scope Medi-Cal benefits without a share of cost.

37 (B) He or she is eligible for full-scope Medi-Cal benefits with
38 a share of cost.

1 (C) He or she is under 19 years of age at the time he or she is
2 no longer eligible for full-scope Medi-Cal benefits without a share
3 of cost.

4 (D) He or she has family income at or below 200 percent of the
5 federal poverty level.

6 (E) He or she is not otherwise excluded under the definition of
7 “targeted low-income child” under subsections (b)(1)(B)(ii),
8 (b)(1)(C), and (b)(2) of Section 2110 of the Social Security Act
9 (42 U.S.C. Secs. 1397jj(b)(1)(B)(ii), 1397jj(b)(1)(C), and
10 1397jj(b)(2)).

11 (2) The one calendar month of benefits under this chapter shall
12 begin on the first day of the month following the last day of the
13 receipt of benefits without a share of cost.

14 (c) The income methodology for determining a child’s family
15 income, as required by paragraph (1) of subdivision (b) shall be
16 the same methodology used in determining a child’s eligibility for
17 the full scope of Medi-Cal benefits.

18 (d) The one calendar-month period of Healthy Families benefits
19 provided under this chapter shall be identical to the scope of
20 benefits that the child was receiving under the Medi-Cal program
21 without a share of cost.

22 (e) The one calendar-month period of Healthy Families benefits
23 provided under this chapter shall only be made available through
24 a Medi-Cal provider or under a Medi-Cal managed care
25 arrangement or contract.

26 (f) Except as provided in subdivision (j), nothing in this section
27 shall be construed to provide Healthy Families benefits for more
28 than a one calendar-month period under any circumstances,
29 including the failure to apply for benefits under the Healthy
30 Families Program or the failure to be made aware of the availability
31 of the Healthy Families Program, unless the circumstances
32 described in subdivision (b) reoccur.

33 (g) (1) This section shall become operative on the first day of
34 the second month following the effective date of this section,
35 subject to paragraph (2).

36 (2) Under no circumstances shall this section become operative
37 until, and shall be implemented only to the extent that, all necessary
38 federal approvals, including approval of any amendments to the
39 State Child Health Plan have been sought and obtained and federal
40 financial participation under the federal State Children’s Health

1 Insurance Program, as set forth in Title XXI of the Social Security
2 Act, has been approved.

3 (h) This section shall become inoperative if an unappealable
4 court decision or judgment determines that any of the following
5 apply:

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

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

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

14 (i) If the State Child Health Insurance Program waiver described
15 in Section 12693.755 is approved, and at the time the waiver is
16 implemented, the benefits described in this section shall also be
17 available to persons who meet the eligibility requirements of the
18 program and are parents of, or, as defined by the board, adults
19 responsible for, children enrolled to receive coverage under this
20 part or enrolled to receive full-scope Medi-Cal services with no
21 share of cost.

22 (j) The one month of benefits provided in this section shall be
23 increased to two months commencing on implementation of the
24 waiver referred to in Section 12693.755.

25 (k) This section shall cease to be implemented on the date that
26 the Director of Health Care Services executes a declaration stating
27 that implementation of the Medi-Cal to Healthy Families
28 Presumptive Eligibility Program established pursuant to Section
29 12693.98a has commenced, and as of that date is repealed.

30 SEC. 11. Section 12693.98a of the Insurance Code is amended
31 to read:

32 12693.98a. (a) (1) The Medi-Cal to Healthy Families
33 Presumptive Eligibility Program is hereby established to provide
34 a child who meets the criteria set forth in subdivision (b) with
35 presumptive eligibility benefits until the board has determined the
36 child's eligibility for the Healthy Families Program.

37 (2) The Medi-Cal to Healthy Families Presumptive Eligibility
38 Program shall be administered by the board.

1 (b) (1) A child who meets both of the following requirements
2 shall be eligible for presumptive eligibility benefits under the
3 Medi-Cal to Healthy Families Presumptive Eligibility Program:

4 (A) He or she has been receiving, but is no longer eligible for,
5 full-scope Medi-Cal benefits without a share of cost, or he or she
6 is eligible for full-scope Medi-Cal benefits with a share of cost.

7 (B) He or she otherwise appears to meet the income eligibility
8 criteria for the Healthy Families Program.

9 (2) The presumptive eligibility benefits under this section shall
10 begin on the first day of the month following the last day of the
11 receipt of Medi-Cal benefits without a share of cost. Presumptive
12 eligibility benefits under this section shall terminate at the end of
13 the month in which a child's effective date in the Healthy Families
14 Program begins or the end of the month in which the board
15 determines that the child is not eligible for the Healthy Families
16 Program. If the board determines that the child is eligible for the
17 Healthy Families Program, the board shall enroll the child in the
18 Healthy Families Program without an interruption in coverage. If
19 the board determines that the child is ineligible for the Healthy
20 Families Program, the board shall terminate the child's benefits
21 under the Medi-Cal to Healthy Families Presumptive Eligibility
22 Program.

23 (c) The income methodology for determining a child's family
24 income for the purposes of the Medi-Cal to Healthy Families
25 Presumptive Eligibility Program, as required by paragraph (1) of
26 subdivision (b), shall be the same methodology used in determining
27 a child's eligibility for the full scope of Medi-Cal benefits.

28 (d) The scope of presumptive eligibility benefits provided under
29 the Medi-Cal to Healthy Families Presumptive Eligibility Program
30 shall be identical to the scope of benefits that the child was
31 receiving under the Medi-Cal program without a share of cost.

32 (e) The presumptive eligibility benefits provided under this
33 section shall only be made available through a Medi-Cal provider
34 or under a Medi-Cal managed care arrangement or contract.

35 (f) When an application is forwarded by the county to the
36 Healthy Families Program, the county shall send the application
37 to the Healthy Families Program via an electronic application
38 format defined by the department, provided that the department
39 has implemented the automated interfaces necessary to accomplish
40 electronic submission of applications from the county to the

1 Healthy Families Program without requiring duplicative data entry
2 by the county. The transmission of the electronic application to
3 the Healthy Families Program shall occur within the timeframes
4 designated by the department.

5 (g) To the extent necessary, the department and the board may
6 exchange a child's case file solely for the purpose of determining
7 the child's eligibility for the Medi-Cal program or the Healthy
8 Families Program, without requiring the family's consent, to the
9 extent allowed by federal law. Any information, including the
10 child's case file, shall be kept confidential by the department and
11 the board pursuant to state and federal law, and it shall be used
12 only for the determination or continuation of eligibility.

13 (h) Notwithstanding Chapter 3.5 (commencing with Section
14 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
15 the department shall implement this section by means of all-county
16 letters or similar instructions, without taking any further regulatory
17 action. Thereafter, the department may adopt regulations, as
18 necessary, to implement this section in accordance with the
19 requirements of Chapter 3.5 (commencing with Section 11340) of
20 Part 1 of Division 3 of Title 2 of the Government Code.

21 (i) This section shall be implemented when the state has sought
22 and obtained approval of any amendments to its state plan
23 necessary to implement the changes to this section, pursuant to
24 this act, and has obtained funding under Title XXI of the Social
25 Security Act (42 U.S.C. Sec. 1397aa et seq.) for the provision of
26 benefits under this section. Until the changes to this section, made
27 by this act, are implemented, the Medi-Cal to Healthy Families
28 Bridge Program established pursuant to Section 12693.98 shall
29 remain in effect. Notwithstanding any other provision of law, and
30 only when all necessary federal approvals have been obtained by
31 the state, this section shall be implemented only to the extent
32 federal financial participation under Title XXI of the Social
33 Security Act (42 U.S.C. Sec. 1397aa et seq.) is available to fund
34 benefits provided under this section.

35 (j) Upon implementation of the Medi-Cal to Healthy Families
36 Presumptive Eligibility Program pursuant to this section, the
37 Director of Health Care Services shall execute a declaration, which
38 shall be retained by the director, stating that implementation of
39 the section has commenced.

1 SEC. 12. Section 12693.981 of the Insurance Code is amended
2 to read:

3 12693.981. (a) (1) The Healthy Families-to-Medi-Cal Bridge
4 Benefits Program is hereby established to provide any person
5 enrolled for coverage under this part who meets the criteria set
6 forth in subdivision (b) with a two calendar-month period of health
7 care benefits in order to provide the person with an opportunity to
8 apply for Medi-Cal.

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

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

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

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

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

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

24 (d) Nothing in this section shall be construed to provide Healthy
25 Families benefits for more than a two-calendar-month period under
26 any circumstances, including the failure to apply for benefits under
27 the Medi-Cal program or the failure to be made aware of the
28 availability of the Medi-Cal program unless the circumstances
29 described in subdivision (b) reoccur.

30 (e) This section shall become inoperative if an unappealable
31 court decision or judgment determines that any of the following
32 apply:

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

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

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

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

SEC. 13. Section 12693.981a is added to the Insurance Code, to read:

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

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

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

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

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

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

(1) If the county determines that the child is eligible for the Medi-Cal program, the county shall enroll the child in the Medi-Cal program without an interruption in coverage. The presumptive eligibility benefits under this section shall terminate on the last day of the month that precedes the month in which the child begins receiving benefits under the Medi-Cal program.

(2) If the county determines that the child is ineligible for the Medi-Cal program, with or without a share of cost, the county shall terminate the child's benefits under the Healthy Families to

1 Medi-Cal Presumptive Eligibility Program in accordance with due
2 process requirements.

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

8 (f) The scope of presumptive eligibility benefits provided under
9 the Healthy Families to Medi-Cal Presumptive Eligibility Program
10 shall be identical to the full scope of benefits under the Medi-Cal
11 program.

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

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

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

33 (1) The board shall identify those cases where children are
34 enrolled in the Healthy Families to Medi-Cal Presumptive
35 Eligibility Program for more than two months and report those
36 cases to the department. The department shall consult with the
37 counties to determine the status of each case and provide support
38 and technical assistance to assist the counties to take the necessary
39 actions to complete the eligibility determination process for each

1 child to obtain the ongoing health care benefits for which the child
2 is eligible.

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

13 (j) Upon implementation of the Healthy Families to Medi-Cal
14 Presumptive Eligibility Program pursuant to this section, the board
15 shall execute a declaration, which it shall retain, stating that
16 implementation of the section has commenced.

17 SEC. 14. Section 12693.983 is added to the Insurance Code,
18 to read:

19 12693.983. (a) The board and the State Department of Health
20 Care Services shall monitor the Medi-Cal to Healthy Families
21 Presumptive Eligibility Program in Section 12693.98a and the
22 Healthy Families to Medi-Cal Presumptive Eligibility Program in
23 Section 12693.981a in order to ensure that all children are enrolled
24 in a timely manner in the presumptive eligibility benefits for which
25 they are eligible.

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

28 (1) The board and the department shall collect and make publicly
29 available on their respective Internet Web sites, the following data
30 on a quarterly basis:

31 (A) The number of children enrolled in the Medi-Cal to Healthy
32 Families Presumptive Eligibility Program and the number of
33 children enrolled in the Healthy Families to Medi-Cal Presumptive
34 Eligibility Program.

35 (B) The length of time these children were enrolled in each
36 program.

37 (C) The status of the children enrolled in each program,
38 including a status report for each child enrolled more than one
39 month in the Medi-Cal to Healthy Families Presumptive Eligibility

1 Program and more than two months in the Healthy Families to
2 Medi-Cal Presumptive Eligibility Program.

3 (2) The board and the department shall record all attempts to
4 assist the child to enroll in ongoing health benefits programs and
5 shall record the final disposition of the child's application for
6 continuing health coverage.

7 SEC. 15. Chapter 16.2 (commencing with Section 12694.1)
8 is added to Part 6.2 of Division 2 of the Insurance Code, to read:

9
10 CHAPTER 16.2. HEALTHY FAMILIES BUY-IN PROGRAM

11
12 12694.1. On or after ____, the board shall implement the
13 Healthy Families Buy-In Program that shall be referred to as the
14 buy-in program for purposes of this chapter.

15 12694.2. A child under 19 years of age is eligible for the buy-in
16 program if he or she meets all of the following criteria:

17 (a) Lives in a family whose monthly or annual income exceeds
18 300 percent of the federal poverty level.

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

21 (c) Has been without health care coverage for, at minimum, a
22 period of six consecutive months immediately preceding the date
23 of application for the buy-in program. Compliance with this criteria
24 shall be determined by the board using the same verification
25 procedures that it uses to verify compliance with Sections 12693.71
26 and 12693.72.

27 12694.4. The coverage for children in the buy-in program shall
28 be identical to the coverage for children enrolled in the Healthy
29 Families Program and shall ~~be~~ *include health, dental, and vision*
30 *benefits* provided solely by a participating health, *dental, or vision*
31 *care* plan.

32 12694.5. (a) The family of a child enrolled in the buy-in
33 program shall pay the board a monthly contribution amount that
34 equals the full cost of coverage for the child under the Healthy
35 Families Program.

36 (b) The family of a child enrolled in the buy-in program shall
37 receive the same discounts from their contributions under this
38 section as provided to applicants pursuant to paragraph (4) of
39 subdivision (d) of, and subdivisions (e) and (f) of, Section 12693.43

1 and shall be subject to the payment procedures set forth in Section
2 2699.6813 of Title 10 of the California Code of Regulations.

3 12694.6. (a) A county that determines a child ineligible for
4 the Medi-Cal program or for the Healthy Families Program shall
5 inform the applicant of the option of enrolling the child in the
6 buy-in program and, with the applicant's approval, shall transmit
7 the application to the board.

8 (b) If the board determines a child is ineligible for the Healthy
9 Families Program or the Medi-Cal program, it shall inform the
10 applicant of the option of enrolling the child in the buy-in program
11 and, with the applicant's approval, shall consider the application
12 for the child's eligibility for the buy-in program.

13 SEC. 16. Section 14005.23 of the Welfare and Institutions
14 Code is amended to read:

15 14005.23. (a) To the extent federal financial participation is
16 available, the department shall, when determining eligibility for
17 children under Section 1396a(l)(1)(D) of Title 42 of the United
18 States Code, designate a birth date by which all children who have
19 not attained the age of 19 years will meet the age requirement of
20 Section 1396a(l)(1)(D) of Title 42 of the United States Code.

21 (b) On and after January 1, 2008, the department shall apply
22 the less restrictive income deduction described in Section 1396a(r)
23 of Title 42 of the United States Code when determining eligibility
24 for the children identified in Section 14005.26. The amount of this
25 deduction shall be the difference between 133 percent and 100
26 percent of the federal poverty level applicable to the size of the
27 family.

28 SEC. 17. Section 14005.26 is added to the Welfare and
29 Institutions Code, to read:

30 14005.26. (a) Children, including children for whom federal
31 financial participation is not available under Title XIX of the
32 federal Social Security Act (42 U.S.C. Sec. 1396 et seq.) for
33 full-scope coverage, who meet the household income and age
34 requirements in Section 14005.23 shall be eligible to enroll in the
35 Medi-Cal program.

36 (b) When determining the eligibility of children described in
37 subdivision (a), the department shall apply the less restrictive
38 income disregard described in Section 1396a(r) of Title 42 of the
39 United States Code. The income disregard shall be equal to the
40 difference between the income standard and the amount equal to

1 133 percent of the federal poverty level applicable to the family
2 size.

3 (c) Nothing in this section shall be construed to authorize the
4 denial, discontinuance, or reduction of medical assistance under
5 the Medi-Cal program or the Healthy Families Program (Part 6.2
6 (commencing with Section 12693) of Division 2 of the Insurance
7 Code) to a person who qualifies for the Medi-Cal program or for
8 the Healthy Families Program, or who, without the application of
9 this section, would qualify for either program, or to relieve the
10 Medi-Cal program or the Healthy Families Program of the
11 obligation to determine eligibility on all other available grounds.

12 SEC. 18. Section 14011.01 is added to the Welfare and
13 Institutions Code, to read:

14 14011.01. (a) The department, in coordination with the
15 Managed Risk Medical Insurance Board, counties, consumer
16 advocates, and other stakeholders, shall make technological
17 improvements to the existing eligibility determination and
18 enrollment systems for the Medi-Cal program, such as the
19 Medi-Cal Eligibility Data System (MEDS), and the Healthy
20 Families Program based on the guidelines set forth in subdivisions
21 (b), (c), and (d) in order to better integrate the enrollment processes
22 for those programs.

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

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

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

35 (2) Eliminate all duplicative requests and requirements for
36 applications and other information and require the Managed Risk
37 Medical Insurance Board, the department, and the counties to use
38 the procedures in subdivisions (e) to (g), inclusive, of Section
39 14005.37 for all applications to minimize the burdens on families.

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

5 (4) Eliminate all documentation requirements, other than those
6 required by federal law, and verify necessary information through
7 other available databases and through the use of the procedures
8 established in subdivisions (e) to (g), inclusive, of Section
9 14005.37.

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

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

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

16 (8) Guarantee privacy protections and secure information
17 exchange.

18 (d) To improve the integration and efficiency of technological
19 systems used by the state to operate the Medi-Cal program and
20 the Healthy Families Program, the department shall take the
21 following actions:

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

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

27 (3) Develop a plan and timeline for the implementation of
28 technology that provides an infrastructure to allow legacy systems,
29 new enrollment systems, and other systems to access common
30 system functions, features, and rules through a central repository
31 of shared services.

32 SEC. 19. Section 14011.61 is added to the Welfare and
33 Institutions Code, to read:

34 14011.61. (a) To the extent allowed under Title XIX of the
35 federal Social Security Act (42 U.S.C. Sec. 1396 et seq.) and Title
36 XXI of the federal Social Security Act (42 U.S.C. Sec. 1397aa et
37 seq.), and to the extent federal financial participation is available
38 under Title XXI of the federal Social Security Act, the department
39 shall administer the Medi-Cal Presumptive Eligibility Program to
40 provide a child who meets the criteria set forth in subdivision (d)

1 with presumptive eligibility benefits for the period described in
2 subdivision (g).

3 (b) The department shall designate all 58 counties as qualified
4 entities for determining eligibility under this section.

5 (c) A county shall perform an initial screen of every application
6 for the Medi-Cal program or the Healthy Families Program that
7 is filed with that county. The initial screen shall be completed
8 within 48 hours from the time of submission of the application for
9 the Medi-Cal program or the Healthy Families Program.

10 (d) On the basis of the initial screen performed by the county,
11 a child who meets all of the following requirements shall be eligible
12 for presumptive eligibility benefits under this section:

13 (1) The child, or his or her parent or guardian, submits an
14 application for the Medi-Cal program or the Healthy Families
15 Program with the county.

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

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

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

25 (e) When the county performs the initial screen and determines
26 that the child meets the criteria described in subdivision (d), the
27 county shall immediately establish presumptive eligibility for the
28 Medi-Cal program for that child. The presumptive eligibility
29 benefits provided under this section shall be identical to the benefits
30 provided to children who receive full-scope Medi-Cal benefits
31 with no share of cost and shall only be made available through a
32 Medi-Cal program provider.

33 (f) Once presumptive eligibility has been established, the county
34 shall continue to determine a child's eligibility for the Medi-Cal
35 program on the basis of the application submitted to it.

36 (g) The period of presumptive eligibility provided for under this
37 section begins on the first day of the month that the application is
38 filed.

39 (h) If the county determines that the child is eligible for the
40 Medi-Cal program without a share of cost, the county shall enroll

1 the child in the Medi-Cal program without an interruption in
2 coverage. If the county determines that the child is eligible for the
3 Medi-Cal program with a share of cost, the county shall enroll the
4 child in the Medi-Cal program and forward the application to the
5 Managed Risk Medical Insurance Board for an evaluation of the
6 child's eligibility for the Healthy Families Program. To ensure
7 continuity of coverage, the presumptive eligibility benefits under
8 this section shall terminate on the last day of the month that
9 precedes the month in which the child begins receiving benefits
10 under the Medi-Cal program.

11 (i) If the county determines that the child is ineligible for the
12 Medi-Cal program with or without a share of cost, the county shall
13 terminate the child's presumptive eligibility benefits under this
14 section in accordance with due process requirements.

15 (j) The Managed Risk Medical Insurance Board and the
16 department, in consultation with counties, consumer advocates,
17 and other stakeholders, shall develop a notice to inform families
18 of the transfer of a case between the Medi-Cal program and the
19 Healthy Families Program and from presumptive eligibility benefits
20 to benefits under one of those programs, to minimize the confusion
21 for the family, to clarify that coverage is continued during the
22 transfer, and to provide the family with contact information
23 advising the family where to ask questions about continuity of
24 coverage and access to care.

25 (k) 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 implement this section by means of all-county
28 letters or similar instructions, without taking any further regulatory
29 action. Thereafter, the department may adopt regulations, as
30 necessary, to implement this section in accordance with the
31 requirements of Chapter 3.5 (commencing with Section 11340) of
32 Part 1 of Division 3 of Title 2 of the Government Code.

33 (l) The department, in consultation with representatives of the
34 local agencies that administer the Medi-Cal program, consumer
35 advocates, and other stakeholders, shall develop and distribute the
36 policies and procedures, including any all-county letters, necessary
37 to implement this section.

38 (m) Nothing in this section shall be construed to authorize the
39 denial of medical assistance under the Medi-Cal program to a child
40 who, without the application of this section, would qualify for that

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

4 (n) The department shall begin to implement this section on
5 January 1, 2008.

6 *SEC. 20. Section 14011.65 of the Welfare and Institutions Code*
7 *is amended to read:*

8 14011.65. (a) To the extent allowed under federal law and
9 only if federal financial participation is available under Title XXI
10 of the Social Security Act (42 U.S.C. Sec. 1397aa et seq.), the state
11 shall administer the Medi-Cal to Healthy Families Accelerated
12 Enrollment program, to provide any child who meets the criteria
13 set forth in subdivision (b) with temporary health benefits for the
14 period described in paragraph (2) of subdivision (b), as established
15 under Part 6.2 (commencing with Section 12693) of Division 2 of
16 the Insurance Code.

17 (b) (1) Any child who meets all of the following requirements,
18 shall be eligible for temporary health benefits under this section:

19 (A) The child, or his or her parent or guardian, submits an
20 application for the Medi-Cal program directly to the county.

21 (B) The child's income, as determined on the basis of the
22 application described in subparagraph (A), is within the income
23 limits established by the Healthy Families Program.

24 (C) The child is under 19 years of age at the time of the
25 application.

26 (D) The county determines, on the basis of the application
27 described in subparagraph (A), that the child is eligible for full
28 scope Medi-Cal with a share of cost.

29 (E) The child is not receiving Medi-Cal benefits at the time that
30 the application is submitted.

31 (F) The child, or his or her parent or guardian, gives, or has
32 given consent for the application to be shared with the Healthy
33 Families Program for purposes of determining the child's Healthy
34 Families Program eligibility.

35 (2) The period of accelerated eligibility provided for under this
36 section begins on the first day of the month that the county finds
37 that the child meets all of the criteria described in paragraph (1)
38 and concludes on the last day of the month that the child either is
39 fully enrolled in, or has been determined ineligible for, the Healthy
40 Families Program.

(3) For any child who meets the requirements for temporary health benefits under this section, the county shall forward to the Healthy Families Program sufficient information from the child's application to determine eligibility for the Healthy Families Program. To the extent possible, submission of that information to the Healthy Families Program shall be accomplished using an electronic process developed for use in the Medi-Cal-to-Healthy Families Bridge Benefits Program. The department shall give the Healthy Families Program a daily electronic file of all children provided temporary health benefits pursuant to this section.

(4) The temporary health benefits provided under this section shall be identical to the benefits provided to children who receive full-scope Medi-Cal benefits without a share of cost and shall only be made available through a Medi-Cal provider.

(c) The department, in consultation with the Managed Risk Medical Insurance Board and representatives of the local agencies that administer the Medi-Cal program, consumer advocates, and other stakeholders, shall develop and distribute the policies and procedures, including any all-county letters, necessary to implement this section.

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

(e) The department shall seek approval of any amendments to the state plan necessary to implement this section, in accordance with Title XIX (42 U.S.C. Sec. 1396 et seq.) of the Social Security Act. Notwithstanding any other provision of law, only when all necessary federal approvals have been obtained shall this section be implemented.

(f) Under no circumstances shall this section be implemented unless the state has sought and obtained approval of any amendments to its state plan, as described in Section 12693.50 of the Insurance Code, necessary to implement this section and obtain funding under Title XXI of the Social Security Act (42 U.S.C. Sec. 1397aa et seq.) for the provision of benefits provided under

1 this section. Notwithstanding any other provision of law, and only
2 when all necessary federal approvals have been obtained by the
3 state, this section shall be implemented only to the extent federal
4 financial participation under Title XXI of the Social Security Act
5 (42 U.S.C. Sec. 1397aa et seq.) is available to fund benefits
6 provided under this section.

7 (g) The department shall commence implementation of this
8 section on the first day of the third month following the month in
9 which federal approval of the state plan amendment or amendments
10 described in subdivision (f), and subdivision (b) of Section
11 12693.50 of the Insurance Code is received, or on August 1, 2006,
12 whichever is later.

13 (h) This section shall cease to be implemented on the date that
14 the director executes a declaration, pursuant to subdivision (h) of
15 Section ~~14011.65~~ 14011.65a, stating that implementation of ~~Section~~
16 ~~14011.65a~~ that section has commenced. ~~Implementation of this~~
17 ~~section shall resume on the date that Section 14011.65a becomes~~
18 ~~inoperative, pursuant to subdivision (h) of that section.~~

19 *SEC. 21. Section 14011.65a of the Welfare and Institutions*
20 *Code is amended to read:*

21 14011.65a. (a) To the extent allowed under federal law under
22 Title XIX (42) U.S.C. Sec. 1396 et seq.) and Title XXI (42 U.S.C.
23 1397aa et seq.) of the Social Security Act, and only if federal
24 financial participation is available under Title XXI (42 U.S.C. Sec.
25 1397aa et seq.) of the Social Security Act, the state shall administer
26 the ~~Medi-Cal~~ to Healthy Families Presumptive Eligibility Program,
27 to provide any child who meets the criteria set forth in subdivision
28 (b) with presumptive eligibility benefits for the period described
29 in paragraph (4) of subdivision (b).

30 (b) (1) On the basis of an initial screen performed by the county
31 when an application for Medi-Cal or Healthy Families Program
32 eligibility is filed, any child who meets all of the following
33 requirements, shall be eligible for presumptive eligibility benefits
34 under this section:

35 (A) The child, or his or her parent or guardian, submits an
36 application for the Medi-Cal program or the Healthy Families
37 Program directly to the county.

38 (B) The child's income, as screened by the county on the basis
39 of the application described in subparagraph (A), is not within the

1 income levels necessary to establish no share-of-cost Medi-Cal
2 eligibility.

3 (C) The child's income, as screened by the county on the basis
4 of the application described in subparagraph (A), is within the
5 income limits established by the Healthy Families Program.

6 (D) The child is under 19 years of age at the time of the
7 application.

8 (E) The child is not receiving no-cost Medi-Cal or Healthy
9 Families benefits at the time that the application is submitted.

10 (2) When the county performs the initial screen and determines
11 that the child meets the criteria described in paragraph (1), the
12 county shall establish presumptive eligibility for Healthy Families
13 for that child. Once presumptive eligibility has been established,
14 the county shall continue to determine child's eligibility for
15 Medi-Cal on the basis of the filed application.

16 (3) When the county completes the Medi-Cal eligibility
17 determination process and determines a child ineligible for no-cost
18 Medi-Cal and the child appears to be income eligible for the
19 Healthy Families Program, the county shall find the child
20 presumptively eligible for the Healthy Families Program and
21 comply with the standards set forth in paragraph (5) if either of
22 the following conditions are met:

23 (A) The county determined the child eligible for Medi-Cal with
24 a share of cost.

25 (B) The child is not income eligible for a poverty level program
26 and the county did not establish no-cost Medi-Cal eligibility
27 because the child did not complete or failed to pass the resource
28 standard or establish disability or deprivation.

29 (4) The period of presumptive eligibility provided for under this
30 section begins on the first day of the month that the county finds
31 that the child meets all of the criteria described in paragraph (1)
32 or (3), and concludes on the last day of the month of the child's
33 effective date of coverage in the Healthy Families Program, or
34 determination of ineligibility for the Healthy Families Program.

35 (5) (A) For any child who meets the requirements for
36 presumptive eligibility benefits under this section, the county shall
37 forward to the Healthy Families Program the child's application,
38 to determine eligibility for the Healthy Families Program. The
39 submission of the application to the Healthy Families Program
40 shall be accomplished using an electronic format, specified by the

1 department provided that the department has implemented the
2 automated interfaces necessary to accomplish electronic submission
3 of applications from the county to the Healthy Families Program
4 without requiring duplicative data entry by the county. If all of the
5 eligibility criteria set forth in paragraph (1) of subdivision (b) are
6 established at the time of application, the application to Healthy
7 Families Program shall be forwarded in accordance with the
8 timeframes established by the department.

9 (B) The department shall give the Healthy Families Program a
10 daily electronic file of all children provided presumptive eligibility
11 benefits pursuant to this section.

12 (6) The presumptive eligibility benefits provided under this
13 section shall be identical to the benefits provided to children who
14 receive full-scope Medi-Cal benefits without a share of cost and
15 shall only be made available through a Medi-Cal provider.

16 (c) The department, in consultation with the Managed Risk
17 Medical Insurance Board and representatives of the local agencies
18 that administer the Medi-Cal program, consumer advocates, and
19 other stakeholders, shall develop and distribute the policies and
20 procedures, including any all-county letters, necessary to
21 implement this section.

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

30 (e) The department shall seek approval of any amendments to
31 the state plan necessary to implement this section, in accordance
32 with Title XIX (42 U.S.C. Sec. 1396 et seq.) of the Social Security
33 Act. Notwithstanding any other provision of law, only when all
34 necessary federal approvals have been obtained shall this section
35 be implemented.

36 (f) Under no circumstances shall this section be implemented
37 unless the state has sought and obtained approval of any
38 amendments to its state plan, as described in Section 12693.50 of
39 the Insurance Code, necessary to implement this section and obtain
40 funding under Title XXI of the Social Security Act (42 U.S.C.

1 Sec. 1397aa et seq.) for the provision of benefits provided under
2 this section. Notwithstanding any other provision of law, and only
3 when all necessary federal approvals have been obtained by the
4 state, this section shall be implemented only to the extent federal
5 financial participation under Title XXI of the Social Security Act
6 (42 U.S.C. Sec. 1397aa et seq.) is available to fund benefits
7 provided under this section.

8 (g) The department shall commence implementation of this
9 section on the first day of the third month following the month in
10 which federal approval of the state plan amendment or amendments
11 described in subdivision (f), and subdivision (b) of Section
12 12693.50 of the Insurance Code is received, or on August 1, 2007,
13 whichever is later.

14 (h) Upon implementation of the ~~Medi-Cal to Healthy Families~~
15 Presumptive Eligibility Program pursuant to this section, the
16 director shall execute a declaration, which shall be retained by the
17 director, stating that implementation of this section has
18 commenced. ~~This section shall become inoperative three years~~
19 ~~after the date that the director executes the declaration, and shall~~
20 ~~be repealed on January 1 of the year following the date upon which~~
21 ~~this section becomes inoperative.~~

22 ~~SEC. 20.~~

23 ~~SEC. 22.~~ Notwithstanding any other provision of law, the
24 Managed Risk Medical Insurance Board may implement the
25 provisions of this act expanding the Healthy Families Program
26 only to the extent that funds are appropriated for those purposes
27 in the annual Budget Act or in another statute.

28 ~~SEC. 21.~~

29 ~~SEC. 23.~~ If the Commission on State Mandates determines that
30 this act contains costs mandated by the state, reimbursement to
31 local agencies and school districts for those costs shall be made
32 pursuant to Part 7 (commencing with Section 17500) of Division
33 4 of Title 2 of the Government Code.

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36 **CORRECTIONS:** _____

37 **Text—Page 11.** _____

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