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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**

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### **Introduced by Senator Steinberg**

(Principal coauthor: Assembly Member Laird)

**(Coauthor: ~~Senator Alquist~~ Coauthors: *Senators Alquist and Correa*)**

(Coauthor: Assembly Member Wolk)

December 4, 2006

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An act to amend *Section 123870 of the Health and Safety Code*, to amend Sections 12693.43, 12693.70, 12693.73, 12693.76, 12693.98, ~~and 12693.98a~~ 12693.98a, and 12694 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, the Insurance Code, and to amend 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. *Existing law requires the Managed Risk Medical Insurance Board and the Department of Insurance, in collaboration with entities administering the California Special Supplemental Food Program for Women, Infants, and Children (WIC), to develop an automated enrollment gateway system allowing a presumptive eligibility determination for the Medi-Cal program and the Healthy Families Program to be made for children applying for the WIC program.*

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~~ *require the Managed Risk Medical Insurance Board, by January 2008, in consultation with stakeholders, to implement a process for an applicant's self-certification of income and income deductions* for purposes of establishing eligibility for the ~~program~~ *Healthy Families 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 that coverage under the buy-in program would include services provided under the California Children's Services Program (CCSP) for children eligible for CCSP and would deem the child's family financially eligible for benefits under CCSP. Because the bill would thereby expand eligibility for the CCSP, which is administered by a county's public health or social welfare department, it would impose a state-mandated local program.* The bill would specify the family contribution required for children enrolled in the buy-in program

*and would require an additional payment, as determined by the Managed Risk Medical Insurance Board, from the family of a child determined eligible for CCSP.* 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. *The bill would specify that an entity's use of the automated enrollment gateway system for presumptive eligibility determinations for WIC applicants would be required only to the extent that adequate financial assistance is available for that purpose.*

(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 *with*

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, 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.

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 123870 of the Health and Safety Code is  
23 amended to read:

24 123870. (a) The department shall establish standards of  
25 financial eligibility for treatment services under the California  
26 Children's Services Program (CCS program).

27 (1) Financial eligibility for treatment services under this program  
28 shall be limited to persons in families with an adjusted gross  
29 income of forty thousand dollars (\$40,000) or less in the most  
30 recent tax year, as calculated for California state income tax  
31 purposes. If a person is enrolled in the Healthy Families Program  
32 (Part 6.2 (commencing with Section 12693) of Division 2 of the  
33 Insurance Code), the financial documentation required for that

1 program in Section 2699.6600 of Title 10 of the California Code  
2 of Regulations may be used instead of the person's California state  
3 income tax return. However, the director may authorize treatment  
4 services for persons in families with higher incomes if the estimated  
5 cost of care to the family in one year is expected to exceed 20  
6 percent of the family's adjusted gross income.

7 (2) Children enrolled in *either* the Healthy Families Program  
8 *or the Healthy Families Buy-In Program* who have a CCS program  
9 eligible medical condition under Section 123830, and whose  
10 families do not meet the financial eligibility requirements of  
11 paragraph (1), shall be deemed financially eligible for CCS  
12 program benefits.

13 (b) Necessary medical therapy treatment services under the  
14 California Children's Services Program rendered in the public  
15 schools shall be exempt from financial eligibility standards and  
16 enrollment fee requirements for the services when rendered to any  
17 handicapped child whose educational or physical development  
18 would be impeded without the services.

19 (c) All counties shall use the uniform standards for financial  
20 eligibility and enrollment fees established by the department. All  
21 enrollment fees shall be used in support of the California Children's  
22 Services Program.

23 (d) Annually, every family with a child eligible to receive  
24 services under this article shall pay a fee of twenty dollars (\$20),  
25 that shall be in addition to any other program fees for which the  
26 family is liable. This assessment shall not apply to any child who  
27 is eligible for full scope Medi-Cal benefits without a share of cost,  
28 for children receiving therapy through the California Children's  
29 Services Program as a related service in their individualized  
30 education plans, for children from families having incomes of less  
31 than 100 percent of the federal poverty level, or for children  
32 covered under the Healthy Families Program *or the Healthy*  
33 *Families Buy-In Program*.

34 ~~SEC. 2.~~

35 *SEC. 3.* Section 12693.43 of the Insurance Code is amended  
36 to read:

37 12693.43. (a) Applicants applying to the purchasing pool shall  
38 agree to pay family contributions, unless the applicant has a family  
39 contribution sponsor. Family contribution amounts consist of the  
40 following two components:

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

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

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

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

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

20 (3) On and after July 1, 2005, fifteen dollars (\$15) per child  
21 with a maximum required contribution of forty-five dollars (\$45)  
22 per month per family for applicants with annual household income  
23 ~~greater than 200 percent and up to and including 250 percent of~~  
24 ~~the federal poverty level.~~ *to which subparagraph (B) of paragraph*  
25 *(5) of subdivision (a) of Section 12693.70 is applicable.*  
26 *Notwithstanding any other provision of law, if an application with*  
27 *an effective date prior to July 1, 2005, was based on annual*  
28 *household income to which subparagraph (B) of paragraph (5) of*  
29 *subdivision (a) of Section 12693.70 is applicable, then this*  
30 *subparagraph shall be applicable to the applicant on July 1, 2005,*  
31 *unless subparagraph (B) of paragraph (5) of subdivision (a) of*  
32 *Section 12693.70 is no longer applicable to the relevant family*  
33 *income. The program shall provide prior notice to any applicant*  
34 *for currently enrolled subscribers whose premium will increase*  
35 *on July 1, 2005, pursuant to this subparagraph and, prior to the*  
36 *date the premium increase takes effect, shall provide that applicant*  
37 *with an opportunity to demonstrate that subparagraph (B) of*  
38 *paragraph (5) of subdivision (a) of Section 12693.70 is no longer*  
39 *applicable to the relevant family income.*

(4) Twenty-two dollars and fifty cents (\$22.50) per child with a maximum required contribution of sixty-seven dollars and fifty cents (\$67.50) per month per family for applicants ~~with an annual household income greater than 250 percent and up to and including 300 percent of the federal poverty level.~~ *on behalf of children with an annual household income described in subparagraph (C) of paragraph (5) of subdivision (a) of Section 12693.70.*

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

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

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

(2) Six dollars (\$6) per child with a maximum required contribution of eighteen dollars (\$18) per month per family for applicants with annual household incomes greater than 150 percent and up to and including 200 percent of the federal poverty level and for applicants on behalf of children described in clause (ii) of subparagraph (A) of paragraph ~~(6)~~ (5) of subdivision (a) of Section 12693.70.

(3) On and after July 1, 2005, twelve dollars (\$12) per child with a maximum required contribution of thirty-six dollars (\$36) per month per family for applicants with annual household income ~~greater than 200 percent and up to and including 250 percent of the federal poverty level.~~ *to which subparagraph (B) of paragraph (5) of subdivision (a) of Section 12693.70 is applicable. Notwithstanding any other provision of law, if an application with an effective date prior to July 1, 2005, was based on annual household income to which subparagraph (B) of paragraph (5) of subdivision (a) of Section 12693.70 is applicable, then this subparagraph shall be applicable to the applicant on July 1, 2005,*



1 *unless subparagraph (B) of paragraph (5) of subdivision (a) of*  
 2 *Section 12693.70 is no longer applicable to the relevant family*  
 3 *income. The program shall provide prior notice to any applicant*  
 4 *for currently enrolled subscribers whose premium will increase*  
 5 *on July 1, 2005, pursuant to this subparagraph and, prior to the*  
 6 *date the premium increase takes effect, shall provide that applicant*  
 7 *with an opportunity to demonstrate that subparagraph (B) of*  
 8 *paragraph (5) of subdivision (a) of Section 12693.70 is no longer*  
 9 *applicable to the relevant family income.*

10 (4) Sixteen dollars (\$16) per child with a maximum required  
 11 contribution of forty-eight dollars (\$48) per month per family for  
 12 ~~applicants with an annual household income greater than 250~~  
 13 ~~percent and up to and including 300 percent of the federal poverty~~  
 14 ~~level; applicants on behalf of children with an annual household~~  
 15 ~~income described in subparagraph (C) of paragraph (5) of~~  
 16 ~~subdivision (a) of Section 12693.70.~~

17 (e) Applicants, but not family contribution sponsors, who pay  
 18 three months of required family contributions in advance shall  
 19 receive the fourth consecutive month of coverage with no family  
 20 contribution required.

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

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

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

1 Government Code, the 120-day period, as applicable to the  
2 effective period of an emergency regulatory action and submission  
3 of specified materials to the Office of Administrative Law, is  
4 hereby extended to 180 days.

5 ~~SEC. 3.~~

6 *SEC. 4.* Section 12693.55 is added to the Insurance Code, to  
7 read:

8 12693.55. The board and the State Department of Health Care  
9 Services shall maximize federal matching funds available under  
10 the program and the Medi-Cal program and shall implement  
11 strategies that coordinate and integrate other programs that provide  
12 health care coverage for children to maximize federal matching  
13 funds, such as matching funds available for emergency or  
14 pregnancy-related benefits under the Medi-Cal program for all  
15 eligible children.

16 ~~SEC. 4.~~

17 *SEC. 5.* Section 12693.56 is added to the Insurance Code, to  
18 read:

19 12693.56. The confidentiality and privacy protections of  
20 Sections 10500 and 14100.2 of the Welfare and Institutions Code  
21 shall apply to all children seeking, applying for, or enrolled in, the  
22 program.

23 ~~SEC. 5.~~

24 *SEC. 6.* Section 12693.57 is added to the Insurance Code, to  
25 read:

26 12693.57. Upon implementation of Section 14005.26 of the  
27 Welfare and Institutions Code and Section 12693.701, the board,  
28 in consultation with the State Department of Health Care Services,  
29 shall develop a process for the transition of eligible children from  
30 local children's health initiatives to the Medi-Cal program and to  
31 the Healthy Families Program. The process shall include, but not  
32 be limited to, the following provisions:

33 (a) A child enrolled in comprehensive health care coverage  
34 provided by a children's health initiative shall, ~~upon his or her~~  
35 ~~annual renewal date~~, be automatically enrolled in the Medi-Cal  
36 program or the Healthy Families Program, *pursuant to subdivisions*  
37 *(b) and (c)*, if an application is made and the child is eligible for  
38 either program. The child shall be enrolled in the same health plan  
39 that provided coverage to the child under the local children's health

1 initiative, if the health plan is a participating plan in the Medi-Cal  
2 program or the Healthy Families Program.

3 *(b) The automatic enrollment process described in subdivision*  
4 *(a) shall, for each local children's health initiative, only occur*  
5 *after the board and the State Department of Health Care Services*  
6 *have developed and implemented a plan with each local children's*  
7 *health initiative to ensure all children are transferred to the*  
8 *Medi-Cal program or the Healthy Families Program without a*  
9 *disruption in coverage. The board and the State Department of*  
10 *Health Care Services shall develop these plans with local*  
11 *children's health initiatives and children's advocates. These plans*  
12 *shall include, but not be limited to, all of the following:*

13 *(1) A timely process for communicating with families of eligible*  
14 *children about their eligibility, coverage options, and the automatic*  
15 *enrollment process.*

16 *(2) Development and implementation of an effective and secure*  
17 *process for transferring information and any prepaid premiums*  
18 *from local children's health initiatives to the board and*  
19 *department, as well as gathering additional information needed*  
20 *to complete appropriate applications.*

21 *(3) Training on this transfer of children and their coverage for*  
22 *local eligibility workers, Certified Application Assistors, and other*  
23 *local children's health initiative organizations assisting this*  
24 *population.*

25 *(c) The automatic enrollment process described in subdivision*  
26 *(a) shall only occur after the board has implemented the*  
27 *confidentiality and privacy standards pursuant to Section 12693.56*  
28 *and the board and department have implemented the other*  
29 *functions necessary to operate the eligibility expansion pursuant*  
30 *to Sections 12693.43, 12693.70, 12693.701, and 12693.76, and*  
31 *Sections 14005.23 and 14005.26 of the Welfare and Institutions*  
32 *Code.*

33 *(d) The board and department shall complete the activities*  
34 *described in subdivisions (b) and (c) no later than July 1, 2008.*

35 *(e) Notwithstanding Chapter 3.5 (commencing with Section*  
36 *11340) of Part 1 of Division 3 of Title 2 of the Government Code,*  
37 *the board and department may issue regulations, all-county letters*  
38 *or similar instructions, as necessary pursuant to the Administrative*  
39 *Procedure Act, to implement the requirements of this section. The*  
40 *adoption and readoption of regulations pursuant to this section*

1 *shall be deemed to be an emergency and necessary for the*  
2 *immediate preservation of public peace, health and safety, or*  
3 *general welfare.*

4 ~~(b)~~

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

10 ~~SEC. 6.~~

11 SEC. 7. Section 12693.70 of the Insurance Code is amended  
12 to read:

13 12693.70. To be eligible to participate in the program, an  
14 applicant shall meet all of the following requirements:

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

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

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

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

27 (4) A resident of the State of California pursuant to Section 244  
28 of the Government Code; or, if not a resident pursuant to Section  
29 244 of the Government Code, is physically present in California  
30 and entered the state with a job commitment or to seek  
31 employment, whether or not employed at the time of application  
32 to or after acceptance in, the program.

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

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

36 (ii) When implemented by the board, subject to subdivision (b)  
37 of Section 12693.765 and pursuant to this section, a child under  
38 the age of two years who was delivered by a mother enrolled in  
39 the Access for Infants and Mothers Program as described in Part  
40 6.3 (commencing with Section 12695). Commencing July 1, 2007,

eligibility under this subparagraph shall not include infants during any time they are enrolled in employer-sponsored health insurance or are subject to an exclusion pursuant to Section 12693.71 or 12693.72, or are enrolled in the full scope of benefits under the Medi-Cal program at no share of cost. For purposes of this clause, any infant born to a woman whose enrollment in the Access for Infants and Mothers Program begins after June 30, 2004, shall be automatically enrolled in the Healthy Families Program, except during any time on or after July 1, 2007, that the infant is enrolled in employer-sponsored health insurance or is subject to an exclusion pursuant to Section 12693.71 or 12693.72, or is enrolled in the full scope of benefits under the Medi-Cal program at no share of cost. Except as otherwise specified in this section, this enrollment shall cover the first 12 months of the infant's life. At the end of the 12 months, as a condition of continued eligibility, the applicant shall provide income information. The infant shall be disenrolled if the gross annual household income exceeds the income eligibility standard that was in effect in the Access for Infants and Mothers Program at the time the infant's mother became eligible, or following the two-month period established in Section 12693.981 or the period established in Section 12693.981a if the infant is eligible for Medi-Cal with no share of cost. At the end of the second year, infants shall again be screened for program eligibility pursuant to this section, with income eligibility evaluated pursuant to clause (i), subparagraphs (B) and (C), and paragraph (2) of subdivision (a).

(B) All income over 200 percent of the federal poverty level but less than or equal to ~~300~~ 250 percent of the federal poverty level shall be disregarded in calculating annual or monthly household income.

*(C) All income over 250 percent of the federal poverty level but less than or equal to 300 percent of the federal poverty level shall be disregarded in calculating annual or monthly household income.*

~~(C)~~

(D) In a family with an annual or monthly household income greater than 300 percent of the federal poverty level, any income deduction that is applicable to a child under Medi-Cal shall be applied in determining the annual or monthly household income. If the income deductions reduce the annual or monthly household

1 income to 300 percent or less of the federal poverty level,  
2 subparagraph ~~(B)~~ (C) shall be applied.

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

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

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

12 *(d) In filing documentation to meet program eligibility*  
13 *requirements, if the applicant's income documentation cannot be*  
14 *provided, as defined in regulations promulgated by the board, the*  
15 *applicant's signed statement as to the value or amount of income*  
16 *shall be deemed to constitute verification.*

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

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

35 *(g) By January 2008, the board, in consultation with*  
36 *stakeholders, shall implement a process by which applicants*  
37 *self-certify income and income deductions at the time of initial*  
38 *application. The board shall request documentation and verify*  
39 *that information only to the extent required under federal law.*

~~SEC. 7.~~

SEC. 8. Section 12693.701 is added to the Insurance Code, to read:

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

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

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

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

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

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

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

~~SEC. 8.~~

*SEC. 9.* Section 12693.73 of the Insurance Code is amended to read:

12693.73. Notwithstanding any other provision of law, children excluded from coverage under Title XXI of the Social Security Act are not eligible for coverage under the program, except as specified in clause (ii) of subparagraph (A) of paragraph (5) of subdivision (a) of Section 12693.70, Section 12693.701, and Section 12693.76.

~~SEC. 9.~~

*SEC. 10.* Section 12693.76 of the Insurance Code is amended to read:

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

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

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

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

~~SEC. 10.~~

*SEC. 11.* Section 12693.98 of the Insurance Code is amended to read:

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



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

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

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

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

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

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

17 (E) He or she is not otherwise excluded under the definition of  
18 “targeted low-income child” under subsections (b)(1)(B)(ii),  
19 (b)(1)(C), and (b)(2) of Section 2110 of the Social Security Act  
20 (42 U.S.C. Secs. 1397jj(b)(1)(B)(ii), 1397jj(b)(1)(C), and  
21 1397jj(b)(2)).

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

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

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

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

37 (f) Except as provided in subdivision (j), nothing in this section  
38 shall be construed to provide Healthy Families benefits for more  
39 than a one calendar-month period under any circumstances,  
40 including the failure to apply for benefits under the Healthy

1 Families Program or the failure to be made aware of the availability  
2 of the Healthy Families Program, unless the circumstances  
3 described in subdivision (b) reoccur.

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

7 (2) Under no circumstances shall this section become operative  
8 until, and shall be implemented only to the extent that, all necessary  
9 federal approvals, including approval of any amendments to the  
10 State Child Health Plan have been sought and obtained and federal  
11 financial participation under the federal State Children's Health  
12 Insurance Program, as set forth in Title XXI of the Social Security  
13 Act, has been approved.

14 (h) This section shall become inoperative if an unappealable  
15 court decision or judgment determines that any of the following  
16 apply:

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

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

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

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

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

36 (k) This section shall cease to be implemented on the date that  
37 the Director of Health Care Services executes a declaration stating  
38 that implementation of the Medi-Cal to Healthy Families  
39 Presumptive Eligibility Program established pursuant to Section  
40 12693.98a has commenced, and as of that date is repealed.

~~SEC. 11.~~

*SEC. 12.* Section 12693.98a of the Insurance Code is amended to read:

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

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

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

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

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

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

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

(d) The scope of presumptive eligibility benefits provided under the Medi-Cal to Healthy Families Presumptive Eligibility Program

1 shall be identical to the scope of benefits that the child was  
2 receiving under the Medi-Cal program without a share of cost.

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

6 (f) When an application is forwarded by the county to the  
7 Healthy Families Program, the county shall send the application  
8 to the Healthy Families Program via an electronic application  
9 format defined by the department, provided that the department  
10 has implemented the automated interfaces necessary to accomplish  
11 electronic submission of applications from the county to the  
12 Healthy Families Program without requiring duplicative data entry  
13 by the county. The transmission of the electronic application to  
14 the Healthy Families Program shall occur within the timeframes  
15 designated by the department.

16 (g) To the extent necessary, the department and the board may  
17 exchange a child's case file solely for the purpose of determining  
18 the child's eligibility for the Medi-Cal program or the Healthy  
19 Families Program, without requiring the family's consent, to the  
20 extent allowed by federal law. Any information, including the  
21 child's case file, shall be kept confidential by the department and  
22 the board pursuant to state and federal law, and it shall be used  
23 only for the determination or continuation of eligibility.

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

32 (i) This section shall be implemented when the state has sought  
33 and obtained approval of any amendments to its state plan  
34 necessary to implement the changes to this section, pursuant to  
35 this act, and has obtained funding under Title XXI of the Social  
36 Security Act (42 U.S.C. Sec. 1397aa et seq.) for the provision of  
37 benefits under this section. Until the changes to this section, made  
38 by this act, are implemented, the Medi-Cal to Healthy Families  
39 Bridge Program established pursuant to Section 12693.98 shall  
40 remain in effect. Notwithstanding any other provision of law, and

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

6 (j) Upon implementation of the Medi-Cal to Healthy Families  
7 Presumptive Eligibility Program pursuant to this section, the  
8 Director of Health Care Services shall execute a declaration, which  
9 shall be retained by the director, stating that implementation of  
10 the section has commenced.

11 ~~SEC. 12.~~

12 *SEC. 13.* Section 12693.981 of the Insurance Code is amended  
13 to read:

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

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

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

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

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

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

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

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

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

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

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

(3) The provisions of this section require that the health care benefits provided pursuant to this section are required to be 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.~~

*SEC. 14.* 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

1 under the Healthy Families Program shall continue until the end  
2 of the month in which that determination is made.

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

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

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

19 (f) The scope of presumptive eligibility benefits provided under  
20 the Healthy Families to Medi-Cal Presumptive Eligibility Program  
21 shall be identical to the full scope of benefits under the Medi-Cal  
22 program.

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

26 (h) To the extent necessary and to the extent allowed by federal  
27 law, the State Department of Health Care Services, counties, and  
28 the board may exchange a child's case file solely for the purpose  
29 of determining the child's eligibility for the Medi-Cal program or  
30 the Healthy Families Program, without requiring the family's  
31 consent. Any information, including the child's case file, shall be  
32 kept confidential by the department and the board in accordance  
33 with the confidentiality and privacy protections set forth in Sections  
34 10500 and 14100.2 of the Welfare and Institutions Code.

35 (i) The board shall develop, in consultation with consumer  
36 advocates and other stakeholders, a system for tracking cases where  
37 children receive benefits under the Healthy Families to Medi-Cal  
38 Presumptive Eligibility Program for more than two months and  
39 for followup of those cases. The followup system shall include the  
40 following activities to ensure that children in the Healthy Families

1 to Medi-Cal Presumptive Eligibility Program are enrolled in a  
2 timely manner into the ongoing health care benefits program for  
3 which they are eligible:

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

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

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

28 ~~SEC. 14.~~

29 *SEC. 15.* Section 12693.983 is added to the Insurance Code,  
30 to read:

31 12693.983. (a) The board and the State Department of Health  
32 Care Services shall monitor the Medi-Cal to Healthy Families  
33 Presumptive Eligibility Program in Section 12693.98a and the  
34 Healthy Families to Medi-Cal Presumptive Eligibility Program in  
35 Section 12693.981a in order to ensure that all children are enrolled  
36 in a timely manner in the presumptive eligibility benefits for which  
37 they are eligible.

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



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

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

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

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

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

19 *(c) The department shall work with the Managed Risk Medical*  
20 *Insurance Board, counties, and client advocates to document and*  
21 *identify barriers to timely eligibility determination and*  
22 *discontinuance of accelerated benefits for children and to*  
23 *implement methods to overcome those barriers. The department,*  
24 *in consultation with the Managed Risk Medical Insurance Board,*  
25 *counties, and client advocates, shall provide written*  
26 *recommendations to the Secretary of California Health and Human*  
27 *Services on how to ensure timely eligibility determinations for*  
28 *children enrolled in accelerated enrollment and presumptive*  
29 *eligibility programs and shall work with stakeholders and*  
30 *consumer advocates to implement those recommendations.*

31 *SEC. 16. Section 12694 of the Insurance Code is amended to*  
32 *read:*

33 12694. (a) The board and the department, in collaboration  
34 with program offices for the California Special Supplemental Food  
35 Program for Women, Infants, and Children (WIC or the WIC  
36 program), local WIC agencies, counties in their capacity of making  
37 Medi-Cal eligibility determinations, advocates, information  
38 technology specialists, and other stakeholders, shall design,  
39 promulgate, and implement policies and procedures for an  
40 automated enrollment gateway system developed by the department

1 and the board that performs, but is not limited to performing, the  
2 following functions:

3 (1) To the extent that federal financial participation is available,  
4 allowing children applying to the WIC program to submit a simple  
5 electronic application to simultaneously obtain presumptive  
6 eligibility for Medi-Cal and Healthy Families under Title XIX ~~(42)~~  
7 *(42 U.S.C. Sec. 1396 et seq.)* and Title XXI *(42 U.S.C. Sec. 1397aa*  
8 *et seq.)* of the Social Security Act and apply for enrollment into  
9 the Medi-Cal program or the Healthy Families Program with the  
10 consent of their parent or guardian.

11 (2) Modify the existing WIC enrollment system to obtain the  
12 minimum required data for enrollment in *the* Medi-Cal *program*  
13 and *the* Healthy Families *Program* in order to provide an electronic  
14 transactional platform that is connected to the simple electronic  
15 application referenced in paragraph (1) and allowing for an  
16 interface between that application, the Medi-Cal Eligibility Data  
17 System (MEDS), and the Medi-Cal program or the Healthy  
18 Families Program, as relevant.

19 (3) Providing an automated real-time connection with MEDS  
20 for the purpose of checking an applicant's enrollment status.

21 (4) Allowing for the electronic transfer of information to the  
22 Medi-Cal program or the Healthy Families Program, as relevant,  
23 for the purpose of making the final eligibility determination.

24 (5) Checking, as relevant, available government databases for  
25 the purpose of electronically receiving information that is necessary  
26 to allow the Medi-Cal program or the Healthy Families Program  
27 to complete the eligibility determination. The department and the  
28 Managed Risk Medical Insurance Board shall comply with all  
29 applicable privacy and confidentiality provisions under federal  
30 and state law.

31 (b) The automated enrollment gateway system shall be  
32 constructed with the capacity to be used by entities operating the  
33 WIC program.

34 (c) The WIC application process shall be modified to provide  
35 an electronic application described in subdivision (a), which shall  
36 contain the information necessary to apply for the automated  
37 enrollment gateway system, supplemented by information required  
38 to apply for enrollment into the Medi-Cal program or the Healthy  
39 Families Program.

1 (d) Benefits for applicants opting to simultaneously obtain  
2 presumptive eligibility for enrollment under this section shall  
3 continue until a final eligibility determination is made for the  
4 Medi-Cal program or the Healthy Families Program pursuant to  
5 Section 14011.8 of the Welfare and Institutions Code.

6 (e) Operation of the automated enrollment gateway system for  
7 the WIC program shall occur within a timely and appropriate period  
8 as determined by the department and the board, in consultation  
9 with the stakeholders as provided in subdivision (a), subject to a  
10 specific appropriation being provided for that purpose in the Budget  
11 Act or in subsequent legislation. The automated enrollment  
12 gateway system shall comply with all applicable confidentiality  
13 and privacy protection in federal and state law and regulation.

14 (f) The WIC program shall collect income and residency  
15 information necessary for the Medi-Cal program and the Healthy  
16 Families Program documentation requirements for applications  
17 submitted through the automated enrollment gateway system. To  
18 the extent allowed by the federal government, the Medi-Cal and  
19 Healthy Families programs shall rely on income information  
20 obtained by WIC and upon the income verification process  
21 performed by WIC. The Medi-Cal and Healthy Families programs  
22 shall collect and verify citizenship and immigration information  
23 as required under those programs.

24 (g) Consistent with the provisions of this section, the Medi-Cal  
25 and Healthy Families programs may collect additional information  
26 needed to verify eligibility in those programs.

27 (h) Counties shall accept and process for a Medi-Cal eligibility  
28 determination applications provided by the WIC gateway system  
29 and ensure timely processing of these applications and a timely  
30 eligibility determination and ending of presumptive eligibility.

31 (i) The presumptive eligibility benefits provided under this  
32 section shall be identical to the benefits provided to children who  
33 receive full-scope Medi-Cal benefits without a share of cost, and  
34 shall only be made available through a Medi-Cal provider.

35 (j) The confidentiality and privacy protections set forth in  
36 Sections 10850 and 14100.2 of the Welfare and Institutions Code  
37 and all other confidentiality and privacy protections in federal and  
38 state law and regulation shall apply to all children and families  
39 using the automated enrollment gateway system as described in  
40 this section.

1 (k) The state shall promote and offer support to the WIC  
2 program for the use of the simple electronic application and the  
3 automated enrollment gateway system.

4 (l) The board shall seek approval of any amendments to the  
5 state plan necessary to implement this section, in accordance with  
6 Title XXI (42 U.S.C. Sec. 1397aa et seq.) of the federal Social  
7 Security Act.

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

14 (n) *Use of the automated enrollment gateway system by an entity*  
15 *shall be required only to the extent that sufficient financial*  
16 *assistance, which may be provided by public or private sources,*  
17 *is made available to support the additional training, staff time,*  
18 *administration, and other expenditures required by the entity to*  
19 *use the automated enrollment gateway systems.*

20 ~~SEC. 15:~~

21 *SEC. 17.* Chapter 16.2 (commencing with Section 12694.1) is  
22 added to Part 6.2 of Division 2 of the Insurance Code, to read:

23  
24 CHAPTER 16.2. HEALTHY FAMILIES BUY-IN PROGRAM  
25

26 12694.1. On or after \_\_\_\_, the board shall implement the  
27 Healthy Families Buy-In Program that shall be referred to as the  
28 buy-in program for purposes of this chapter.

29 12694.2. A child under 19 years of age is eligible for the buy-in  
30 program if he or she meets all of the following criteria:

31 (a) Lives in a family whose monthly or annual income exceeds  
32 300 percent of the federal poverty level.

33 (b) Is not eligible for full scope Medi-Cal benefits *without a*  
34 *share of cost* or the Healthy Families Program.

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

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 include health, dental, and vision  
4 benefits provided solely by a participating health, dental, or vision  
5 care plan. *Coverage shall also include the services provided*  
6 *pursuant to the California Children's Services Program (Article*  
7 *5 (commencing with Section 123800) of Chapter 3 of Part 2 of*  
8 *Division 106 of the Health and Safety Code) for a child who has*  
9 *been found eligible for that program.*

10 12694.5. (a) The family of a child enrolled in the buy-in  
11 program shall pay the board a monthly contribution amount that  
12 equals the full cost of coverage for *health, dental, and vision*  
13 *benefits for the child under the Healthy Families Program. The*  
14 *family of a child enrolled in the buy-in program who has been*  
15 *determined eligible for the California Children's Services Program*  
16 *shall also pay the board the average monthly cost of providing*  
17 *services to a child pursuant to the California Children's Services*  
18 *Program, as calculated annually by the board in consultation with*  
19 *the California Children's Services Program based on its*  
20 *operational experience.*

21 (b) The family of a child enrolled in the buy-in program shall  
22 receive the same discounts from their contributions under this  
23 section as provided to applicants pursuant to paragraph (4) of  
24 subdivision (d) of, and subdivisions (e) and (f) of, Section 12693.43  
25 and shall be subject to the payment procedures set forth in Section  
26 2699.6813 of Title 10 of the California Code of Regulations.

27 12694.6. (a) A county that determines a child ineligible for  
28 the Medi-Cal program or for the Healthy Families Program shall  
29 inform the applicant of the option of enrolling the child in the  
30 buy-in program and, with the applicant's approval, shall transmit  
31 the application to the board.

32 (b) If the board determines a child is ineligible for the Healthy  
33 Families Program or the Medi-Cal program, it shall inform the  
34 applicant of the option of enrolling the child in the buy-in program  
35 and, with the applicant's approval, shall consider the application  
36 for the child's eligibility for the buy-in program.

37 ~~SEC. 16.~~

38 *SEC. 18.* Section 14005.23 of the Welfare and Institutions  
39 Code is amended to read:

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

7 (b) On and after January 1, 2008, the department shall apply  
8 the less restrictive income deduction described in Section 1396a(r)  
9 of Title 42 of the United States Code when determining eligibility  
10 for the children identified in Section 14005.26. The amount of this  
11 deduction shall be the difference between 133 percent and 100  
12 percent of the federal poverty level applicable to the size of the  
13 family.

14 ~~SEC. 17:~~

15 *SEC. 19.* Section 14005.26 is added to the Welfare and  
16 Institutions Code, to read:

17 14005.26. (a) Children, including children for whom federal  
18 financial participation is not available under Title XIX of the  
19 federal Social Security Act (42 U.S.C. Sec. 1396 et seq.) for  
20 full-scope coverage, who meet the household income and age  
21 requirements in Section 14005.23 shall be eligible to enroll in the  
22 Medi-Cal program.

23 (b) When determining the eligibility of children described in  
24 subdivision (a), the department shall apply the less restrictive  
25 income disregard described in Section 1396a(r) of Title 42 of the  
26 United States Code. The income disregard shall be equal to the  
27 difference between the income standard and the amount equal to  
28 133 percent of the federal poverty level applicable to the family  
29 size.

30 (c) Nothing in this section shall be construed to authorize the  
31 denial, discontinuance, or reduction of medical assistance under  
32 the Medi-Cal program or the Healthy Families Program (Part 6.2  
33 (commencing with Section 12693) of Division 2 of the Insurance  
34 Code) to a person who qualifies for the Medi-Cal program or for  
35 the Healthy Families Program, or who, without the application of  
36 this section, would qualify for either program, or to relieve the  
37 Medi-Cal program or the Healthy Families Program of the  
38 obligation to determine eligibility on all other available grounds.

~~SEC. 18.~~

SEC. 20. 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), *the Statewide Automated Welfare System*, 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 established in subdivisions (e) to (g), inclusive, of Section 14005.37.

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

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

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

(8) Guarantee privacy protections and secure information exchange.

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

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

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

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

~~SEC. 19.~~

SEC. 21. Section 14011.61 is added to the Welfare and Institutions Code, to read:

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

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

(c) A county shall perform an initial screen of every application for the Medi-Cal program or the Healthy Families Program that is filed with that county. The initial screen shall be completed



1 within 48 hours from the time of submission of the application for  
2 the Medi-Cal program or the Healthy Families Program.

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

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

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

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

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

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

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

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

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

1 this section shall terminate on the last day of the month that  
2 precedes the month in which the child begins receiving benefits  
3 under the Medi-Cal program.

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

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

18 (k) Notwithstanding Chapter 3.5 (commencing with Section  
19 11340) of Part 1 of Division 3 of Title 2 of the Government Code,  
20 the department shall implement this section by means of all-county  
21 letters or similar instructions, without taking any further regulatory  
22 action. Thereafter, the department ~~may~~ *shall* adopt regulations, as  
23 necessary, to implement this section in accordance with the  
24 requirements of Chapter 3.5 (commencing with Section 11340) of  
25 Part 1 of Division 3 of Title 2 of the Government Code.

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

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

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

~~SEC. 20.~~

SEC. 22. Section 14011.65 of the Welfare and Institutions Code is amended to read:

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

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

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

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

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

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

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

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

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

1 Program. To the extent possible, submission of that information  
2 to the Healthy Families Program shall be accomplished using an  
3 electronic process developed for use in the Medi-Cal-to-Healthy  
4 Families Bridge Benefits Program. The department shall give the  
5 Healthy Families Program a daily electronic file of all children  
6 provided temporary health benefits pursuant to this section.

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

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

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

31 (f) Under no circumstances shall this section be implemented  
32 unless the state has sought and obtained approval of any  
33 amendments to its state plan, as described in Section 12693.50 of  
34 the Insurance Code, necessary to implement this section and obtain  
35 funding under Title XXI of the Social Security Act (42 U.S.C.  
36 Sec. 1397aa et seq.) for the provision of benefits provided under  
37 this section. Notwithstanding any other provision of law, and only  
38 when all necessary federal approvals have been obtained by the  
39 state, this section shall be implemented only to the extent federal  
40 financial participation under Title XXI of the Social Security Act

(42 U.S.C. Sec. 1397aa et seq.) is available to fund benefits provided under this section.

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

(h) This section shall cease to be implemented on the date that the director executes a declaration, pursuant to subdivision (h) of Section 14011.65a, stating that implementation of that section has commenced.

~~SEC. 21.~~

SEC. 23. Section 14011.65a of the Welfare and Institutions Code is amended to read:

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

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

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

(B) The child's income, as screened by the county on the basis of the application described in subparagraph (A), is not within the income levels necessary to establish no share-of-cost Medi-Cal eligibility.

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

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

3 (E) The child is not receiving no-cost Medi-Cal or Healthy  
4 Families *Program* benefits at the time that the application is  
5 submitted.

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

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

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

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

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

32 (5) (A) For any child who meets the requirements for  
33 presumptive eligibility benefits under this section, the county shall  
34 forward to the Healthy Families Program the child's application,  
35 to determine eligibility for the Healthy Families Program. The  
36 submission of the application to the Healthy Families Program  
37 shall be accomplished using an electronic format, specified by the  
38 department provided that the department has implemented the  
39 automated interfaces necessary to accomplish electronic submission  
40 of applications from the county to the Healthy Families Program

1 without requiring duplicative data entry by the county. If all of the  
2 eligibility criteria set forth in paragraph (1) of subdivision (b) are  
3 established at the time of application, the application to *the* Healthy  
4 Families Program shall be forwarded in accordance with the  
5 timeframes established by the department.

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

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

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

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

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

33 (f) Under no circumstances shall this section be implemented  
34 unless the state has sought and obtained approval of any  
35 amendments to its state plan, as described in Section 12693.50 of  
36 the Insurance Code, necessary to implement this section and obtain  
37 funding under Title XXI of the Social Security Act (42 U.S.C.  
38 Sec. 1397aa et seq.) for the provision of benefits provided under  
39 this section. Notwithstanding any other provision of law, and only  
40 when all necessary federal approvals have been obtained by the

1 state, this section shall be implemented only to the extent federal  
2 financial participation under Title XXI of the Social Security Act  
3 (42 U.S.C. Sec. 1397aa et seq.) is available to fund benefits  
4 provided under this section.

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

11 (h) Upon implementation of the Healthy Families Presumptive  
12 Eligibility Program pursuant to this section, the director shall  
13 execute a declaration, which shall be retained by the director,  
14 stating that implementation of this section has commenced.

15 ~~SEC. 22.~~

16 *SEC. 24.* Notwithstanding any other provision of law, the  
17 Managed Risk Medical Insurance Board may implement the  
18 provisions of this act expanding the Healthy Families Program  
19 only to the extent that funds are appropriated for those purposes  
20 in the annual Budget Act or in another statute.

21 ~~SEC. 23.~~

22 *SEC. 25.* If the Commission on State Mandates determines that  
23 this act contains costs mandated by the state, reimbursement to  
24 local agencies and school districts for those costs shall be made  
25 pursuant to Part 7 (commencing with Section 17500) of Division  
26 4 of Title 2 of the Government Code.