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SENATE BILL

No. 32

Introduced by Senator Steinberg

(Principal coauthor: Assembly Member Laird)

(Coauthors: Senators Alquist and Correa)

(~~Coauthor: Assembly Member Wolk~~ *Coauthors: Assembly Members
Berg, Hancock, and Wolk*)

December 4, 2006

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, 12693.98a, and 12694 of, ~~to amend and repeal Section 12693.981 of,~~ to add Sections ~~12693.55~~ *12693.55.1*, 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 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 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) *This bill would incorporate additional changes to Section 123870 of the Health and Safety Code proposed by SB 137, to be operative only under circumstances specified in the bill.*

(6)

(7) 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

1 income of forty thousand dollars (\$40,000) or less in the most
2 recent tax year, as calculated for California state income tax
3 purposes. If a person is enrolled in the Healthy Families Program
4 (Part 6.2 (commencing with Section 12693) of Division 2 of the
5 Insurance Code), the financial documentation required for that
6 program in Section 2699.6600 of Title 10 of the California Code
7 of Regulations may be used instead of the person's California state
8 income tax return. However, the director may authorize treatment
9 services for persons in families with higher incomes if the estimated
10 cost of care to the family in one year is expected to exceed 20
11 percent of the family's adjusted gross income.

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

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

24 (c) All counties shall use the uniform standards for financial
25 eligibility and enrollment fees established by the department. All
26 enrollment fees shall be used in support of the California Children's
27 Services Program.

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

39 *SEC. 2.5. Section 123870 of the Health and Safety Code is*
40 *amended to read:*

1 123870. (a) The department shall establish standards of
2 financial eligibility for treatment services under the California
3 Children's Services Program (CCS program).

4 (1) (A) Financial eligibility for treatment services under this
5 program shall be limited to persons in ~~families with an adjusted~~
6 ~~gross income of a family with an annual income, or the equivalent~~
7 ~~monthly income, equal to or less than forty thousand dollars~~
8 ~~(\$40,000) or less in the most recent tax year, as calculated for~~
9 ~~California state income tax purposes. If a person is enrolled in, or~~
10 ~~that meets the income eligibility requirements for the Healthy~~
11 ~~Families Program (Part 6.2 (commencing with Section 12693) of~~
12 ~~Division 2 of the Insurance Code), as set forth in paragraph (6)~~
13 ~~of subdivision (a) of Section 12693.70 of the Insurance Code.~~
14 *However, the director may authorize treatment services for persons*
15 *in families with higher incomes if the estimated cost of care to the*
16 *family in one year is expected to exceed 20 percent of the family's*
17 *adjusted gross income. When calculating annual or monthly income*
18 *under this paragraph, any income deduction that is applicable to*
19 *a child under the Medi-Cal program shall be applied in*
20 *determining the annual or monthly household income for eligibility*
21 *under the CCS program.*

22 (B) *If a person is enrolled in the Healthy Families Program,*
23 *the financial documentation required for that program in Section*
24 *2699.6600 of Title 10 of the California Code of Regulations may*
25 *be used instead of the person's California state income tax return.*
26 *However, the director may authorize treatment services for persons*
27 *in families with higher incomes if the estimated cost of care to the*
28 *family in one year is expected to exceed 20 percent of the family's*
29 *adjusted gross income.*

30 (2) Children enrolled in *either the Healthy Families Program*
31 *or the Healthy Families Buy-In Program* who have a CCS program
32 eligible medical condition under Section 123830, and whose
33 families do not meet the financial eligibility requirements of
34 paragraph (1), shall be deemed financially eligible for CCS
35 program benefits.

36 (b) Necessary medical therapy treatment services under the
37 California Children's Services Program rendered in the public
38 schools shall be exempt from financial eligibility standards and
39 enrollment fee requirements for the services when rendered to any

1 handicapped child whose educational or physical development
2 would be impeded without the services.

3 (c) All counties shall use the uniform standards for financial
4 eligibility and enrollment fees established by the department. All
5 enrollment fees shall be used in support of the California Children's
6 Services Program.

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

18 SEC. 3. Section 12693.43 of the Insurance Code is amended
19 to read:

20 12693.43. (a) Applicants applying to the purchasing pool shall
21 agree to pay family contributions, unless the applicant has a family
22 contribution sponsor. Family contribution amounts consist of the
23 following two components:

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

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

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

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

36 (2) Nine dollars (\$9) per child with a maximum required
37 contribution of twenty-seven dollars (\$27) per month per family
38 for applicants with annual household incomes greater than 150
39 percent and up to and including 200 percent of the federal poverty
40 level and for applicants on behalf of children described in clause

(ii) of subparagraph (A) of paragraph (5) of subdivision (a) of Section 12693.70.

(3) On and after July 1, 2005, fifteen dollars (\$15) per child with a maximum required contribution of forty-five dollars (\$45) per month per family for applicants with annual household income 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, unless subparagraph (B) of paragraph (5) of subdivision (a) of Section 12693.70 is no longer applicable to the relevant family income. The program shall provide prior notice to any applicant for currently enrolled subscribers whose premium will increase on July 1, 2005, pursuant to this subparagraph and, prior to the date the premium increase takes effect, shall provide that applicant with an opportunity to demonstrate that subparagraph (B) of paragraph (5) of subdivision (a) of Section 12693.70 is no longer 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 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

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

3 (2) Six dollars (\$6) per child with a maximum required
4 contribution of eighteen dollars (\$18) per month per family for
5 applicants with annual household incomes greater than 150 percent
6 and up to and including 200 percent of the federal poverty level
7 and for applicants on behalf of children described in clause (ii) of
8 subparagraph (A) of paragraph (5) of subdivision (a) of Section
9 12693.70.

10 (3) On and after July 1, 2005, twelve dollars (\$12) per child
11 with a maximum required contribution of thirty-six dollars (\$36)
12 per month per family for applicants with annual household income
13 to which subparagraph (B) of paragraph (5) of subdivision (a) of
14 Section 12693.70 is applicable. Notwithstanding any other
15 provision of law, if an application with an effective date prior to
16 July 1, 2005, was based on annual household income to which
17 subparagraph (B) of paragraph (5) of subdivision (a) of Section
18 12693.70 is applicable, then this subparagraph shall be applicable
19 to the applicant on July 1, 2005, unless subparagraph (B) of
20 paragraph (5) of subdivision (a) of Section 12693.70 is no longer
21 applicable to the relevant family income. The program shall provide
22 prior notice to any applicant for currently enrolled subscribers
23 whose premium will increase on July 1, 2005, pursuant to this
24 subparagraph and, prior to the date the premium increase takes
25 effect, shall provide that applicant with an opportunity to
26 demonstrate that subparagraph (B) of paragraph (5) of subdivision
27 (a) of Section 12693.70 is no longer applicable to the relevant
28 family income.

29 (4) Sixteen dollars (\$16) per child with a maximum required
30 contribution of forty-eight dollars (\$48) per month per family for
31 applicants on behalf of children with an annual household income
32 described in subparagraph (C) of paragraph (5) of subdivision (a)
33 of Section 12693.70.

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

38 (f) Applicants, but not family contribution sponsors, who pay
39 the required family contributions by an approved means of

1 electronic fund transfer shall receive a 25-percent discount from
2 the required family contributions.

3 (g) It is the intent of the Legislature that the family contribution
4 amounts described in this section comply with the premium cost
5 sharing limits contained in Section 2103 of Title XXI of the Social
6 Security Act. If the amounts described in subdivision (a) are not
7 approved by the federal government, the board may adjust these
8 amounts to the extent required to achieve approval of the state
9 plan.

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

23 SEC. 4. Section ~~12693.55~~ 12693.55.1 is added to the Insurance
24 Code, to read:

25 ~~12693.55.~~

26 12693.55.1. The board and the State Department of Health
27 Care Services shall maximize federal matching funds available
28 under the program and the Medi-Cal program and shall implement
29 strategies that coordinate and integrate other programs that provide
30 health care coverage for children to maximize federal matching
31 funds, such as matching funds available for emergency or
32 pregnancy-related benefits under the Medi-Cal program for all
33 eligible children.

34 SEC. 5. Section 12693.56 is added to the Insurance Code, to
35 read:

36 12693.56. The confidentiality and privacy protections of
37 Sections 10500 and 14100.2 of the Welfare and Institutions Code
38 shall apply to all children seeking, applying for, or enrolled in, the
39 program.

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

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

(a) A child enrolled in comprehensive health care coverage provided by a children's health initiative shall be automatically enrolled in the Medi-Cal program or the Healthy Families Program, pursuant to subdivisions (b) and (c), if an application is made and the child is eligible for either program. The child shall be enrolled in the same health plan that provided coverage to the child under the local children's health initiative, if the health plan is a participating plan in the Medi-Cal program or the Healthy Families Program.

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

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

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

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

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

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

(e) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the board and department may issue regulations, all-county letters or similar instructions, as necessary pursuant to the Administrative Procedure Act, to implement the requirements of this section. The adoption and readoption of regulations pursuant to this section shall be deemed to be an emergency and necessary for the immediate preservation of public peace, health and safety, or general welfare.

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

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

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

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

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

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

(3) In compliance with Sections 12693.71 and 12693.72.

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

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

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

(ii) When implemented by the board, subject to subdivision (b) of Section 12693.765 and pursuant to this section, a child under the age of two years who was delivered by a mother enrolled in the Access for Infants and Mothers Program as described in Part 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).

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

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

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

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

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

21 (d) In filing documentation to meet program eligibility
22 requirements, if the applicant's income documentation cannot be
23 provided, as defined in regulations promulgated by the board, the
24 applicant's signed statement as to the value or amount of income
25 shall be deemed to constitute verification.

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

29 (f) By January 2008, the board, in consultation with
30 stakeholders, shall implement processes by which applicants for
31 subscribers may certify income at the time of annual eligibility
32 review, including rules concerning which applicants shall be
33 permitted to certify income and the circumstances in which
34 supplemental information or documentation may be required. The
35 board may terminate using these processes not sooner than 90 days
36 after providing notification to the Chair of the Joint Legislative
37 Budget Committee. This notification shall articulate the specific
38 reasons for the termination and shall include all relevant data
39 elements that are applicable to document the reasons for the
40 termination. Upon the request of the Chair of the Joint Legislative

1 Budget Committee, the board shall promptly provide any additional
2 clarifying information regarding implementation of the processes
3 required by this subdivision.

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

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

11 12693.701. (a) (1) All children under 19 years of age who
12 meet the state residency requirements of the Medi-Cal program or
13 the Healthy Families Program shall be eligible for health care
14 coverage in accordance with subdivision (b) if they satisfy either
15 of the following criteria:

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

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

22 (2) The eligibility under paragraph (1) includes for both
23 programs all children for whom federal financial participation
24 under Title XIX of the federal Social Security Act (42 U.S.C. Sec.
25 1396 et seq.), or under Title XXI of the federal Social Security
26 Act (42 U.S.C. Sec. 1397aa et seq.) is not available because of
27 their immigration status or date of entry into the United States, but
28 does not include children who are ineligible for funds under those
29 titles for other reasons.

30 (b) Children described in subdivision (a) in families whose
31 household income would make them ineligible for the Medi-Cal
32 program with no share of cost or for Medicare, and who are in
33 compliance with Sections 12693.71 and 12693.72, shall be eligible
34 for the Healthy Families Program and shall also be eligible for the
35 Medi-Cal program with a share of cost in accordance with Section
36 14005.7 of the Welfare and Institutions Code. The remaining
37 children described in subdivision (a) shall be eligible for the
38 Medi-Cal program with no share of cost.

39 (c) Nothing in this section shall be construed to authorize the
40 denial or reduction of medical assistance under the Medi-Cal

1 program (Chapter 7 (commencing with Section 14000) of Part 3
2 of Division 9 of the Welfare and Institutions Code) or the Healthy
3 Families Program to a person who, without the application of this
4 section, would qualify for that assistance or to relieve the Medi-Cal
5 program of the obligation to determine eligibility on all other
6 available grounds.

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

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

12 12693.73. Notwithstanding any other provision of law, children
13 excluded from coverage under Title XXI of the Social Security
14 Act are not eligible for coverage under the program, except as
15 specified in clause (ii) of subparagraph (A) of paragraph (5) of
16 subdivision (a) of Section 12693.70, Section 12693.701, and
17 Section 12693.76.

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

20 12693.76. (a) Notwithstanding any other provision of law, a
21 child shall not be determined ineligible solely on the basis of his
22 or her immigration status or date of entry into the United States.

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

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

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

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

36 12693.98. (a) (1) The Medi-Cal-to-Healthy Families Bridge
37 Benefits Program is hereby established to provide a child who
38 meets the criteria set forth in subdivision (b) with a one
39 calendar-month period of health care benefits in order to provide

1 the child with an opportunity to apply for the Healthy Families
2 Program.

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

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

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

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

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

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

19 (E) He or she is not otherwise excluded under the definition of
20 "targeted low-income child" under subsections (b)(1)(B)(ii),
21 (b)(1)(C), and (b)(2) of Section 2110 of the Social Security Act
22 (42 U.S.C. Secs. 1397jj(b)(1)(B)(ii), 1397jj(b)(1)(C), and
23 1397jj(b)(2)).

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

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

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

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

39 (f) Except as provided in subdivision (j), nothing in this section
40 shall be construed to provide Healthy Families benefits for more

1 than a one calendar-month period under any circumstances,
2 including the failure to apply for benefits under the Healthy
3 Families Program or the failure to be made aware of the availability
4 of the Healthy Families Program, unless the circumstances
5 described in subdivision (b) reoccur.

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

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

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

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

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

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

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

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

38 (k) This section shall cease to be implemented on the date that
39 the Director of Health Care Services executes a declaration stating
40 that implementation of the Medi-Cal to Healthy Families

1 Presumptive Eligibility Program established pursuant to Section
2 12693.98a has commenced, and as of that date is repealed.

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

5 12693.98a. (a) (1) The Medi-Cal to Healthy Families
6 Presumptive Eligibility Program is hereby established to provide
7 a child who meets the criteria set forth in subdivision (b) with
8 presumptive eligibility benefits until the board has determined the
9 child's eligibility for the Healthy Families Program.

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

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

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

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

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

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

39 (d) The scope of presumptive eligibility benefits provided under
40 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. 13. ~~Section 12693.981 of the Insurance Code is amended~~
12 ~~to read:~~

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

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

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

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

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

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

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

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

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

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

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

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

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

20 ~~SEC. 14.~~

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

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

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

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

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

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

37 (d) The presumptive eligibility benefits under this section shall
38 begin on the first day of the month following the board's
39 determination that the child is no longer eligible for the Healthy
40 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 denied enrollment in the Medi-Cal program,
15 the board shall contact the State Department of Health Care
16 Services or the county where the child resides in order to work
17 with the county to enroll the child in the program for which he or
18 she is eligible.

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

23 ~~SEC. 15.~~

24 *SEC. 14.* Section 12693.983 is added to the Insurance Code,
25 to read:

26 12693.983. (a) The board and the State Department of Health
27 Care Services shall monitor the Medi-Cal to Healthy Families
28 Presumptive Eligibility Program in Section 12693.98a and the
29 Healthy Families to Medi-Cal Presumptive Eligibility Program in
30 Section 12693.981a in order to ensure that all children are enrolled
31 in a timely manner in the presumptive eligibility benefits for which
32 they are eligible.

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

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

38 (A) The number of children enrolled in the Medi-Cal to Healthy
39 Families Presumptive Eligibility Program and the number of

1 children enrolled in the Healthy Families to Medi-Cal Presumptive
2 Eligibility Program.

3 (B) The length of time these children were enrolled in each
4 program.

5 (C) The status of the children enrolled in each program,
6 including a status report for each child enrolled more than one
7 month in the Medi-Cal to Healthy Families Presumptive Eligibility
8 Program and more than two months in the Healthy Families to
9 Medi-Cal Presumptive Eligibility Program.

10 (2) The board and the department shall record all attempts to
11 assist the child to enroll in ongoing health benefits programs and
12 shall record the final disposition of the child's application for
13 continuing health coverage.

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

26 ~~SEC. 16.~~

27 *SEC. 15.* Section 12694 of the Insurance Code is amended to
28 read:

29 12694. (a) The board and the department, in collaboration
30 with program offices for the California Special Supplemental Food
31 Program for Women, Infants, and Children (WIC or the WIC
32 program), local WIC agencies, counties in their capacity of making
33 Medi-Cal eligibility determinations, advocates, information
34 technology specialists, and other stakeholders, shall design,
35 promulgate, and implement policies and procedures for an
36 automated enrollment gateway system developed by the department
37 and the board that performs, but is not limited to performing, the
38 following functions:

39 (1) To the extent that federal financial participation is available,
40 allowing children applying to the WIC program to submit a simple

1 electronic application to simultaneously obtain presumptive
2 eligibility for Medi-Cal and Healthy Families under Title XIX (42
3 U.S.C. Sec. 1396 et seq.) and Title XXI (42 U.S.C. Sec. 1397aa
4 et seq.) of the Social Security Act and apply for enrollment into
5 the Medi-Cal program or the Healthy Families Program with the
6 consent of their parent or guardian.

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

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

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

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

27 (b) The automated enrollment gateway system shall be
28 constructed with the capacity to be used by entities operating the
29 WIC program.

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

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

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

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

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

22 (h) Counties shall accept and process for a Medi-Cal eligibility
23 determination applications provided by the WIC gateway system
24 and ensure timely processing of these applications and a timely
25 eligibility determination and ending of presumptive eligibility.

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

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

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

39 (l) The board shall seek approval of any amendments to the
40 state plan necessary to implement this section, in accordance with

1 Title XXI (42 U.S.C. Sec. 1397aa et seq.) of the federal Social
2 Security Act.

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

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

15 ~~SEC. 17.~~

16 *SEC. 16.* Chapter 16.2 (commencing with Section 12694.1) is
17 added to Part 6.2 of Division 2 of the Insurance Code, to read:

18
19 CHAPTER 16.2. HEALTHY FAMILIES BUY-IN PROGRAM
20

21 12694.1. On or after ____, the board shall implement the
22 Healthy Families Buy-In Program that shall be referred to as the
23 buy-in program for purposes of this chapter.

24 12694.2. A child under 19 years of age is eligible for the buy-in
25 program if he or she meets all of the following criteria:

26 (a) Lives in a family whose monthly or annual income exceeds
27 300 percent of the federal poverty level.

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

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

36 12694.4. The coverage for children in the buy-in program shall
37 be identical to the coverage for children enrolled in the Healthy
38 Families Program and shall include health, dental, and vision
39 benefits provided solely by a participating health, dental, or vision
40 care plan. Coverage shall also include the services provided

pursuant to the California Children's Services Program (Article 5 (commencing with Section 123800) of Chapter 3 of Part 2 of Division 106 of the Health and Safety Code) for a child who has been found eligible for that program.

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

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

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

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

~~SEC. 18.~~

SEC. 17. Section 14005.23 of the Welfare and Institutions Code is amended to read:

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

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

~~SEC. 19.~~

SEC. 18. Section 14005.26 is added to the Welfare and Institutions Code, to read:

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

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

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

~~SEC. 20.~~

SEC. 19. 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

1 Medi-Cal Eligibility Data System (MEDS), the Statewide
2 Automated Welfare System, and the Healthy Families Program
3 based on the guidelines set forth in subdivisions (b), (c), and (d)
4 in order to better integrate the enrollment processes for those
5 programs.

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

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

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

18 (2) Eliminate all duplicative requests and requirements for
19 applications and other information and require the Managed Risk
20 Medical Insurance Board, the department, and the counties to use
21 the procedures in subdivisions (e) to (g), inclusive, of Section
22 14005.37 for all applications to minimize the burdens on families.

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

27 (4) Eliminate all documentation requirements, other than those
28 required by federal law, and verify necessary information through
29 other available databases and through the use of the procedures
30 established in subdivisions (e) to (g), inclusive, of Section
31 14005.37.

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

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

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

38 (8) Guarantee privacy protections and secure information
39 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. 21.~~

SEC. 20. 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 within 48 hours from the time of submission of the application for the Medi-Cal program or the Healthy Families Program.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~SEC. 22.~~

SEC. 21. 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

1 period described in paragraph (2) of subdivision (b), as established
2 under Part 6.2 (commencing with Section 12693) of Division 2 of
3 the Insurance Code.

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

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

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

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

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

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

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

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

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

38 (4) The temporary health benefits provided under this section
39 shall be identical to the benefits provided to children who receive

1 full-scope Medi-Cal benefits without a share of cost and shall only
2 be made available through a Medi-Cal provider.

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

9 (d) Notwithstanding Chapter 3.5 (commencing with Section
10 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
11 the department shall implement this section by means of all-county
12 letters or similar instructions, without taking any further regulatory
13 action. Thereafter, the department may adopt regulations, as
14 necessary, to implement this section in accordance with the
15 requirements of Chapter 3.5 (commencing with Section 11340) of
16 Part 1 of Division 3 of Title 2 of the Government Code.

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

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

35 (g) The department shall commence implementation of this
36 section on the first day of the third month following the month in
37 which federal approval of the state plan amendment or amendments
38 described in subdivision (f), and subdivision (b) of Section
39 12693.50 of the Insurance Code is received, or on August 1, 2006,
40 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. 23.~~

SEC. 22. 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 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.

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

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

(2) When the county performs the initial screen and determines that the child meets the criteria described in paragraph (1), the county shall establish presumptive eligibility for the Healthy Families Program for that child. Once presumptive eligibility has

1 been established, the county shall continue to determine the child's
2 eligibility for the Medi-Cal program on the basis of the filed
3 application.

4 (3) When the county completes the Medi-Cal eligibility
5 determination process and determines a child ineligible for no-cost
6 Medi-Cal and the child appears to be income eligible for the
7 Healthy Families Program, the county shall find the child
8 presumptively eligible for the Healthy Families Program and
9 comply with the standards set forth in paragraph (5) if either of
10 the following conditions are met:

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

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

17 (4) The period of presumptive eligibility provided for under this
18 section begins on the first day of the month that the county finds
19 that the child meets all of the criteria described in paragraph (1)
20 or (3), and concludes on the last day of the month of the child's
21 effective date of coverage in the Healthy Families Program, or
22 determination of ineligibility for the Healthy Families Program.

23 (5) (A) For any child who meets the requirements for
24 presumptive eligibility benefits under this section, the county shall
25 forward to the Healthy Families Program the child's application,
26 to determine eligibility for the Healthy Families Program. The
27 submission of the application to the Healthy Families Program
28 shall be accomplished using an electronic format, specified by the
29 department provided that the department has implemented the
30 automated interfaces necessary to accomplish electronic submission
31 of applications from the county to the Healthy Families Program
32 without requiring duplicative data entry by the county. If all of the
33 eligibility criteria set forth in paragraph (1) of subdivision (b) are
34 established at the time of application, the application to the Healthy
35 Families Program shall be forwarded in accordance with the
36 timeframes established by the department.

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

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

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

11 (d) Notwithstanding Chapter 3.5 (commencing with Section
12 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
13 the department shall implement this section by means of all-county
14 letters or similar instructions, without taking any further regulatory
15 action. Thereafter, the department may adopt regulations, as
16 necessary, to implement this section in accordance with the
17 requirements of Chapter 3.5 (commencing with Section 11340) of
18 Part 1 of Division 3 of Title 2 of the Government Code.

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

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

37 (g) The department shall commence implementation of this
38 section on the first day of the third month following the month in
39 which federal approval of the state plan amendment or amendments
40 described in subdivision (f), and subdivision (b) of Section

1 12693.50 of the Insurance Code is received, or on August 1, 2007,
2 whichever is later.

3 (h) Upon implementation of the Healthy Families Presumptive
4 Eligibility Program pursuant to this section, the director shall
5 execute a declaration, which shall be retained by the director,
6 stating that implementation of this section has commenced.

7 ~~SEC. 24.~~

8 *SEC. 23.* Notwithstanding any other provision of law, the
9 Managed Risk Medical Insurance Board may implement the
10 provisions of this act expanding the Healthy Families Program
11 only to the extent that funds are appropriated for those purposes
12 in the annual Budget Act or in another statute.

13 *SEC. 24.* *Section 2.5 of this bill incorporates amendments to*
14 *Section 123870 of the Health and Safety Code proposed by this*
15 *bill and SB 137. It shall only become operative if (1) this bill and*
16 *SB 137 are enacted and become effective on or before January 1,*
17 *2008, (2) this bill and SB 137 amend Section 123870 of the Health*
18 *and Safety Code, and (3) this bill is enacted after SB 137, in which*
19 *case Section 2 of this bill shall not become operative.*

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