

AMENDED IN ASSEMBLY AUGUST 31, 2007

AMENDED IN ASSEMBLY JULY 10, 2007

AMENDED IN SENATE MARCH 21, 2007

**SENATE BILL**

**No. 137**

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**Introduced by Senator Torlakson**

January 25, 2007

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An act to amend Sections 123870, 123940, and 123955 of the Health and Safety Code, *and to amend Section 12693.69 of the Insurance Code*, relating to children's health.

LEGISLATIVE COUNSEL'S DIGEST

SB 137, as amended, Torlakson. Children's health: medical treatment.

Under existing law, the Robert W. Crown California Children's Services Act, the State Department of Health Care Services and each county administers a program for treatment services for persons under the age of 21 years diagnosed with severe chronic disease or severe physical limitations, as specified. Existing law limits eligibility for those services to persons in families with an annual adjusted gross income of \$40,000 or less.

This bill would change that eligibility limitation to persons in a family with an annual, or *equivalent* monthly income, equal to or less than ~~400% of the federal poverty level~~ \$40,000, *or that meets the income eligibility requirements for the Healthy Families Program, as specified, and would make conforming changes.*

*Existing law requires children enrolled in the Healthy Families Program who have a CCS program eligible medical condition, and whose families do not meet specified financial eligibility requirements to be deemed financially eligible for CCS program benefits.*

*The bill would delete the requirement that a child's family not meet specified financial eligibility requirements to be deemed financially eligible for CCS program benefits.*

Existing law requires a county ~~expenditure to incur the costs for California Children's Services Program (CCS program) services to handicapped~~ for children ~~of~~ in the county, as specified, but exempts ~~county~~ counties from incurring the costs of expenditures for services to children enrolled in the Healthy Families Program who have a ~~California Children's Services Program (CCS program)~~ CCS program eligible medical condition and whose families do not meet the financial eligibility requirements of the CCS program.

This bill would, instead, exempt county expenditures for services for children in families with an adjusted gross income that exceeds 300% of the federal poverty level for a family of 2, as provided.

Existing law requires the state to reimburse counties for 50% of the amount required to meet state administrative standards for that portion of the county caseload under these provisions that is ineligible for Medi-Cal, to the extent funds are available in the State Budget.

This bill would also require the state to reimburse counties for 100% of the amount required to provide services to children in families with an adjusted gross income that exceeds 300% of the federal poverty level for a family of 2, as provided, to the extent funds are available in the State Budget.

By expanding eligibility under this county-administered program, this bill would create a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 123870 of the Health and Safety Code
- 2 is 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 a family with an annual ~~or~~  
6 ~~monthly income~~ *income, or the equivalent monthly income*, equal  
7 to or less than ~~400 percent of the federal poverty level. If a person~~  
8 ~~is enrolled in~~ *forty thousand dollars (\$40,000), or that meets the*  
9 *income eligibility requirements for the Healthy Families Program*  
10 *(Part 6.2 (commencing with Section 12693) of Division 2 of the*  
11 *Insurance Code), the Code). When calculating annual or monthly*  
12 *income under this paragraph, any income deduction that is*  
13 *applicable to a child under the Medi-Cal program shall be applied*  
14 *in determining the annual or monthly household income for*  
15 *eligibility under the CCS program.*

16 (B) *If a person is enrolled in the Healthy Families Program,*  
17 *the financial documentation required for that program in Section*  
18 *2699.6600 of Title 10 of the California Code of Regulations may*  
19 *be used instead of the person’s California state income tax return.*  
20 *However, the director may authorize treatment services for persons*  
21 *in families with higher incomes if the estimated cost of care to the*  
22 *family in one year is expected to exceed 20 percent of the family’s*  
23 *adjusted annual or monthly gross income.*

24 (2) *Children enrolled in the Healthy Families Program and the*  
25 *Healthy Families Buy-In Program who have a CCS program*  
26 *eligible medical condition under Section 123830, ~~and whose~~*  
27 *families do not meet the financial eligibility requirements of*  
28 *paragraph (1), shall be deemed financially eligible for CCS*  
29 *program benefits.*

30 (b) Necessary medical therapy treatment services under the  
31 California Children’s Services Program rendered in the public  
32 schools shall be exempt from financial eligibility standards and  
33 enrollment fee requirements for the services when rendered to any  
34 handicapped child whose educational or physical development  
35 would be impeded without the services.

36 (c) All counties shall use the uniform standards for financial  
37 eligibility and enrollment fees established by the department. All  
38 enrollment fees shall be used in support of the California Children’s  
39 Services Program.

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

11 SEC. 2. Section 123940 of the Health and Safety Code is  
12 amended to read:

13 123940. (a) (1) Annually, the board of supervisors shall  
14 appropriate a sum of money for services for handicapped children  
15 of the county, including diagnosis, treatment, and therapy services  
16 for physically handicapped children in public schools, equal to 25  
17 percent of the actual expenditures for the county program under  
18 this article for the 1990–91 fiscal year, except as specified in  
19 paragraph (2).

20 (2) If the state certifies that a smaller amount is needed in order  
21 for the county to pay 25 percent of costs of the county's program  
22 from this source. The smaller amount certified by the state shall  
23 be the amount that the county shall appropriate.

24 (b) In addition to the amount required by subdivision (a), the  
25 county shall allocate an amount equal to the amount determined  
26 pursuant to subdivision (a) for purposes of this article from  
27 revenues allocated to the county pursuant to Chapter 6  
28 (commencing with Section 17600) of Division 9 of the Welfare  
29 and Institutions Code.

30 (c) (1) The state shall match county expenditures for this article  
31 from funding provided pursuant to subdivisions (a) and (b).

32 (2) County expenditures shall be waived for payment of services  
33 for children in families with an adjusted gross income, as calculated  
34 for California state income tax purposes, that exceeds the  
35 benchmark amount. For purposes of this paragraph, the benchmark  
36 amount shall be calculated each year and shall be a dollar amount  
37 that is equal to 300 percent of the federal poverty level for a family  
38 of two.

39 (d) The county may appropriate and expend moneys in addition  
40 to those set forth in ~~subdivision~~ *subdivisions* (a) and (b) and the

1 state shall match the expenditures, on a dollar-for-dollar basis, to  
2 the extent that state funds are available for this article.

3 (e) Nothing in this section shall require the county to expend  
4 more than the amount set forth in subdivision (a) plus the amount  
5 set forth in subdivision (b) nor shall it require the state to expend  
6 more than the amount of the match set forth in subdivision (c).

7 SEC. 3. Section 123955 of the Health and Safety Code is  
8 amended to read:

9 123955. (a) The state and the counties shall share in the cost  
10 of administration of the California Children’s Services Program  
11 (*CCS program*) at the local level.

12 (b) (1) The director shall adopt regulations establishing  
13 minimum standards for the administration, staffing, and local  
14 implementation of this article subject to reimbursement by the  
15 state.

16 (2) The standards shall allow necessary flexibility in the  
17 administration of county programs, taking into account the  
18 variability of county needs and resources, and shall be developed  
19 and revised jointly with state and county representatives.

20 (c) The director shall establish minimum standards for  
21 administration, staffing, and local operation of the program subject  
22 to reimbursement by the state.

23 (d) Until July 1, 1992, reimbursable administrative costs, to be  
24 paid by the state to counties, shall not exceed 4.1 percent of the  
25 gross total expenditures for diagnosis, treatment and therapy by  
26 counties as specified in Section 123940.

27 (e) Beginning July 1, 1992, this subdivision shall apply with  
28 respect to all of the following:

29 (1) (A) Counties shall be reimbursed by the state for 50 percent  
30 of the amount required to meet state administrative standards for  
31 that portion of the county caseload under this article that is  
32 ineligible for Medi-Cal to the extent funds are available in the  
33 State Budget for the ~~California Children’s Services Program~~ *CCS*  
34 *program*.

35 (B) Counties shall be reimbursed by the state for 100 percent  
36 of the amount required to meet state administrative standards for  
37 the portion of the county caseload under this article that provides  
38 services to children in families with an adjusted gross income, as  
39 calculated for California state income tax purposes, that is more  
40 than the benchmark amount, to the extent funds are available in

1 the State Budget for the ~~California Children’s Services program~~  
 2 *CCS program*. For purposes of this subparagraph, the benchmark  
 3 amount shall be calculated each year and shall be a dollar amount  
 4 that is equal to 300 percent of the federal poverty level for a family  
 5 of two.

6 (2) On or before September 15 of each year, each county  
 7 program implementing this article shall submit an application for  
 8 the subsequent fiscal year that provides information as required  
 9 by the state to determine if the county administrative staff and  
 10 budget meet state standards.

11 (3) The state shall determine the maximum amount of state  
 12 funds available for each county from state funds appropriated for  
 13 *CCS program* county administration. If the amount appropriated  
 14 for any fiscal year in the Budget Act for county administration  
 15 under this article differs from the amounts approved by the  
 16 department, each county shall submit a revised application in a  
 17 form and at the time specified by the department.

18 (f) The department and counties shall maximize the use of  
 19 federal funds for administration; of the programs implemented  
 20 pursuant to this article, including using state and county funds to  
 21 match funds claimable under Title 19 of the Social Security Act.

22 *SEC. 4. Section 12693.69 of the Insurance Code is amended*  
 23 *to read:*

24 12693.69. A child enrolled in the Healthy Families Program  
 25 who has a medical condition that is eligible for services pursuant  
 26 to the California Children’s Services Program, ~~and whose family~~  
 27 ~~is not financially eligible for the California Children’s Services~~  
 28 ~~Program~~, shall have the medically necessary treatment services  
 29 for their California Children’s Services Program eligible medical  
 30 condition authorized and paid for by the California Children’s  
 31 Services Program. County expenditures for the payment of services  
 32 for the child shall be waived and these expenditures shall be paid  
 33 for by the state from Title XXI funds that are applicable and state  
 34 general funds.

35 ~~SEC. 4.~~

36 *SEC. 5.* If the Commission on State Mandates determines that  
 37 this act contains costs mandated by the state, reimbursement to  
 38 local agencies and school districts for those costs shall be made

- 1 pursuant to Part 7 (commencing with Section 17500) of Division
- 2 4 of Title 2 of the Government Code.

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