

Introduced by Senator YeeFebruary 26, 2009

An act to add Section 12693.766 to, and to add Part 6.25 (commencing with Section 12694.10) to Division 2 of, the Insurance Code, and to amend Sections 14005.30 and 14011.6 of the Welfare and Institutions Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 438, as introduced, Yee. Health care coverage: Cal-Health Act.

Existing law provides for creation of various programs to provide health care services to persons with limited incomes and meeting various eligibility requirements. These programs include the Healthy Families Program administered by the Managed Risk Medical Insurance Board and the Medi-Cal program administered by the State Department of Health Care Services and county welfare departments.

This bill would require the board, in consultation with the department, to begin, on or before July 1, 2010, the transfer of initial and ongoing eligibility determinations for the Healthy Families Program to the county welfare department. By imposing new duties on those county departments, the bill would impose a state-mandated local program.

The bill would also create the Cal-Health Program, which would provide coordination of the Healthy Families and Medi-Cal programs by the Secretary of California Health and Human Services, with the assistance of the board, the department, and county welfare departments. The bill would authorize participating providers, to the extent permitted under federal law, to screen and temporarily enroll a child in the Medi-Cal program or the Healthy Families Program at the time medical care is provided, and would require reimbursement of the provider to the same extent as if the child were fully enrolled in the program in

which he or she is temporarily enrolled. The bill would require preschools and elementary schools and licensed hospitals, clinics, and other health facilities to inform parents or primary caretakers of a child about Cal-Health, and in the case of urgent or emergency services, the bill would require that parents or primary caretakers of a child be informed about the program and given an opportunity to apply after services have been rendered.

Under existing law, the State Department of Health Care Services is required, to the extent federal financial participation is available, to exercise an option under federal law to expand Medi-Cal eligibility by establishing the amount of countable resources individuals or families are allowed to retain at a specified level and to adopt an income disregard for applicants equal to the difference between a specified income standard and the amount equal to 100% of the federal poverty level applicable to the size of the family.

This bill would, instead, require the department, to the extent federal financial participation is available, to exercise that option to simplify Medi-Cal eligibility by exempting all resources from consideration in making eligibility determinations and to adopt an income disregard for applicants equal to the difference between that income standard and the amount equal to 133% of the federal poverty level applicable to the size of the family. The bill would also require, subject to approval of any necessary state plan amendments, the department to implement a program for accelerated enrollment of pregnant women in the Medi-Cal program and would make each county welfare department a qualified entity for determining eligibility for Medi-Cal benefits for children and pregnant women. Because the bill would increase duties on those county departments, the bill would impose 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. This act shall be known and may be cited as the
2 Cal-Health Act.

3 SEC. 2. Section 12693.766 is added to the Insurance Code, to
4 read:

5 12693.766. (a) Notwithstanding any other provision of this
6 part, on or before July 1, 2010, the board, in consultation with the
7 State Department of Health Care Services, shall begin the transfer
8 of initial and ongoing eligibility determinations for the program
9 to the county departments. The counties shall assume full
10 responsibility for the eligibility determinations for the program by
11 January 1, 2011.

12 (b) The board and the department shall consult with
13 stakeholders, including counties and advocates for program clients,
14 in the development of procedures for transferring the responsibility
15 for determinations to the county level.

16 (c) Upon transfer of program eligibility determinations to the
17 county level, the collection of family contributions and
18 participating health plan selection may continue to be contracted
19 to a private entity. In order to maximize efficiency, it is the intent
20 of the Legislature that plan selection and collection of contributions
21 be incorporated, to the extent possible, into the Medi-Cal managed
22 care enrollment broker contract administered by the State
23 Department of Health Care Services.

24 SEC. 3. Part 6.25 (commencing with Section 12694.10) is
25 added to Division 2 of the Insurance Code, to read:

26

27

PART 6.25. CAL-HEALTH PROGRAM

28

29 12694.10. It shall be the responsibility of the State of California
30 to make its best efforts to provide that all persons who are eligible
31 for the Healthy Families Program or the Medi-Cal program, or
32 other governmental health care coverage or assistance, are enrolled
33 in programs and services for which they are eligible.

34 12694.11. There is hereby created the California Health Care
35 Program (Cal-Health) to coordinate the Medi-Cal program (Chapter
36 7 (commencing with Section 14000) of Part 3 of Division 9 of the
37 Welfare and Institutions Code) and the Healthy Families Program
38 (Part 6.2 (commencing with Section 12693)) for the purpose of

1 marketing to those who are potentially eligible for a single unified
2 program in an attempt to reduce possible confusion. The duties
3 and functions of establishing Cal-Health shall be carried out by
4 the Secretary of California Health and Human Services, with the
5 assistance of the State Department of Health Care Services, which
6 is defined for the purposes of this part as the “department,” and
7 the Managed Risk Medical Insurance Board, which is defined for
8 the purposes of this part as the “board,” and the county welfare
9 departments, which are defined for the purposes of this part as the
10 “counties.” The coordinated Medi-Cal and Healthy Families
11 programs established by this part shall be known as Cal-Health.

12 12694.13. (a) The department and board, in consultation with
13 the counties and client advocates, shall make any changes necessary
14 to the existing Medi-Cal and Healthy Families joint application in
15 order to enable persons to apply for benefits under the Cal-Health
16 structure.

17 (b) The department and board, in consultation with the counties,
18 provider representatives, and client advocates, shall develop an
19 electronic process by which participating providers may screen
20 and temporarily enroll eligible children into the Medi-Cal program
21 or the Healthy Families Program, as provided in subdivisions (c)
22 and (d). During the period of temporary enrollment, providers shall
23 be reimbursed for services to the same extent as if the eligible child
24 were fully enrolled in the program in which he or she is temporarily
25 enrolled. A purpose of temporary enrollment under this section is
26 to facilitate and accelerate the final eligibility determination by
27 the counties.

28 (c) To the extent permitted by Section 1396r-1a of Title 42 of
29 the United States Code and Section 457.355 of Title 42 of the Code
30 of Federal Regulations, the state shall exercise its option to allow
31 participating providers to screen and temporarily enroll a child
32 who meets initial screening requirements into the Medi-Cal
33 program or the Healthy Families Program for 60 days pending a
34 final eligibility determination by the counties. No child shall be
35 temporarily enrolled into a program more than one time during a
36 12-month period. The procedures governing the preenrollment
37 process for the Medi-Cal program and the Healthy Families
38 Program pursuant to Section 14011.7 of the Welfare and
39 Institutions Code, including, but not limited to, the requirement
40 that providers be certified by the state and that a Medi-Cal

1 application be submitted on the child’s behalf within 60 days after
2 the date the child is temporarily enrolled into the programs shall
3 be used to implement the temporary enrollment of children under
4 this section.

5 (d) The Cal-Health enrollment and application process shall
6 secure sufficient information to ensure that the counties are able
7 to perform screening and referral for children not eligible for
8 programs within Cal-Health, but potentially eligible for other state
9 health care programs.

10 12694.15. To the extent permitted by federal law and
11 notwithstanding any other provision of law, there shall not be an
12 assets test for Section 1931(b) of the Medi-Cal program for adults
13 and children.

14 12694.17. Preschools and public elementary and secondary
15 schools, with respect to each enrolled child, shall inform the parent
16 or primary caretaker living with the child at least once each year
17 about Cal-Health and its eligibility requirements, and shall allow
18 an application to be submitted at the preschool or school.

19 12694.18. (a) All licensed hospitals, clinics, and other health
20 facilities shall inform the parent or primary caretaker of a child
21 who is seen or admitted about Cal-Health and its eligibility
22 requirements at the time the person or child is seen or admitted,
23 and may participate in the temporary eligibility and accelerated
24 enrollment process described in Section 12694.13.

25 (b) In the case of urgent or emergency services, parents and
26 primary caretakers of a child shall be informed about Cal-Health
27 and given an opportunity to apply on behalf of eligible children
28 after services have been rendered and, in the case of inpatient
29 admission, during discharge planning.

30 SEC. 4. Section 14005.30 of the Welfare and Institutions Code
31 is amended to read:

32 14005.30. (a) (1) To the extent that federal financial
33 participation is available, Medi-Cal benefits under this chapter
34 shall be provided to individuals eligible for services under Section
35 1396u-1 of Title 42 of the United States Code, including any
36 options under Section 1396u-1(b)(2)(C) made available to and
37 exercised by the state.

38 (2) The department shall exercise its option under Section
39 1396u-1(b)(2)(C) of Title 42 of the United States Code to adopt
40 less restrictive income and resource eligibility standards and

1 methodologies to the extent necessary to allow all recipients of
2 benefits under Chapter 2 (commencing with Section 11200) to be
3 eligible for Medi-Cal under paragraph (1).

4 (3) To the extent federal financial participation is available, the
5 department shall exercise its option under Section 1396u-1(b)(2)(C)
6 of Title 42 of the United States Code authorizing the state to
7 disregard all changes in income or assets of a beneficiary until the
8 next annual ~~redetermination~~ *reaffirmation* under Section 14012.
9 The department shall implement this paragraph only if, and to the
10 extent that the *federal* State Child Health Insurance Program waiver
11 described in Section 12693.755 of the Insurance Code extending
12 Healthy Families Program eligibility to parents and certain other
13 adults is approved and implemented.

14 (b) To the extent that federal financial participation is available,
15 the department shall exercise its option under Section
16 1396u-1(b)(2)(C) of Title 42 of the United States Code as necessary
17 to ~~expand~~ *simplify* eligibility for Medi-Cal under subdivision (a)
18 by ~~establishing the amount of countable resources individuals or~~
19 ~~families are allowed to retain at the same amount medically needy~~
20 ~~individuals and families are allowed to retain, except that a family~~
21 ~~of one shall be allowed to retain countable resources in the amount~~
22 ~~of three thousand dollars (\$3,000) exempting all resources.~~

23 (c) To the extent federal financial participation is available, the
24 department shall, ~~commencing March 1, 2000,~~ adopt an income
25 disregard for applicants equal to the difference between the income
26 standard under the program adopted pursuant to Section 1931(b)
27 of the federal Social Security Act (42 U.S.C. Sec. 1396u-1) and
28 the amount equal to ~~100~~ *133* percent of the federal poverty level
29 applicable to the size of the family. A recipient shall be entitled
30 to the same disregard, but only to the extent it is more beneficial
31 than, and is substituted for, the earned income disregard available
32 to recipients.

33 (d) For purposes of calculating income under this section during
34 any calendar year, increases in social security benefit payments
35 under Title II of the federal Social Security Act (42 U.S.C. Sec.
36 401 ~~and following~~ *et seq.*) arising from cost-of-living adjustments
37 shall be disregarded commencing in the month that these social
38 security benefit payments are increased by the cost-of-living
39 adjustment through the month before the month in which a change
40 in the federal poverty level requires the department to modify the

1 income disregard pursuant to subdivision (c) and in which new
2 income limits for the program established by this section are
3 adopted by the department.

4 ~~(e) Subdivision (b) shall be applied retroactively to January 1,~~
5 ~~1998.~~

6 ~~(f)~~

7 (e) Notwithstanding Chapter 3.5 (commencing with Section
8 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
9 the department shall implement, without taking regulatory action,
10 subdivisions (a) and (b) ~~of this section~~ by means of an all county
11 letter or similar instruction. Thereafter, the department shall adopt
12 regulations in accordance with the requirements of Chapter 3.5
13 (commencing with Section 11340) of Part 1 of Division 3 of Title
14 2 of the Government Code. Beginning six months after the effective
15 date of this section, the department shall provide a status report to
16 the Legislature on a semiannual basis until regulations have been
17 adopted.

18 SEC. 5. Section 14011.6 of the Welfare and Institutions Code
19 is amended to read:

20 14011.6. (a) To the extent federal financial participation is
21 available, the department shall exercise the option provided in
22 Section 1920a of the federal Social Security Act (42 U.S.C. Sec.
23 1396r-1a) to implement a program for accelerated enrollment of
24 children *and pregnant women*.

25 (b) The department shall designate ~~the single point of entry, as~~
26 ~~defined in subdivision (e), as the~~ *each county welfare department*
27 *as a qualified entity for determining eligibility under this section.*

28 (c) *The single point of entry, as defined in subdivision (d), shall*
29 *route any applications it receives directly to the appropriate county*
30 *for an accelerated eligibility determination pursuant to this section.*

31 ~~(e)~~

32 (d) For purposes of this section, “single point of entry” means
33 the centralized processing entity that accepts and screens
34 applications for benefits under the Medi-Cal ~~Program~~ *program*
35 for the purpose of forwarding them to the appropriate counties.

36 ~~(f)~~

37 (e) The department shall implement this section only if, and to
38 the extent that, federal financial participation is available.

39 ~~(e)~~

1 (f) The department shall seek federal approval of any state plan
 2 amendments necessary to implement this section. When federal
 3 approval of the state plan amendment or amendments is received,
 4 the department shall commence implementation of this section on
 5 the first day of the second month following the month in which
 6 federal approval of the state plan amendment or amendments is
 7 received, or on July 1, ~~2002~~ 2010, whichever is later.

8 (f)
 9 (g) 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, without taking any regulatory action,
 12 implement this section by means of all-county letters. Thereafter,
 13 the department shall adopt regulations in accordance with the
 14 requirements of Chapter 3.5 (commencing with Section 11340) of
 15 Part 1 of Division 3 of Title 2 of the Government Code.

16 (g)
 17 (h) Upon the receipt of an application for a child ~~who has~~
 18 ~~coverage pursuant to the accelerated enrollment program, a or a~~
 19 *pregnant woman from the single point of entry pursuant to*
 20 *subdivision (c) directly from a parent, or from another source on*
 21 *behalf of the child, or from a pregnant woman, a county shall*
 22 *determine whether the child or pregnant woman appears eligible*
 23 *for Medi-Cal benefits and, if so, grant accelerated enrollment to*
 24 *the child or pregnant woman. Upon the granting of accelerated*
 25 *enrollment for a child or pregnant woman, the county shall*
 26 *determine whether the child or pregnant woman is eligible for*
 27 *Medi-Cal benefits. If the county determines that the child or*
 28 *pregnant woman does not meet the eligibility requirements for*
 29 *participation in the Medi-Cal program, the county shall report this*
 30 *finding to the Medical Eligibility Data System so that accelerated*
 31 *enrollment coverage benefits are discontinued. The information*
 32 *to be reported shall consist of the minimum data elements necessary*
 33 *to discontinue that coverage for the child. This subdivision shall*
 34 *become operative on July 1, 2002, or the date that the program for*
 35 *accelerated enrollment coverage for children takes effect,*
 36 *whichever is later. and shall determine whether the child or*
 37 *pregnant woman is eligible for the Healthy Families Program.*

38 SEC. 6. If the Commission on State Mandates determines that
 39 this act contains costs mandated by the state, reimbursement to
 40 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.

O