

AMENDED IN SENATE APRIL 23, 2009

SENATE BILL

No. 438

Introduced by Senator Yee

February 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 the Insurance Code and to add Section 14011.61 to the Welfare and Institutions Code, relating to health care coverage.~~

LEGISLATIVE COUNSEL'S DIGEST

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

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, *and would require the counties to assume full responsibility for eligibility determinations, annual redeterminations, and ongoing case maintenance by January 1, 2011.* 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 *and subject to federal approval of any necessary state plan amendments*, 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~~ *to implement a program for accelerated enrollment of children in the Medi-Cal program.*

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~~ *the department, to the extent federal financial participation is available and subject to approval of any necessary state plan amendments, the department to exercise an option under federal law to implement a program for accelerated enrollment of children and 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 those 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.~~

4 *SECTION 1.* Section 12693.766 is added to the Insurance Code,
5 to read:

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

13 (b) The board and the department shall consult with
14 stakeholders, including counties and advocates for program clients,
15 in the development of procedures for transferring the responsibility
16 for determinations, *annual redeterminations, and ongoing case*
17 *maintenance* to the county level.

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

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

PART 6.25. CAL-HEALTH PROGRAM

1
2
3 12694.10. It shall be the responsibility of the State of California
4 to make its best efforts to provide that all persons who are eligible
5 for the Healthy Families Program or the Medi-Cal program, or
6 other governmental health care coverage or assistance, are enrolled
7 in programs and services for which they are eligible.

8 12694.11. There is hereby created the California Health Care
9 Program (Cal-Health) to coordinate the Medi-Cal program (Chapter
10 7 (commencing with Section 14000) of Part 3 of Division 9 of the
11 Welfare and Institutions Code) and the Healthy Families Program
12 (Part 6.2 (commencing with Section 12693)) for the purpose of
13 marketing to those who are potentially eligible for a single unified
14 program in an attempt to reduce possible confusion. The duties
15 and functions of establishing Cal-Health shall be carried out by
16 the Secretary of California Health and Human Services, with the
17 assistance of the State Department of Health Care Services, which
18 is defined for the purposes of this part as the “department,” and
19 the Managed Risk Medical Insurance Board, which is defined for
20 the purposes of this part as the “board,” and the county welfare
21 departments, which are defined for the purposes of this part as the
22 “counties.” The coordinated Medi-Cal and Healthy Families
23 programs established by this part shall be known as Cal-Health.

24 12694.13. (a) The department and board, in consultation with
25 the counties and client advocates, shall make any changes necessary
26 to the existing Medi-Cal and Healthy Families joint application in
27 order to enable persons to apply for benefits under the Cal-Health
28 structure.

29 (b) The department and board, in consultation with the counties,
30 provider representatives, and client advocates, shall develop an
31 electronic process by which participating providers may screen
32 and temporarily enroll eligible children into the Medi-Cal program
33 or the Healthy Families Program, as provided in subdivisions (c)
34 and (d). During the period of temporary enrollment, providers shall
35 be reimbursed for services to the same extent as if the eligible child
36 were fully enrolled in the program in which he or she is temporarily
37 enrolled. A purpose of temporary enrollment under this section is
38 to facilitate and accelerate the final eligibility determination by
39 the counties.

1 ~~(e) To the extent permitted by Section 1396r-1a of Title 42 of~~
2 ~~the United States Code and Section 457.355 of Title 42 of the Code~~
3 ~~of Federal Regulations, the state shall exercise its option to allow~~
4 ~~participating providers to screen and temporarily enroll a child~~
5 ~~who meets initial screening requirements into the Medi-Cal~~
6 ~~program or the Healthy Families Program for 60 days pending a~~
7 ~~final eligibility determination by the counties. No child shall be~~
8 ~~temporarily enrolled into a program more than one time during a~~
9 ~~12-month period. The procedures governing the preenrollment~~
10 ~~process for the Medi-Cal program and the Healthy Families~~
11 ~~Program pursuant to Section 14011.7 of the Welfare and~~
12 ~~Institutions Code, including, but not limited to, the requirement~~
13 ~~that providers be certified by the state and that a Medi-Cal~~
14 ~~application be submitted on the child's behalf within 60 days after~~
15 ~~the date the child is temporarily enrolled into the programs shall~~
16 ~~be used to implement the temporary enrollment of children under~~
17 ~~this section.~~

18 ~~(d) The Cal-Health enrollment and application process shall~~
19 ~~secure sufficient information to ensure that the counties are able~~
20 ~~to perform screening and referral for children not eligible for~~
21 ~~programs within Cal-Health, but potentially eligible for other state~~
22 ~~health care programs.~~

23 ~~12694.15. To the extent permitted by federal law and~~
24 ~~notwithstanding any other provision of law, there shall not be an~~
25 ~~assets test for Section 1931(b) of the Medi-Cal program for adults~~
26 ~~and children.~~

27 ~~12694.17. Preschools and public elementary and secondary~~
28 ~~schools, with respect to each enrolled child, shall inform the parent~~
29 ~~or primary caretaker living with the child at least once each year~~
30 ~~about Cal-Health and its eligibility requirements, and shall allow~~
31 ~~an application to be submitted at the preschool or school.~~

32 ~~12694.18. (a) All licensed hospitals, clinics, and other health~~
33 ~~facilities shall inform the parent or primary caretaker of a child~~
34 ~~who is seen or admitted about Cal-Health and its eligibility~~
35 ~~requirements at the time the person or child is seen or admitted,~~
36 ~~and may participate in the temporary eligibility and accelerated~~
37 ~~enrollment process described in Section 12694.13.~~

38 ~~(b) In the case of urgent or emergency services, parents and~~
39 ~~primary caretakers of a child shall be informed about Cal-Health~~
40 ~~and given an opportunity to apply on behalf of eligible children~~

1 after services have been rendered and, in the case of inpatient
2 admission, during discharge planning.

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

5 14005.30. (a) (1) To the extent that federal financial
6 participation is available, Medi-Cal benefits under this chapter
7 shall be provided to individuals eligible for services under Section
8 1396u-1 of Title 42 of the United States Code, including any
9 options under Section 1396u-1(b)(2)(C) made available to and
10 exercised by the state.

11 (2) The department shall exercise its option under Section
12 1396u-1(b)(2)(C) of Title 42 of the United States Code to adopt
13 less restrictive income and resource eligibility standards and
14 methodologies to the extent necessary to allow all recipients of
15 benefits under Chapter 2 (commencing with Section 11200) to be
16 eligible for Medi-Cal under paragraph (1).

17 (3) To the extent federal financial participation is available, the
18 department shall exercise its option under Section 1396u-1(b)(2)(C)
19 of Title 42 of the United States Code authorizing the state to
20 disregard all changes in income or assets of a beneficiary until the
21 next annual reaffirmation under Section 14012. The department
22 shall implement this paragraph only if, and to the extent that the
23 federal State Child Health Insurance Program waiver described in
24 Section 12693.755 of the Insurance Code extending Healthy
25 Families Program eligibility to parents and certain other adults is
26 approved and implemented.

27 (b) To the extent that federal financial participation is available,
28 the department shall exercise its option under Section
29 1396u-1(b)(2)(C) of Title 42 of the United States Code as necessary
30 to simplify eligibility for Medi-Cal under subdivision (a) by
31 exempting all resources.

32 (c) To the extent federal financial participation is available, the
33 department shall adopt an income disregard for applicants equal
34 to the difference between the income standard under the program
35 adopted pursuant to Section 1931(b) of the federal Social Security
36 Act (42 U.S.C. Sec. 1396u-1) and the amount equal to 133 percent
37 of the federal poverty level applicable to the size of the family. A
38 recipient shall be entitled to the same disregard, but only to the
39 extent it is more beneficial than, and is substituted for, the earned
40 income disregard available to recipients.

1 ~~(d) For purposes of calculating income under this section during~~
2 ~~any calendar year, increases in social security benefit payments~~
3 ~~under Title II of the federal Social Security Act (42 U.S.C. Sec.~~
4 ~~401 et seq.) arising from cost-of-living adjustments shall be~~
5 ~~disregarded commencing in the month that these social security~~
6 ~~benefit payments are increased by the cost-of-living adjustment~~
7 ~~through the month before the month in which a change in the~~
8 ~~federal poverty level requires the department to modify the income~~
9 ~~disregard pursuant to subdivision (c) and in which new income~~
10 ~~limits for the program established by this section are adopted by~~
11 ~~the department.~~

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

23 ~~SEC. 5. Section 14011.6 of the Welfare and Institutions Code~~
24 ~~is amended to read:~~

25 ~~14011.6. (a) To the extent federal financial participation is~~
26 ~~available, the department shall exercise the option provided in~~
27 ~~Section 1920a of the federal Social Security Act (42 U.S.C. Sec.~~
28 ~~1396r-1a) to implement a program for accelerated enrollment of~~
29 ~~children and pregnant women.~~

30 ~~(b) The department shall designate each county welfare~~
31 ~~department as a qualified entity for determining eligibility under~~
32 ~~this section.~~

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

36 ~~(d) For purposes of this section, "single point of entry" means~~
37 ~~the centralized processing entity that accepts and screens~~
38 ~~applications for benefits under the Medi-Cal program for the~~
39 ~~purpose of forwarding them to the appropriate counties.~~

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

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

10 ~~(g) Notwithstanding Chapter 3.5 (commencing with Section~~
11 ~~11340) of Part 1 of Division 3 of Title 2 of the Government Code,~~
12 ~~the department shall, without taking any regulatory action,~~
13 ~~implement this section by means of all-county letters. Thereafter,~~
14 ~~the department shall adopt regulations 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 ~~(h) Upon the receipt of an application for a child or a pregnant~~
18 ~~woman from the single point of entry pursuant to subdivision (c)~~
19 ~~directly from a parent, or from another source on behalf of the~~
20 ~~child, or from a pregnant woman, a county shall determine whether~~
21 ~~the child or pregnant woman appears eligible for Medi-Cal benefits~~
22 ~~and, if so, grant accelerated enrollment to the child or pregnant~~
23 ~~woman. Upon the granting of accelerated enrollment for a child~~
24 ~~or pregnant woman, the county shall determine whether the child~~
25 ~~or pregnant woman is eligible for Medi-Cal benefits. If the county~~
26 ~~determines that the child or pregnant woman does not meet the~~
27 ~~eligibility requirements for participation in the Medi-Cal program,~~
28 ~~the county shall report this finding to the Medical Eligibility Data~~
29 ~~System so that accelerated enrollment coverage benefits are~~
30 ~~discontinued and shall determine whether the child or pregnant~~
31 ~~woman is eligible for the Healthy Families Program.~~

32 *SEC. 2. Section 14011.61 is added to the Welfare and*
33 *Institutions Code, to read:*

34 *14011.61. (a) To the extent federal financial participation is*
35 *available, the department shall exercise the option provided in*
36 *Section 1920a of the federal Social Security Act (42 U.S.C. Sec.*
37 *1396r-1a) to implement a program for accelerated enrollment of*
38 *children and pregnant women.*

1 (b) The department shall designate each county welfare
2 department as a qualified entity for determining eligibility under
3 this section.

4 (c) The department shall implement this section only if, and to
5 the extent that, federal financial participation is available.

6 (d) The department shall seek federal approval of any state plan
7 amendments necessary to implement this section. When federal
8 approval of the state plan amendment or amendments is received,
9 the department shall commence implementation of this section on
10 the first day of the second month following the month in which
11 federal approval of the state plan amendment or amendments is
12 received, or on July 1, 2010, whichever is later.

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

20 (f) Upon the receipt of an application for a child directly from
21 the pregnant woman or another source on behalf of the child, or
22 an application for a pregnant woman directly from the parent or
23 another source on behalf of the pregnant woman, the county shall
24 determine whether the child or pregnant woman appears eligible
25 for Medi-Cal benefits and, if so, grant accelerated enrollment to
26 the child or pregnant woman. Upon the granting of accelerated
27 enrollment for a child or pregnant woman, the county shall
28 determine whether the child or pregnant woman is eligible for
29 Medi-Cal benefits. If the county determines that the child or
30 pregnant woman does not meet the eligibility requirements for
31 participation in the Medi-Cal program, the county shall report
32 this finding to the Medical Eligibility Data System so that
33 accelerated enrollment coverage benefits are discontinued.

34 ~~SEC. 6.~~

35 SEC. 3. If the Commission on State Mandates determines that
36 this act contains costs mandated by the state, reimbursement to
37 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