AMENDED IN SENATE APRIL 7, 2010

SENATE BILL No. 1431

Introduced by Senator Simitian
(Principal coauthor: Senator Alquist)
(Coauthor: Senator Yee)
(Coauthors: Assembly Members Hill, Ma, and Ruskin)

February 19, 2010

An act to amend Section 12699.53 of the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 1431, as amended, Simitian. County Health Initiative Matching Fund.

Existing law provides for the Medi-Cal program, administered by the State Department of Health Care Services, under which health care services are provided to qualified low-income recipients. Existing law also creates the Healthy Families Program, administered by the Managed Risk Medical Insurance Board *(MRMIB)*, to arrange for the provision of health care services to children less than 19 years of age who meet certain eligibility requirements.

Existing law, the County Health Initiative Matching Fund, establishes a fund that is administered by ~~the board~~ *MRMIB* in collaboration with the department to accept intergovernmental transfers to be used to increase the state's ability to use federal funds for programs to improve and expand access to health care. Under existing law, a county, a county agency, a local initiative, or a county organized health system that will provide an intergovernmental transfer may apply to ~~the board~~ *MRMIB* for funding to provide health care coverage to eligible children whose family income is at or below 300% of the federal poverty level or

eligible adults whose family income does not exceed 200% of the federal poverty level. Existing law requires that persons receiving this coverage be ineligible for the Healthy Families Program and no share of cost Medi-Cal coverage.

This bill would allow persons who are *eligible for but* unable *to* enroll in the Healthy Families Program ~~due to~~ *as a result of* enrollment policies ~~established~~ *initiated* by ~~the board~~ *MRMIB due to insufficient funding* to receive this coverage and would also allow a county, a county agency, a local initiative, or a county organized health system that will provide an intergovernmental transfer to apply to ~~the board~~ *MRMIB* for funding to provide health care coverage to eligible children whose family income is at or below 400% of the federal poverty level. *The bill would specify that implementation of these provisions is conditioned on MRMIB obtaining necessary federal approval thereof.*

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

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

SECTION 1. Section 12699.53 of the Insurance Code is amended to read:

12699.53. (a) An applicant that will provide an intergovernmental transfer may submit a proposal to the board for funding for the purpose of providing comprehensive health insurance coverage to any child or adult who meets citizenship and immigration status requirements that are applicable to persons participating in the program established by Title XXI of the Social Security Act, and in case of a child, whose family income is at or below 300 percent of the federal poverty level or, at the option of the applicant, 400 percent of the federal poverty level, or in case of an adult, whose family income does not exceed 200 percent of the federal poverty level, in specific geographic areas, as published quarterly in the Federal Register by the Department of Health and Human Services, and which child or adult meets both of the following requirements:

~~(1) Does not qualify for or, due to enrollment policies established by the board, is not able to enroll in the Healthy Families Program (Part 6.2 (commencing with Section 12693)).~~

(1) Does not qualify for the Healthy Families Program (Part 6.2 (commencing with Section 12693)) or qualifies for the program

but is unable to enroll in the program as a result of enrollment policies initiated by the board due to insufficient funds.

(2) Does not qualify for Medi-Cal with no share of cost pursuant to the Medi-Cal Act (Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code).

(b) The proposal shall guarantee at least one year of intergovernmental transfer funding by the applicant at a level that ensures compliance with the requirements of any applicable approved federal waiver or state plan amendment as well as the board's requirements for the sound operation of the proposed project, and shall, on an annual basis, either commit to fully funding the necessary intergovernmental amount or withdraw from the program. The board may identify specific geographical areas that, in comparison to the national level, have a higher cost of living or housing or a greater need for additional health services, using data obtained from the most recent federal census, the federal Consumer Expenditure Survey, or from other sources. The proposal may include an administrative mechanism for outreach and eligibility.

(c) The applicant may include in its proposal reimbursement of medical, dental, vision, or mental health services delivered to children who are eligible under the State Children's Health Insurance Program (Subchapter 21 (commencing with Section 1397aa) of Chapter 7 of Title 42 of the United States Code), if these services are part of an overall program with the measurable goal of enrolling served children in the Healthy Families Program.

(d) If a child is determined to be eligible for benefits for the treatment of an eligible medical condition under the California Children's Services Program pursuant to Article 5 (commencing with Section 123800) of Chapter 3 of Part 2 of Division 106 of the Health and Safety Code, the health, dental, or vision plan providing services to the child pursuant to this part shall not be responsible for the provision of, or payment for, those authorized services for that child. The proposal from an applicant shall contain provisions to ensure that a child whom the health, dental, or vision plan reasonably believes would be eligible for services under the California Children's Services Program is referred to that program. The California Children's Services Program shall provide case management and authorization of services if the child is found to be eligible for the California Children's Services Program.

Diagnosis and treatment services that are authorized by the California Children's Services Program shall be performed by paneled providers for that program and approved special care centers of that program and approved by the California Children's Services Program. All other services provided under the proposal from the applicant shall be made available pursuant to this part to a child who is eligible for services under the California Children's Services Program.

(e) An applicant may submit a proposal for reimbursement of medical, dental, or vision services delivered to adults as specified in subdivision (a).

(f) (1) If a proposal from an applicant for coverage of an adult includes state funds or funds derived from county sources, the applicant shall, to the extent feasible, include participation by health care service plans licensed by the Department of Managed Health Care or health insurers regulated by the Department of Insurance that contract with the board to provide services to Healthy Families Program subscribers in the geographic area.

(2) This subdivision shall not apply if the population to be served by the applicant's proposal is less than 1,000 persons.

(g) Notwithstanding any other provision of this section, an applicant may submit a proposal to the board for the purposes of providing comprehensive health insurance coverage to children whose coverage is not eligible for funding under Title XXI of the Social Security Act, or to a combination of children whose coverage is eligible for funding under Title XXI of the Social Security Act and children whose coverage is not eligible for that funding. To be approved by the board, these proposals shall comply with both of the following requirements:

(1) Meet all applicable requirements for funding under this part, except for availability of funding through Title XXI of the Social Security Act.

(2) Provide for the administration of children's coverage by the board through the administrative infrastructure serving the Healthy Families Program, and through health, dental, and vision plans serving the Healthy Families Program.

(h) Implementation of this section is conditioned on the board obtaining necessary federal approval of these provisions.

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