

AMENDED IN SENATE AUGUST 30, 2011  
AMENDED IN SENATE AUGUST 15, 2011  
AMENDED IN ASSEMBLY MAY 12, 2011  
AMENDED IN ASSEMBLY APRIL 25, 2011  
AMENDED IN ASSEMBLY MARCH 30, 2011  
CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 396**

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**Introduced by Assembly Member Mitchell  
(Coauthors: Assembly Members Blumenfield, Dickinson, Jeffries,  
and V. Manuel Pérez)**

February 14, 2011

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An act to add Sections 14053.8 and 14053.9 to the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 396, as amended, Mitchell. Medi-Cal: juvenile detention facilities. Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid provisions. Existing federal law, with certain exceptions, excludes federal financial participation for medical care provided to any individual who is an inmate in a public institution, and existing state law suspends Medi-Cal benefits, for a specified period of time, to an individual under 21 years of age who is an inmate of a public institution. Existing state law also provides that no person shall be

denied benefits, for whom and for which federal financial participation is available, based solely on the individual's incarcerated status in a county or city jail or juvenile detention facility.

Existing law authorizes the Department of Corrections and Rehabilitation and the State Department of Health Care Services, to the extent that federal participation is not jeopardized and federal approval is obtained, to develop a process for the provision of inpatient hospital services to inmates who would otherwise be eligible for Medi-Cal, but for their institutional status as inmates. Existing law also authorizes, to the extent federal financial participation is available, the State Department of Health Care Services to provide Medi-Cal eligibility and reimbursement for inpatient hospital services to inmates, as defined.

This bill would additionally require the State Department of Health Care Services to develop processes to allow counties and the Division of Juvenile Facilities within the Department of Corrections and Rehabilitation to receive any available federal financial participation for health care services provided to juvenile detainees or detained youth, as applicable, who are admitted as inpatients in a medical institution. The bill would require the department to consult with counties and the Division of Juvenile Facilities in the development of these processes, and would require the department to seek any federal approvals necessary to implement these provisions. The bill would provide that these provisions shall be implemented only to the extent that the Division of Juvenile Facilities and counties elect to voluntarily provide the nonfederal share of expenditures for health care services, and would require that the federal financial participation associated with services provided pursuant to these processes be paid to the participating counties or the Department of Corrections and Rehabilitation, as applicable. The bill would provide that these provisions shall be implemented only to the extent that any necessary federal approval is obtained and existing levels of federal financial participation are not jeopardized. The bill would make related findings and declarations.

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

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

1 SECTION 1. The Legislature finds and declares all of the  
2 following:

1 (a) Federal financial participation may be available for counties  
2 that provide health care services to juvenile detainees while the  
3 juveniles are admitted as patients in a medical institution.

4 (b) Current law provides that an individual under 21 years of  
5 age who is an inmate of a public institution shall have his or her  
6 Medi-Cal services suspended for up to one year.

7 (c) The eligibility procedures of the State Department of Health  
8 Care Services currently do not allow counties to obtain available  
9 federal financial participation for health care services provided to  
10 juvenile detainees when they have been transferred to a medical  
11 institution for inpatient services.

12 (d) Pursuant to Section 5072 of the Penal Code and Section  
13 14053.7 of the Welfare and Institutions Code, the department is  
14 authorized to develop a process to maximize federal financial  
15 participation for inpatient hospital services to adult inmates residing  
16 in a state prison facility.

17 (e) To reduce the fiscal strain on counties, it is imperative that  
18 the department work with counties to develop and implement a  
19 similar process to allow counties to obtain federal financial  
20 participation based on county expenditures for inpatient hospital  
21 services provided to juveniles in their custody.

22 (f) It is not the intent of the Legislature to alter or abrogate any  
23 obligation of the state under federal or state law to cover, fund, or  
24 reimburse under Medi-Cal any medical services provided to a  
25 juvenile detainee.

26 SEC. 2. Section 14053.8 is added to the Welfare and  
27 Institutions Code, to read:

28 14053.8. (a) Notwithstanding any other provision of law, the  
29 department shall develop a process to allow counties to receive  
30 any available federal financial participation for health care services  
31 provided to juvenile detainees who are admitted as inpatients in a  
32 medical institution. This process shall be coordinated, to the extent  
33 possible, with the processes and procedures established pursuant  
34 to Section 14053.7 of this code and Section 5072 of the Penal  
35 Code. This subdivision shall not be construed to alter or abrogate  
36 any obligation of the state pursuant to an administrative action or  
37 a court order that is final and no longer subject to appeal to fund  
38 and reimburse counties for any medical services provided to a  
39 juvenile detainee.

1 (b) A juvenile detainee who is an inpatient in a medical  
2 institution shall not be denied Medi-Cal eligibility because of his  
3 or her institutional status as a detainee of a public institution.

4 (c) The department shall consult with counties in the  
5 development of the process pursuant to this section.

6 (d) The department shall seek any federal approvals necessary  
7 to implement the process developed pursuant to this section. This  
8 section shall be implemented only if and to the extent that any  
9 necessary federal approval is obtained, and only to the extent that  
10 existing levels of federal financial participation are not otherwise  
11 jeopardized.

12 (e) Notwithstanding any other provision of law, as part of the  
13 process developed pursuant to this section, the department may  
14 exempt the juvenile detainees from enrollment into new or existing  
15 managed care health plans.

16 (f) The process developed pursuant to this section shall be  
17 implemented in only those counties that elect to voluntarily provide  
18 the nonfederal share of expenditures for health care services to  
19 juvenile detainees who, but for their inpatient status, would be  
20 ineligible for Medi-Cal as detainees of a public institution. For  
21 counties that elect to participate, ~~the county and the state shall~~  
22 ~~annually negotiate the amount of the administrative costs the~~  
23 ~~county shall pay~~ *counties shall agree to pay the nonfederal share*  
24 *of the department's administrative costs* in accordance with this  
25 section.

26 (g) The federal financial participation received pursuant to the  
27 process implemented under this section shall be paid to the  
28 participating counties for services rendered to the juvenile  
29 detainees. If a federal audit disallowance and interest results from  
30 claims made under the process created pursuant to this section,  
31 the department shall recoup from the county that received the  
32 disallowed funds the amount of the disallowance and any  
33 applicable interest.

34 (h) Notwithstanding Chapter 3.5 (commencing with Section  
35 11340) of Part 1 of Division ~~2~~ 3 of Title 2 of the Government  
36 Code, the department may, without taking any further regulatory  
37 action, implement this section by means of all-county letters or  
38 similar instructions.

39 SEC. 3. Section 14053.9 is added to the Welfare and  
40 Institutions Code, to read:

1 14053.9. (a) Notwithstanding any other provision of law, the  
2 department shall develop a process to allow the Department of  
3 Corrections and Rehabilitation, Division of Juvenile Facilities, or  
4 any successor, to receive any available federal financial  
5 participation for health care services provided to any youth detained  
6 in the Division of Juvenile Facilities who are admitted as inpatients  
7 in a medical institution. This process shall be coordinated, to the  
8 extent possible, with the processes and procedures established  
9 pursuant to Section 14053.7 of this code and Section 5072 of the  
10 Penal Code.

11 (b) Any youth detained in the Division of Juvenile Facilities  
12 who is an inpatient in a medical institution shall not be denied  
13 Medi-Cal eligibility because of his or her institutional status as a  
14 ward committed to, or a youth housed in, the Division of Juvenile  
15 Facilities.

16 (c) The department shall consult with the Division of Juvenile  
17 Facilities in the development of the process pursuant to this section.

18 (d) The department shall seek any federal approvals necessary  
19 to implement the process developed pursuant to this section. This  
20 section shall be implemented only if and to the extent that any  
21 necessary federal approval is obtained, and only to the extent that  
22 existing levels of federal financial participation are not otherwise  
23 jeopardized.

24 (e) Notwithstanding any other provision of law, as part of the  
25 process developed pursuant to this section, the department may  
26 exempt any youth detained in a facility operated by the Division  
27 of Juvenile Facilities from enrollment into new or existing managed  
28 care health plans.

29 (f) The process developed pursuant to this section shall be  
30 implemented only to the extent that the Division of Juvenile  
31 Facilities agrees voluntarily to provide the nonfederal share of  
32 expenditures for health care services to any youth detained in the  
33 Division of Juvenile Facilities who, but for their inpatient status,  
34 would be ineligible for Medi-Cal as an inmate of a public  
35 institution.

36 (g) The federal financial participation received pursuant to the  
37 process implemented under this section shall be paid to the

- 1 Department of Corrections and Rehabilitation for services rendered
- 2 to any youth detained in the Division of Juvenile Facilities.

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