

AMENDED IN SENATE AUGUST 9, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1580**

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**Introduced by Assembly Member Bonilla**

February 2, 2012

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An act to amend Section 15926 of the Welfare and Institutions Code, relating to public health.

LEGISLATIVE COUNSEL'S DIGEST

AB 1580, as amended, Bonilla. Health care: eligibility: enrollment.

Existing law provides for various programs to provide health care coverage to persons with limited financial resources, including the Medi-Cal program and the Healthy Families Program. Existing law establishes the California Health Benefit Exchange (Exchange), pursuant to the federal Patient Protection and Affordable Care Act (PPACA), and specifies the duties and powers of the board governing the Exchange relative to determining eligibility for enrollment in the Exchange and arranging for coverage under qualified health plans, and facilitating the purchase of qualified health plans through the Exchange. Existing law, the Health Care Reform Eligibility, Enrollment, and Retention Planning Act, operative as provided, requires the ~~California Health and Human Services Agency~~ *State Department of Health Care Services*, in consultation with specified entities, to establish standardized single, accessible application forms and related renewal procedures for state health subsidy programs, as defined, in accordance with specified requirements. Existing law provides that the application or case of an individual screened as not eligible for Medi-Cal on the basis of household income but who may be eligible for Medi-Cal on another

basis shall be forwarded to the Medi-Cal program for an eligibility determination.

This bill would make technical and clarifying changes to these provisions.

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. Section 15926 of the Welfare and Institutions  
2 Code is amended to read:

3 15926. (a) The following definitions apply for purposes of  
4 this part:

5 (1) “Accessible” means in compliance with Section 11135 of  
6 the Government Code, Section 1557 of the PPACA, and regulations  
7 or guidance adopted pursuant to these statutes.

8 (2) ~~“Limited English proficient”~~ “*Limited-English-proficient*”  
9 means not speaking English as one’s primary language and having  
10 a limited ability to read, speak, write, or understand English.

11 (3) “State health subsidy programs” means the programs  
12 described in Section 1413(e) of the PPACA.

13 (b) An individual shall have the option to apply for state health  
14 subsidy programs in person, by mail, online, ~~by facsimile, or by~~  
15 ~~telephone, or by other commonly available electronic means.~~

16 (c) (1) A single, accessible, standardized paper, electronic, and  
17 telephone application for state health subsidy programs shall be  
18 developed by the department in consultation with MRMIB and  
19 the board governing the Exchange as part of the stakeholder process  
20 described in subdivision (b) of Section 15925. The application  
21 shall be used by all entities authorized to make an eligibility  
22 determination for any of the state health subsidy programs and by  
23 their agents.

24 (2) The application shall be tested and operational by the date  
25 as required by the federal Secretary of ~~the~~ Health and Human  
26 Services.

27 (3) The application form shall, to the extent not inconsistent  
28 with federal statutes, regulations, and guidance, satisfy all of the  
29 following criteria:

30 (A) The form shall include simple, user-friendly language and  
31 instructions.

1 (B) The form may not ask for information related to a  
2 nonapplicant that is not necessary to determine eligibility in the  
3 applicant's particular circumstances.

4 (C) The form may require only information necessary to support  
5 the eligibility and enrollment processes for state health subsidy  
6 programs.

7 (D) The form may be used for, but shall not be limited to,  
8 screening.

9 (E) The form may ask, or be used otherwise to identify, if the  
10 mother of an infant applicant under one year of age had coverage  
11 through a state health subsidy program for the infant's birth, for  
12 the purpose of automatically enrolling the infant into the applicable  
13 program without the family having to complete the application  
14 process for the infant.

15 (F) The form may include questions that are voluntary for  
16 applicants to answer regarding demographic data categories,  
17 including race, ethnicity, primary language, disability status, and  
18 other categories recognized by the federal Secretary of Health and  
19 Human Services under Section 4302 of the PPACA.

20 (d) Nothing in this section shall preclude the use of a  
21 provider-based application form or enrollment procedures for state  
22 health subsidy programs or other health programs that differs from  
23 the application form described in subdivision (c), and related  
24 enrollment procedures.

25 (e) The entity making the eligibility determination shall grant  
26 eligibility immediately whenever possible and with the consent of  
27 the applicant in accordance with the state and federal rules  
28 governing state health subsidy programs.

29 (f) (1) If the eligibility, enrollment, and retention system has  
30 the ability to prepopulate an application form for insurance  
31 affordability programs with personal information from available  
32 electronic databases, an applicant shall be given the option, with  
33 his or her informed consent, to have the application form  
34 prepopulated. Before a prepopulated renewal form or, if available,  
35 prepopulated application is submitted to the entity authorized to  
36 make eligibility determinations, the individual shall be given the  
37 opportunity to provide additional eligibility information and to  
38 correct any information retrieved from a database.

39 (2) All state health subsidy programs may accept self-attestation,  
40 instead of requiring an individual to produce a document, with

1 respect to all information needed to determine the eligibility of an  
2 applicant or recipient, to the extent permitted by state and federal  
3 law.

4 (3) An applicant or recipient shall have his or her information  
5 electronically verified in the manner required by the PPACA and  
6 implementing federal regulations and guidance.

7 (4) Before an eligibility determination is made, the individual  
8 shall be given the opportunity to provide additional eligibility  
9 information and to correct information.

10 (5) The eligibility of an applicant shall not be delayed or denied  
11 for any state health subsidy program unless the applicant is given  
12 a reasonable opportunity, of at least the kind provided for under  
13 the Medi-Cal program pursuant to Section 14007.5 and paragraph  
14 (7) of subdivision (e) of Section 14011.2, to resolve discrepancies  
15 concerning any information provided by a verifying entity.

16 (6) To the extent federal financial participation is available, an  
17 applicant shall be provided benefits in accordance with the rules  
18 of the state health subsidy program, as implemented in federal  
19 regulations and guidance, for which he or she otherwise qualifies  
20 until a determination is made that he or she is not eligible and all  
21 applicable notices have been provided. Nothing in this section  
22 shall be interpreted to grant presumptive eligibility if it is not  
23 otherwise required by state law, and, if so required, then only to  
24 the extent permitted by federal law.

25 (g) The eligibility, enrollment, and retention system shall offer  
26 an applicant and recipient assistance with his or her application or  
27 renewal for a state health subsidy program in person, over the  
28 telephone, and online, and in a manner that is accessible to  
29 individuals with disabilities and those who are limited English  
30 proficient.

31 (h) (1) During the processing of an application, renewal, or a  
32 transition due to a change in circumstances, an entity making  
33 eligibility determinations for a state health subsidy program shall  
34 ensure that an eligible applicant and recipient of state health  
35 subsidy programs that meets all program eligibility requirements  
36 and complies with all necessary requests for information moves  
37 between programs without any breaks in coverage and without  
38 being required to provide any forms, documents, or other  
39 information or undergo verification that is duplicative or otherwise  
40 unnecessary. The individual shall be informed about how to obtain

1 information about the status of his or her application, renewal, or  
2 transfer to another program at any time, and the information shall  
3 be promptly provided when requested.

4 (2) The application or case of an individual screened as not  
5 eligible for Medi-Cal on the basis of Modified Adjusted Gross  
6 Income (MAGI) household income but who may be eligible on  
7 the basis of being 65 years of age or older, or on the basis of  
8 blindness or disability, shall be forwarded to the Medi-Cal program  
9 for an eligibility determination. During the period this application  
10 or case is processed for a non-MAGI Medi-Cal eligibility  
11 determination, if the applicant or recipient is otherwise eligible  
12 for a state health subsidy program, he or she shall be determined  
13 eligible for that program.

14 (3) Renewal procedures shall include all available methods for  
15 reporting renewal information, including, but not limited to,  
16 face-to-face, telephone, and online renewal.

17 (4) An applicant who is not eligible for a state health subsidy  
18 program for a reason other than income eligibility, or for any reason  
19 in the case of applicants and recipients residing in a county that  
20 offers a health coverage program for individuals with income above  
21 the maximum allowed for the Exchange premium tax credits, shall  
22 be referred to the county health coverage program in his or her  
23 county of residence.

24 (i) Notwithstanding subdivisions (e), (f), and (j), before an online  
25 applicant who appears to be eligible for the Exchange with a  
26 premium tax credit or reduction in cost sharing, or both, may be  
27 enrolled in the Exchange, both of the following shall occur:

28 (1) The applicant shall be informed of the overpayment penalties  
29 under the federal Comprehensive 1099 Taxpayer Protection and  
30 Repayment of Exchange Subsidy Overpayments Act of 2011  
31 (Public Law 112-9), if the individual's annual family income  
32 increases by a specified amount or more, calculated on the basis  
33 of the individual's current family size and current income, and that  
34 penalties are avoided by prompt reporting of income increases  
35 throughout the year.

36 (2) The applicant shall be informed of the penalty for failure to  
37 have minimum essential health coverage.

38 (j) The department shall, in coordination with MRMIB and the  
39 Exchange board, streamline and coordinate all eligibility rules and  
40 requirements among state health subsidy programs using the least

1 restrictive rules and requirements permitted by federal and state  
2 law. This process shall include the consideration of methodologies  
3 for determining income levels, assets, rules for household size,  
4 citizenship and immigration status, and self-attestation and  
5 verification requirements.

6 (k) (1) Forms and notices developed pursuant to this section  
7 shall be accessible and standardized, as appropriate, and shall  
8 comply with federal and state laws, regulations, and guidance  
9 prohibiting discrimination.

10 (2) Forms and notices developed pursuant to this section shall  
11 be developed using plain language and shall be provided in a  
12 manner that affords meaningful access to limited-English-proficient  
13 individuals, in accordance with applicable state and federal law,  
14 and at a minimum, provided in the same threshold languages as  
15 required for Medi-Cal managed care plans.

16 (l) The department, the California Health and Human Services  
17 Agency, MRMIB, and the Exchange board shall establish a process  
18 for receiving and acting on stakeholder suggestions regarding the  
19 functionality of the eligibility systems supporting the Exchange,  
20 including the activities of all entities providing eligibility screening  
21 to ensure the correct eligibility rules and requirements are being  
22 used. This process shall include consumers and their advocates,  
23 be conducted no less than quarterly, and include the recording,  
24 review, and analysis of potential defects or enhancements of the  
25 eligibility systems. The process shall also include regular updates  
26 on the work to analyze, prioritize, and implement corrections to  
27 confirmed defects and proposed enhancements, and to monitor  
28 screening.

29 (m) In designing and implementing the eligibility, enrollment,  
30 and retention system, the department, MRMIB, and the Exchange  
31 board shall ensure that all privacy and confidentiality rights under  
32 the PPACA and other federal and state laws are incorporated and  
33 followed, including responses to security breaches.

34 (n) Except as otherwise specified, this section shall be operative  
35 on and after January 1, 2014.

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