

AMENDED IN ASSEMBLY AUGUST 26, 2011

AMENDED IN SENATE MARCH 29, 2011

SENATE BILL

No. 36

**Introduced by Senator Simitian
(Principal coauthor: Senator Leno)
(Coauthor: Senator Alquist)**

(Coauthors: Assembly Members Ammiano, Fong, Gordon, ~~and Hill~~
Hill, and V. Manuel Pérez)

December 6, 2010

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

LEGISLATIVE COUNSEL'S DIGEST

SB 36, 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 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 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 a county, a county agency, a local initiative, or a county organized health system that will provide an intergovernmental transfer to apply to MRMIB for funding to provide health care coverage to eligible children whose family income is at or below 400% of the federal poverty level, as specified, and would require persons receiving this coverage be ineligible for no share of cost Medi-Cal coverage and either ineligible for the Healthy Families Program or unable to enroll in the program as a result of specified enrollment policies due to insufficient funds. 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:

1 SECTION 1. Section 12699.53 of the Insurance Code is
2 amended to read:
3 12699.53. (a) (1) An applicant that will provide an
4 intergovernmental transfer may submit a proposal to the board for
5 funding for the purpose of providing comprehensive health
6 insurance coverage to any child or adult who meets citizenship
7 and immigration status requirements that are applicable to persons
8 participating in the program established by Title XXI of the Social
9 Security Act, and in case of a child, whose family income is at or
10 below 300 percent of the federal poverty level or, at the option of
11 the applicant, at or below 400 percent of the federal poverty level,
12 or in case of an adult, whose family income does not exceed 200
13 percent of the federal poverty level, in specific geographic areas,
14 as published quarterly in the Federal Register by the Department
15 of Health and Human Services, and which child or adult meets
16 both of the following requirements:
17 (A) Does not qualify for the Healthy Families Program (Part
18 6.2 (commencing with Section 12693)) or qualifies for the program

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

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

6 (2) In its application, the applicant shall specify the income
7 level at or below 400 percent of the federal poverty level for which
8 it will provide coverage and whether the applicant will cover
9 individuals who qualify for the Healthy Families Program but are
10 unable to enroll in the program as a result of enrollment policies
11 initiated by the board due to insufficient funds.

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

26 (c) The applicant may include in its proposal reimbursement of
27 medical, dental, vision, or mental health services delivered to
28 children who are eligible under the State Children's Health
29 Insurance Program (Subchapter 21 (commencing with Section
30 1397aa) of Chapter 7 of Title 42 of the United States Code), if
31 these services are part of an overall program with the measurable
32 goal of enrolling served children in the Healthy Families Program.

33 (d) If a child is determined to be eligible for benefits for the
34 treatment of an eligible medical condition under the California
35 Children's Services Program pursuant to Article 5 (commencing
36 with Section 123800) of Chapter 3 of Part 2 of Division 106 of
37 the Health and Safety Code, the health, dental, or vision plan
38 providing services to the child pursuant to this part shall not be
39 responsible for the provision of, or payment for, those authorized
40 services for that child. The proposal from an applicant shall contain

1 provisions to ensure that a child whom the health, dental, or vision
2 plan reasonably believes would be eligible for services under the
3 California Children’s Services Program is referred to that program.
4 The California Children’s Services Program shall provide case
5 management and authorization of services if the child is found to
6 be eligible for the California Children’s Services Program.
7 Diagnosis and treatment services that are authorized by the
8 California Children’s Services Program shall be performed by
9 paneled providers for that program and approved special care
10 centers of that program and approved by the California Children’s
11 Services Program. All other services provided under the proposal
12 from the applicant shall be made available pursuant to this part to
13 a child who is eligible for services under the California Children’s
14 Services Program.

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

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

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

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

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

39 (2) Provide for the administration of children’s coverage by the
40 board through the administrative infrastructure serving the Healthy

- 1 Families Program, and through health, dental, and vision plans
- 2 serving the Healthy Families Program.
- 3 (h) Implementation of this section is conditioned on the board
- 4 obtaining necessary federal approval of these provisions.

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