

Senate Bill No. 1341

Passed the Senate May 28, 2014

Secretary of the Senate

Passed the Assembly August 19, 2014

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2014, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Section 10823 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 1341, Mitchell. Medi-Cal: Statewide Automated Welfare System.

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 Program provisions. Existing law requires the Office of Systems Integration in the State Department of Social Services to implement a statewide automated welfare system for 6 specified public assistance programs, including Medi-Cal.

This bill would require the Statewide Automated Welfare System to be the system of record for Medi-Cal and to contain all Medi-Cal eligibility rules and case management functionality. The bill would, notwithstanding this provision, authorize the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS) to house the business rules necessary for an eligibility determination to be made, as specified, pursuant to the federal Patient Protection and Affordable Care Act. The bill would, if that authority is exercised, require CalHEERS to make the business rules available to the Statewide Automated Welfare System consortia to determine Medi-Cal eligibility. The bill would specify the manner, effective January 1, 2016, in which the functionality to create and send notices of action for the Medi-Cal and premium tax credit programs would be implemented, including a requirement that the Statewide Automated Welfare System be used to generate noticing language and notice of action documents.

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

SECTION 1. Section 10823 of the Welfare and Institutions Code, as amended by Section 9 of Chapter 13 of the First Extraordinary Session of the Statutes of 2011, is amended to read:

10823. (a) (1) The Office of Systems Integration shall implement a statewide automated welfare system for the following public assistance programs:

- (A) The CalWORKs program.
- (B) CalFresh.
- (C) The Medi-Cal program.
- (D) The foster care program.
- (E) The refugee program.
- (F) County medical services programs.

(2) Statewide implementation of the statewide automated welfare system for the programs listed in paragraph (1) shall be achieved through no more than four county consortia, including the Interim Statewide Automated Welfare System Consortium, and the Los Angeles Eligibility, Automated Determination, Evaluation, and Reporting System.

(3) Notwithstanding paragraph (2), the Office of Systems Integration shall migrate the 35 counties that currently use the Interim Statewide Automated Welfare System (SAWS) into the C-IV system within the following timeline:

(A) Complete Migration System Test and begin User Acceptance Testing on or before June 30, 2009.

(B) Complete implementation in at least five counties by February 28, 2010.

(C) Complete implementation in at least 14 additional counties on or before May 31, 2010.

(D) Complete implementation in all 35 counties on or before August 31, 2010.

(E) Decommission the Interim Statewide Automated Welfare System on or before January 31, 2011.

(4) Notwithstanding paragraph (2), the Office of Systems Integration shall oversee the migration of the 39 counties composing the C-IV Consortium into a system jointly designed by the 39 counties plus Los Angeles County under the LEADER Replacement System contract. This migration shall result in a new consortium to replace the LEADER and C-IV Consortia.

(5) The consortia and the state shall take any action necessary to ensure that the current SAWS maintenance and operations agreements are extended for the LEADER and C-IV Consortia, pending the completion of the LEADER Replacement System and migration of the C-IV Consortium as set forth in paragraph (4),

and for the continuation of the Welfare Client Data System Consortium.

(6) Each SAWS consortium shall provide a seat on its governing body for a representative of the state and shall allow for the stationing of state staff at the project site.

(b) Nothing in subdivision (a) transfers program policy responsibilities related to the public assistance programs specified in subdivision (a) from the State Department of Social Services or the State Department of Health Care Services to the Office of Systems Integration.

(c) (1) On February 1 of each year, the Office of Systems Integration shall provide an annual report to the appropriate committees of the Legislature on the statewide automated welfare system implemented under this section. The report shall address the progress of state and consortia activities and any significant schedule, budget, or functionality changes in the project.

(2) The report provided pursuant to this subdivision in 2012 shall also include the projected timeline and key milestones for the development of the LEADER Replacement System and of the new consortium described in paragraph (4) of subdivision (a).

(d) Notwithstanding any other law, the Statewide Automated Welfare System consortia shall have the authority to expend within approved annual state budgets for each system as follows:

(1) Make changes within any line item, provided that the change does not create additional project costs in the current or in a future budget year.

(2) Make a change of up to one hundred thousand dollars (\$100,000) or 10 percent of the total for the line item from which the funds are derived, whichever is greater, between line items with notice to the Office of Systems Integration, provided that the change does not create additional project costs in the current or in a future budget year.

(3) Make requests to the Office of Systems Integration for changes between line items of greater than one hundred thousand dollars (\$100,000) or 10 percent of the total for the line item from which the funds are derived, which do not increase the total cost in the current or a future budget year. The Office of Systems Integration shall take action to approve or deny the request within 10 days.

(e) (1) The Statewide Automated Welfare System shall be the system of record for Medi-Cal and shall contain all Medi-Cal eligibility rules and case management functionality.

(2) Notwithstanding paragraph (1), the business rules necessary for an eligibility determination to be made under the Modified Adjusted Gross Income (MAGI) rules pursuant to the federal Patient Protection and Affordable Care Act (Public Law 111-148) may be housed in the California Healthcare Eligibility, Enrollment, and Retention System developed pursuant to Section 15926, hereafter referred to as CalHEERS. If that authority is exercised, the business rules contained in CalHEERS shall be made available to the Statewide Automated Welfare System consortia, through an automated interface, in order for the consortia to determine eligibility for Medi-Cal under the MAGI rules.

(3) Effective January 1, 2016, the functionality to create and send notices of action for Medi-Cal and premium tax credit programs, as described in Section 36B of Title 26 of the United States Code, shall be implemented consistent with the following:

(A) Except as specified in subparagraphs (B) and (C), the Statewide Automated Welfare System shall be used to generate noticing language and notice of action documents and to send notice of action documents for all Medi-Cal programs, including, but not limited to, MAGI and non-MAGI based programs.

(B) If authority is exercised pursuant to paragraph (2), CalHEERS shall be used to generate noticing language for the premium tax credit program, including, but not limited to, Medi-Cal denial noticing language related to tax subsidy approvals, and shall be used to generate and send notice of action documents for the premium tax credit only program.

(C) If authority is exercised pursuant to paragraph (2), in any mixed eligibility cases that include an approval or approvals for MAGI Medi-Cal eligibility determinations, non-MAGI Medi-Cal eligibility determinations, or both, and premium tax credit approvals, the Statewide Automated Welfare System shall be used to combine the noticing language for Medi-Cal programs generated by the Statewide Automated Welfare System and the noticing language for the premium tax credit program generated by CalHEERS into one notice, and the Statewide Automated Welfare System shall be used to send the document, as one combined notice, for all programs.

Approved _____, 2014

Governor