

ASSEMBLY BILL

No. 1655

Introduced by Assembly Member Dodd

January 13, 2016

An act to amend Section 14005.12 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 1655, as introduced, Dodd. Medi-Cal: beneficiary maintenance needs: personal needs allowance.

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. Qualified individuals under the Medi-Cal program include medically needy persons and medically needy family persons who meet the required eligibility criteria, including applicable income and share of cost requirements. Existing law prohibits medically needy persons or medically needy family persons from receiving health care services during any month in which their share of cost has not been met.

Existing law, for purposes of determining the share of cost for those medically needy persons or medically needy family persons, requires the department to establish income levels for maintenance need at the lowest levels that reasonably permit a medically needy individual to meet his or her basic needs for food, clothing, and shelter, and for which federal financial participation will still be provided under applicable federal law. In calculating the income of a medically needy individual who is in a medical institution or nursing facility, or a person receiving

institutional or noninstitutional services from a Program of All-Inclusive Care for the Elderly organization, the required monthly maintenance amount includes, among other things, an amount providing for the personal and incidental needs in an amount not less than \$35 while a patient, and authorizes the department, by regulation, to increase this amount as necessitated by increasing costs of personal incidental needs. This amount is also referred to as the personal needs allowance.

This bill would increase the personal needs allowance amount from \$35 to \$80 per month while a person is a patient as described above, and instead would require the department to annually increase this amount based on the percentage increase in the California Consumer Price Index. Because counties are required to make Medi-Cal eligibility determinations, and this bill would expand eligibility by increasing the personal needs allowance and would increase the responsibility of counties in determining Medi-Cal eligibility, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

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

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

1 SECTION 1. Section 14005.12 of the Welfare and Institutions
2 Code is amended to read:
3 14005.12. (a) For the purposes of Sections 14005.4 and
4 14005.7, the department shall establish the income levels for
5 maintenance need at the lowest levels that reasonably permit
6 medically needy persons to meet their basic needs for food,
7 clothing, and shelter, and for which federal financial participation
8 will still be provided under Title XIX of the federal Social Security
9 Act. It is the intent of the Legislature that the income levels for
10 maintenance need for medically needy aged, blind, and disabled
11 adults, in particular, shall be based upon amounts that adequately
12 reflect their needs.

1 (1) Subject to paragraph (2), reductions in the maximum aid
2 payment levels set forth in subdivision (a) of Section 11450 in the
3 1991–92 fiscal year, and thereafter, shall not result in a reduction
4 in the income levels for maintenance under this section.

5 (2) (A) The department shall seek any necessary federal
6 authorization for maintaining the income levels for maintenance
7 at the levels in effect June 30, 1991.

8 (B) If federal authorization is not obtained, medically needy
9 persons shall not be required to pay the difference between the
10 share of cost as determined based on the payment levels in effect
11 on June 30, 1991, under Section 11450, and the share of cost as
12 determined based on the payment levels in effect on July 1, 1991,
13 and thereafter.

14 (3) Any medically needy person who was eligible for benefits
15 under this chapter as categorically needy for the calendar month
16 immediately preceding the effective date of the reductions in the
17 minimum basic standards of adequate care for the Aid to Families
18 with Dependent Children program as set forth in Section 11452.018
19 made in the 1995–96 Regular Session of the Legislature shall not
20 be responsible for paying his or her share of cost if all of the
21 following apply:

22 (A) He or she had eligibility as categorically needy terminated
23 by the reductions in the minimum basic standards of adequate care.

24 (B) He or she, but for the reductions, would be eligible to
25 continue receiving benefits under this chapter as categorically
26 needy.

27 (C) He or she is not eligible to receive benefits without a share
28 of cost as a medically needy person pursuant to paragraph (1) or
29 (2).

30 (b) In the case of a single individual, the amount of the income
31 level for maintenance per month shall be 80 percent of the highest
32 amount that would ordinarily be paid to a family of two persons,
33 without any income or resources, under subdivision (a) of Section
34 11450, multiplied by the federal financial participation rate.

35 (c) In the case of a family of two adults, the income level for
36 maintenance per month shall be the highest amount that would
37 ordinarily be paid to a family of three persons without income or
38 resources under subdivision (a) of Section 11450, multiplied by
39 the federal financial participation rate.

(d) For the purposes of Sections 14005.4 and 14005.7, for a person in a medical institution or nursing facility, or for a person receiving institutional or noninstitutional services from a Program of All-Inclusive Care for the Elderly organization pursuant to Chapter 8.75 (commencing with Section 14591), the amount considered as required for maintenance per month shall be computed in accordance with, and for those purposes required by, Title XIX of the federal Social Security Act, and regulations adopted pursuant thereto. Those amounts shall be computed pursuant to regulations which include providing for the following purposes:

(1) Personal and incidental needs in the amount of not less than ~~thirty-five dollars (\$35)~~ *eighty dollars (\$80)* per month while a patient. The department ~~may, shall, by regulation, annually increase this amount as necessitated by increasing costs of personal and incidental needs based on the percentage increase in the California Consumer Price Index.~~ A long-term health care facility shall not charge an individual for the laundry services or periodic hair care specified in Section 14110.4.

(2) The upkeep and maintenance of the home.

(3) The support and care of his or her minor children, or any disabled relative for whose support he or she has contributed regularly, if there is no community spouse.

(4) If the person is an institutionalized spouse, for the support and care of his or her community spouse, minor or dependent children, dependent parents, or dependent siblings of either spouse, provided the individuals are residing with the community spouse.

(5) The community spouse monthly income allowance shall be established at the maximum amount permitted in accordance with Section 1924(d)(1)(B) of Title XIX of the federal Social Security Act (42 U.S.C. Sec. 1396r-5(d)(1)(B)).

(6) The family allowance for each family member residing with the community spouse shall be computed in accordance with the formula established in Section 1924(d)(1)(C) of Title XIX of the federal Social Security Act (42 U.S.C. Sec. 1396r-5(d)(1)(C)).

(e) For the purposes of Sections 14005.4 and 14005.7, with regard to a person in a licensed community care facility, the amount considered as required for maintenance per month shall be computed pursuant to regulations adopted by the ~~department~~ *department*, which provide for the support and care of his or her

1 spouse, minor children, or any disabled relative for whose support
2 he or she has contributed regularly.

3 (f) The income levels for maintenance per month, except as
4 specified in subdivisions (b) to (d), inclusive, shall be equal to the
5 highest amounts that would ordinarily be paid to a family of the
6 same size without any income or resources under subdivision (a)
7 of Section 11450, multiplied by the federal financial participation
8 rate.

9 (g) The “federal financial participation rate,” as used in this
10 section, ~~shall mean~~ *means* 133 $\frac{1}{3}$ percent, or such other rate set
11 forth in Section 1903 of the federal Social Security Act (42 U.S.C.
12 Sec. 1396(b)), or its successor provisions.

13 (h) The income levels for maintenance per month shall not be
14 decreased to reflect the presence in the household of persons
15 receiving forms of aid other than Medi-Cal.

16 (i) When family members maintain separate residences, but
17 eligibility is determined as a single unit under Section 14008, the
18 income levels for maintenance per month shall be established for
19 each household in accordance with subdivisions (b) to (h),
20 inclusive. The total of these levels shall be the level for the single
21 eligibility unit.

22 (j) The income levels for maintenance per month established
23 pursuant to subdivisions (b) to (i), inclusive, shall be calculated
24 on an annual basis, rounded to the next higher multiple of one
25 hundred dollars (\$100), and then prorated.

26 SEC. 2. If the Commission on State Mandates determines that
27 this act contains costs mandated by the state, reimbursement to
28 local agencies and school districts for those costs shall be made
29 pursuant to Part 7 (commencing with Section 17500) of Division
30 4 of Title 2 of the Government Code.