

AMENDED IN ASSEMBLY APRIL 5, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 93

Introduced by Assembly Member Cedillo

December 10, 1998

An act to amend ~~Section 14012 of, and to add Section 14005.25 to Sections 14011, 14012, and 14051 of,~~ to add Sections 14005.25, 14005.31, 14005.32, and 14012.5 to, and to repeal and add Section 14006 of, the Welfare and Institutions Code, relating to health.

LEGISLATIVE COUNSEL'S DIGEST

AB 93, as amended, Cedillo. Medi-Cal eligibility.

Existing law provides for the Medi-Cal program, administered by the State Department of Health Services, under which qualified low-income persons are provided with health care services.

This bill would eliminate various Medi-Cal eligibility requirements, including certain resource requirements, a requirement that a child be deprived of parental support under the CalWORKs program, and a limitation on the hours of employment. Because each county is required to make eligibility determinations under the Medi-Cal program, the bill would, by expanding eligibility under the Medi-Cal program, constitute a state-mandated local program.

This bill would provide that, in accordance with authority provided for under federal law, subject to applicable share-of-cost requirements, any individual 19 years of age or

younger who is determined to be eligible for Medi-Cal shall remain eligible for those benefits for a period of no less than 12 months and any individual over 19 years of age determined to be eligible for Medi-Cal who is enrolled in a Medi-Cal managed care organization shall remain eligible for a period of no less than 6 months.

Existing law provides that, except for those persons whose eligibility for Medi-Cal benefits is based upon eligibility under specified public social services programs, reaffirmation of eligibility is required to be filed by a recipient on an annual basis and at other times as required by the department.

This bill would eliminate the authority to require reaffirmation of eligibility at other times, *except that a recipient shall be required to report changes in income or other circumstances that affect eligibility within 10 days of their occurrence.*

~~This bill would require that, to the extent permitted by federal law, every person upon being determined eligible for Medi-Cal benefits have a 12-month period of continuous presumptive eligibility.~~

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, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

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: ~~no~~ yes.

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

- 1 SECTION 1. Section 14005.25 is added to the Welfare
- 2 and Institutions Code, to read:
- 3 14005.25. ~~To the extent permitted by federal law,~~
- 4 ~~every person shall, upon being determined eligible for~~



1 ~~benefits under this chapter, have a 12-month period of~~
2 ~~continuous presumptive eligibility.~~

3 ~~SEC. 2.—~~

4 *14005.25. In accordance with the authority granted*
5 *pursuant to Section 233 of Part 45 of the Code of Federal*
6 *Regulations and notwithstanding any other provision of*
7 *this chapter, the 100-hour limitation on hours of work*
8 *described in subdivision (b) of Section 11201 shall not*
9 *apply in determining Medi-Cal eligibility.*

10 *SEC. 2. Section 14005.31 is added to the Welfare and*
11 *Institutions Code, to read:*

12 *14005.31. (a) Pursuant to Section 4731 of the federal*
13 *Balanced Budget Act of 1997 (Public Law 105-33), any*
14 *individual who is 19 years of age or younger and who is*
15 *determined to be eligible to receive Medi-Cal benefits*
16 *under this chapter shall remain eligible for those benefits*
17 *for a period of no less than 12 months, subject to*
18 *applicable share-of-cost requirements.*

19 *(b) Pursuant to Section 4709 of the federal Balanced*
20 *Budget Act of 1997 (Public Law 105-33), any individual*
21 *over 19 years of age who is determined to be eligible to*
22 *receive Medi-Cal benefits under this chapter and is*
23 *enrolled with a Medi-Cal managed care organization shall*
24 *remain eligible for those benefits for a period of no less*
25 *than six months, subject to applicable share-of-cost*
26 *requirements.*

27 *SEC. 3. Section 14005.32 is added to the Welfare and*
28 *Institutions Code, to read:*

29 *14005.32. (a) To the extent permitted by federal law,*
30 *and subject to subdivision (c), a child under 19 years of*
31 *age who is enrolled in any of the programs listed in*
32 *subdivision (b) shall be eligible for either the Medi-Cal*
33 *program or the Healthy Families Program, depending*
34 *upon the income of the applicant.*

35 *(b) The programs to which subdivision (a) applies are*
36 *as follows:*

37 *(1) The Food Stamp Program, provided for pursuant*
38 *to Chapter 10 (commencing with Section 18900) of Part*
39 *6.*



1 (2) *The California Special Supplemental Food*
2 *Program for Women, Infants, and Children, provided for*
3 *pursuant to Article 2 (commencing with Section 123275)*
4 *of Chapter 1 of Part 2 of Division 106 of the Health and*
5 *Safety Code.*

6 (3) *The federal Head Start program, provided for*
7 *pursuant to Subchapter 2 (commencing with Section*
8 *9831) of Chapter 105 of Title 42 of the United States Code.*

9 (4) *The federal School Lunch programs, provided for*
10 *pursuant to Chapter 13 (commencing with Section 1751)*
11 *of Title 42 of the United States Code.*

12 (c) *In order for a person eligible for either the*
13 *Medi-Cal program or the Healthy Families Program*
14 *pursuant to subdivision (a) to complete the eligibility*
15 *process under this section, the applicant shall provide all*
16 *of the following to either the county welfare department*
17 *or the local entity administering the Healthy Families*
18 *Program:*

19 (1) *A self-declaration of the child's name and address.*

20 (2) *Proof of the child's immigration status for any child*
21 *who is a noncitizen.*

22 (3) *A self-declaration as to the child's income and*
23 *income deductions.*

24 (4) *A self-declaration as to the child's health insurance*
25 *status.*

26 (5) *A signature certifying that all information*
27 *provided pursuant to paragraphs (1) to (4), inclusive, is*
28 *correct.*

29 (d) *The state agency charged with the administration*
30 *of each of the programs listed in subdivision (b) shall*
31 *notify a child, or his or her parent or guardian, enrolled*
32 *in each program of the child's potential eligibility for the*
33 *Medi-Cal program or the Healthy Families Program.*

34 (e) *When a child has been determined eligible for any*
35 *of the programs listed in subdivision (b), that program*
36 *shall forward the child's income information to the*
37 *county welfare department or the local entity*
38 *administering the Healthy Families Program, whichever*
39 *is appropriate. Upon receipt of this information, the*
40 *county welfare department or the local entity*



1 *administering the Healthy Families Program shall seek*
2 *the information from the applicant required pursuant to*
3 *subdivision (c).*

4 *SEC. 4. Section 14006 of the Welfare and Institutions*
5 *Code is repealed.*

6 ~~14006. (a) This section applies to medically needy~~
7 ~~persons, medically needy family persons, and state-only~~
8 ~~Medi-Cal persons.~~

9 ~~(b) For the purposes of this section, the term~~
10 ~~“principal residence” means the home, including a~~
11 ~~multiple dwelling unit, in which the individual resides or~~
12 ~~formerly resided. The home will continue to be~~
13 ~~considered the principal residence if any of the following~~
14 ~~is applicable:~~

15 ~~(1) During any absence, the individual intends to~~
16 ~~return to the home.~~

17 ~~(2) The individual lives in a nursing facility or a~~
18 ~~medical institution and intends to return home.~~

19 ~~(3) The individual’s spouse or a dependent relative of~~
20 ~~the individual continues to reside in the home during the~~
21 ~~individual’s absence.~~

22 ~~(4) The individual does not have the right, authority,~~
23 ~~power, or legal capacity to liquidate the property, but a~~
24 ~~bona fide effort is being made to attain the right,~~
25 ~~authority, power, or legal capacity to liquidate the~~
26 ~~property.~~

27 ~~(5) The property cannot readily be converted to cash~~
28 ~~but a bona fide effort is being made to sell the property,~~
29 ~~in which case the state shall, subject to notice and an~~
30 ~~opportunity for a hearing, have a lien against the~~
31 ~~property, to the extent permitted by federal law, for the~~
32 ~~cost of medical services.~~

33 ~~The lien shall be recorded, and from the date of~~
34 ~~recording, shall have the force, effect, and priority of a~~
35 ~~judgment lien.~~

36 ~~(6) If it is a multiple dwelling unit, one unit of which~~
37 ~~is occupied by the applicant or recipient, any unit not~~
38 ~~occupied by the applicant or recipient is producing~~
39 ~~income for the individual or family reasonably consistent~~
40 ~~with its value.~~



1 ~~(7) It is inhabited by any sibling or child of the~~
2 ~~recipient who has continuously resided in the property~~
3 ~~since at least one year prior to the date the owner entered~~
4 ~~a nursing facility, or in a medical institution.~~

5 ~~For purposes of this subdivision, “bona fide effort”~~
6 ~~means that the property shall be listed with a licensed real~~
7 ~~estate broker at the value determined to be the fair~~
8 ~~market value by a qualified real estate appraiser and the~~
9 ~~applicant or recipient provides evidence that a~~
10 ~~continuous effort is being made to sell the property, offers~~
11 ~~at fair market value are accepted, and all offers are~~
12 ~~reported.~~

13 ~~(e) For purposes of determining eligibility under this~~
14 ~~part, resources shall be determined, defined, counted,~~
15 ~~and valued in accordance with the federal law governing~~
16 ~~resources under Title XIX of the federal Social Security~~
17 ~~Act (42 U.S.C. Sec. 1396 et seq.). Resources exempt under~~
18 ~~Title XIX of the federal Social Security Act (42 U.S.C. Sec.~~
19 ~~1396 et seq.) shall not be considered in determining~~
20 ~~eligibility. A community spouse may retain nonexempt~~
21 ~~resources to the maximum extent permitted under Title~~
22 ~~XIX of the federal Social Security Act (42 U.S.C. Sec. 1396~~
23 ~~et seq.). Medically needy individuals and families may~~
24 ~~retain nonexempt resources to the extent permitted~~
25 ~~under Title XIX of the federal Social Security Act (42~~
26 ~~U.S.C. Sec. 1396 et seq.). In addition, the principal~~
27 ~~residence as defined in subdivision (b) shall be exempt.~~

28 ~~(d) The director, to meet the requirements of the~~
29 ~~federal Social Security Act and to ensure the highest~~
30 ~~percentage of federal financial participation in the~~
31 ~~program provided by this chapter, may decrease or~~
32 ~~increase the amounts set forth herein.~~

33 ~~(e) (1) If the holdings are in the form of real property,~~
34 ~~the value shall be the assessed value, determined under~~
35 ~~the most recent county property tax assessment, less the~~
36 ~~unpaid amount of any encumbrance of record.~~

37 ~~(2) If the real property other than the home is not~~
38 ~~producing income reasonably consistent with its value,~~
39 ~~the applicant or recipient shall be allowed reasonable~~
40 ~~time to begin producing such income from the property.~~



1 ~~If the property cannot produce reasonable income or be~~
2 ~~sold based on the market value, the applicant or recipient~~
3 ~~shall be allowed to submit evidence from a qualified real~~
4 ~~estate appraiser which indicates the value for which the~~
5 ~~property can be adequately utilized or sold. If the~~
6 ~~applicant or recipient provides evidence that the only~~
7 ~~method of adequately utilizing the property is sale, and~~
8 ~~the property has not been sold at market value during a~~
9 ~~reasonable period of time, the property shall be~~
10 ~~considered to be adequately utilized provided it is listed~~
11 ~~with a licensed real estate broker at the value determined~~
12 ~~to be the fair market value by a qualified real estate~~
13 ~~appraiser and the applicant or recipient provides~~
14 ~~evidence that a bona fide and continuous effort is being~~
15 ~~made to sell the property.~~

16 ~~(3) If federal requirements permit a person to whom~~
17 ~~this subdivision applies to own an automobile of greater~~
18 ~~value than is permitted in determining eligibility for aid~~
19 ~~under Chapter 3 (commencing with Section 12000), the~~
20 ~~department shall adopt regulations authorizing that~~
21 ~~higher allowance.~~

22 ~~(f) Any mortgage or note secured by a deed of trust~~
23 ~~shall be deemed real property if its value does not exceed~~
24 ~~six thousand dollars (\$6,000) and it is obtained by the~~
25 ~~applicant or recipient, or in combination with his or her~~
26 ~~spouse, through the sale of such real property.~~

27 ~~(g) If the holdings consist of money on deposit, the~~
28 ~~value shall be the actual amount thereof. If the holdings~~
29 ~~are in any other form of personal property or investment,~~
30 ~~except life insurance, the value shall be the conversion~~
31 ~~value as of the date of application or the anniversary date~~
32 ~~of such application. If the holdings are in the form of life~~
33 ~~insurance, the value shall be the cash value as of the policy~~
34 ~~anniversary nearest the date of such application.~~

35 ~~(h) The value of property holdings shall be~~
36 ~~determined as of the date of application and, if the person~~
37 ~~is found eligible, this determination shall establish the~~
38 ~~amount of such holdings to be considered during the~~
39 ~~ensuing 12 months except a new determination to govern~~
40 ~~during the succeeding 12 months shall be made on the~~



1 ~~first anniversary date of the application or such alternate~~
2 ~~date as may be established following the acquisition of~~
3 ~~additional holdings as provided in the following~~
4 ~~paragraph and on each succeeding anniversary date~~
5 ~~thereafter.~~

6 ~~(i) If any person shall by gift, inheritance, or other~~
7 ~~manner, acquire additional holdings during any such~~
8 ~~interval, other than from his or her own earnings, he or~~
9 ~~she shall immediately report such acquisition, and the~~
10 ~~anniversary date shall become the date of such~~
11 ~~acquisition.~~

12 ~~(j) If any provision of this section does not comply with~~
13 ~~federal requirements, the provision shall become~~
14 ~~inoperative to the extent that it is not in compliance with~~
15 ~~federal requirements pursuant to Section 11003.~~

16 *SEC. 5. Section 14006 is added to the Welfare and*
17 *Institutions Code, to read:*

18 *14006. Notwithstanding any other provision of law, no*
19 *noncash asset test shall be used in determining eligibility*
20 *for benefits under this chapter.*

21 *SEC. 6. Section 14011 of the Welfare and Institutions*
22 *Code is amended to read:*

23 14011. (a) Each applicant who is not a recipient of aid
24 under the provisions of Chapter 2 (commencing with
25 Section 11200) or Chapter 3 (commencing with Section
26 12000) shall be required to file an affirmation setting forth
27 such facts about his annual income and other resources
28 and qualifications for eligibility as may be required by the
29 department. ~~Such~~ *These* statements shall be on forms
30 prescribed by the department.

31 (b) To the extent permitted by federal law, eligibility
32 for medical assistance for such applicants shall not be
33 granted until the applicant or designated representative
34 provides independent documentation verifying
35 statements of gross income by type and source; income
36 amounts withheld for taxes, health care benefits available
37 through employment, retirement, military service, work
38 related injuries or settlements from prior injuries, *and*
39 employee retirement contributions, ~~and other employee~~
40 ~~benefit contributions, deductible expenses for~~



1 ~~maintenance or improvement of income-producing~~
 2 ~~property and status and value of property owned, other~~
 3 ~~than property exempt under Section 14006. The director~~
 4 ~~may prescribe those items of exempt property which the~~
 5 ~~director deems should be verified as to status and value~~
 6 ~~in order to reasonably assure a correct designation of~~
 7 ~~those items as exempt.~~

8 (c) The verification requirements of subdivision (b)
 9 apply to income, *and* income deductions ~~and property~~
 10 both of applicants for medical assistance (other than
 11 applicants for public assistance) and to persons whose
 12 income, income deductions, *or* expenses ~~or property~~
 13 ~~holdings must~~ *are required to* be considered in
 14 determining the applicant's eligibility and share of cost.

15 (d) A determination of eligibility and share of cost may
 16 be extended beyond otherwise prescribed time frames if,
 17 in the county department's judgment, and subject to
 18 standards of the director, the applicant or designated
 19 representative has good cause for failure to provide the
 20 required verification and continues to make a good faith
 21 effort to provide ~~such~~ *that* verification.

22 (e) To the extent permitted by federal law, in addition
 23 to the other verification requirements of this section, a
 24 county department may require verification of any other
 25 applicant statements, or conduct a full and complete
 26 investigation of the statements, whenever a verification
 27 or investigation is warranted in the judgment of the
 28 county department.

29 (f) If documentation is unavailable, as defined in
 30 regulations promulgated by the department, the
 31 applicant's signed statement as to the value or amount
 32 shall be deemed to constitute verification.

33 *SEC. 7.* Section 14012 of the Welfare and Institutions
 34 Code is amended to read:

35 14012. Reaffirmation shall be filed annually, *except*
 36 *that a recipient shall be required to report changes in*
 37 *income or other circumstances that affect eligibility*
 38 *within 10 days of their occurrence.*

39 *SEC. 8.* Section 14012.5 is added to the Welfare and
 40 *Institutions Code, to read:*



1 14012.5. *The Medi-Cal application and eligibility*
2 *redetermination process may, at the option of an*
3 *applicant or recipient, be completed entirely by mail.*

4 *SEC. 9. Section 14051 of the Welfare and Institutions*
5 *Code is amended to read:*

6 14051. (a) “Medically needy person” means an aged,
7 blind, or disabled person who meets the definition of
8 aged, blind, or disabled under the Supplemental Security
9 Income Program and whose income and resources are
10 insufficient to provide for the costs of health care or
11 coverage.

12 (b) “Medically needy family person” means a parent
13 or caretaker relative of ~~a child who meets the deprivation~~
14 ~~requirements of Aid to Families with Dependent~~
15 ~~Children~~ or a child under 21 years of age or a pregnant
16 woman of any age with a confirmed pregnancy, exclusive
17 of those persons specified in subdivision (a), whose
18 income and resources are insufficient to provide for the
19 costs of health care or coverage.

20 (c) Included under this section are children in foster
21 care for whom public agencies are assuming financial
22 responsibility in whole or in part, or a person receiving aid
23 under Chapter 2.1 (commencing with Section 16115) of
24 Part 4.

25 *SEC. 10. Notwithstanding Section 17610 of the*
26 *Government Code, if the Commission on State Mandates*
27 *determines that this act contains costs mandated by the*
28 *state, reimbursement to local agencies and school*
29 *districts for those costs shall be made pursuant to Part 7*
30 *(commencing with Section 17500) of Division 4 of Title*
31 *2 of the Government Code. If the statewide cost of the*
32 *claim for reimbursement does not exceed one million*
33 *dollars (\$1,000,000), reimbursement shall be made from*
34 *the State Mandates Claims Fund.*

