

AMENDED IN ASSEMBLY APRIL 6, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

**ASSEMBLY BILL**

**No. 497**

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**Introduced by Assembly Member Gallegos**

February 18, 1999

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An act to amend Section 14005.12 of the Welfare and Institutions Code, relating to health.

LEGISLATIVE COUNSEL'S DIGEST

AB 497, as amended, Gallegos. 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. Existing law establishes income eligibility levels for those persons not automatically eligible for Medi-Cal by virtue of eligibility for certain public assistance programs.

This bill would, on January 1, 2000, and on each January 1 thereafter, increase these levels in a specified manner.

This bill would also establish certain income deductions for needy families and aged, blind, and disabled persons qualifying for Medi-Cal eligibility benefits as medically needy recipients.

This bill would make implementation of its provisions subject to the availability of federal financial participation, and would require the department to seek any necessary federal approvals for its implementation.

Since each county is required to determine Medi-Cal eligibility, and since the bill would expand Medi-Cal

eligibility, the 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, 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: yes.

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

1 SECTION 1. Section 14005.12 of the Welfare and  
2 Institutions Code is amended to read:

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

14 (2) (A) Reductions in the maximum aid payment  
15 levels set forth in subdivision (a) of Section 11450 in the  
16 1991–92 fiscal year, and thereafter, shall not result in a  
17 reduction in the income levels for maintenance under  
18 this section.

19 (B) The department shall seek any necessary federal  
20 authorization for maintaining the income levels for  
21 maintenance at the levels in effect June 30, 1991.



1 (C) If federal authorization is not obtained, medically  
2 needy persons shall not be required to pay the difference  
3 between the share of cost as determined based on the  
4 payment levels in effect on June 30, 1991, under Section  
5 11450, and the share of cost as determined based on the  
6 payment levels in effect on July 1, 1991, and thereafter.

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

16 (i) He or she had eligibility as categorically needy  
17 terminated by the reductions in the minimum basic  
18 standards of adequate care.

19 (ii) He or she, but for the reductions, would be eligible  
20 to continue receiving benefits under this chapter as  
21 categorically needy.

22 (iii) He or she is not eligible to receive benefits  
23 without a share of cost as a medically needy person  
24 pursuant to subparagraph (A) or (B).

25 (3) (A) The income levels for maintenance under this  
26 section in effect July 1, 1989, shall be increased on January  
27 1, 2000, by a percentage equal to the intervening  
28 consumer price index increases but not more than 20  
29 percent. On January 1 of each subsequent year, the  
30 income levels for maintenance under this section shall be  
31 increased by a percentage equal to the lesser of the  
32 Consumer Price Index or the Social Security  
33 Cost-of-Living Allowance increases. The department  
34 shall seek any necessary federal approvals, including state  
35 plan amendments and federal waivers, for increasing the  
36 federal financial participation for all or part of the  
37 cost-of-living increases in the income levels for  
38 maintenance under this section.

39 (B) Any person qualifying for benefits under this  
40 chapter on the basis of age, blindness, or disability in



1 accordance with Section 14005.7 shall be entitled to a  
2 special income deduction in an amount equal to the  
3 amount of income, *if any*, by which the SSI/SSP grants  
4 and nonexempt income allowed for the categorically  
5 needy exceeds the medically needy income level *as set*  
6 *forth in subparagraph (A)*.

7 ~~(C) The earned income for any person qualifying for~~  
8 ~~benefits under this chapter as medically needy family~~  
9 ~~persons pursuant to Section 14005.7 shall be subject to a~~  
10 ~~methodology that counts one dollar (\$1) for every two~~  
11 ~~dollars (\$2) of gross income in determining countable~~  
12 ~~income.~~

13 *(C) Notwithstanding any other provision of law, the*  
14 *income of any person qualifying for benefits under this*  
15 *chapter as a medically needy family person pursuant to*  
16 *Section 14005.7 shall be subject to the same deductions*  
17 *provided to individuals who are recipients of services*  
18 *under Section 1396u-1 of Title 42 of the United States*  
19 *Code, including any options under Section*  
20 *1396u-1(b)(2)(C) exercised by the state.*

21 (D) The department shall seek any necessary federal  
22 approvals, including state plan amendments and waivers,  
23 for federal financial participation for the increases in the  
24 income levels for maintenance under this section.  
25 Subparagraphs (A) and (B) shall be implemented only to  
26 the extent federal financial participation is available for  
27 the increases in the medically needy income levels  
28 provided for in those subparagraphs.

29 (b) Except as provided for in paragraphs (2) and (3)  
30 of subdivision (a), in the case of a single individual, the  
31 amount of the income level for maintenance per month  
32 shall be 80 percent of the highest amount that would  
33 ordinarily be paid to a family of two persons, without any  
34 income or resources, under subdivision (a) of Section  
35 11450, multiplied by the federal financial participation  
36 rate.

37 (c) Except as provided for in paragraphs (2) and (3)  
38 of subdivision (a), in the case of a family of two adults, the  
39 income level for maintenance per month shall be the  
40 highest amount that would ordinarily be paid to a family



1 of three persons without income or resources under  
2 subdivision (a) of Section 11450, multiplied by the federal  
3 financial participation rate.

4 (d) For the purposes of Sections 14005.4 and 14005.7,  
5 for a person in a medical institution or nursing facility, or  
6 for a person receiving institutional or noninstitutional  
7 services from an organization with a frail elderly  
8 demonstration project waiver pursuant to Chapter 8.75  
9 (commencing with Section 14590), the amount  
10 considered as required for maintenance per month shall  
11 be computed in accordance with Title XIX of the federal  
12 Social Security Act, and regulations adopted pursuant  
13 thereto. Those amounts shall be computed pursuant to  
14 regulations which include providing for the following  
15 purposes:

16 (1) Personal and incidental needs in the amount of not  
17 less than thirty-five dollars (\$35) per month while a  
18 patient. The department may, by regulation, increase this  
19 amount as necessitated by increasing costs of personal  
20 and incidental needs. A long-term health care facility  
21 shall not charge an individual for the laundry services or  
22 periodic hair care specified in Section 14110.4.

23 (2) The upkeep and maintenance of the home.

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

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

32 (5) The community spouse monthly income allowance  
33 shall be established at the maximum amount permitted  
34 in accordance with Section 1924(d)(1)(B) of Title XIX of  
35 the federal Social Security Act (42 U.S.C. Sec.  
36 1396r-5(d)(1)(B)).

37 (6) The family allowance for each family member  
38 residing with the community spouse shall be computed in  
39 accordance with the formula established in Section



1 1924(d)(1)(C) of Title XIX of the federal Social Security  
2 Act (42 U.S.C. Sec. 1396r-5(d)(1)(C)).

3 (7) For any person who ~~qualify~~ *qualifies* for health  
4 care benefits under Section 14005 on the basis of age,  
5 blindness, or disability pursuant to Sections 14005.4 and  
6 14005.7, countable earned income shall be determined  
7 the same way it is determined under subdivision (a) of  
8 this section.

9 (8) In determining countable unearned income the  
10 department shall consider only available income and shall  
11 exclude mandatory deductions as well as fees and costs  
12 incurred in securing or accessing this income.

13 (9) The department shall seek any necessary federal  
14 approvals including state plan amendments for the  
15 deductions and offsets authorized in paragraphs (7) and  
16 (8). Paragraphs (7) and (8) shall be implemented only to  
17 the extent federal financial participation is available for  
18 health care benefits provided pursuant to Section 14005  
19 after the deductions and offsets authorized in those  
20 paragraphs.

21 (e) For the purposes of Sections 14005.4 and 14005.7,  
22 with regard to a person in a licensed community care  
23 facility, the amount considered as required for  
24 maintenance per month shall be computed pursuant to  
25 regulations adopted by the department which provide  
26 for the support and care of his or her spouse, minor  
27 children, or any disabled relative for whose support he or  
28 she has contributed regularly.

29 (f) Except as provided for in paragraphs (2) and (3)  
30 of subdivision (a), the income levels for maintenance per  
31 month, except as specified in subdivisions (b) to (d),  
32 inclusive, shall be equal to the highest amounts that  
33 would ordinarily be paid to a family of the same size  
34 without any income or resources under subdivision (a) of  
35 Section 11450, multiplied by the federal financial  
36 participation rate.

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



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

5 (i) When family members maintain separate  
6 residences, but eligibility is determined as a single unit  
7 under Section 14008, the income levels for maintenance  
8 per month shall be established for each household in  
9 accordance with subdivisions (b) to (h), inclusive. The  
10 total of these levels shall be the level for the single  
11 eligibility unit.

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

17 SEC. 2. Notwithstanding Section 17610 of the  
18 Government Code, if the Commission on State Mandates  
19 determines that this act contains costs mandated by the  
20 state, reimbursement to local agencies and school  
21 districts for those costs shall be made pursuant to Part 7  
22 (commencing with Section 17500) of Division 4 of Title  
23 2 of the Government Code. If the statewide cost of the  
24 claim for reimbursement does not exceed one million  
25 dollars (\$1,000,000), reimbursement shall be made from  
26 the State Mandates Claims Fund.

