

ASSEMBLY BILL

No. 1863

Introduced by Assembly Member Gallegos

February 10, 2000

An act to amend Sections 14005.7 and 14005.12 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 1863, as introduced, 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, 2001, 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.

Because each county is required to determine Medi-Cal eligibility, and because 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 14005.7 of the Welfare and
 2 Institutions Code is amended to read:
 3 14005.7. (a) Medically needy persons and medically
 4 needy family persons are entitled to health care services
 5 under Section 14005 providing all eligibility criteria
 6 established pursuant to this chapter are met.
 7 (b) Except as otherwise provided in this chapter or in
 8 Title XIX of the federal Social Security Act, no medically
 9 needy family person, medically needy person or
 10 state-only Medi-Cal persons shall be entitled to receive
 11 health care services pursuant to Section 14005 during any
 12 month in which his or her share of cost has not been met.
 13 (c) (1) In the case of a medically needy person,
 14 monthly income, as determined, defined, counted, and
 15 valued, in accordance with Title XIX of the federal Social
 16 Security Act, in excess of the amount required for
 17 maintenance established pursuant to Section 14005.12,
 18 exclusive of any amounts considered exempt as income
 19 under Chapter 3 (commencing with Section 12000), less
 20 amounts paid for Medicare and other health insurance
 21 premiums shall be the share of cost to be met under
 22 Section 14005.9.
 23 (2) *Individuals or couples qualifying for benefits*
 24 *under this chapter as medically needy persons on the*



1 *basis of age, blindness, or disability shall additionally*
2 *deduct as a special income deduction an amount equal to*
3 *the difference between the income level for*
4 *maintenance need for an individual or couple as set forth*
5 *in subdivisions (a), (b), and (c) of Section 14005.12 and*
6 *the amount of SSI/SSP the individual or couple would be*
7 *entitled to receive under Chapter 3 (commencing with*
8 *Section 1300) if the individual or couple had no income*
9 *other than SSI/SSP.*

10 (3) *The department shall seek any necessary*
11 *approvals, including state plan amendments, for the*
12 *changes in income methodologies authorized in*
13 *paragraph (2) by not later than March 1, 2001. The*
14 *income methodology change provided for in paragraph*
15 *(2) shall be implemented only to the extent federal*
16 *financial participation is available for health care benefits*
17 *provided after the special income deduction authorized*
18 *in that paragraph.*

19 (d) *In the case of a medically needy family person or*
20 *state-only Medi-Cal person, monthly income, as*
21 *determined, defined, counted, and valued, in accordance*
22 *with Title XIX of the federal Social Security Act, in excess*
23 *of the amount required for maintenance established*
24 *pursuant to Section 14005.12, exclusive of any amounts*
25 *considered exempt as income under Chapter 2*
26 *(commencing with Section 11200), less amounts paid for*
27 *Medicare and other health insurance premiums shall be*
28 *the share of cost to be met under Section 14005.9.*

29 (e) *In determining the income of a medically needy*
30 *person residing in a licensed community care facility,*
31 *income shall be determined, defined, counted, and*
32 *valued, in accordance with Title XIX of the federal Social*
33 *Security Act, any amount paid to the facility for*
34 *residential care and support that exceeds the amount*
35 *needed for maintenance shall be deemed unavailable for*
36 *the purposes of this chapter.*

37 SEC. 2. *Section 14005.12 of the Welfare and*
38 *Institutions Code is amended to read:*

39 14005.12. (a) (1) *For the purposes of Sections*
40 *14005.4 and 14005.7, the department shall establish the*



1 income levels for maintenance need at the lowest levels
2 that reasonably permit medically needy persons to meet
3 their basic needs for food, clothing, and shelter, and for
4 which federal financial participation will still be provided
5 maximized under Title XIX of the federal Social Security
6 Act. It is the intent of the Legislature that the income
7 levels for maintenance need for medically needy aged,
8 blind, and disabled adults, in particular, shall be based
9 upon amounts that adequately reflect their needs.

10 ~~(1) Subject to paragraph (2), reductions~~

11 (2) (A) Reductions in the maximum aid payment
12 levels set forth in subdivision (a) of Section 11450 in the
13 1991-92 fiscal year, and thereafter, shall not result in a
14 reduction in the income levels for maintenance under
15 this section.

16 ~~(2) (A)-~~

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

20 ~~(B)-~~

21 (C) If federal authorization is not obtained, medically
22 needy persons shall not be required to pay the difference
23 between the share of cost as determined based on the
24 payment levels in effect on June 30, 1991, under Section
25 11450, and the share of cost as determined based on the
26 payment levels in effect on July 1, 1991, and thereafter.

27 ~~(3)-~~

28 (D) Any medically needy person who was eligible for
29 benefits under this chapter as categorically needy for the
30 calendar month immediately preceding the effective
31 date of the reductions in the minimum basic standards of
32 adequate care for the Aid to Families with Dependent
33 Children program as set forth in Section 11452.018 made
34 in the 1995-96 Regular Session of the Legislature shall not
35 be responsible for paying his or her share of cost if all of
36 the following apply:

37 ~~(A)-~~

38 (i) He or she had eligibility as categorically needy
39 terminated by the reductions in the minimum basic
40 standards of adequate care.



1 ~~(B)~~—
2 (ii) He or she, but for the reductions, would be eligible
3 to continue receiving benefits under this chapter as
4 categorically needy.

5 ~~(C)~~—
6 (iii) He or she is not eligible to receive benefits
7 without a share of cost as a medically needy person
8 pursuant to ~~paragraph (1) or (2) subparagraph (A) or~~
9 (B).

10 (3) (A) *The income levels for maintenance under this*
11 *section in effect July 1, 1989, shall be increased on January*
12 *1, 2001, by a percentage equal to the intervening*
13 *consumer price index increases but not more than 20*
14 *percent. On January 1 of each subsequent year, the*
15 *income levels for maintenance under this section shall be*
16 *increased by a percentage equal to the lesser of the*
17 *Consumer Price Index or the Social Security*
18 *Cost-of-Living Allowance increases. The department*
19 *shall seek any necessary federal approvals, including state*
20 *plan amendments and federal waivers, for increasing the*
21 *federal financial participation for all or part of the*
22 *cost-of-living increases in the income levels for*
23 *maintenance under this section.*

24 (B) *Any person qualifying for benefits under this*
25 *chapter on the basis of age, blindness, or disability in*
26 *accordance with Section 14005.7 shall be entitled to a*
27 *special income deduction in an amount equal to the*
28 *amount of income by, if any, which the SSI/SSP grants*
29 *and nonexempt income allowed for the categorically*
30 *needy exceeds the medically needy income level as set*
31 *forth in subparagraph (A).*

32 (C) *Notwithstanding any other provision of law, the*
33 *income of any person qualifying for benefits under this*
34 *chapter as a medically needy family person pursuant to*
35 *Section 14005.7 shall be subject to the same deductions*
36 *provided to individuals who are recipients of services*
37 *under Section 1396u-1 of Title 42 of the United States*
38 *Code, including any options under Section*
39 *1396u-1(b)(2)(C) exercised by the state.*



1 (D) *The department shall seek any necessary federal*
 2 *approvals, including state plan amendments and waivers,*
 3 *for federal financial participation for the increases in the*
 4 *income levels for maintenance under this section.*
 5 *Subparagraphs (A) and (B) shall be implemented only to*
 6 *the extent federal financial participation is available for*
 7 *the increases in the medically needy income levels*
 8 *provided for in those subparagraphs.*

9 (b) ~~It~~ *Except as provided for in paragraphs (2) and*
 10 *(3) of subdivision (a), in the case of a single individual,*
 11 *the amount of the income level for maintenance per*
 12 *month shall be 80 percent of the highest amount that*
 13 *would ordinarily be paid to a family of two persons,*
 14 *without any income or resources, under subdivision (a)*
 15 *of Section 11450, multiplied by the federal financial*
 16 *participation rate.*

17 (c) ~~It~~ *Except as provided for in paragraphs (2) and*
 18 *(3) of subdivision (a), in the case of a family of two adults,*
 19 *the income level for maintenance per month shall be the*
 20 *highest amount that would ordinarily be paid to a family*
 21 *of three persons without income or resources under*
 22 *subdivision (a) of Section 11450, multiplied by the federal*
 23 *financial participation rate.*

24 (d) *For the purposes of Sections 14005.4 and 14005.7,*
 25 *for a person in a medical institution or nursing facility, or*
 26 *for a person receiving institutional or noninstitutional*
 27 *services from an organization with a frail elderly*
 28 *demonstration project waiver pursuant to Chapter 8.75*
 29 *(commencing with Section 14590), the amount*
 30 *considered as required for maintenance per month shall*
 31 *be computed in accordance with, ~~and for those purposes~~*
 32 *~~required by,~~ Title XIX of the federal Social Security Act,*
 33 *and regulations adopted pursuant thereto. Those*
 34 *amounts shall be computed pursuant to regulations*
 35 *which include providing for the following purposes:*

36 (1) *Personal and incidental needs in the amount of not*
 37 *less than thirty-five dollars (\$35) per month while a*
 38 *patient. The department may, by regulation, increase this*
 39 *amount as necessitated by increasing costs of personal*
 40 *and incidental needs. A long-term health care facility*



1 shall not charge an individual for the laundry services or
2 periodic hair care specified in Section 14110.4.

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

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

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

12 (5) The community spouse monthly income allowance
13 shall be established at the maximum amount permitted
14 in accordance with Section 1924(d)(1)(B) of Title XIX of
15 the federal Social Security Act (42 U.S.C. Sec.
16 1396r-5(d)(1)(B)).

17 (6) The family allowance for each family member
18 residing with the community spouse shall be computed in
19 accordance with the formula established in Section
20 1924(d)(1)(C) of Title XIX of the federal Social Security
21 Act (42 U.S.C. Sec. 1396r-5(d)(1)(C)).

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

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

38 (g) The “federal financial participation rate,” as used
39 in this section, shall mean $133\frac{1}{3}$ percent, or such other



1 rate set forth in Section 1903 of the federal Social Security
2 Act (42 U.S.C. Sec. 1396(b)), or its successor provisions.

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

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

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

19 SEC. 3. Notwithstanding Section 17610 of the
20 Government Code, if the Commission on State Mandates
21 determines that this act contains costs mandated by the
22 state, reimbursement to local agencies and school
23 districts for those costs shall be made pursuant to Part 7
24 (commencing with Section 17500) of Division 4 of Title
25 2 of the Government Code. If the statewide cost of the
26 claim for reimbursement does not exceed one million
27 dollars (\$1,000,000), reimbursement shall be made from
28 the State Mandates Claims Fund.

