

AMENDED IN ASSEMBLY MAY 30, 2000
AMENDED IN ASSEMBLY APRIL 24, 2000
AMENDED IN ASSEMBLY MARCH 30, 2000
AMENDED IN ASSEMBLY MARCH 16, 2000

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 1863

Introduced by Assembly Member Gallegos

February 10, 2000

An act to amend Section 14005.12 of, and to add Section 14005.32 to, the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 1863, as amended, Gallegos. Medi-Cal: eligibility.

Existing

(1) *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 establish certain income deductions for aged, blind, and disabled persons qualifying for Medi-Cal eligibility benefits as medically needy recipients.

This bill would make implementation of these provisions subject to the availability of federal financial participation,

and would require the department to seek any federal approvals necessary for its implementation. If this federal approval is not obtained, it would permit the Attorney General to file judicial proceedings.

The

(2) *The bill would also require the department to implement an option provided for under federal law modifying Medi-Cal benefit income requirements for aged and disabled persons.*

~~This bill would make implementation of its provisions this program subject to the availability of federal financial participation, and would require the department to seek any federal approvals necessary for its implementation. If this federal approval is not obtained, it would permit the Attorney General to file judicial proceedings and appropriations in the annual Budget Act.~~

Because

(3) *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 14005.12 of the Welfare and
- 2 Institutions Code is amended to read:



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

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

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

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

35 (i) He or she had eligibility as categorically needy
36 terminated by the reductions in the minimum basic
37 standards of adequate care.

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



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

4 (3) The income levels for maintenance under this
5 section in effect August 22, 1996, shall be increased on
6 January 1, 2001, by a percentage equal to the intervening
7 consumer price index increases or ~~20~~ 10 percent,
8 whatever is greater, except that implementation of this
9 paragraph shall be subject to federal financial
10 participation. On January 1 of each ~~subsequent year of the~~
11 *next two subsequent years*, the income levels for
12 maintenance under this section shall be increased by a
13 percentage equal to the Consumer Price Index. By March
14 1, 2001, and each March 1 ~~thereafter of the next two~~
15 *subsequent years*, the department shall seek any
16 approvals, including state plan amendments, necessary to
17 receive federal financial participation for medical and
18 remedial services payable by reason of the increases in
19 the income levels for maintenance under this section. If
20 this approval is not granted by the federal government,
21 the Attorney General may file all administrative and
22 judicial proceedings available under the law to obtain the
23 approval. The state shall be under no obligation to use
24 state-only funds to pay for the implementation of this
25 paragraph.

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

34 (c) Except as provided for in paragraphs (2) and (3)
35 of subdivision (a), in the case of a family of two adults, the
36 income level for maintenance per month shall be the
37 highest amount that would ordinarily be paid to a family
38 of three persons without income or resources under
39 subdivision (a) of Section 11450, multiplied by the federal
40 financial participation rate.



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

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

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

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

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

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

34 (6) The family allowance for each family member
35 residing with the community spouse shall be computed in
36 accordance with the formula established in Section
37 1924(d)(1)(C) of Title XIX of the federal Social Security
38 Act (42 U.S.C. Sec. 1396r-5(d)(1)(C)).

39 (e) For the purposes of Sections 14005.4 and 14005.7,
40 with regard to a person in a licensed community care



1 facility, the amount considered as required for
2 maintenance per month shall be computed pursuant to
3 regulations adopted by the department which provide
4 for the support and care of his or her spouse, minor
5 children, or any disabled relative for whose support he or
6 she has contributed regularly.

7 (f) Except as provided for in paragraphs (2) and (3)
8 of subdivision (a), the income levels for maintenance per
9 month, except as specified in subdivisions (b) to (d),
10 inclusive, shall be equal to the highest amounts that
11 would ordinarily be paid to a family of the same size
12 without any income or resources under subdivision (a) of
13 Section 11450, multiplied by the federal financial
14 participation rate.

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

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

23 (i) When family members maintain separate
24 residences, but eligibility is determined as a single unit
25 under Section 14008, the income levels for maintenance
26 per month shall be established for each household in
27 accordance with subdivisions (b) to (h), inclusive. The
28 total of these levels shall be the level for the single
29 eligibility unit.

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

35 SEC. 2. Section 14005.32 is added to the Welfare and
36 Institutions Code, to read:

37 ~~14005.32. (a) The department shall adopt the option~~
38 ~~made available pursuant to Sections 1902(m) and~~
39 ~~1902(a)(10)(A)(ii)(X) of the federal Social Security Act~~
40 ~~(42 U.S.C. Sections 1396a(m) and~~



1 ~~1396a(a)(10)(A)(ii)(X). In order to be eligible for~~
2 ~~benefits under this section, an individual shall be required~~
3 ~~to meet all of the following requirements:~~

4 ~~(1) His or her net income shall not exceed 100 percent~~
5 ~~of the federal poverty level.~~

6 ~~(2) He or she is 65 years of age or older or is disabled~~
7 ~~as determined under Section 1614(a)(3) of the federal~~
8 ~~Social Security Act (42 U.S.C. Section 1382e(a)(3)).~~

9 ~~(3) His or her net nonexempt resources, as~~
10 ~~determined under Section 1613 of the federal Social~~
11 ~~Security Act (42 U.S.C. 1382b), do not exceed the~~
12 ~~maximum amount allowable under Title XVI of the~~
13 ~~federal Social Security Act (42 U.S.C. Section 1381 and~~
14 ~~following):~~

15 ~~(b) For purposes of determining income eligibility~~
16 ~~pursuant to paragraph (1) of subdivision (a), net~~
17 ~~countable income shall be determined in accordance~~
18 ~~with both of the following:~~

19 ~~(1) Earned and unearned income shall be reduced by~~
20 ~~the deductions, exemptions, and disregards provided~~
21 ~~under Section 1612 of the federal Social Security Act (42~~
22 ~~U.S.C. Section 1382a).~~

23 ~~(2) As authorized under Section 1902(r)(2) of the~~
24 ~~federal Social Security Act (42 U.S.C. Section~~
25 ~~1396a(r)(2), income shall be further reduced by special~~
26 ~~income deductions of two hundred dollars (\$200) for~~
27 ~~eligible individuals and four hundred dollars (\$400) for~~
28 ~~eligible couples.~~

29 ~~(c) Medi-Cal benefits provided pursuant to this~~
30 ~~section shall be available in the same amount, duration,~~
31 ~~and scope as those benefits are available for persons~~
32 ~~eligible as categorically needy persons, except that~~
33 ~~benefits provided under this section shall be governed by~~
34 ~~Section 14007.5.~~

35 ~~(d) Subject to subdivision (c), benefits shall be~~
36 ~~provided pursuant to this section commencing April 1,~~
37 ~~2001.~~

38 ~~(e) (1) The department shall immediately seek any~~
39 ~~federal approvals, including state plan amendments,~~
40 ~~necessary to receive federal financial participation for~~



~~1 medical and remedial services to be provided due to
2 coverage of individuals authorized by Section 1902(m) of
3 the federal Social Security Act (42 U.S.C. Section
4 1396a(m)) and by the use of the income methodology set
5 forth in paragraph (2) of subdivision (b). If either or both
6 of these federal approvals are not obtained, the Attorney
7 General may file all administrative and judicial
8 proceedings available under the law in order to obtain
9 these approvals.~~

~~10 (2) Notwithstanding any other provision of law,
11 benefits shall be provided pursuant to this section only if,
12 and to the extent that, the department determines that
13 federal financial participation is available pursuant to
14 Title XIX of the federal Social Security Act (42 U.S.C.
15 Section 1396 and following).~~

~~16 (f) Notwithstanding Chapter 3.5 (commencing with
17 Section 11340) of Part 1 of Division 3 of Title 2 of the
18 Government Code, the department shall implement,
19 without taking any regulatory action, this section by
20 means of an all county letter or similar instruction.
21 Thereafter, the department shall adopt regulations in
22 accordance with Chapter 3.5 (commencing with Section
23 11340) of Part 1 of Division 3 of Title 2 of the Government
24 Code.~~

*25 14005.32. (a) To the extent federal financial
26 participation is available, the department shall exercise
27 its option under Section 1902(a)(10)(A)(ii)(X) of the
28 federal Social Security Act (42 U.S.C. Sec.
29 1396a(a)(10)(A)(ii)(X)), to implement a program for
30 aged, blind, and disabled persons described in Section
31 1902(m) of the federal Social Security Act (42 U.S.C. Sec.
32 1396a(m)). Subject to subdivisions (e) and (f), benefits
33 shall be provided pursuant to this section commencing
34 April 1, 2001.*

*35 (b) To the extent federal financial participation is
36 available, the blind shall be included within the definition
37 of disabled for the purposes of the program established in
38 this section.*



1 (c) An individual shall satisfy the financial eligibility
2 requirement of this program if both of the following
3 conditions are met:

4 (1) Countable income, as determined in accordance
5 with Section 1902(m) of the federal Social Security Act
6 (42 U.S.C. Sec. 1396a(m)), does not exceed 133 percent
7 of the applicable federal poverty level.

8 (2) Countable resources, as determined in accordance
9 with Section 1902(m) of the federal Social Security Act
10 (42 U.S.C. Sec. 1396a(m)), do not exceed the maximum
11 levels established in that section.

12 (d) Notwithstanding Chapter 3.5 (commencing with
13 Section 11340) of Part 1 of Division 3 of Title 2 of the
14 Government Code, the department shall implement this
15 section by means of all county letters or similar
16 instructions, and without taking regulatory action.
17 Thereafter, the department shall adopt regulations in
18 accordance with the requirements of Chapter 3.5
19 (commencing with Section 11340) of Part 1 of Division 3
20 of Title 2 of the Government Code.

21 (e) Notwithstanding any other provision of law, the
22 program provided for pursuant to this section shall be
23 implemented only if, and to the extent that, the
24 department determines that federal financial
25 participation is available under Title XIX of the federal
26 Social Security Act (42 U.S.C. Sec. 1396 et seq.).

27 (f) Subject to subdivision (e), this section shall be
28 implemented only to the extent funds are appropriated
29 in the annual Budget Act for that purpose.

30 SEC. 3. Notwithstanding Section 17610 of the
31 Government Code, if the Commission on State Mandates
32 determines that this act contains costs mandated by the
33 state, reimbursement to local agencies and school
34 districts for those costs shall be made pursuant to Part 7
35 (commencing with Section 17500) of Division 4 of Title
36 2 of the Government Code. If the statewide cost of the
37 claim for reimbursement does not exceed one million



1 dollars (\$1,000,000), reimbursement shall be made from
2 the State Mandates Claims Fund.

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