

AMENDED IN SENATE JUNE 29, 2000
AMENDED IN SENATE JUNE 15, 2000
AMENDED IN SENATE JUNE 7, 2000
AMENDED IN ASSEMBLY APRIL 24, 2000
AMENDED IN ASSEMBLY APRIL 10, 2000
AMENDED IN ASSEMBLY MARCH 30, 2000

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 2080

Introduced by Assembly Member Granlund

February 22, 2000

An act to amend Section 14110.8 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 2080, as amended, Granlund. Medi-Cal: long-term care services.

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 provides that when a patient in a nursing facility who is on non-Medi-Cal status converts to Medi-Cal coverage, any security deposit paid to the facility by the patient or on his or her behalf, as a condition of admission to the facility, shall be returned and the obligations and

responsibilities of the patient or responsible party shall be null and void.

This bill would, instead, designate a patient as a resident, and would provide that these obligations shall, during the time period the resident is covered by the Medi-Cal program, be limited to the obligations and responsibilities provided for under the Medi-Cal program.

Existing law also permits a facility to require, as a condition of admission, that where the patient has an agent, the agent sign or cosign the admissions agreement and agree to distribute to the facility, promptly when due, the share of cost and any other charges not paid for by the Medi-Cal program which the patient and his or her agent has agreed to pay.

This bill would require a resident and his or her agent to pay a facility the share of cost for which the resident is responsible under the Medi-Cal program.

The bill would authorize the resident or agent to apply for a hearing, if the resident or agent disputes the amount of share of cost owed to a facility.

Existing law provides that the amount of the agent's financial obligation under these provisions is limited to the amount of the funds received but not distributed to the facility.

This bill would provide an exception to this provision.

Existing law provides that any agent who willfully violates the above-described provisions is guilty of a misdemeanor.

Because the bill would change the definition of a crime, the bill would constitute 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 no reimbursement is required by this act for a specified reason.

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. The Legislature finds and declares all of
2 the following:

3 (a) Residents in California’s long-term care facilities
4 are particularly vulnerable to the theft of personal funds
5 designated as resident “share of cost” under the Medi-Cal
6 program.

7 (b) The theft or illegal diversion of a resident’s share
8 of cost funds has an adverse impact on the resources
9 available to ensure quality care for all facility residents.

10 (c) This act is necessary to protect long-term care
11 resident rights, provide appropriate resources for
12 resident care, and ensure that resident funds designated
13 to pay for long-term care are used for that purpose.

14 (d) This act is intended to affect individuals who
15 intentionally steal or divert resident share of cost, and not
16 to change the obligations or responsibilities of Medi-Cal
17 residents or deter legitimate disputes over the amount of
18 a resident’s share of cost.

19 SEC. 2. Section 14110.8 of the Welfare and Institutions
20 Code is amended to read:

21 14110.8. (a) For the purposes of this section:

22 (1) “Facility” means any long-term health care facility
23 as defined in subdivisions (c), (d), (e), (g), and (h) of
24 Section 1250 of the Health and Safety Code.

25 (2) “Resident” means a person who is a facility
26 resident or patient and a Medi-Cal beneficiary and whose
27 facility care is being paid for in whole or in part by
28 Medi-Cal.

29 (3) “Agent” means a person who manages, uses, or
30 controls those funds or assets of the resident that legally
31 are required to be used to pay the resident’s share of cost
32 and other charges not paid for by the Medi-Cal program.

33 (4) “Responsible party” means a person other than the
34 resident or potential resident, who, by virtue of signing or
35 cosigning an admissions agreement of a facility, either
36 together with, or on behalf of, a potential resident,
37 becomes personally responsible or liable for payment of
38 any portion of the charges incurred by the resident while



1 in the facility. A person who signs or cosigns a facility's
2 admissions agreement by virtue of being an agent under
3 a power of attorney for health care or an attorney-in-fact
4 under a durable power of attorney executed by the
5 potential resident, a conservator of the person or estate
6 of the potential resident, or a representative payee, is not
7 a responsible party under this section, and does not
8 thereby assume personal responsibility or liability for
9 payment of any charges incurred by the resident, except
10 to the extent that the person, or the resident's conservator
11 or representative payee is an agent as defined in
12 paragraph (3).

13 (b) No facility may require or solicit, as a condition of
14 admission into the facility, that a Medi-Cal beneficiary
15 have a responsible party sign or cosign the admissions
16 agreement. No facility may accept or receive, as a
17 condition of admission into the facility, the signature or
18 cosignature of a responsible party for a Medi-Cal
19 beneficiary.

20 (c) A facility may require, as a condition of admission,
21 where a resident has an agent, that the resident's agent
22 sign or cosign the admissions agreement and agree to
23 distribute to the facility promptly when due, the share of
24 cost and any other charges not paid for by the Medi-Cal
25 program which the resident or his or her agent has agreed
26 to pay. The financial obligation of the agent shall be
27 limited to the amount of the resident's funds received but
28 not distributed to the facility. A new agent who did not
29 sign or cosign the admissions agreement shall be held
30 responsible to distribute funds in accordance with this
31 section.

32 (d) When a resident on non-Medi-Cal status converts
33 to Medi-Cal coverage, any security deposit paid to the
34 facility by the resident or on the resident's behalf as a
35 condition of admission to the facility shall be returned and
36 the obligations and responsibilities of the resident or
37 responsible party during the time period when the
38 resident is covered by Medi-Cal shall be limited to the
39 obligations and responsibilities provided for under the
40 Medi-Cal program. In the event that the resident



1 becomes ineligible for Medi-Cal coverage at any time
2 subsequent to converting to Medi-Cal coverage, the
3 resident and responsible party shall be bound by the
4 terms of the original admission agreement, or any
5 admission agreement in effect at the time the Medi-Cal
6 coverage commenced.

7 (e) When a resident on non-Medi-Cal status converts
8 to Medi-Cal coverage, the facility shall make a reasonable
9 attempt to assist the resident in contacting the county to
10 obtain an estimate of the resident's share of cost.

11 (f) A resident and his or her agent shall pay to the
12 facility the share of cost, for which he or she is responsible
13 under the Medi-Cal program, unless otherwise exempted
14 by law.

15 (g) If a resident or his or her agent disputes the
16 amount of share of cost owed to a facility, the resident or
17 agent may apply for a state hearing pursuant to Section
18 10950 for a determination of the amount of share of cost
19 owed to the facility.

20 (h) Any agent who *willfully* violates the requirements
21 of this section is guilty of a misdemeanor, and upon
22 conviction thereof, shall be punished by a fine not to
23 exceed two thousand five hundred dollars (\$2,500) or by
24 imprisonment in the county jail not to exceed 180 days, or
25 both.

26 SEC. 3. No reimbursement is required by this act
27 pursuant to Section 6 of Article XIII B of the California
28 Constitution because the only costs that may be incurred
29 by a local agency or school district will be incurred
30 because this act creates a new crime or infraction,
31 eliminates a crime or infraction, or changes the penalty
32 for a crime or infraction, within the meaning of Section
33 17556 of the Government Code, or changes the definition
34 of a crime within the meaning of Section 6 of Article
35 XIII B of the California Constitution.

