

AMENDED IN ASSEMBLY APRIL 26, 2005

AMENDED IN ASSEMBLY APRIL 4, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

**ASSEMBLY BILL**

**No. 525**

**Introduced by Assembly Member Chu**

February 16, 2005

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An act to ~~amend Section 12698 of, and to add Section 12698.02 to,~~ the Insurance Code, and to amend Section 14005.30 of, and to add Section 14148.033 to, the Welfare and Institutions Code, relating to health care.

LEGISLATIVE COUNSEL'S DIGEST

AB 525, as amended, Chu. Health care.

Existing law establishes the Access for Infants and Mothers (AIM) Program, administered by the Managed Risk Medical Insurance Board, to provide health insurance coverage for certain eligible persons who pay a subscriber contribution. The AIM Program provides coverage, at a minimum, to subscribers during one pregnancy, and for 60 days thereafter, and to children less than 2 years of age who were born of a pregnancy covered under this program to a woman enrolled in the program before July 1, 2004. ~~One of the program eligibility requirements is that a participant be a resident of the state for at least 6 continuous months prior to application.~~

~~This bill would eliminate that eligibility requirement and would prohibit the board from imposing durational residency requirements as a condition of eligibility for the AIM Program. The bill would also prohibit the board from imposing 3 other requirements as conditions of eligibility for the AIM Program.~~

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Services, pursuant to which medical benefits are provided to public assistance recipients and certain other low-income persons.

Existing law requires the department, to the extent that federal financial participation is available, to provide Medi-Cal benefits to eligible individuals who meet certain income and resource standards, including to individuals eligible through the exercise of options under federal law made available to and exercised by the state.

This bill would require the department, to the extent that federal financial participation is available, to provide for the eligibility of pregnant women beginning in the first trimester of pregnancy. The bill would require, if a federal waiver or federal approval is necessary, the department to submit a request for the waiver or approval by March 1, 2006.

Existing law requires the department, to the extent that federal financial participation is available, to exercise its option under federal law to expand eligibility for Medi-Cal by establishing the amount of countable resources individuals or families are allowed to retain at the same amount medically needy individuals and families are allowed to retain, with an exception for a family of one.

This bill would, by March 1, 2006, require the department, to the extent federal financial participation is available, to exercise an option under federal law, if one exists, to exempt pregnant women from *any asset standard, including an asset standard under this and any other* resource standard, or to seek a federal waiver if a federal option does not exist.

Existing law requires the State Department of Health Services to implement, as a Medi-Cal program benefit, a program to provide comprehensive clinical family planning services to any person who has a family income at or below 200% of the federal poverty level, as revised annually, and who is otherwise eligible to receive these services, to be known as the Family Planning, Access, Care, and Treatment (Family PACT) Waiver Program.

This bill would provide that certain individuals who are, or who would be, but for being pregnant at the time of application, eligible for Family PACT ~~program~~ *Waiver Program* benefits shall ~~have the option of being~~ *be* deemed to be eligible under certain circumstances for pregnancy-related care and breast and cervical cancer screening and treatment, to the extent federal financial participation is available, and

for diagnostic and other treatment for certain other cancers that threaten reproductive capability.

This bill would also provide that any individual who has undergone screening under these provisions who would be eligible for Family PACT ~~program~~ *Waiver Program* benefits, but for an income in excess of 200% of the federal poverty level, and who meets certain requirements, shall ~~have the option of being~~ *be* deemed to be eligible for the AIM program.

This bill would require the department to develop and implement, *for purposes of implementing these provisions related to Family Pact Waiver Program benefits*, an enrollment system, and a card ~~for purposes of implementing these provisions related to Family PACT program benefits~~, to be known as the Health Access Programs Card, by July 1, 2006.

Under existing law, counties are responsible for determining eligibility for benefits under the Medi-Cal program.

By revising eligibility standards for the receipt of benefits under the Medi-Cal program, this bill would impose a state-mandated local program.

Under existing law, certain dental services are covered Medi-Cal benefits.

This bill would declare that the Legislature has appropriated money in the Budget Act of 2001 and each subsequent Budget Act, for the provision under the Medi-Cal program of nonemergency benefits for the prevention and treatment of dental and periodontal disease for all beneficiaries during pregnancy to prevent premature deliveries and low birthweights. The bill would require the department to immediately implement the provision of these services by informing Denti-Cal and other Medi-Cal providers through provider bulletins that these benefits are included for all pregnant beneficiaries. The bill would provide that the implementation of this provision shall not be delayed pending adoption of administrative regulations.

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, 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 12698 of the Insurance Code is~~  
 2     ~~amended to read:~~

3     ~~12698. To be eligible to participate in the program, a person~~  
 4     ~~shall meet both of the following requirements:~~

5     ~~(a) (1) Until the first day of the second month following the~~  
 6     ~~effective date of the amendment made to this subdivision in~~  
 7     ~~1994, have a household income that does not exceed 250 percent~~  
 8     ~~of the official federal poverty level unless the board determines~~  
 9     ~~that the program funds are adequate to serve households above~~  
 10    ~~that level.~~

11    ~~(2) Upon the first day of the second month following the~~  
 12    ~~effective date of the amendment made to this subdivision in~~  
 13    ~~1994, have a household income that is above 200 percent of the~~  
 14    ~~official federal poverty level but does not exceed 250 percent of~~  
 15    ~~the official federal poverty level unless the board determines that~~  
 16    ~~the program funds are adequate to serve households above the~~  
 17    ~~250 percent of the official federal poverty level.~~

18    ~~(b) Pay an initial subscriber contribution of not more than fifty~~  
 19    ~~dollars (\$50), and agree to the payment of the complete~~  
 20    ~~subscriber contribution. A federally recognized California Indian~~  
 21    ~~tribal government may make the initial and complete subscriber~~  
 22    ~~contributions on behalf of a member of the tribe only if a~~  
 23    ~~contribution on behalf of members of federally recognized~~  
 24    ~~California Indian tribes does not limit or preclude federal~~  
 25    ~~financial participation under Title XXI of the Social Security~~  
 26    ~~Act. If a federally recognized California Indian tribal government~~  
 27    ~~makes a contribution on behalf of a member of the tribe, the~~  
 28    ~~tribal government shall ensure that the subscriber is made aware~~  
 29    ~~of all the health plan options available in the county where the~~  
 30    ~~member resides.~~

31    ~~SEC. 2.~~

32    ~~SECTION 1. Section 12698.02 is added to the Insurance~~  
 33    ~~Code, to read:~~

34    ~~12698.02. The board shall not impose any of the following as~~  
 35    ~~a condition of eligibility for the AIM-program Program:~~

1 ~~(a) A durational residency requirement.~~

2 ~~(b)~~

3 (a) A written verification of pregnancy requirement.

4 ~~(e)~~

5 (b) A requirement that a pregnancy be fewer than 30 weeks.

6 ~~(d)~~

7 (c) A requirement that an enrollee pay monthly premiums for  
8 12 months or pay premiums for any month in which a woman  
9 has ceased to be pregnant, including as a result of a miscarriage.

10 ~~SEC. 3.~~

11 *SEC. 2.* Section 14005.30 of the Welfare and Institutions  
12 Code is amended to read:

13 14005.30. (a) (1) To the extent that federal financial  
14 participation is available, Medi-Cal benefits under this chapter  
15 shall be provided to individuals eligible for services under  
16 Section 1396u-1 of Title 42 of the United States Code, including  
17 any options under Section 1396u-1(b)(2)(C) made available to  
18 and exercised by the state.

19 (2) The department shall exercise its option under Section  
20 1396u-1(b)(2)(C) of Title 42 of the United States Code to adopt  
21 less restrictive income and resource eligibility standards and  
22 methodologies to the extent necessary to allow all recipients of  
23 benefits under Chapter 2 (commencing with Section 11200) to be  
24 eligible for Medi-Cal under paragraph (1).

25 (3) To the extent federal financial participation is available,  
26 the department shall exercise its option under Section  
27 1396u-1(b)(2)(C) of Title 42 of the United States Code  
28 authorizing the state to disregard all changes in income or assets  
29 of a beneficiary until the next annual redetermination under  
30 Section 14012. The department shall implement this paragraph  
31 only if, and to the extent that the State Child Health Insurance  
32 Program waiver described in Section 12693.755 of the Insurance  
33 Code extending Healthy Families Program eligibility to parents  
34 and certain other adults is approved and implemented.

35 (b) To the extent that federal financial participation is  
36 available, the department shall exercise its option under Section  
37 1396u-1(b)(2)(C) of Title 42 of the United States Code as  
38 necessary to expand eligibility for Medi-Cal under subdivision

39 (a) by establishing the amount of countable resources individuals  
40 or families are allowed to retain at the same amount medically

1 needy individuals and families are allowed to retain, except that  
2 a family of one shall be allowed to retain countable resources in  
3 the amount of three thousand dollars (\$3,000).

4 (c) To the extent that federal financial participation is  
5 available, the department shall exercise its option, if this option  
6 exists, under Section 1396a(a)(10)(A)(ii)(IX) and (I)(3)(A) of  
7 Title 42 of the United States Code, to exempt pregnant women  
8 receiving benefits pursuant to this section from any ~~resource~~  
9 *asset* standard, including, but not limited to, *an asset standard*  
10 *under* the resource standard established pursuant to subdivision  
11 (b). The department shall, by March 1, 2006, seek approval for  
12 implementation of this option, or, if this option does not exist, a  
13 waiver to implement this subdivision.

14 (d) To the extent that federal financial participation is  
15 available, pregnant women shall be eligible for Medi-Cal under  
16 this section beginning in the first trimester of pregnancy. If a  
17 federal waiver or other federal approval is necessary to  
18 implement this subdivision, the department shall submit a request  
19 for the waiver or approval by March 1, 2006.

20 (e) To the extent federal financial participation is available, the  
21 department shall, commencing March 1, 2000, adopt an income  
22 disregard for applicants equal to the difference between the  
23 income standard under the program adopted pursuant to Section  
24 1931(b) of the federal Social Security Act (42 U.S.C. Sec.  
25 1396u-1) and the amount equal to 100 percent of the federal  
26 poverty level applicable to the size of the family. A recipient  
27 shall be entitled to the same disregard, but only to the extent it is  
28 more beneficial than, and is substituted for, the earned income  
29 disregard available to recipients.

30 (f) For purposes of calculating income under this section  
31 during any calendar year, increases in social security benefit  
32 payments under Title II of the federal Social Security Act (42  
33 U.S.C. Sec. 401 and following) arising from cost-of-living  
34 adjustments shall be disregarded commencing in the month that  
35 these social security benefit payments are increased by the  
36 cost-of-living adjustment through the month before the month in  
37 which a change in the federal poverty level requires the  
38 department to modify the income disregard pursuant to  
39 subdivision (e) and in which new income limits for the program  
40 established by this section are adopted by the department.

1 (g) Subdivision (b) shall be applied retroactively to January 1,  
2 1998.

3 (h) Notwithstanding Chapter 3.5 (commencing with Section  
4 11340) of Part 1 of Division 3 of Title 2 of the Government  
5 Code, the department shall implement, without taking regulatory  
6 action, subdivisions (a) and (b) of this section by means of an all  
7 county letter or similar instruction. Thereafter, the department  
8 shall adopt regulations in accordance with the requirements of  
9 Chapter 3.5 (commencing with Section 11340) of Part 1 of  
10 Division 3 of Title 2 of the Government Code. Beginning six  
11 months after the effective date of this section, the department  
12 shall provide a status report to the Legislature on a semiannual  
13 basis until regulations have been adopted.

14 ~~SEC. 4.~~

15 *SEC. 3.* Section 14148.033 is added to the Welfare and  
16 Institutions Code, to read:

17 14148.033. (a) Notwithstanding any other law and with the  
18 exception of the program described in paragraph (3), only to the  
19 extent that federal financial participation is available, any  
20 individual who is determined to be eligible for benefits under  
21 subdivision (aa) of Section 14132 for comprehensive clinical  
22 family planning shall have the option of being deemed to have  
23 applied and been determined to be eligible for the following:

24 (1) Medi-Cal benefits for pregnancy-related care under this  
25 chapter if the individual becomes pregnant during the period for  
26 which the individual has been certified as being eligible to  
27 receive Family PACT *Waiver Program* services under  
28 subdivision-~~(a)~~ (aa) of Section 14132.

29 (2) Medi-Cal breast and cervical cancer screening and  
30 treatment for uninsured individuals or presumptive eligibility for  
31 Medi-Cal for underinsured individuals as described in Sections  
32 104160 and 104161 of the Health and Safety Code and Section  
33 14007.71, if, during the period for which the individual's Family  
34 PACT *Waiver Program* eligibility has been certified, both of the  
35 following apply:

36 (A) The Family PACT *Waiver Program* services provided  
37 under paragraph (8) of subdivision (aa) of Section 14132 for  
38 diagnostic and treatment services for cancers that threaten  
39 reproductive capability have been exhausted for the individual.

1 (B) The ~~provider cancer screening~~ requirements of subdivision  
2 (c) of Section 104162 *concerning screening by a provider*  
3 *meeting the criteria set forth therein* are met.

4 (3) Prostate cancer screening and treatment under the  
5 Improving Access, Counseling, and Treatment for Californians  
6 with Prostrate Cancer (IMPACT) program administered by the  
7 department, if, during the period for which the individual's  
8 Family PACT *Waiver Program* eligibility has been certified, all  
9 of the following apply:

10 (A) The individual is at least 18 years of age and under 66  
11 years of age.

12 (B) The individual has been diagnosed with prostate cancer.

13 (C) Services for the individual under paragraph (8) of  
14 subdivision (aa) of Section 14132 for diagnoses and treatment  
15 services for cancers that threaten reproductive capability have  
16 been exhausted.

17 (b) For purposes of paragraph (2) of subdivision (a):

18 (1) "Uninsured" means not covered for breast or cervical  
19 cancer treatment services by any of the following:

20 (A) No cost full scope Medi-Cal.

21 (B) Medicare.

22 (C) A health care service plan contract or policy of disability  
23 insurance.

24 (D) Any other form of health care coverage.

25 (2) "Underinsured" means either of the following:

26 (A) Covered for breast or cervical cancer treatment services by  
27 any health care insurance listed in subparagraph (B), (C), or (D)  
28 of paragraph (1), but the sum of the individual's insurance  
29 deductible, premiums, and expected copayments in the initial  
30 12-month period that breast or cervical cancer treatment services  
31 are needed exceeds seven hundred fifty dollars (\$750).

32 (B) Covered by share-of-cost or limited scope Medi-Cal, if the  
33 individual is not otherwise eligible for treatment services  
34 pursuant to Section 14007.71.

35 (c) Any individual who has undergone screening under this  
36 section and would ~~have the option of being~~ *be* eligible for Family  
37 PACT *Waiver Program* benefits under subdivision (aa) of  
38 Section 14132, but for the fact that she is pregnant at the time of  
39 application for those services, shall be deemed to have applied

1 and been determined to be eligible for those pregnancy-related  
2 and other health care benefits specified in subdivision (a).

3 (d) Any individual to whom all of the following applies shall  
4 ~~have the option of being~~ *be* deemed to have applied and been  
5 determined to be eligible for the Access for Infants and Mothers  
6 Program under Part 6.3 (commencing with Section 12695) of  
7 Division 2 of the Insurance Code:

8 (1) The individual is pregnant.

9 (2) The individual has undergone screening under this section  
10 and would be eligible for Family PACT *Waiver Program*  
11 benefits under subdivision (aa) of Section 14132, but for the fact  
12 that her income exceeds 200 percent of the federal poverty level.

13 (3) The individual's income does not exceed 300 percent of  
14 the federal poverty level.

15 (e) (1) By no later than July 1, 2006, the department shall  
16 develop and implement an enrollment system ~~and~~, *and a card* for  
17 the implementation of this section; to be known as the Health  
18 Access Programs Card, that ~~is~~ *are* consistent with this section  
19 and Section 14148.03.

20 (2) The department shall consult with representatives of  
21 providers, consumers, counties, and health plans in the  
22 development and implementation of the Health Access Programs  
23 Card.

24 ~~SEC. 5.~~

25 *SEC. 4.* (a) The Legislature hereby finds and declares that in  
26 the Budget Act of 2001 and each subsequent Budget Act  
27 thereafter, the Legislature has appropriated money for the  
28 provision under the Medi-Cal program of nonemergency benefits  
29 for the prevention and treatment of dental and periodontal disease  
30 for all beneficiaries during pregnancy to prevent premature  
31 deliveries and low birthweights.

32 (b) These preventive and treatment dental services for  
33 pregnant women result in net savings to the Medi-Cal program  
34 by avoiding the far more costly medical and other interventions  
35 needed to treat and care for premature and low birthweight  
36 disabled newborns immediately at birth and throughout life.

37 (c) It is the intent of the Legislature to reaffirm its  
38 commitment to the provision of the benefits described in  
39 subdivision (a) for which money has consistently been  
40 appropriated.

1 (d) Therefore, the State Department of Health Services shall  
2 immediately implement the provision of services described in  
3 subdivision (a) by clearly informing Denti-Cal and other  
4 Medi-Cal providers through a provider bulletin or bulletins that  
5 the benefits described in subdivision (a) are included for all  
6 pregnant beneficiaries. The implementation required under this  
7 subdivision shall not be delayed pending adoption of  
8 administrative regulations.

9 ~~SEC. 6.~~

10 *SEC. 5.* If the Commission on State Mandates determines that  
11 this act contains costs mandated by the state, reimbursement to  
12 local agencies and school districts for those costs shall be made  
13 pursuant to Part 7 (commencing with Section 17500) of Division  
14 4 of Title 2 of the Government Code.