SENATE BILL   No. 677

Introduced by Senator Hernandez

February 18, 2011

An act to add Sections 14005.43 and 14005.44 to the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 677, as amended, Hernandez. Medi-Cal: eligibility.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions.

This bill would provide, to the extent required by federal law, that the department shall not apply an assets or resources test for purposes of determining eligibility for Medi-Cal or under a Medi-Cal waiver, except as specified. This bill would also require, to the extent required by federal law, the department to use the modified adjusted gross income of an individual, or the household income of a family, if applicable, for the purposes of determining income eligibility for Medi-Cal or under a Medi-Cal waiver, except as specified. The bill would provide that these provisions shall become operative on January 1, 2014. Because each county is responsible for making Medi-Cal eligibility determinations, the bill would increase the duties of county officials and would thereby 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.

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. It is the intent of the Legislature to implement
2 the provisions of Section 2002 of the federal Patient Protection
3 and Affordable Care Act (Public Law 111-148), as amended by
4 the federal Health Care and Education Reconciliation Act of 2010
5 (Public Law 111-152), that prohibit the use of an assets or resources
6 test in the Medi-Cal program and that require the use of modified
7 adjusted gross income in determining Medi-Cal eligibility for
8 certain individuals.
9 SEC. 2. Section 14005.43 is added to the Welfare and
10 Institutions Code, to read:
11 14005.43. (a) Notwithstanding any other provision of state
12 law and *only* to the extent required by federal law, the department
13 shall not apply an assets or resources test for purposes of
14 determining eligibility for Medi-Cal or under any Medi-Cal waiver,
15 except for individuals described in Section 1396a(e)(14)(D) of
16 Title 42 of the United States Code.
17 (b) This section shall become operative on January 1, 2014.
18 SEC. 3. Section 14005.44 is added to the Welfare and
19 Institutions Code, to read:
20 14005.44. (a) For the purposes of this section, "modified
21 adjusted gross income" and "household income" have the meanings
22 given to those terms in Section 36B(d)(2) of the Internal Revenue
23 Code of 1986.
24 (b) (1) Notwithstanding any other provision of state law and
25 to the extent required by federal law, for the purposes of
26 determining income eligibility for Medi-Cal or under any Medi-Cal
27 waiver for which a determination of income is required, including
28 with respect to the imposition of premiums and cost sharing, the

1 department shall use the modified adjusted gross income of an
2 individual and, in the case of an individual in a family greater than
3 one, the household income of the family.
4   (2) The department shall establish income eligibility thresholds
5 for populations to be eligible for Medi-Cal or under a Medi-Cal
6 waiver using modified adjusted gross income and household
7 income that are not less than the effective income eligibility levels
8 that applied under Medi-Cal or a Medi-Cal waiver on the date of
9 enactment of the federal Patient Protection and Affordable Care
10 Act (Public Law 111-148).
11   (3) For purposes of complying with the maintenance of effort
12 requirements in Section 1396a(gg) of Title 42 of the United States
13 Code, during the transition to the use of modified adjusted gross
14 income and household income, the department shall, working with
15 the Secretary of the United States Department of Health and Human
16 Services, establish an equivalent income test that ensures
17 individuals eligible for Medi-Cal or under a Medi-Cal waiver on
18 the date of enactment of the federal Patient Protection and
19 Affordable Care Act (Public Law 111-148) do not lose coverage
20 under Medi-Cal or the applicable Medi-Cal waiver.
21   (c) Except as provided in Section 1396a(e)(14)(I) of Title 42 of
22 the United States Code relating to a 5 percent income disregard,
23 no type of expense, block, or other income disregard shall be
24 applied by the department to determine income eligibility for
25 Medi-Cal or under any Medi-Cal waiver, or for any other purpose
26 applicable under Medi-Cal or any Medi-Cal waiver for which
27 determination of income is required.
28   (d) This section shall not apply to individuals described in
29 Section 1396a(e)(14)(D) of Title 42 of the United States Code.
30   *(e) This section shall be implemented only to the extent required*
31 *by federal law.*
32   ~~(e)~~
33   *(f)* This section shall become operative on January 1, 2014.
34   *SEC. 4. The State Department of Health Care Services shall*
35 *adopt regulations to implement Sections 2 and 3 of this act in*
36 *accordance with the requirements of Chapter 3.5 (commencing*
37 *with Section 11340) of Part 1 of Division 3 of Title 2 of the*
38 *Government Code.*

1   ~~SEC. 4.~~
2   *SEC. 5.*   If the Commission on State Mandates determines that
3   this act contains costs mandated by the state, reimbursement to
4   local agencies and school districts for those costs shall be made
5   pursuant to Part 7 (commencing with Section 17500) of Division
6   4 of Title 2 of the Government Code.

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