

AMENDED IN SENATE JANUARY 9, 2014

SENATE BILL

No. 508

Introduced by Senator Hernandez

February 21, 2013

An act to add Chapter 5 (commencing with Section 128955) to Part 5 of Division 107 of the Health and Safety Code, relating to public health; amend Sections 14005.20, 14005.26, 14005.27, 14005.28, 14005.30, 14005.64, 14051, 14148, and 14148.5 of, and to add Section 14005.285 to, the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 508, as amended, Hernandez. ~~Health disparity report. Medi-Cal: eligibility.~~

(1) 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. Existing law requires, with some exceptions, a Medi-Cal applicant's or beneficiary's income and resources be determined based on modified adjusted gross income (MAGI), as specified. Existing law requires the department to establish income eligibility thresholds for those eligibility groups whose eligibility will be determined using MAGI-based financial methods.

This bill would codify the income eligibility thresholds established by the department and would make other related and conforming changes.

(2) Existing law requires the department to implement specified provisions of federal law to provide Medi-Cal benefits to an individual

who is in foster care on his or her 18th birthday until his or her 26th birthday, as specified.

This bill would instead require the department to implement those provisions to provide Medi-Cal benefits to an individual until his or her 26th birthday if he or she was in foster care on his or her 18th birthday or lost his or her eligibility for foster care assistance due to having reached the maximum age for that assistance. The bill would also require the department to exercise its option under federal law to extend Medi-Cal benefits to independent foster care adolescents, as specified.

Because counties are required to make eligibility determinations and this bill would expand Medi-Cal eligibility, the bill would impose a state-mandated local program

(3) Existing law, for purposes of determining eligibility, defines, in part, a medically need family person as a parent or caretaker relative of a child who meets the deprivation requirements of Aid to Families with Dependent Children.

This bill would delete the requirement that the parent or caretaker relative meet the deprivation requirements.

(4) 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.

~~Existing law provides that the Office of Statewide Health Planning and Development, within the California Health and Human Services Agency, is the single state agency designated to prescribe health facility or clinic data for use by all state agencies.~~

~~This bill would require the office, with support from the agency, to develop a health disparity report based upon the inpatient hospital discharge data set. The bill would require the report to focus on specified areas of concern, such as cardiovascular disease and breast cancer. The bill would also require the office and agency, by January 1, 2016, to complete and deliver the report to the Legislature.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 14005.20 of the Welfare and Institutions
2 Code is amended to read:

3 14005.20. (a) The State Department of Health Care Services
4 shall adopt the option made available under ~~Section 13603 of the~~
5 ~~federal Omnibus Budget Reconciliation Act of 1993 (Public Law~~
6 ~~103-66) Section 1902(a)(10)(A)(ii)(XII) of Title XIX of the federal~~
7 *Social Security Act (42 U.S.C. Sec. 1396a(a)(10)(A)(ii)(XII))* to
8 pay allowable tuberculosis related services for persons infected
9 with tuberculosis.

10 ~~(b) The~~
11 (b) (1) *Except as provided in paragraph (2), the income and*
12 *resources of these persons may not exceed the maximum amount*
13 *for a disabled person as described in Section 1902(a)(10)(A)(i) of*
14 *Title XIX of the federal Social Security Act (42 U.S.C. Sec.*
15 *1396a(a)(10)(A)(i)).*

16 (2) *Effective January 1, 2014, the income and resources of*
17 *individuals eligible under this section may not exceed the maximum*
18 *amount for a disabled person as described in Section*
19 *1902(a)(10)(A)(i) of Title XIX of the federal Social Security Act*
20 *(42 U.S.C. Sec. 1396a(a)(10)(A)(i)), as determined, counted, and*
21 *valued in accordance with the requirements of Section 14005.64.*

22 (c) *The amendments made by the act that added this subdivision*
23 *shall be implemented only if and to the extent that federal financial*
24 *participation is available and any necessary federal approvals*
25 *have been obtained.*

26 SEC. 2. Section 14005.26 of the Welfare and Institutions Code
27 is amended to read:

28 14005.26. (a) ~~The~~ *Except as provided in subdivision (b), the*
29 *department shall exercise the option pursuant to Section*
30 *1902(a)(10)(A)(ii)(XIV) of the federal Social Security Act (42*
31 *U.S.C. Sec. 1396a(a)(10)(A)(ii)(XIV)) to provide full-scope*
32 *benefits with no share of cost under this chapter and Chapter 8*
33 *(commencing with Section 14200) to optional targeted low-income*
34 *children pursuant to Section 1905(u)(2)(B) of the federal Social*
35 *Security Act (42 U.S.C. Sec. 1396d(u)(2)(B)), with family incomes*
36 *up to and including 200 percent of the federal poverty level. The*
37 *department shall seek federal approval of a state plan amendment*
38 *to implement this subdivision.*

1 ~~(b) Pursuant to Section 1902(r)(2) of the federal Social Security~~
2 ~~Act (42 U.S.C. Sec. 1396a(r)(2)), the department shall adopt the~~
3 ~~option to use less restrictive income and resource methodologies~~
4 ~~to exempt all resourcees and disregard income at or above 200~~
5 ~~percent and up to and including 250 percent of the federal poverty~~
6 ~~level for the individuals described in subdivision (a). The~~
7 ~~department shall seek federal approval of a state plan amendment~~
8 ~~to implement this subdivision.~~

9 *(b) Effective January 1, 2014, the federal poverty level*
10 *percentage income eligibility threshold used pursuant to*
11 *subdivision (c) of Section 14005.64 to determine eligibility for*
12 *medical assistance under subdivision (a) shall equal 261 percent*
13 *of the federal poverty level.*

14 (c) For purposes of carrying out the provisions of this section,
15 the department may adopt the option pursuant to Section
16 1902(e)(13) of the federal Social Security Act (42 U.S.C. Sec.
17 1396a(e)(13)) to rely upon findings of the Managed Risk Medical
18 Insurance Board (MRMIB) regarding one or more components of
19 eligibility.

20 ~~(d) (1) The~~

21 *(d) (1) (A) Except as provided in subparagraph (B), the*
22 *department shall exercise the option pursuant to Section 1916A*
23 *of the federal Social Security Act (42 U.S.C. Sec. 1396o-1) to*
24 *impose premiums for individuals described in subdivision (a)*
25 *whose family income has been determined to be above 150 percent*
26 *and up to and including 200 percent of the federal poverty level;*
27 ~~*after application of the income disregard pursuant to subdivision*~~
28 ~~*(b). The department shall not impose premiums under this*~~
29 ~~*subdivision for individuals described in subdivision (a) whose*~~
30 ~~*family income has been determined to be at or below 150 percent*~~
31 ~~*of the federal poverty level, after application of the income*~~
32 ~~*disregard pursuant to subdivision (b). The department shall obtain*~~
33 ~~*federal approval for the implementation of this subdivision.*~~

34 *(B) Effective January 1, 2014, the department shall impose a*
35 *premium pursuant to subparagraph (A) for individuals whose*
36 *family income has been determined to be above 160 percent and*
37 *up to and including 261 percent of the federal poverty level, as*
38 *determined, counted, and valued in accordance with the*
39 *requirements of Section 14005.64.*

1 (2) (A) Monthly premiums imposed under this section shall
2 equal thirteen dollars (\$13) per child with a maximum contribution
3 of thirty-nine dollars (\$39) per family.

4 (B) Families that pay three months of required premiums in
5 advance shall receive the fourth consecutive month of coverage
6 with no premium required. For purposes of the discount provided
7 by this subparagraph, family contributions paid in the Healthy
8 Families Program for children transitioned to Medi-Cal pursuant
9 to Section 14005.27 shall be credited as Medi-Cal premiums paid.

10 (C) Families that pay the required premium by an approved
11 means of electronic funds transfer, including credit card payment,
12 shall receive a 25-percent discount from the required premium. If
13 the department and the Managed Risk Medical Insurance Board
14 determine that it is feasible, the department shall treat an
15 authorization for electronic funds transfer or credit card payment
16 to the Healthy Families Program as an authorization for electronic
17 funds transfer or credit card payment to Medi-Cal.

18 (e) This section shall be implemented only to the extent that all
19 necessary federal approvals and waivers described in this section
20 have been obtained and the enhanced rate of federal financial
21 participation under Title XXI of the federal Social Security Act
22 (42 U.S.C. Sec. 1397aa et seq.) is available for targeted low-income
23 children pursuant to that act.

24 (f) The department shall not enroll targeted low-income children
25 described in this section in the Medi-Cal program until all
26 necessary federal approvals and waivers have been obtained, and
27 no sooner than January 1, 2013.

28 (g) (1) To the extent the new budget methodology pursuant to
29 paragraph (6) of subdivision (a) of Section 14154 is not fully
30 operational, for the purposes of implementing this section, for
31 individuals described in subdivision (a) whose family income has
32 been determined to be up to and including ~~150~~ 160 percent of the
33 federal poverty level, ~~as determined pursuant to subdivision (b),~~
34 the department shall utilize the budgeting methodology for this
35 population as contained in the November 2011 Medi-Cal Local
36 Assistance Estimate for Medi-Cal county administration costs for
37 eligibility operations.

38 (2) For purposes of implementing this section, the department
39 shall include in the Medi-Cal Local Assistance Estimate an amount
40 for Medi-Cal eligibility operations associated with the individuals

1 whose family income is determined to be above ~~150~~ 160 percent
2 and up to and including ~~200~~ 261 percent of the federal poverty
3 level, ~~after application of the income disregard pursuant to~~
4 ~~subdivision (b)~~. In developing an estimate for this activity, the
5 department shall consider the projected number of final eligibility
6 determinations each county will process and projected county
7 costs. Within 60 days of the passage of the annual Budget Act, the
8 department shall notify each county of their allocation for this
9 activity based upon the amount allotted in the annual Budget Act
10 for this purpose.

11 (h) When the new budget methodology pursuant to paragraph
12 (6) of subdivision (a) of Section 14154 is fully operational, the
13 new budget methodology shall be utilized to reimburse counties
14 for eligibility determinations made for individuals pursuant to this
15 section.

16 (i) Eligibility determinations and annual redeterminations made
17 pursuant to this section shall be performed by county eligibility
18 workers.

19 (j) In conducting eligibility determinations for individuals
20 pursuant to this section and Section 14005.27, the following
21 reporting and performance standards shall apply to all counties:

22 (1) Counties shall report to the department, in a manner and for
23 a time period prescribed by the department, in consultation with
24 the County Welfare Directors Association, the number of
25 applications processed on a monthly basis, a breakout of the
26 applications based on income using the federal percentage of
27 poverty levels, the final disposition of each application, including
28 information on the approved Medi-Cal program, if applicable, and
29 the average number of days it took to make the final eligibility
30 determination for applications submitted directly to the county and
31 from the single point of entry (SPE).

32 (2) Notwithstanding any other provision of law, the following
33 performance standards shall be applied to counties regarding
34 eligibility determinations for individuals eligible pursuant to this
35 section:

36 (A) For children whose applications are received by the county
37 human services department from the SPE, the following standards
38 shall apply:

1 (i) Applications for children who are granted accelerated
2 enrollment by the SPE shall be processed according to the
3 timeframes specified in subdivision (d) of Section 14154.

4 (ii) Applications for children who are not granted accelerated
5 enrollment by the SPE due to the existence of an already active
6 Medi-Cal case shall be processed according to the timeframes
7 specified in subdivision (d) of Section 14154.

8 (iii) For applications for children who are not described in clause
9 (i) or (ii), 90 percent shall be processed within 10 working days
10 of being received, complete and without client errors.

11 (iv) If an application described in this section also contains
12 adults, and the adult applicants are required to submit additional
13 information beyond the information provided for the children, the
14 county shall process the eligibility for the child or children without
15 delay, consistent with this section while gathering the necessary
16 information to process eligibility for the adults.

17 (B) The department, in consultation with the County Welfare
18 Directors Association, shall develop reporting requirements for
19 the counties to provide regular data to the state regarding the
20 timeliness and outcomes of applications processed by the counties
21 that are received from the SPE.

22 (C) Performance thresholds and corrective action standards as
23 set forth in Section 14154 shall apply.

24 (D) For applications submitted directly to the county, these
25 applications shall be processed by the counties in accordance with
26 the performance standards established under subdivision (d) of
27 Section 14154.

28 (3) This subdivision shall be implemented no sooner than
29 January 1, 2013.

30 (4) Twelve months after implementation of this section pursuant
31 to subdivision (f), the department shall provide enrollment
32 information regarding individuals determined eligible pursuant to
33 subdivision (a) to the fiscal and appropriate policy committees of
34 the Legislature.

35 (k) (1) Notwithstanding Chapter 3.5 (commencing with Section
36 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
37 for purposes of this transition, the department, without taking any
38 further regulatory action, shall implement, interpret, or make
39 specific this section by means of all-county letters, plan letters,
40 plan or provider bulletins, or similar instructions until the time

1 regulations are adopted. It is the intent of the Legislature that the
2 department be allowed temporary authority as necessary to
3 implement program changes until completion of the regulatory
4 process.

5 (2) To the extent otherwise required by Chapter 3.5
6 (commencing with Section 11340) of Part 1 of Division 3 of Title
7 2 of the Government Code, the department shall adopt emergency
8 regulations implementing this section no later than July 1, 2014.
9 The department may thereafter readopt the emergency regulations
10 pursuant to that chapter. The adoption and readoption, by the
11 department, of regulations implementing this section shall be
12 deemed to be an emergency and necessary to avoid serious harm
13 to the public peace, health, safety, or general welfare for purposes
14 of Sections 11346.1 and 11349.6 of the Government Code, and
15 the department is hereby exempted from the requirement that it
16 describe facts showing the need for immediate action and from
17 review by the Office of Administrative Law.

18 (l) To implement this section, the department may enter into
19 and continue contracts with the Healthy Families Program
20 administrative vendor, for the purposes of implementing and
21 maintaining the necessary systems and activities for providing
22 health care coverage to optional targeted low-income children in
23 the Medi-Cal program for purposes of accelerated enrollment
24 application processing by single point of entry,
25 noneligibility-related case maintenance and premium collection,
26 maintenance of the Health-E-App Web portal, call center staffing
27 and operations, certified application assistant services, and
28 reporting capabilities. To further implement this section, the
29 department may also enter into a contract with the Health Care
30 Options Broker of the department for purposes of managed care
31 enrollment activities. The contracts entered into or amended under
32 this section may initially be completed on a noncompetitive bid
33 basis and are exempt from the Public Contract Code. Contracts
34 thereafter shall be entered into or amended on a competitive bid
35 basis and shall be subject to the Public Contract Code.

36 (m) (1) If at any time the director determines that this section
37 or any part of this section may jeopardize the state's ability to
38 receive federal financial participation under the federal Patient
39 Protection and Affordable Care Act (Public Law 111-148), or any
40 amendment or extension of that act, or any additional federal funds

1 that the director, in consultation with the Department of Finance,
2 determines would be advantageous to the state, the director shall
3 give notice to the fiscal and policy committees of the Legislature
4 and to the Department of Finance. After giving notice, this section
5 or any part of this section shall become inoperative on the date
6 that the director executes a declaration stating that the department
7 has determined, in consultation with the Department of Finance,
8 that it is necessary to cease to implement this section or a part or
9 parts thereof, in order to receive federal financial participation,
10 any increase in the federal medical assistance percentage available
11 on or after October 1, 2008, or any additional federal funds that
12 the director, in consultation with the Department of Finance, has
13 determined would be advantageous to the state.

14 (2) The director shall retain the declaration described in
15 paragraph (1), shall provide a copy of the declaration to the
16 Secretary of the State, the Secretary of the Senate, the Chief Clerk
17 of the Assembly, and the Legislative Counsel, and shall post the
18 declaration on the department's Internet Web site.

19 (3) In the event that the director makes a determination under
20 paragraph (1) and this section ceases to be implemented, the
21 children shall be enrolled back into the Healthy Families Program.

22 *SEC. 3. Section 14005.27 of the Welfare and Institutions Code*
23 *is amended to read:*

24 14005.27. (a) Individuals enrolled in the Healthy Families
25 Program pursuant to Part 6.2 (commencing with Section 12693)
26 of Division 2 of the Insurance Code on June 27, 2012, and who
27 are determined eligible to receive benefits pursuant to subdivisions
28 (a) ~~and~~ or (b) of Section 14005.26, shall be transitioned into
29 Medi-Cal, pursuant to this section.

30 (b) To the extent necessary and for the purposes of carrying out
31 the provisions of this section, in performing initial eligibility
32 determinations for children enrolled in the Healthy Families
33 Program pursuant to Part 6.2 (commencing with Section 12693)
34 of Division 2 of the Insurance Code, the department shall adopt
35 the option pursuant to Section 1902(e)(13) of the federal Social
36 Security Act (42 U.S.C. Sec. 1396a(e)(13)) to allow the department
37 or county human services departments to rely upon findings made
38 by the Managed Risk Medical Insurance Board (MRMIB)
39 regarding one or more components of eligibility. The department

1 shall seek federal approval of a state plan amendment to implement
2 this subdivision.

3 (c) To the extent necessary, the department shall seek federal
4 approval of a state plan amendment or a waiver to provide
5 presumptive eligibility for the optional targeted low-income
6 category of eligibility pursuant to Section 14005.26 for individuals
7 presumptively eligible for or enrolled in the Healthy Families
8 Program pursuant to Part 6.2 (commencing with Section 12693)
9 of Division 2 of the Insurance Code. The presumptive eligibility
10 shall be based upon the most recent information contained in the
11 individual's Healthy Families Program file. The timeframe for the
12 presumptive eligibility shall begin no sooner than January 1, 2013,
13 and shall continue until a determination of Medi-Cal eligibility is
14 made, which determination shall be performed within one year of
15 the individual's Healthy Families Program annual review date.

16 (d) (1) The California Health and Human Services Agency, in
17 consultation with the Managed Risk Medical Insurance Board, the
18 State Department of Health Care Services, the Department of
19 Managed Health Care, and diverse stakeholders groups, shall
20 provide the fiscal and policy committees of the Legislature with
21 a strategic plan for the transition of the Healthy Families Program
22 pursuant to this section by no later than October 1, 2012. This
23 strategic plan shall, at a minimum, address all of the following:

24 (A) State, county, and local administrative components which
25 facilitate a successful subscriber transition such as communication
26 and outreach to subscribers and applicants, eligibility processing,
27 enrollment, communication, and linkage with health plan providers,
28 payments of applicable premiums, and overall systems operation
29 functions.

30 (B) Methods and processes for diverse stakeholder engagement
31 throughout the entire transition, including all phases of the
32 transition.

33 (C) State monitoring of managed care health plans' performance
34 and accountability for provision of services, and initial quality
35 indicators for children and adolescents transitioning to Medi-Cal.

36 (D) Health care and dental delivery system components such
37 as standards for informing and enrollment materials, network
38 adequacy, performance measures and metrics, fiscal solvency, and
39 related factors that ensure timely access to quality health and dental
40 care for children and adolescents transitioning to Medi-Cal.

1 (E) Inclusion of applicable operational steps, timelines, and key
2 milestones.

3 (F) A time certain for the transfer of the Healthy Families
4 Advisory Board, as described in Part 6.2 (commencing with Section
5 12693) of Division 2 of the Insurance Code, to the State
6 Department of Health Care Services.

7 (2) The intent of this strategic plan is to serve as an overall guide
8 for the development of each plan for each phase of this transition,
9 pursuant to paragraphs (1) to (8), inclusive, of subdivision (e), to
10 ensure clarity and consistency in approach and subscriber
11 continuity of care. This strategic plan may also be updated by the
12 California Health and Human Services Agency as applicable and
13 provided to the Legislature upon completion.

14 (e) (1) The department shall transition individuals from the
15 Healthy Families Program to the Medi-Cal program in four phases,
16 as follows:

17 (A) Phase 1. Individuals enrolled in a Healthy Families Program
18 health plan that is a Medi-Cal managed care health plan shall be
19 enrolled in the same plan no earlier than January 1, 2013, pursuant
20 to the requirements of this section and Section 14011.6, and to the
21 extent the individual is otherwise eligible under this chapter and
22 Chapter 8 (commencing with Section 14200).

23 (B) Phase 2. Individuals enrolled in a Healthy Families Program
24 managed care health plan that is a subcontractor of a Medi-Cal
25 managed health care plan, to the extent possible, shall be enrolled
26 into a Medi-Cal managed health care plan that includes the
27 individuals' current plan pursuant to the requirements of this
28 section and Section 14011.6, and to the extent the individuals are
29 otherwise eligible under this chapter and Chapter 8 (commencing
30 with Section 14200). The transition of individuals described in
31 this subparagraph shall begin no earlier than April 1, 2013.

32 (C) Phase 3. Individuals enrolled in a Healthy Families Program
33 plan that is not a Medi-Cal managed care plan and does not contract
34 or subcontract with a Medi-Cal managed care plan shall be enrolled
35 in a Medi-Cal managed care plan in that county. Enrollment shall
36 include consideration of the individuals' primary care providers
37 pursuant to the requirements of this section and Section 14011.6,
38 and to the extent the individuals are otherwise eligible under this
39 chapter and Chapter 8 (commencing with Section 14200). The

1 transition of individuals described in this subparagraph shall begin
2 no earlier than August 1, 2013.

3 (D) Phase 4.

4 (i) Individuals residing in a county that is not a Medi-Cal
5 managed care county shall be provided services under the Medi-Cal
6 fee-for-service delivery system, subject to clause (ii). The transition
7 of individuals described in this subparagraph shall begin no earlier
8 than September 1, 2013.

9 (ii) In the event the department creates a managed health care
10 system in the counties described in clause (i), individuals residing
11 in those counties shall be enrolled in managed health care plans
12 pursuant to this chapter and Chapter 8 (commencing with Section
13 14200).

14 (2) For the transition of individuals pursuant to subparagraphs
15 (A), (B), (C), and (D) of paragraph (1), implementation plans shall
16 be developed to ensure state and county systems readiness, health
17 plan network adequacy, and continuity of care with the goal of
18 ensuring there is no disruption of service and there is continued
19 access to coverage for all transitioning individuals. If an individual
20 is not retained with his or her current primary care provider, the
21 implementation plan shall require the managed care plan to report
22 to the department as to how continuity of care is being provided.
23 Transition of individuals described in subparagraphs (A), (B), (C),
24 and (D) of paragraph (1) shall not occur until 90 days after the
25 department has submitted an implementation plan to the fiscal and
26 policy committees of the Legislature. The implementation plans
27 shall include, but not be limited to, information on health and
28 dental plan network adequacy, continuity of care, eligibility and
29 enrollment requirements, consumer protections, and family
30 notifications.

31 (3) The following requirements shall be in place prior to
32 implementation of Phase 1, and shall be required for all phases of
33 the transition:

34 (A) Managed care plan performance measures shall be integrated
35 and coordinated with the Healthy Families Program performance
36 standards including, but not limited to, child-only Healthcare
37 Effectiveness Data and Information Set (HEDIS) measures, and
38 measures indicative of performance in serving children and
39 adolescents. These performance measures shall also be in
40 compliance with all performance requirements under the

1 Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2
2 (commencing with Section 1340) of Division 2 of the Health and
3 Safety Code) and existing Medi-Cal managed care performance
4 measurements and standards as set forth in this chapter and Chapter
5 8 (commencing with Section 14200) of Title 22 of the California
6 Code of Regulations, and all-plan letters, including, but not limited
7 to, network adequacy and linguistic services, and shall be met prior
8 to the transition of individuals pursuant to Phase 1.

9 (B) Medi-Cal managed care health plans shall allow enrollees
10 to remain with their current primary care provider. If an individual
11 does not remain with the current primary care provider, the plan
12 shall report to the department as to how continuity of care is being
13 provided.

14 (4) (A) As individuals are transitioned pursuant to
15 subparagraphs (A), (B), (C), and (D) of paragraph (1), for
16 individuals residing in all counties except the Counties of
17 Sacramento and Los Angeles, their dental coverage shall transition
18 to fee-for-service dental coverage and may be provided by their
19 current provider if the provider is a Medi-Cal fee-for-service dental
20 provider.

21 (B) For individuals residing in the County of Sacramento, their
22 dental coverage shall continue to be provided by their current
23 dental managed care plan if their plan is a Medi-Cal dental
24 managed care plan. If their plan is not a Medi-Cal dental managed
25 care plan, they shall select a Medi-Cal dental managed care plan.
26 If they do not choose a Medi-Cal dental managed care plan, they
27 shall be assigned to a plan with preference to a plan with which
28 their current provider is a contracted provider. Any children in the
29 Healthy Families Program transitioned into Medi-Cal dental
30 managed care plans shall also have access to the beneficiary dental
31 exception process, pursuant to Section 14089.09. Further, the
32 Sacramento advisory committee, established pursuant to Section
33 14089.08, shall be consulted regarding the transition of children
34 in the Healthy Families Program into Medi-Cal dental managed
35 care plans.

36 (C) (i) For individuals residing in the County of Los Angeles,
37 for purposes of continuity of care, their dental coverage shall
38 continue to be provided by their current dental managed care plan
39 if that plan is a Medi-Cal dental managed care plan. If their plan
40 is not a Medi-Cal dental managed care plan, they may select a

1 Medi-Cal dental managed care plan or choose to move into
2 Medi-Cal fee-for-service dental coverage.

3 (ii) It is the intent of the Legislature that children transitioning
4 to Medi-Cal under this section have a choice in dental coverage,
5 as provided under existing law.

6 (5) Dental health plan performance measures and benchmarks
7 shall be in accordance with Section 14459.6.

8 (6) Medi-Cal managed care health and dental plans shall report
9 to the department, as frequently as specified by the department,
10 specified information pertaining to transition implementation,
11 enrollees, and providers, including, but not limited to, grievances
12 related to access to care, continuity of care requests and outcomes,
13 and changes to provider networks, including provider enrollment
14 and disenrollment changes. The plans shall report this information
15 by county, and in the format requested by the department.

16 (7) The department may develop supplemental implementation
17 plans to separately account for the transition of individuals from
18 the Healthy Families Program to specific Medi-Cal delivery
19 systems.

20 (8) The department shall consult with the Legislature and
21 stakeholders, including, but not limited to, consumers, families,
22 consumer advocates, counties, providers, and health and dental
23 plans, in the development of implementation plans described in
24 paragraph (3) for individuals who are transitioned to Medi-Cal in
25 Phase 2, Phase 3, and Phase 4, as described in subparagraphs (B),
26 (C), and (D) of paragraph (1).

27 (9) (A) The department shall consult and collaborate with the
28 Department of Managed Health Care in assessing Medi-Cal
29 managed care health plan network adequacy in accordance with
30 the Knox-Keene Health Care Service Plan Act of 1975 (Chapter
31 2.2 (commencing with Section 1340) of Division 2 of the Health
32 and Safety Code) for purposes of the developed transition plans
33 pursuant to paragraph (2) for each of the phases.

34 (B) For purposes of individuals transitioning in Phase 1, as
35 described in subparagraph (A) of paragraph (1), network adequacy
36 shall be assessed as described in this paragraph and findings from
37 this assessment shall be provided to the fiscal and appropriate
38 policy committees of the Legislature 60 days prior to the effective
39 date of implementing this transition.

1 (10) The department shall provide monthly status reports to the
2 fiscal and policy committees of the Legislature on the transition
3 commencing no later than February 15, 2013. This monthly status
4 transition report shall include, but not be limited to, information
5 on health plan grievances related to access to care, continuity of
6 care requests and outcomes, changes to provider networks,
7 including provider enrollment and disenrollment changes, and
8 eligibility performance standards pursuant to subdivision (n). A
9 final comprehensive report shall be provided within 90 days after
10 completion of the last phase of transition.

11 (f) (1) The department and MRMIB shall work collaboratively
12 in the development of notices for individuals transitioned pursuant
13 to paragraph (1) of subdivision (e).

14 (2) The state shall provide written notice to individuals enrolled
15 in the Healthy Families Program of their transition to the Medi-Cal
16 program at least 60 days prior to the transition of individuals in
17 Phase 1, as described in subparagraph (A) of paragraph (1) of
18 subdivision (e), and at least 90 days prior to transition of
19 individuals in Phases 2, 3, and 4, as described in subparagraphs
20 (B), (C), and (D) of paragraph (1) of subdivision (e).

21 (3) Notices developed pursuant to this subdivision shall ensure
22 individuals are informed regarding the transition, including, but
23 not limited to, how individuals' systems of care may change, when
24 the changes will occur, and whom they can contact for assistance
25 when choosing a Medi-Cal managed care plan, if applicable,
26 including a toll-free telephone number, and with problems they
27 may encounter. The department shall consult with stakeholders
28 regarding notices developed pursuant to this subdivision. These
29 notices shall be developed using plain language, and written
30 translation of the notices shall be available for those who are
31 limited English proficient or non-English speaking in all Medi-Cal
32 threshold languages.

33 (4) The department shall designate department liaisons
34 responsible for the coordination of the Healthy Families Program
35 and may establish a children's-focused section for this purpose
36 and to facilitate the provision of health care services for children
37 enrolled in Medi-Cal.

38 (5) The department shall provide a process for ongoing
39 stakeholder consultation and make information publicly available,

1 including the achievement of benchmarks, enrollment data,
2 utilization data, and quality measures.

3 (g) (1) In order to aid the transition of Healthy Families Program
4 enrollees, MRMIB, on the effective date of the act that added this
5 section and continuing through the completion of the transition of
6 Healthy Families Program enrollees to the Medi-Cal program,
7 shall begin requesting and collecting from health plans contracting
8 with MRMIB pursuant to Part 6.2 (commencing with Section
9 12693) of Division 2 of the Insurance Code, information about
10 each health plan's provider network, including, but not limited to,
11 the primary care and all specialty care providers assigned to
12 individuals enrolled in the health plan. MRMIB shall obtain this
13 information in a manner that coincides with the transition activities
14 described in subdivision (d), and shall provide all of the collected
15 information to the department within 60 days of the department's
16 request for this information to ensure timely transitions of Healthy
17 Family Program enrollees.

18 (2) The department shall analyze the existing Healthy Families
19 Program delivery system network and the Medi-Cal fee-for-service
20 provider networks, including, but not limited to, Medi-Cal dental
21 providers, to determine overlaps of the provider networks in each
22 county for which there are no Medi-Cal managed care plans or
23 dental managed care plans. To the extent there is a lack of existing
24 Medi-Cal fee-for-service providers available to serve the Healthy
25 Families Program enrollees, the department shall work with the
26 Healthy Families Program provider community to encourage
27 participation of those providers in the Medi-Cal program, and
28 develop a streamlined process to enroll them as Medi-Cal
29 providers.

30 (3) (A) MRMIB, within 60 days of a request by the department,
31 shall provide the department any data, information, or record
32 concerning the Healthy Families Program as is necessary to
33 implement the transition of enrollment required pursuant to this
34 section.

35 (B) Notwithstanding any other provision of law, all of the
36 following shall apply:

37 (i) The term "data, information, or record" shall include, but is
38 not limited to, personal information as defined in Section 1798.3
39 of the Civil Code.

1 (ii) Any data, information, or record shall be exempt from
2 disclosure under the California Public Records Act (Chapter 3.5
3 (commencing with Section 6250) of Division 7 of Title 1 of the
4 Government Code) and any other law, to the same extent that it
5 was exempt from disclosure or privileged prior to the provision
6 of the data, information, or record to the department.

7 (iii) The provision of any such data, information, or record to
8 the department shall not constitute a waiver of any evidentiary
9 privilege or exemption from disclosure.

10 (iv) The department shall keep all data, information, or records
11 provided by MRMIB confidential to the full extent permitted by
12 law, including, but not limited to, the California Public Records
13 Act (Chapter 3.5 (commencing with Section 6250) of Division 7
14 of Title 1 of the Government Code), and consistent with MRMIB's
15 contractual obligations to keep the data, information, or records
16 confidential.

17 (h) This section shall be implemented only to the extent that all
18 necessary federal approvals and waivers have been obtained and
19 the enhanced rate of federal financial participation under Title XXI
20 of the federal Social Security Act (42 U.S.C. Sec. 1397aa et seq.)
21 is available for targeted low-income children pursuant to that act.

22 ~~(i) (1) The~~

23 *(i) (1) (A) Except as provided in subparagraph (B), the*
24 *department shall exercise the option pursuant to Section 1916A*
25 *of the federal Social Security Act (42 U.S.C. Sec. 1396o-1) to*
26 *impose premiums for individuals described in subdivision (a) or*
27 *(b) of Section 14005.26 whose family income has been determined*
28 *to be above 150 percent and up to and including 200 percent of*
29 *the federal poverty level, after application of the income disregard*
30 *pursuant to subdivision (b) of Section 14005.26. The department*
31 *shall not impose premiums under this subdivision for individuals*
32 *described in subdivision (a) or (b) of Section 14005.26 whose*
33 *family income has been determined to be at or below 150 percent*
34 *of the federal poverty level, after application of the income*
35 *disregard pursuant to subdivision (b) of Section 14005.26. The*
36 *department shall obtain federal approval for the implementation*
37 *of this subdivision.*

38 *(B) Effective January 1, 2014, the family income range for the*
39 *imposition of premiums pursuant to subparagraph (A) shall be*
40 *above 160 percent and shall go up to and include 261 percent of*

1 *the federal poverty level as determined, counted, and valued in*
 2 *accordance with the requirements of Section 14005.64. The*
 3 *department shall not impose premiums for eligible individuals*
 4 *whose family income has been determined to be at or below 160*
 5 *percent of the federal poverty level.*

6 (2) All premiums imposed under this section shall equal the
 7 family contributions described in paragraph (2) of subdivision (d)
 8 of Section 12693.43 of the Insurance Code and shall be reduced
 9 in conformity with subdivisions (e) and (f) of Section 12693.43
 10 of the Insurance Code.

11 (j) The department shall not enroll targeted low-income children
 12 described in this section in the Medi-Cal program until all
 13 necessary federal approvals and waivers have been obtained, or
 14 no sooner than January 1, 2013.

15 ~~(k) (1) To~~

16 *(k) (1) (A) Except as provided in subparagraph (B), to the*
 17 *extent the new budget methodology pursuant to paragraph (6) of*
 18 *subdivision (a) of Section 14154 is not fully operational, for the*
 19 *purposes of implementing this section, for individuals described*
 20 *in subdivision (a) whose family income has been determined to*
 21 *be at or below 150 percent of the federal poverty level,—as*
 22 *determined pursuant to subdivision (b), the department shall utilize*
 23 *the budgeting methodology for this population as contained in the*
 24 *November 2011 Medi-Cal Local Assistance Estimate for Medi-Cal*
 25 *county administration costs for eligibility operations.*

26 *(B) Effective January 1, 2014, the federal poverty level*
 27 *percentage used under subparagraph (A) shall equal 160 percent*
 28 *of the federal poverty level as determined, counted, and valued in*
 29 *accordance with the requirements of Section 14005.64.*

30 (2) (A) For purposes of implementing this section, the
 31 department shall include in the Medi-Cal Local Assistance Estimate
 32 an amount for Medi-Cal eligibility operations associated with the
 33 transfer of Healthy Families Program enrollees eligible pursuant
 34 to subdivision (a) of Section 14005.26 and whose family income
 35 is determined to be above ~~150~~ 160 percent and up to and including
 36 ~~200~~ 261 percent of the federal poverty level, ~~after application of~~
 37 ~~the income disregard pursuant to subdivision (b) of Section~~
 38 ~~14005.26.~~ In developing an estimate for this activity, the
 39 department shall consider the projected number of final eligibility
 40 determinations each county will process and projected county

1 costs. Within 60 days of the passage of the annual Budget Act, the
2 department shall notify each county of their allocation for this
3 activity based upon the amount allotted in the annual Budget Act
4 for this purpose.

5 (l) When the new budget methodology pursuant to paragraph
6 (6) of subdivision (a) of Section 14154 is fully operational, the
7 new budget methodology shall be utilized to reimburse counties
8 for eligibility determinations made for individuals pursuant to this
9 section.

10 (m) Except as provided in subdivision (b), eligibility
11 determinations and annual redeterminations made pursuant to this
12 section shall be performed by county eligibility workers.

13 (n) In conducting the eligibility determinations for individuals
14 pursuant to this section and Section 14005.26, the following
15 reporting and performance standards shall apply to all counties:

16 (1) Counties shall report to the department, in a manner and for
17 a time period determined by the department, in consultation with
18 the County Welfare Directors Association, the number of
19 applications processed on a monthly basis, a breakout of the
20 applications based on income using the federal percentage of
21 poverty levels, the final disposition of each application, including
22 information on the approved Medi-Cal program, if applicable, and
23 the average number of days it took to make the final eligibility
24 determination for applications submitted directly to the county and
25 from the single point of entry (SPE).

26 (2) Notwithstanding any other law, the following performance
27 standards shall be applied to counties for eligibility determinations
28 for individuals eligible pursuant to this section:

29 (A) For children whose applications are received by the county
30 human services department from the SPE, the following standards
31 shall apply:

32 (i) Applications for children who are granted accelerated
33 enrollment by the SPE shall be processed according to the
34 timeframes specified in subdivision (d) of Section 14154.

35 (ii) Applications for children who are not granted accelerated
36 enrollment by the SPE due to the existence of an already active
37 Medi-Cal case shall be processed according to the timeframes
38 specified in subdivision (d) of Section 14154.

1 (iii) For applications for children who are not described in clause
2 (i) or (ii), 90 percent shall be processed within 10 working days
3 of being received, complete and without client errors.

4 (iv) If an application described in this section also contains
5 adults, and the adult applicants are required to submit additional
6 information beyond the information provided for the children, the
7 county shall process the eligibility for the child or children without
8 delay, consistent with this section while gathering the necessary
9 information to process eligibility for the adults.

10 (B) The department, in consultation with the County Welfare
11 Directors Association, shall develop reporting requirements for
12 the counties to provide regular data to the state regarding the
13 timeliness and outcomes of applications processed by the counties
14 that are received from the SPE.

15 (C) Performance thresholds and corrective action standards as
16 set forth in Section 14154 shall apply.

17 (D) For applications received directly by the county, these
18 applications shall be processed by the counties in accordance with
19 the performance standards established under subdivision (d) of
20 Section 14154.

21 (3) This subdivision shall be implemented no sooner than
22 January 1, 2013.

23 (4) Twelve months after implementation of this section pursuant
24 to subdivision (e), the department shall provide enrollment
25 information regarding individuals determined eligible pursuant to
26 subdivision (a) to the fiscal and appropriate policy committees of
27 the Legislature.

28 (o) (1) Notwithstanding Chapter 3.5 (commencing with Section
29 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
30 for purposes of this transition, the department, without taking any
31 further regulatory action, shall implement, interpret, or make
32 specific this section by means of all-county letters, plan letters,
33 plan or provider bulletins, or similar instructions until the time
34 regulations are adopted. It is the intent of the Legislature that the
35 department be allowed temporary authority as necessary to
36 implement program changes until completion of the regulatory
37 process.

38 (2) To the extent otherwise required by Chapter 3.5
39 (commencing with Section 11340) of Part 1 of Division 3 of Title
40 2 of the Government Code, the department shall adopt emergency

1 regulations implementing this section no later than July 1, 2014.
2 The department may thereafter readopt the emergency regulations
3 pursuant to that chapter. The adoption and readoption, by the
4 department, of regulations implementing this section shall be
5 deemed to be an emergency and necessary to avoid serious harm
6 to the public peace, health, safety, or general welfare for purposes
7 of Sections 11346.1 and 11349.6 of the Government Code, and
8 the department is hereby exempted from the requirement that it
9 describe facts showing the need for immediate action and from
10 review by the Office of Administrative Law.

11 (p) To implement this section, the department may enter into
12 and continue contracts with the Healthy Families Program
13 administrative vendor, for the purposes of implementing and
14 maintaining the necessary systems and activities for providing
15 health care coverage to optional targeted low-income children in
16 the Medi-Cal program for purposes of accelerated enrollment
17 application processing by single point of entry,
18 noneligibility-related case maintenance and premium collection,
19 maintenance of the Health-E-App Web portal, call center staffing
20 and operations, certified application assistant services, and
21 reporting capabilities. To further implement this section, the
22 department may also enter into a contract with the Health Care
23 Options Broker of the department for purposes of managed care
24 enrollment activities. The contracts entered into or amended under
25 this section may initially be completed on a noncompetitive bid
26 basis and are exempt from the Public Contract Code. Contracts
27 thereafter shall be entered into or amended on a competitive bid
28 basis and shall be subject to the Public Contract Code.

29 (q) (1) If at any time the director determines that this section
30 or any part of this section may jeopardize the state's ability to
31 receive federal financial participation under the federal Patient
32 Protection and Affordable Care Act (Public Law 111-148), or any
33 amendment or extension of that act, or any additional federal funds
34 that the director, in consultation with the Department of Finance,
35 determines would be advantageous to the state, the director shall
36 give notice to the fiscal and policy committees of the Legislature
37 and to the Department of Finance. After giving notice, this section
38 or any part of this section shall become inoperative on the date
39 that the director executes a declaration stating that the department
40 has determined, in consultation with the Department of Finance,

1 that it is necessary to cease to implement this section or a part or
2 parts thereof in order to receive federal financial participation, any
3 increase in the federal medical assistance percentage available on
4 or after October 1, 2008, or any additional federal funds that the
5 director, in consultation with the Department of Finance, has
6 determined would be advantageous to the state.

7 (2) The director shall retain the declaration described in
8 paragraph (1), shall provide a copy of the declaration to the
9 Secretary of the State, the Secretary of the Senate, the Chief Clerk
10 of the Assembly, and the Legislative Counsel, and shall post the
11 declaration on the department's Internet Web site.

12 (3) In the event that the director makes a determination under
13 paragraph (1) and this section ceases to be implemented, the
14 children shall be enrolled back into the Healthy Families Program.

15 *SEC. 4. Section 14005.28 of the Welfare and Institutions Code*
16 *is amended to read:*

17 14005.28. (a) To the extent federal financial participation is
18 available pursuant to an approved state plan amendment, the
19 department shall implement Section 1902(a)(10)(A)(i)(IX) of the
20 federal Social Security Act (42 U.S.C. Sec. 1396a(a)(10)(A)(i)(IX))
21 to provide Medi-Cal benefits to an individual ~~who is until his or~~
22 ~~her 26th birthday if he or she was~~ in foster care on his or her 18th
23 ~~birthday until his or her 26th birthday~~ or lost his or her eligibility
24 ~~for foster care assistance due to having reached the maximum age~~
25 ~~for that assistance.~~ In addition, the department shall implement
26 the federal option to provide Medi-Cal benefits to individuals who
27 were in foster care and enrolled in Medicaid in any state.

28 (1) A foster care adolescent ~~who is~~ was in foster care in this
29 state on his or her 18th birthday, *or who has lost his or her*
30 *eligibility for foster care assistance in this state due to having*
31 *reached the maximum age for that assistance,* shall be enrolled to
32 receive benefits under this section without any interruption in
33 coverage and without requiring a new application.

34 (2) The department shall develop procedures to identify and
35 enroll individuals who meet the criteria for Medi-Cal eligibility
36 in this subdivision, including, but not limited to, former foster care
37 adolescents who were in foster care on their 18th birthday and who
38 lost Medi-Cal coverage as a result of attaining 21 years of age.
39 The department shall work with counties to identify and conduct
40 outreach to former foster care adolescents who lost Medi-Cal

1 coverage during the 2013 calendar year as a result of attaining 21
2 years of age, to ensure they are aware of the ability to reenroll
3 under the coverage provided pursuant to this section.

4 (3) (A) The department shall develop and implement a
5 simplified redetermination form for this program. A beneficiary
6 qualifying for the benefits extended pursuant to this section shall
7 fill out and return this form only if information known to the
8 department is no longer accurate or is materially incomplete.

9 (B) The department shall seek federal approval to institute a
10 renewal process that allows a beneficiary receiving benefits under
11 this section to remain on Medi-Cal after a redetermination form
12 is returned as undeliverable and the county is otherwise unable to
13 establish contact. If federal approval is granted, the recipient shall
14 remain eligible for services under the Medi-Cal fee-for-service
15 program until the time contact is reestablished or ineligibility is
16 established, and to the extent federal financial participation is
17 available.

18 (C) The department shall terminate eligibility only after it
19 determines that the recipient is no longer eligible and all due
20 process requirements are met in accordance with state and federal
21 law.

22 (b) Notwithstanding Chapter 3.5 (commencing with Section
23 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
24 the department may implement, interpret, or make specific this
25 section by means of all-county letters, plan letters, plan or provider
26 bulletins, or similar instructions until the time any necessary
27 regulations are adopted. The department shall adopt regulations
28 by July 1, 2017, in accordance with the requirements of Chapter
29 3.5 (commencing with Section 11340) of Part 1 of Division 3 of
30 Title 2 of the Government Code. Beginning six months after the
31 effective date of this section, and notwithstanding Section 10231.5
32 of the Government Code, the department shall provide a status
33 report to the Legislature on a semiannual basis, in compliance with
34 Section 9795 of the Government Code, until regulations have been
35 adopted.

36 (c) This section shall be implemented only if and to the extent
37 that federal financial participation is available.

38 (d) This section shall become operative January 1, 2014.

39 *SEC. 5. Section 14005.285 is added to the Welfare and*
40 *Institutions Code, to read:*

1 14005.285. (a) *To the extent federal financial participation is*
2 *available pursuant to an approved state plan amendment, the*
3 *department shall exercise its option under Section*
4 *1902(a)(10)(A)(ii)(XVII) of the federal Social Security Act (42*
5 *U.S.C. Sec. 1396a(a)(10)(A)(ii)(XVII)) to extend Medi-Cal benefits*
6 *to independent foster care adolescents, as defined in Section*
7 *1905(w)(1) of the federal Social Security Act (42 U.S.C. Sec.*
8 *1396d(w)(1)).*

9 (b) *Notwithstanding Chapter 3.5 (commencing with Section*
10 *11340) of Part 1 of Division 3 of Title 2 of the Government Code,*
11 *the department may implement, interpret, or make specific this*
12 *section by means of all-county letters, plan letters, plan or provider*
13 *bulletins, or similar instructions until the time any necessary*
14 *regulations are adopted. The department shall adopt regulations*
15 *by July 1, 2017, in accordance with the requirements of Chapter*
16 *3.5 (commencing with Section 11340) of Part 1 of Division 3 of*
17 *Title 2 of the Government Code. Beginning six months after the*
18 *effective date of this section, and notwithstanding Section 10231.5*
19 *of the Government Code, the department shall provide a status*
20 *report to the Legislature on a semiannual basis, in compliance*
21 *with Section 9795 of the Government Code, until regulations have*
22 *been adopted.*

23 (c) *This section shall be implemented only to the extent that*
24 *federal financial participation is available and any necessary*
25 *federal approvals have been obtained.*

26 SEC. 6. *Section 14005.30 of the Welfare and Institutions Code*
27 *is amended to read:*

28 14005.30. (a) *Medi-Cal benefits under this chapter shall be*
29 *provided to individuals eligible for services under Section 1396u-1*
30 *of Title 42 of the United States Code with family incomes that do*
31 *not exceed 109 percent of the federal poverty level.*

32 (b) (1) *When determining eligibility under this section, an*
33 *applicant's or beneficiary's income and resources shall be*
34 *determined, counted, and valued in accordance with the*
35 *requirements of Section 1396a(e)(14) of Title 42 of the United*
36 *States Code, as added by the ACA.*

37 (2) *When determining eligibility under this section, an*
38 *applicant's or beneficiary's assets shall not be considered and*
39 *deprivation shall not be a requirement for eligibility.*

1 (c) For purposes of calculating income under this section during
2 any calendar year, increases in social security benefit payments
3 under Title II of the federal Social Security Act (42 U.S.C. Sec.
4 401 et seq.) arising from cost-of-living adjustments shall be
5 disregarded commencing in the month that these social security
6 benefit payments are increased by the cost-of-living adjustment
7 through the month before the month in which a change in the
8 federal poverty level requires the department to modify the income
9 disregard pursuant to subdivision (c) and in which new income
10 limits for the program established by this section are adopted by
11 the department.

12 (d) The MAGI-based income eligibility standard applied under
13 this section shall conform with the maintenance of effort
14 requirements of Sections 1396a(e)(14) and 1396a(gg) of Title 42
15 of the United States Code, as added by the ACA.

16 (e) For purposes of this section, the following definitions shall
17 apply:

18 (1) “ACA” means the federal Patient Protection and Affordable
19 Care Act (Public Law 111-148), as originally enacted and as
20 amended by the federal Health Care and Education Reconciliation
21 Act of 2010 (Public Law 111-152) and any subsequent
22 amendments.

23 (2) “MAGI-based income” means income calculated using the
24 financial methodologies described in Section 1396a(e)(14) of Title
25 42 of the United States Code, as added by the federal Patient
26 Protection and Affordable Care Act (Public Law 111-148) and as
27 amended by the federal Health Care and Education Reconciliation
28 Act of 2010 (Public Law 111-152) and any subsequent
29 amendments.

30 (f) Notwithstanding Chapter 3.5 (commencing with Section
31 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
32 the department may implement, interpret, or make specific this
33 section by means of all-county letters, plan letters, plan or provider
34 bulletins, or similar instructions until the time any necessary
35 regulations are adopted. The department shall adopt regulations
36 by July 1, 2017, in accordance with the requirements of Chapter
37 3.5 (commencing with Section 11340) of Part 1 of Division 3 of
38 Title 2 of the Government Code. Beginning six months after the
39 effective date of this section, and notwithstanding Section 10231.5
40 of the Government Code, the department shall provide a status

1 report to the Legislature on a semiannual basis, in compliance with
2 Section 9795 of the Government Code, until regulations have been
3 adopted.

4 (g) This section shall be implemented only if and to the extent
5 that federal financial participation is available and any necessary
6 federal approvals have been obtained.

7 (h) This section shall become operative on January 1, 2014.

8 *SEC. 7. Section 14005.64 of the Welfare and Institutions Code*
9 *is amended to read:*

10 14005.64. (a) Effective January 1, 2014, and notwithstanding
11 any other provision of law, when determining eligibility for
12 Medi-Cal benefits, an applicant's or beneficiary's income and
13 resources shall be determined, counted, and valued in accordance
14 with the requirements of Section 1902(e)(14) of the federal Social
15 Security Act (42 U.S.C. *Sec.* 1396a(e)(14)), as added by the ACA,
16 which prohibits the use of an assets or resources test for individuals
17 whose income eligibility is determined based on modified adjusted
18 gross income.

19 (b) When determining the eligibility of applicants and
20 beneficiaries using the MAGI-based financial methods, the
21 5-percent income disregard required under Section
22 1902(e)(14)(B)(I) of the federal Social Security Act (42 U.S.C.
23 *Sec.* 1396a(e)(14)(B)(I)) shall be applied.

24 (c) (1) The department shall establish income eligibility
25 thresholds for those Medi-Cal eligibility groups whose eligibility
26 will be determined using MAGI-based financial methods. The
27 income eligibility thresholds shall be developed using the financial
28 methodologies described in Section 1396a(e)(14) of Title 42 of
29 the United States Code and in conformity with Section 1396a(gg)
30 of Title 42 of the United States Code as added by the ACA.

31 (2) In utilizing state data or the national standard methodology
32 with Survey of Income and Program Participation data to develop
33 the converted modified adjusted gross income standard for
34 Medi-Cal applicants and beneficiaries, the department shall ensure
35 that the financial methodology used for identifying the equivalent
36 income eligibility threshold preserves Medi-Cal eligibility for
37 applicants and beneficiaries to the extent required by federal law.
38 The department shall report to the Legislature on the expected
39 changes in income eligibility thresholds using the chosen
40 methodology for individuals whose income is determined on the

1 basis of a converted dollar amount or federal poverty level
2 percentage. The department shall convene stakeholders, including
3 the Legislature, counties, and consumer advocates regarding the
4 results of the converted standards and shall review with them the
5 information used for the specific calculations before adopting its
6 final methodology for the equivalent income eligibility threshold
7 level.

8 *(3) The income eligibility threshold levels required under this*
9 *subdivision shall be as follows for the identified coverage groups:*

10 *(A) For those pregnant women and infants eligible under Section*
11 *1396a(a)(10)(A)(i)(IV) of Title 42 of the United States Code, 208*
12 *percent of the federal poverty level.*

13 *(B) For those children 1 to 5 years of age, inclusive, eligible*
14 *under Section 1396a(a)(10)(A)(i)(VI) of Title 42 of the United*
15 *States Code, 142 percent of the federal poverty level.*

16 *(C) For those children 6 to 18 years of age, inclusive, eligible*
17 *under Section 1396a(a)(10)(A)(i)(VII) of Title 42 of the United*
18 *States Code, 133 percent of the federal poverty level.*

19 (d) The department shall include individuals under 19 years of
20 age, or in the case of full-time students, under 21 years of age, in
21 the household for purposes of determining eligibility under Section
22 1396a(e)(14) of Title 42 of the United States Code, as added by
23 the ACA.

24 (e) For purposes of this section, the following definitions shall
25 apply:

26 (1) “ACA” means the federal Patient Protection and Affordable
27 Care Act (Public Law 111-148) as originally enacted and as
28 amended by the federal Health Care and Education Reconciliation
29 Act of 2010 (Public Law 111-152) and any subsequent
30 amendments.

31 (2) “MAGI-based financial methods” means income calculated
32 using the financial methodologies described in Section
33 1396a(e)(14) of Title 42 of the United States Code, and as added
34 by the ACA.

35 (f) Notwithstanding Chapter 3.5 (commencing with Section
36 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
37 the department, without taking any further regulatory action, shall
38 implement, interpret, or make specific this section by means of
39 all-county letters, plan letters, plan or provider bulletins, or similar
40 instructions until the time regulations are adopted. Thereafter, the

1 department shall adopt regulations in accordance with the
 2 requirements of Chapter 3.5 (commencing with Section 11340) of
 3 Part 1 of Division 3 of Title 2 of the Government Code. Beginning
 4 six months after the effective date of this section, and
 5 notwithstanding Section 10231.5 of the Government Code, the
 6 department shall provide a status report to the Legislature on a
 7 semiannual basis until regulations have been adopted.

8 (g) This section shall be implemented only if and to the extent
 9 that federal financial participation is available and any necessary
 10 federal approvals have been obtained.

11 *SEC. 8. Section 14051 of the Welfare and Institutions Code is*
 12 *amended to read:*

13 14051. (a) “Medically needy person” means any of the
 14 following:

15 (1) An aged, blind, or disabled person who meets the definition
 16 of aged, blind, or disabled under the Supplemental Security Income
 17 Program and whose income and resources are insufficient to
 18 provide for the costs of health care or coverage.

19 (2) A child in foster care for whom public agencies are assuming
 20 financial responsibility, in whole or in part, or a person receiving
 21 aid under Chapter 2.1 (commencing with Section 16115) of Part
 22 4.

23 (3) A child who is eligible to receive Medi-Cal benefits pursuant
 24 to interstate agreements for adoption assistance and related services
 25 and benefits entered into under Chapter 2.6 (commencing with
 26 Section 16170) of Part 4, to the extent federal financial
 27 participation is available.

28 (b) “Medically needy family person” means a parent or caretaker
 29 relative of a child ~~who meets the deprivation requirements of Aid~~
 30 ~~to Families with Dependent Children~~ or a child under 21 years of
 31 age or a pregnant woman of any age with a confirmed pregnancy,
 32 exclusive of those persons specified in subdivision (a), whose
 33 income and resources are insufficient to provide for the costs of
 34 health care or coverage.

35 *SEC. 9. Section 14148 of the Welfare and Institutions Code is*
 36 *amended to read:*

37 14148. (a) ~~The~~(1) (A) *Except as provided in paragraph (2),*
 38 *the department shall adopt the federal option provided under*
 39 *Section 4101 of the Omnibus Budget Reconciliation Act of 1987*
 40 *(Public Law 100-203) to extend eligibility for medical assistance*

1 under Medicaid to all pregnant women and infants with family
2 incomes not in excess of 185 percent of the federal poverty level.
3 ~~¶~~

4 (B) If a premium is imposed, the amount of the premium shall
5 not exceed 10 percent of the amount by which the family's income,
6 less actual child care costs, exceeds 150 percent of the federal
7 poverty level as required by Section 4101 (a) of the 1987 Medicaid
8 Budget Reconciliation Agreement provided in Section 1916(c) of
9 the federal Social Security Act (42 U.S.C. Sec. 1396o(c)) as
10 determined, counted, and valued in accordance with the
11 requirements of Section 14005.64. The department shall implement
12 this section by emergency regulation.

13 (2) Effective January 1, 2014, the federal poverty level
14 percentage income eligibility threshold used pursuant to
15 subdivision (c) of Section 14005.64 to determine eligibility for
16 medical assistance under this section pursuant to paragraph (1)
17 shall equal 208 percent of the federal poverty level.

18 (b) Upon order of the Department of Finance, the State
19 Controller shall transfer funds from Item 4260-101-001 of the
20 Budget Act of 1988 to Item 4260-111-001 of the Budget Act of
21 1988 during the 1988-89 fiscal year for the purpose of funding
22 outreach efforts for perinatal services.

23 (c) Notwithstanding subdivision (a), the state may limit
24 implementation of this section during the 1988-89 fiscal year,
25 based upon the availability of department funds. The department
26 may use maternal and child health funds to finance the increased
27 costs of implementing an expansion of Medi-Cal eligibility to
28 women and children with incomes of up to 185 percent of federal
29 poverty levels if both of the following conditions exist:

30 (1) The department has allocated for expenditure at least sixteen
31 million dollars (\$16,000,000) in funds redirected from the Medi-Cal
32 program for that expansion.

33 (2) If, and to the extent, the department determines that estimates
34 of costs based on actual data indicate that the funds are needed to
35 cover costs.

36 ~~(d) This section shall be fully implemented no later than April~~
37 ~~1, 1990.~~

38 (e)

39 (d) To assist Medi-Cal eligible pregnant women in receiving
40 prenatal care promptly, all pregnant women applying for Medi-Cal

1 shall be determined to have an immediate need. Counties, within
2 existing resources, shall expedite the eligibility determination
3 process for all pregnant women on the basis of their immediate
4 needs. Upon determination of eligibility, a Medi-Cal card shall be
5 issued immediately.

6 ~~(f) To the extent federal financial participation is available, the~~
7 ~~department shall apply the more liberal income deduction described~~
8 ~~in Section 1396a(r) of Title 42 of the United States Code when~~
9 ~~determining eligibility for pregnant women and infants under this~~
10 ~~section. The amount of this deduction shall be the difference~~
11 ~~between the 185 percent and the 200 percent federal poverty level~~
12 ~~applicable to the size of the family.~~

13 *(e) This section shall be implemented only if and to the extent*
14 *that federal financial participation is available and any necessary*
15 *federal approvals have been obtained.*

16 *SEC. 10. Section 14148.5 of the Welfare and Institutions Code*
17 *is amended to read:*

18 14148.5. (a) (1) State funded perinatal services shall be
19 provided under the Medi-Cal program to pregnant women and
20 state funded medical services to infants up to one year of age in
21 families with incomes above 185 percent, but not more than 200
22 208 percent, of the federal poverty level, in the same manner that
23 these services are being provided to the Medi-Cal population,
24 including eligibility requirements and integration of eligibility
25 determinations and payment of claims, ~~except as follows~~. *When*
26 *determining eligibility under this section, an applicant's or*
27 *beneficiary's income and resources shall be determined, counted,*
28 *and valued in accordance with the methodology set forth in Section*
29 *14005.64.*

30 ~~(1) The assets of the family shall not be considered in making~~
31 ~~the eligibility determination.~~

32 ~~(2) The income deduction specified in subdivision (f) of Section~~
33 ~~14148 shall not be applied.~~

34 (b) Services provided under this section shall not be subject to
35 any share-of-cost requirements.

36 (c) (1) The department, in implementing the Medi-Cal program
37 and public health programs, in coordination with the Managed
38 Risk Medical Insurance Program's Access for Infants and Mothers
39 component, may provide for outreach activities in order to enhance
40 participation and access to perinatal services. Funding received

1 pursuant to the federal provisions shall be used to expand perinatal
2 outreach activities. These outreach activities shall be implemented
3 if funding is provided for this purpose by an appropriation in the
4 annual Budget Act or other statute.

5 (2) Those outreach activities authorized by paragraph (1) shall
6 be targeted toward both Medi-Cal and non-Medi-Cal eligible high
7 risk or uninsured pregnant women and infants. Outreach activities
8 may include, but not be limited to, all of the following:

9 (A) Education of the targeted women on the availability and
10 importance of early prenatal care and referral to Medi-Cal and
11 other programs.

12 (B) Information provided through toll-free telephone numbers.

13 (C) Recruitment and retention of perinatal providers.

14 (d) Notwithstanding any other provision of law, contracts
15 required to implement the provisions of this section shall be exempt
16 from the approval of the Director of General Services and from
17 the provisions of the Public Contract Code.

18 ~~(e) The programs authorized in this section shall be operative
19 for the entire 1996-97 fiscal year.~~

20 *SEC. 11. If the Commission on State Mandates determines that
21 this act contains costs mandated by the state, reimbursement to
22 local agencies and school districts for those costs shall be made
23 pursuant to Part 7 (commencing with Section 17500) of Division
24 4 of Title 2 of the Government Code.*

25 ~~SECTION 1. The Legislature finds and declares all of the
26 following:~~

27 ~~(a) In California, there is a great risk that the prevalence of
28 health disparities may increase as our population becomes even
29 more multicultural. By the year 2040, it is expected that two out
30 of three Californians will be Latino, Asian American, or African
31 American. As the state becomes increasingly diverse, the vision
32 of a healthy and productive California will rely more on our ability
33 to eliminate racial and ethnic disparities, and our actions to improve
34 the health of our multicultural communities.~~

35 ~~(b) The Office of Statewide Health Planning and Development
36 within the California Health and Human Services Agency maintains
37 the inpatient hospital discharge data set, a consolidated database
38 of health diagnoses and procedures as reported from licensed health
39 facilities throughout the state. This database contains 3.8 million
40 observations per year in 18 variable categories, including~~

1 diagnoses, procedures, race, ethnicity, insurance, and residence
 2 ZIP Code. This data set has shown several instances of racial and
 3 ethnic health disparities, including African Americans having
 4 greater hospitalization rates for ambulatory sensitive conditions
 5 such as diabetes and heart failure than any other racial group.

6 SEC. 2. Chapter 5 (commencing with Section 128955) is added
 7 to Part 5 of Division 107 of the Health and Safety Code, to read:

8

9

CHAPTER 5. HEALTH DISPARITY REPORT

10

11 128955. (a) The Office of Statewide Health Planning and
 12 Development, with support from the California Health and Human
 13 Services Agency, shall, based on the inpatient hospital discharge
 14 data set, develop a health disparity report to assess the levels of
 15 measurable health disparities in the state among minorities. The
 16 health disparity report shall focus on the following areas of
 17 concern, consistent with the Healthy People 2020 priorities:

18

(1) Cardiovascular disease.

19

(2) Breast cancer.

20

(3) Cervical cancer.

21

(4) Diabetes.

22

(5) HIV/AIDS.

23

(6) Infant mortality.

24

(7) Asthma.

25

(8) Mental health.

26

(9) Trauma.

27 (b) Key principles of the health disparity report shall include,
 28 but not be limited to, both of the following:

29

(1) Consideration of the effects of current policies in public
 30 health, social welfare, housing, and education that contribute to
 31 health disparities.

32

(2) The ability of public and private partnerships, including
 33 federal, state, local, and community-level efforts, to reduce health
 34 disparities.

35

(c) By January 1, 2016, the Office of Statewide Health Planning
 36 and Development and the California Health and Human Services
 37 Agency shall complete the report and deliver it to the Legislature.