

AMENDED IN SENATE APRIL 7, 2014

SENATE BILL

No. 1341

Introduced by Senator Mitchell

February 21, 2014

An act to amend Section 10823 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 1341, as amended, Mitchell. Medi-Cal: Statewide Automated Welfare System.

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 the Office of Systems Integration in the State Department of Social Services to implement a statewide automated welfare system for 6 specified public assistance programs, including Medi-Cal.

This bill would require the Statewide Automated Welfare System to be the system of record for Medi-Cal and to contain all Medi-Cal eligibility rules and case management functionality. The bill would, notwithstanding this provision, authorize the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS) to house the business rules necessary for an eligibility determination to be made, as specified, pursuant to the federal Patient Protection and Affordable Care Act. ~~The bill would~~ *would, if the department exercises that authority,* require CalHEERS to make the business rules available to the Statewide Automated Welfare System consortia to determine Medi-Cal eligibility. ~~The bill would require the Statewide Automated~~

~~Welfare System to house the functionality to create and send Notices of Action for the Medi-Cal program, as specified, no later than January 1, 2016. specify, effective January 1, 2016, the manner in which the functionality to create and send notices of action for the Medi-Cal and premium tax credit programs would be implemented, including a requirement that the Statewide Automated Welfare System be used to generate noticing language and notice of action documents.~~

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

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

1 SECTION 1. Section 10823 of the Welfare and Institutions
 2 Code, as amended by Section 9 of Chapter 13 of the First
 3 Extraordinary Session of the Statutes of 2011, is amended to read:
 4 10823. (a) (1) The Office of Systems Integration shall
 5 implement a statewide automated welfare system for the following
 6 public assistance programs:
 7 (A) The CalWORKs program.
 8 (B) CalFresh.
 9 (C) The Medi-Cal program.
 10 (D) The foster care program.
 11 (E) The refugee program.
 12 (F) County medical services programs.
 13 (2) Statewide implementation of the statewide automated welfare
 14 system for the programs listed in paragraph (1) shall be achieved
 15 through no more than four county consortia, including the Interim
 16 Statewide Automated Welfare System Consortium, and the Los
 17 Angeles Eligibility, Automated Determination, Evaluation, and
 18 Reporting System.
 19 (3) Notwithstanding paragraph (2), the Office of Systems
 20 Integration shall migrate the 35 counties that currently use the
 21 Interim Statewide Automated Welfare System (SAWS) into the
 22 C-IV system within the following timeline:
 23 (A) Complete Migration System Test and begin User Acceptance
 24 Testing on or before June 30, 2009.
 25 (B) Complete implementation in at least five counties by
 26 February 28, 2010.
 27 (C) Complete implementation in at least 14 additional counties
 28 on or before May 31, 2010.

1 (D) Complete implementation in all 35 counties on or before
2 August 31, 2010.

3 (E) Decommission the Interim Statewide Automated Welfare
4 System on or before January 31, 2011.

5 (4) Notwithstanding paragraph (2), the Office of Systems
6 Integration shall oversee the migration of the 39 counties
7 composing the C-IV Consortium into a system jointly designed
8 by the 39 counties plus Los Angeles County under the LEADER
9 Replacement System contract. This migration shall result in a new
10 consortium to replace the LEADER and C-IV Consortia.

11 (5) The consortia and the state shall take any action necessary
12 to ensure that the current SAWS maintenance and operations
13 agreements are extended for the LEADER and C-IV Consortia,
14 pending the completion of the LEADER Replacement System and
15 migration of the C-IV Consortium as set forth in paragraph (4),
16 and for the continuation of the Welfare Client Data System
17 Consortium.

18 (6) Each SAWS consortium shall provide a seat on its governing
19 body for a representative of the state and shall allow for the
20 stationing of state staff at the project site.

21 (b) Nothing in subdivision (a) transfers program policy
22 responsibilities related to the public assistance programs specified
23 in subdivision (a) from the State Department of Social Services
24 or the State Department of Health Care Services to the Office of
25 Systems Integration.

26 (c) (1) On February 1 of each year, the Office of Systems
27 Integration shall provide an annual report to the appropriate
28 committees of the Legislature on the statewide automated welfare
29 system implemented under this section. The report shall address
30 the progress of state and consortia activities and any significant
31 schedule, budget, or functionality changes in the project.

32 (2) The report provided pursuant to this subdivision in 2012
33 shall also include the projected timeline and key milestones for
34 the development of the LEADER Replacement System and of the
35 new consortium described in paragraph (4) of subdivision (a).

36 (d) Notwithstanding any other law, the Statewide Automated
37 Welfare System consortia shall have the authority to expend within
38 approved annual state budgets for each system as follows:

1 (1) Make changes within any line item, provided that the change
2 does not create additional project costs in the current or in a future
3 budget year.

4 (2) Make a change of up to one hundred thousand dollars
5 (\$100,000) or 10 percent of the total for the line item from which
6 the funds are derived, whichever is greater, between line items
7 with notice to the Office of Systems Integration, provided that the
8 change does not create additional project costs in the current or in
9 a future budget year.

10 (3) Make requests to the Office of Systems Integration for
11 changes between line items of greater than one hundred thousand
12 dollars (\$100,000) or 10 percent of the total for the line item from
13 which the funds are derived, which do not increase the total cost
14 in the current or a future budget year. The Office of Systems
15 Integration shall take action to approve or deny the request within
16 10 days.

17 (e) (1) The Statewide Automated Welfare System shall be the
18 system of record for Medi-Cal and shall contain all Medi-Cal
19 eligibility rules and case management functionality.

20 (2) Notwithstanding paragraph (1), the business rules necessary
21 for an eligibility determination to be made under the Modified
22 Adjusted Gross Income (MAGI) rules pursuant to the federal
23 Patient Protection and Affordable Care Act (Public Law 111-148)
24 may be housed in the California Healthcare Eligibility, Enrollment,
25 and Retention System developed pursuant to Section 15926,
26 hereafter referred to as CalHEERS. ~~The~~ *If the department exercises*
27 *that authority, the business rules contained in CalHEERS shall be*
28 *made available as a service to the Statewide Automated Welfare*
29 *System—consortia consortia, through an automated interface, in*
30 *order for the consortia to determine eligibility for Medi-Cal under*
31 *the MAGI rules.*

32 ~~(3) The functionality to create and send Notices of Action for~~
33 ~~the Medi-Cal program, including notices related to MAGI-based~~
34 ~~eligibility, shall be housed within the Statewide Automated Welfare~~
35 ~~System. This paragraph shall be implemented no later than January~~
36 ~~1, 2016.~~

37 (3) *Effective January 1, 2016, the functionality to create and*
38 *send notices of action for Medi-Cal and premium tax credit*
39 *programs, as described in Section 36B of Title 26 of the United*
40 *States Code, shall be implemented consistent with the following:*

1 (A) Except as specified in subparagraphs (B) and (C), the
2 Statewide Automated Welfare System shall be used to generate
3 noticing language and notice of action documents and to send
4 notice of action documents for all Medi-Cal programs, including,
5 but not limited to, MAGI and Non-MAGI based programs.

6 (B) If the department exercises its authority pursuant to
7 paragraph (2), CalHEERS shall be used to generate noticing
8 language for the premium tax credit program, including, but not
9 limited to, Medi-Cal denial noticing language related to tax subsidy
10 approvals, and shall be used to generate and send notice of action
11 documents for the premium tax credit only program.

12 (C) If the department exercises its authority pursuant to
13 paragraph (2), in any mixed eligibility cases that include an
14 approval or approvals for MAGI Medi-Cal eligibility
15 determinations, non-MAGI Medi-Cal eligibility determinations,
16 or both, and premium tax credit approvals, the Statewide
17 Automated Welfare System shall be used to combine the noticing
18 language for Medi-Cal programs generated by the Statewide
19 Automated Welfare System and the noticing language for the
20 premium tax credit program generated by CalHEERS into one
21 notice, and the Statewide Automated Welfare System shall be used
22 to send the document, as one combined notice, for all programs.

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