

ASSEMBLY BILL

No. 1816

Introduced by Assembly Member Richman

January 17, 2002

An act to amend Section 12693.75 of the Insurance Code, and to amend Section 14011 of the Welfare and Institutions Code, relating to health services.

LEGISLATIVE COUNSEL'S DIGEST

AB 1816, as introduced, Richman. Medi-Cal: Healthy Families Program: applicant income verification.

Existing law establishes the Medi-Cal program under which qualified low-income persons are provided health care services. The Medi-Cal program is funded by state and federal funds and administered by the State Department of Health Services. Each county is responsible for Medi-Cal eligibility determinations.

Existing law prohibits granting eligibility for Medi-Cal benefits unless independent documentation verifying various Medi-Cal applicant statements, including certain statements related to income, is provided.

Existing law establishes the Healthy Families Program, administered by the Managed Risk Medical Insurance Board, to arrange for the provision of health, dental, and vision services to eligible children pursuant to a federal program entitled the State Children's Health Insurance Program.

This bill would provide that, if consent is obtained authorizing a county or the board to access certain records contained in state and local data bases, an applicant would not be subject to any requirement to provide independent documentation to verify statements that relate to

income for purposes of initial enrollment in, and the annual eligibility review or redetermination for, the Medi-Cal program or Healthy Families Program. The bill would require the board and each county to develop and implement procedures to implement these income verification provisions.

By requiring local officials to provide specified information on request, and by modifying the eligibility determination process under the Medi-Cal program, thereby increasing the responsibilities of counties in the administration of the Medi-Cal program, this bill would 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, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

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

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

1 SECTION 1. Section 12693.75 of the Insurance Code is
 2 amended to read:
 3 12693.75. (a) The program shall make use of a simple and
 4 easy to understand mail-in application process.
 5 (b) (1) *If consent is obtained pursuant to paragraph (2), an*
 6 *applicant shall not be subject to any requirement of the initial*
 7 *enrollment application or annual review process to provide*
 8 *independent documentation to verify statements related to income.*
 9 *The initial enrollment application and annual review processes*
 10 *shall include notice to the applicant of the availability of the option*
 11 *provided in this subdivision.*
 12 (2) *If an applicant elects the option provided in this*
 13 *subdivision, the applicant and, if requested by the department, any*
 14 *family or household member, shall provide written consent for the*



1 *board to access the records of the applicant and family or*
2 *household member contained in state and local data bases*
3 *pursuant to this subdivision.*

4 *(c) (1) The board shall develop and implement a procedure for*
5 *identifying and obtaining information available in state and local*
6 *data bases to be used to verify information related to income. The*
7 *board shall access only that information that is necessary for*
8 *purposes of subdivision (b). Any information obtained shall be*
9 *confidential.*

10 *(2) State and local agencies shall provide the information that*
11 *is requested by the board pursuant to this subdivision.*

12 *(d) The board annually shall audit and prepare a report on the*
13 *implementation of subdivisions (b) and (c) in an effort to detect*
14 *and prevent fraud.*

15 SEC. 2. Section 14011 of the Welfare and Institutions Code is
16 amended to read:

17 14011. (a) Each applicant who is not a recipient of aid under
18 the provisions of Chapter 2 (commencing with Section 11200) or
19 Chapter 3 (commencing with Section 12000) shall be required to
20 file an affirmation setting forth ~~such~~ any facts about his or her
21 annual income ~~and~~, other resources, and qualifications for
22 eligibility as may be required by the department. ~~Such~~ The
23 statements shall be on forms prescribed by the department.

24 (b) To the extent permitted by federal law, eligibility for
25 medical assistance for ~~such~~ these applicants shall not be granted
26 until the applicant or designated representative provides
27 independent documentation verifying statements of gross income
28 by type and source; income amounts withheld for taxes, health
29 care benefits available through employment, retirement, military
30 service, work related injuries, or settlements from prior injuries,
31 employee retirement contributions, and other employee benefit
32 contributions, deductible expenses for maintenance or
33 improvement of income-producing property, and status and value
34 of property owned, other than property exempt under Section
35 14006. The director may prescribe those items of exempt property
36 ~~which~~ that the director deems should be verified as to status and
37 value in order to reasonably assure a correct designation of those
38 items as exempt.

39 (c) The verification requirements of subdivision (b) apply to
40 income, income deductions, and property both of applicants for



1 medical assistance (other than applicants for public assistance) and
2 to persons whose income, income deductions, expenses, or
3 property holdings must be considered in determining the
4 applicant's eligibility and share of cost.

5 (d) A determination of eligibility and share of cost may be
6 extended beyond otherwise prescribed time frames if, in the
7 county department's judgment, and subject to standards of the
8 director, the applicant or designated representative has good cause
9 for failure to provide the required verification and continues to
10 make a good faith effort to provide ~~such~~ *the* verification.

11 (e) To the extent permitted by federal law, in addition to the
12 other verification requirements of this section, a county
13 department may require verification of any other applicant
14 statements, or conduct a full and complete investigation of the
15 statements, whenever a verification or investigation is warranted
16 in the judgment of the county department.

17 (f) If documentation is unavailable, as defined in regulations
18 promulgated by the department, the applicant's signed statement
19 as to the value or amount shall be deemed to constitute verification.

20 (g) *(1) Notwithstanding subdivisions (a), (b), and (c), if*
21 *consent is obtained pursuant to paragraph (2), an applicant shall*
22 *not be subject to any requirement of the initial enrollment and*
23 *annual redetermination process to provide independent*
24 *documentation to verify statements that relate to income. The*
25 *initial enrollment application and annual redetermination*
26 *processes shall include notice to the applicant of the availability*
27 *of the option provided in this subdivision.*

28 *(2) If an applicant elects the option provided in this*
29 *subdivision, the applicant, and any person whose income, income*
30 *deductions, expenses, or property holdings must be considered in*
31 *determining the applicant's eligibility and share of cost, shall*
32 *provide written consent to the county to access the applicant's and*
33 *person's records contained in state and local data bases.*

34 *(h) (1) Each county shall develop and implement a procedure*
35 *for identifying and obtaining information available in state and*
36 *local data bases to be used to verify information related to income.*
37 *The county shall access only that information that is necessary for*
38 *purposes of subdivision (g). Any information obtained shall be*
39 *confidential.*



1 (2) *State and local agencies shall provide the information that*
2 *is requested by a county pursuant to this subdivision.*

3 (i) *The county annually shall audit and prepare a report on the*
4 *implementation of subdivisions (g) and (h) in an effort to detect*
5 *and prevent fraud.*

6 SEC. 3. Notwithstanding Section 17610 of the Government
7 Code, if the Commission on State Mandates determines that this
8 act contains costs mandated by the state, reimbursement to local
9 agencies and school districts for those costs shall be made pursuant
10 to Part 7 (commencing with Section 17500) of Division 4 of Title
11 2 of the Government Code. If the statewide cost of the claim for
12 reimbursement does not exceed one million dollars (\$1,000,000),
13 reimbursement shall be made from the State Mandates Claims
14 Fund.

