

Introduced by Senator Ortiz

February 23, 2001

An act to amend Sections 12693.43 and 12693.70 of, and to add Section 12693.756 to, the Insurance Code, relating to the Healthy Families Program, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 785, as introduced, Ortiz. Healthy Families Program.

Existing law creates the Healthy Families Program, administered by the Managed Risk Medical Insurance Board, to arrange for the provision of health care services to children less than 19 years of age who meet certain criteria, including having a gross household income equal to or less than 200% of the federal poverty level. Existing law requires program applicants to pay a family contribution for coverage. Existing law also requires the board to expand eligibility under the program to parents of uninsured children eligible under the program to the extent that federal financial participation is obtained. Existing law continuously appropriates money from the Healthy Families Fund for purposes of the implementation of the Healthy Families Program.

This bill would require the Healthy Families Program to expand eligibility to include uninsured parents of children eligible to receive coverage under the Healthy Families Program and to uninsured parents of children receiving no-cost Medi-Cal. This bill would also require the board to implement regulations necessary to carry out this expanded program. Because this bill expands the purposes for expenditures from the Healthy Families Fund which is continuously appropriated, the bill would make an appropriation. This bill would declare that it is to take



effect immediately as an urgency statute. The bill would become operative July 1, 2001.

Vote: ²/₃. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

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

1 SECTION 1. Section 12693.43 of the Insurance Code is
2 amended to read:

3 12693.43. (a) Applicants applying to the purchasing pool
4 shall agree to pay family contributions, unless the applicant has a
5 family contribution sponsor. Family contribution amounts consist
6 of the following two components:

7 (1) The flat fees described in subdivision (b) or (d).

8 (2) Any amounts that are charged to the program by
9 participating health, dental, and vision plans selected by the
10 applicant that exceed the cost to the program of the highest cost
11 Family Value Package in a given geographic area.

12 (b) In each geographic area the board shall designate one or
13 more Family Value Packages for which the required total family
14 contribution is:

15 (1) ~~Seven dollars (\$7) per child with a maximum required~~
16 ~~contribution of fourteen dollars (\$14) per month per family for~~
17 *For* applicants with annual household incomes up to and including
18 150 percent of the federal poverty level, *no family contribution is*
19 *required.*

20 (2) Nine dollars (\$9) per child *and twenty dollars (\$20) per*
21 *adult* with a maximum required contribution of ~~twenty-seven~~
22 ~~fifty-eight dollars (\$27) (\$58)~~ per month per family for applicants
23 with annual household incomes greater than 150 percent and up to
24 and including ~~200-250~~ percent of the federal poverty level.

25 (c) Combinations of health, dental, and vision plans that are
26 more expensive to the program than the highest cost Family Value
27 Package may be offered to and selected by applicants. However,
28 the cost to the program of those combinations that exceeds the
29 price to the program of the highest cost Family Value Package shall
30 be paid by the applicant as part of the family contribution.

31 (d) The board shall provide a family contribution discount to
32 those applicants who select the health plan in a geographic area
33 which has been designated as the Community Provider Plan. The



1 discount shall reduce the portion of the family contribution
2 described in subdivision (b) to the following:

3 ~~(1) A family contribution of four dollars (\$4) per child with a~~
4 ~~maximum required contribution of eight dollars (\$8) per month~~
5 ~~per family for applicants with annual household incomes up to and~~
6 ~~including 150 percent of the federal poverty level.~~

7 ~~(2) Six six dollars (\$6) per child and seventeen dollars (\$17)~~
8 ~~per adult with a maximum required contribution of eighteen~~
9 ~~forty-six dollars (\$18) (\$46) per month per family for applicants~~
10 ~~with annual household incomes greater than 150 percent and up to~~
11 ~~and including 200 250 percent of the federal poverty level.~~

12 (e) Applicants, but not family contribution sponsors, who pay
13 three months of required family contributions in advance shall
14 receive the fourth consecutive month of coverage with no family
15 contribution required.

16 (f) It is the intent of the Legislature that the family contribution
17 amounts described in this section comply with the premium cost
18 sharing limits contained in Section 2103 of Title XXI of the Social
19 Security Act. If the amounts described in subdivision (a) are not
20 approved by the federal government, the board may adjust these
21 amounts to the extent required to achieve approval of the state
22 plan.

23 SEC. 2. Section 12693.70 of the Insurance Code is amended
24 to read:

25 12693.70. To be eligible to participate in the program, an
26 applicant shall meet *any of the requirements in Section 12693.756*
27 *or* all of the following requirements:

28 (a) Be an applicant applying on behalf of an eligible child,
29 which means a child who is all of the following:

30 (1) Less than 19 years of age. An application may be made on
31 behalf of a child not yet born up to three months prior to the
32 expected date of delivery. Coverage shall begin as soon as
33 administratively feasible, as determined by the board, after the
34 board receives notification of the birth. However, no child less
35 than 12 months of age shall be eligible for coverage until 90 days
36 after the enactment of the Budget Act of 1999.

37 (2) Not eligible for no-cost full-scope Medi-Cal or Medicare at
38 the time of application.

39 (3) In compliance with Sections 12693.71 and 12693.72.



1 (4) A child who meets citizenship and immigration status
2 requirements that are applicable to persons participating in the
3 program established by Title XXI of the Social Security Act,
4 except as specified in Section 12693.76.

5 (5) A resident of the State of California pursuant to Section 244
6 of the Government Code; or, if not a resident pursuant to Section
7 244 of the Government Code, is physically present in California
8 and entered the state with a job commitment or to seek
9 employment, whether or not employed at the time of application
10 to or after acceptance in, the program.

11 (6) (A) In a family with an annual or monthly household
12 income equal to or less than 200 percent of the federal poverty
13 level.

14 (B) All income over 200 percent of the federal poverty level but
15 less than or equal to 250 percent of the federal poverty level shall
16 be disregarded in calculating annual or monthly household
17 income.

18 (C) In a family with an annual or monthly household income
19 greater than 250 percent of the federal poverty level, any income
20 deduction that is applicable to a child under Medi-Cal shall be
21 applied in determining the annual or monthly household income.
22 If the income deductions reduce the annual or monthly household
23 income to 250 percent or less of the federal poverty level,
24 subparagraph (B) shall be applied.

25 (b) If the applicant is applying for the purchasing pool, and
26 does not have a family contribution sponsor the applicant shall pay
27 the first month's family contribution and agree to remain in the
28 program for six months, unless other coverage is obtained and
29 proof of the coverage is provided to the program.

30 (c) An applicant shall enroll all of the applicant's eligible
31 children in the program.

32 SEC. 3. Section 12693.756 is added to the Insurance Code, to
33 read:

34 12693.756. Commencing on or after July 1, 2001, and upon
35 receipt of any necessary federal waivers the board shall expand
36 eligibility under this part to include uninsured parents of children
37 eligible to receive coverage under the Healthy Families Program.
38 Program eligibility and benefits offered to this new group shall be
39 provided in accordance with this part. Uninsured parents of
40 children receiving no-cost Medi-Cal shall also be eligible for



1 coverage under this part. Program eligibility and benefits offered
2 to uninsured parents of children receiving Medi-Cal shall be
3 provided in accordance with this part. The board shall adopt
4 regulations necessary to implement this expanded program.

5 SEC. 4. This act shall become operative July 1, 2001.

6 SEC. 5. This act is an urgency statute necessary for the
7 immediate preservation of the public peace, health, or safety
8 within the meaning of Article IV of the Constitution and shall go
9 into immediate effect. The facts constituting the necessity are:

10 In order to provide health care services eligibility to adults who
11 are presently uninsured and who meet certain other conditions, as
12 soon as possible, it is necessary that this act take effect
13 immediately as an urgency statute.

