

AMENDED IN ASSEMBLY JULY 10, 2007

AMENDED IN SENATE MARCH 21, 2007

**SENATE BILL**

**No. 137**

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**Introduced by Senator Torlakson**

January 25, 2007

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An act to amend ~~Section 123870~~ *Sections 123870, 123940, and 123955* of the Health and Safety Code, relating to children's health.

LEGISLATIVE COUNSEL'S DIGEST

SB 137, as amended, Torlakson. Children's health: medical treatment.

Under existing law, the Robert W. Crown California Children's Services Act, the State Department of Health Care Services, and each county administers a program for treatment services for persons under the age of 21 years diagnosed with severe chronic disease or severe physical limitations, as specified. Existing law limits eligibility for those services to persons in families with an annual adjusted gross income of \$40,000 or less.

This bill would change that eligibility limitation to persons in a family with an annual or monthly income equal to or less than ~~400 percent~~ *400%* of the federal poverty level.

*Existing law requires a county expenditure for services to handicapped children of the county, as specified, but exempts county expenditures for services to children enrolled in the Healthy Families Program who have a California Children's Services Program (CCS program) eligible medical condition and whose families do not meet the financial eligibility requirements of the CCS program.*

*This bill would, instead, exempt county expenditures for services for children in families with an adjusted gross income that exceeds 300% of the federal poverty level for a family of 2, as provided.*

*Existing law requires the state to reimburse counties for 50% of the amount required to meet state administrative standards for that portion of the county caseload under these provisions that is ineligible for Medi-Cal, to the extent funds are available in the state budget.*

*This bill would also require the state to reimburse counties for 100% of the amount required to provide services to children in families with an adjusted gross income that exceeds 300% of the federal poverty level for a family of 2, as provided, to the extent funds are available in the state budget.*

By expanding eligibility under this county-administered program, this bill would create a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

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

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

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

1 SECTION 1. Section 123870 of the Health and Safety Code  
2 is amended to read:  
3 123870. (a) The department shall establish standards of  
4 financial eligibility for treatment services under the California  
5 Children’s Services Program (CCS program).  
6 (1) Financial eligibility for treatment services under this program  
7 shall be limited to persons in a family with an annual or monthly  
8 income equal to or less than 400 percent of the federal poverty  
9 level. If a person is enrolled in the Healthy Families Program (Part  
10 6.2 (commencing with Section 12693) of Division 2 of the  
11 Insurance Code), the financial documentation required for that  
12 program in Section 2699.6600 of Title 10 of the California Code  
13 of Regulations may be used instead of the person’s California state  
14 income tax return. However, the director may authorize treatment  
15 services for persons in families with higher incomes if the estimated  
16 cost of care to the family in one year is expected to exceed 20  
17 percent of the family’s adjusted gross income.

1 (2) Children enrolled in the Healthy Families Program who have  
2 a CCS program eligible medical condition under Section 123830,  
3 and whose families do not meet the financial eligibility  
4 requirements of paragraph (1), shall be deemed financially eligible  
5 for CCS program benefits.

6 (b) Necessary medical therapy treatment services under the  
7 California Children’s Services Program rendered in the public  
8 schools shall be exempt from financial eligibility standards and  
9 enrollment fee requirements for the services when rendered to any  
10 handicapped child whose educational or physical development  
11 would be impeded without the services.

12 (c) All counties shall use the uniform standards for financial  
13 eligibility and enrollment fees established by the department. All  
14 enrollment fees shall be used in support of the California Children’s  
15 Services Program.

16 (d) Annually, every family with a child eligible to receive  
17 services under this article shall pay a fee of twenty dollars (\$20),  
18 that shall be in addition to any other program fees for which the  
19 family is liable. This assessment shall not apply to any child who  
20 is eligible for full scope Medi-Cal benefits without a share of cost,  
21 for children receiving therapy through the California Children’s  
22 Services Program as a related service in their individualized  
23 education plans, for children from families having incomes of less  
24 than 100 percent of the federal poverty level, or for children  
25 covered under the Healthy Families Program.

26 *SEC. 2. Section 123940 of the Health and Safety Code is*  
27 *amended to read:*

28 123940. (a) (1) Annually, the board of supervisors shall  
29 appropriate a sum of money for services for handicapped children  
30 of the county, including diagnosis, treatment, and therapy services  
31 for physically handicapped children in public schools, equal to 25  
32 percent of the actual expenditures for the county program under  
33 this article for the 1990–91 fiscal year, except as specified in  
34 paragraph (2).

35 (2) If the state certifies that a smaller amount is needed in order  
36 for the county to pay 25 percent of costs of the county’s program  
37 from this source. The smaller amount certified by the state shall  
38 be the amount that the county shall appropriate.

39 (b) In addition to the amount required by subdivision (a), the  
40 county shall allocate an amount equal to the amount determined

1 pursuant to subdivision (a) for purposes of this article from  
2 revenues allocated to the county pursuant to Chapter 6  
3 (commencing with Section 17600) of Division 9 of the Welfare  
4 and Institutions Code.

5 (c) (1) The state shall match county expenditures for this article  
6 from funding provided pursuant to subdivisions (a) and (b).

7 (2) County expenditures shall be waived for payment of services  
8 for children ~~who are eligible pursuant to paragraph (2) of~~  
9 ~~subdivision (a) of Section 123870~~ *in families with an adjusted*  
10 *gross income, as calculated for California state income tax*  
11 *purposes, that exceeds the benchmark amount. For purposes of*  
12 *this paragraph, the benchmark amount shall be calculated each*  
13 *year and shall be a dollar amount that is equal to 300 percent of*  
14 *the federal poverty level for a family of two.*

15 (d) The county may appropriate and expend moneys in addition  
16 to those set forth in subdivision (a) and (b) and the state shall match  
17 the expenditures, on a dollar-for-dollar basis, to the extent that  
18 state funds are available for this article.

19 (e) Nothing in this section shall require the county to expend  
20 more than the amount set forth in subdivision (a) plus the amount  
21 set forth in subdivision (b) nor shall it require the state to expend  
22 more than the amount of the match set forth in subdivision (c).

23 *SEC. 3. Section 123955 of the Health and Safety Code is*  
24 *amended to read:*

25 123955. (a) The state and the counties shall share in the cost  
26 of administration of the California Children's Services Program  
27 at the local level.

28 (b) (1) The director shall adopt regulations establishing  
29 minimum standards for the administration, staffing, and local  
30 implementation of this article subject to reimbursement by the  
31 state.

32 (2) The standards shall allow necessary flexibility in the  
33 administration of county programs, taking into account the  
34 variability of county needs and resources, and shall be developed  
35 and revised jointly with state and county representatives.

36 (c) The director shall establish minimum standards for  
37 administration, staffing and local operation of the program subject  
38 to reimbursement by the state.

39 (d) Until July 1, 1992, reimbursable administrative costs, to be  
40 paid by the state to counties, shall not exceed 4.1 percent of the

1 gross total expenditures for diagnosis, treatment and therapy by  
2 counties as specified in Section 123940.

3 (e) Beginning July 1, 1992, this subdivision shall apply with  
4 respect to all of the following:

5 (1) (A) Counties shall be reimbursed by the state for 50 percent  
6 of the amount required to meet state administrative standards for  
7 that portion of the county caseload under this article that is  
8 ineligible for Medi-Cal to the extent funds are available in the state  
9 budget for the California Children’s Services Program.

10 (B) *Counties shall be reimbursed by the state for 100 percent*  
11 *of the amount required to meet state administrative standards for*  
12 *the portion of the county caseload under this article that provides*  
13 *services to children in families with an adjusted gross income, as*  
14 *calculated for California state income tax purposes, that is more*  
15 *than the benchmark amount, to the extent funds are available in*  
16 *the state budget for the California Children’s Services program.*  
17 *For purposes of this subparagraph, the benchmark amount shall*  
18 *be calculated each year and shall be a dollar amount that is equal*  
19 *to 300 percent of the federal poverty level for a family of two.*

20 (2) On or before September 15 of each year, each county  
21 program implementing this article shall submit an application for  
22 the subsequent fiscal year that provides information as required  
23 by the state to determine if the county administrative staff and  
24 budget meet state standards.

25 (3) The state shall determine the maximum amount of state  
26 funds available for each county from state funds appropriated for  
27 CCS county administration. If the amount appropriated for any  
28 fiscal year in the Budget Act for county administration under this  
29 article differs from the amounts approved by the department, each  
30 county shall submit a revised application in a form and at the time  
31 specified by the department.

32 (f) The department and counties shall maximize the use of  
33 federal funds for administration, of the programs implemented  
34 pursuant to this article, including using state and county funds to  
35 match funds claimable under Title 19 of the Social Security Act.

36 ~~SEC. 2.~~

37 *SEC. 4.* If the Commission on State Mandates determines that  
38 this act contains costs mandated by the state, reimbursement to  
39 local agencies and school districts for those costs shall be made

- 1 pursuant to Part 7 (commencing with Section 17500) of Division
- 2 4 of Title 2 of the Government Code.

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