

Senate Bill No. 137

Passed the Senate September 11, 2007

Secretary of the Senate

Passed the Assembly September 11, 2007

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2007, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

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

LEGISLATIVE COUNSEL'S DIGEST

SB 137, 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 equivalent monthly income, equal to or less than \$40,000, or that meets the income eligibility requirements for the Healthy Families Program, as specified, and would make conforming changes.

Existing law requires a county to incur the costs for California Children's Services Program (CCS program) services for children in the county, as specified, but exempts counties from incurring the costs of expenditures for services to children enrolled in the Healthy Families Program who have a 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.

This bill would incorporate additional changes to Section 123870 of the Health and Safety Code proposed by SB 32 and AB 1, to be operative only under circumstances specified in the bill.

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

SECTION 1. Section 123870 of the Health and Safety Code is amended to read:

123870. (a) The department shall establish standards of financial eligibility for treatment services under the California Children's Services Program (CCS program).

(1) (A) Financial eligibility for treatment services under this program shall be limited to persons in a family with an annual income, or the equivalent monthly income, equal to or less than forty thousand dollars (\$40,000), or that meets the income eligibility requirements for the Healthy Families Program (Part 6.2 (commencing with Section 12693) of Division 2 of the Insurance Code), as set forth in paragraph (6) of subdivision (a) of Section 12693.70 of the Insurance Code. However, the director may authorize treatment services for persons in families with higher incomes if the estimated cost of care to the family in one year is expected to exceed 20 percent of the family's annual or monthly gross income. When calculating annual or monthly income under this paragraph, any income deduction that is applicable to a child under the Medi-Cal program shall be applied in determining the annual or monthly household income for eligibility under the CCS program.

(B) If a person is enrolled in the Healthy Families Program, the financial documentation required for that program in Section 2699.6600 of Title 10 of the California Code of Regulations may be used instead of the person's California state income tax return.

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

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

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

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

SEC. 1.5. Section 123870 of the Health and Safety Code is amended to read:

123870. (a) The department shall establish standards of financial eligibility for treatment services under the California Children's Services Program (CCS program).

(1) (A) Financial eligibility for treatment services under this program shall be limited to persons in a family with an annual income, or the equivalent monthly income, equal to or less than forty thousand dollars (\$40,000), or that meets the income eligibility requirements for the Healthy Families Program (Part

6.2 (commencing with Section 12693) of Division 2 of the Insurance Code), as set forth in paragraph (6) of subdivision (a) of Section 12693.70 of the Insurance Code. However, the director may authorize treatment services for persons in families with higher incomes if the estimated cost of care to the family in one year is expected to exceed 20 percent of the family's adjusted gross income. When calculating annual or monthly income under this paragraph, any income deduction that is applicable to a child under the Medi-Cal program shall be applied in determining the annual or monthly household income for eligibility under the CCS program.

(B) If a person is enrolled in the Healthy Families Program, the financial documentation required for that program in Section 2699.6600 of Title 10 of the California Code of Regulations may be used instead of the person's California state income tax return. However, the director may authorize treatment services for persons in families with higher incomes if the estimated cost of care to the family in one year is expected to exceed 20 percent of the family's adjusted gross income.

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

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

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

(d) Annually, every family with a child eligible to receive services under this article shall pay a fee of twenty dollars (\$20), that shall be in addition to any other program fees for which the family is liable. This assessment shall not apply to any child who is eligible for full scope Medi-Cal benefits without a share of cost,

for children receiving therapy through the California Children's Services Program as a related service in their individualized education plans, for children from families having incomes of less than 100 percent of the federal poverty level, or for children covered under the Healthy Families Program or the Healthy Families Buy-In Program.

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

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

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

(b) In addition to the amount required by subdivision (a), the county shall allocate an amount equal to the amount determined pursuant to subdivision (a) for purposes of this article from revenues allocated to the county pursuant to Chapter 6 (commencing with Section 17600) of Division 9 of the Welfare and Institutions Code.

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

(2) County expenditures shall be waived for payment of services for children in families with an adjusted gross income, as calculated for California state income tax purposes, that exceeds the benchmark amount. For purposes of this paragraph, the benchmark amount shall be calculated each year and shall be a dollar amount that is equal to 300 percent of the federal poverty level for a family of two.

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

(e) Nothing in this section shall require the county to expend more than the amount set forth in subdivision (a) plus the amount

set forth in subdivision (b) nor shall it require the state to expend more than the amount of the match set forth in subdivision (c).

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

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

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

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

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

(d) Until July 1, 1992, reimbursable administrative costs, to be paid by the state to counties, shall not exceed 4.1 percent of the gross total expenditures for diagnosis, treatment and therapy by counties as specified in Section 123940.

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

(1) (A) Counties shall be reimbursed by the state for 50 percent of the amount required to meet state administrative standards for that portion of the county caseload under this article that is ineligible for Medi-Cal to the extent funds are available in the State Budget for the CCS program.

(B) Counties shall be reimbursed by the state for 100 percent of the amount required to meet state administrative standards for the portion of the county caseload under this article that provides services to children in families with an adjusted gross income, as calculated for California state income tax purposes, that is more than the benchmark amount, to the extent funds are available in the State Budget for the CCS program. For purposes of this subparagraph, the benchmark amount shall be calculated each year and shall be a dollar amount that is equal to 300 percent of the federal poverty level for a family of two.

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

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

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

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

SEC. 5. Section 1.5 of this bill incorporates amendments to Section 123870 of the Health and Safety Code proposed by this bill, SB 32 and AB 1. It shall only become operative if (1) this bill and either or both SB 32 and AB 1 are enacted and become effective on or before January 1, 2008, (2) this bill and either or both SB 32 and AB 1, if enacted, amend Section 123870 of the Health and Safety Code, and (3) this bill is enacted after SB 32 and AB 1, if enacted, in which case Section 1 of this bill shall not become operative.

Approved _____, 2007

Governor