

AMENDED IN ASSEMBLY JUNE 14, 2013

AMENDED IN ASSEMBLY JUNE 4, 2013

CALIFORNIA LEGISLATURE—2013–14 FIRST EXTRAORDINARY SESSION

**SENATE BILL**

**No. 1**

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**Introduced by Senators Hernandez and Steinberg**

**(Coauthors: Senators Calderon, Correa, De León, Hueso, and Lara)**

(Coauthors: Assembly Members Alejo, Blumenfield, Campos, Eggman,  
Garcia, Gomez, Roger Hernández, V. Manuel Pérez, and Quirk-Silva)

January 28, 2013

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An act to amend ~~Section 12698.30 of the Insurance Code, and to amend Sections 14005.36, 11026, 14005.39, 14132, and 15926 and 14132~~ of, to amend and repeal ~~Sections 14005.38, 14008.85, 14011.16, and 14011.17~~ *Section 14008.85* of, to amend, repeal, and add Sections 14005.18, 14005.28, ~~14005.30~~, 14005.31, 14005.32, ~~14005.37~~, 14007.1, and 14007.6, and ~~14012~~ of, to add Sections 14000.7, ~~14005.60, 14005.62, 14005.63, 14005.64,~~ 14005.65, 14005.66, 14005.67, 14005.68, 14007.15, 14011.66, 14014.5, ~~14015.7, 14055, 14057,~~ 14102, ~~14102.5,~~ and, 14103, 14132.02, and 14132.03 to, and to add and repeal ~~Section 14015.5 of,~~ and to add Article 5.9 (commencing with Section 14189) to Chapter 7 of Part 3 of Division 9 of, the Welfare and Institutions Code, relating to health.

LEGISLATIVE COUNSEL'S DIGEST

SB 1, as amended, Hernandez. Medi-Cal: eligibility.

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.

This bill would, commencing January 1, 2014, implement various provisions of the federal Patient Protection and Affordable Care Act (Affordable Care Act), as amended, by, among other things, modifying provisions relating to determining eligibility for certain groups. The bill would, in this regard, extend Medi-Cal eligibility to specified ~~adults and former foster children and would require that income eligibility be determined based on modified adjusted gross income (MAGI), as prescribed. The bill would prohibit the use of an asset or resources test for individuals whose financial eligibility for Medi-Cal is determined based on the application of MAGI.~~ The bill would also add, commencing January 1, 2014, ~~benefits, services, and coverage~~ *mental health services and substance use disorder services* included in the essential health benefits package, as adopted by the state and approved by the United States Secretary of Health and Human Services, to the schedule of Medi-Cal ~~benefits.~~ *benefits, as specified. The bill would require the department to seek approval from the United States Secretary of Health and Human Services to provide, effective January 1, 2014, specified individuals with an alternative benefit package, which would provide the same schedule of benefits provided to full-scope Medi-Cal beneficiaries qualifying under the modified adjusted gross income (MAGI) income standard, except as specified. The bill would provide that the implementation of the optional expansion of Medi-Cal benefits to adults who meet specified eligibility requirements shall be contingent on the federal medical assistance percentage (FMAP) payable to the state under the Affordable Care Act not being reduced to specified percentages, as specified.*

Because counties are required to make Medi-Cal eligibility determinations and this bill would expand Medi-Cal eligibility, the bill would impose a state-mandated local program.

This bill would require that a person who wishes to apply for an insurance affordability program, as defined, be allowed to file an application on his or her own behalf or on behalf of his or her family and would authorize a person to be accompanied, assisted, and represented in the application and renewal process by an individual or organization of his or her choice. This bill would also require the department, to the extent required by federal law, to provide assistance to any applicant or beneficiary who requests help with the application or redetermination. *The bill would require the department to file a state*

*plan amendment to exercise a federal option to allow beneficiaries to use projected annual household income and to allow applicants and beneficiaries to use reasonably predictable annual income, as specified.*

~~The bill would require the California Health Benefit Exchange (Exchange) to implement a workflow transfer protocol, as prescribed, for persons calling the customer service center operated by the Exchange for the purpose of applying for an insurance affordability program, to ascertain which individuals are potentially eligible for Medi-Cal. This bill would also prescribe the authority the department, the Exchange, and the counties would have, until July 1, 2015, to perform Medi-Cal eligibility determinations.~~

*This bill would require the department to seek any federal waivers necessary to use eligibility information of certain individuals who have been determined eligible for the CalFresh program to determine their eligibility for Medi-Cal and to automatically enroll parents who apply for Medi-Cal who have one or more children who are eligible based on determined income level at or below a specified standard. The bill would authorize the department to seek any federal waivers or state plan amendments necessary to use the eligibility information of individuals determined eligible for other state-only funded health care programs and county general assistance programs to determine an applicant's Medi-Cal eligibility to the extent that there is no General Fund impact.*

*This bill would require the department to provide Medi-Cal benefits during the presumptive eligibility period to individuals who have been determined eligible on the basis of preliminary information by a qualified hospital, as specified.*

Existing law requires the department to adopt regulations for use by the county in determining whether an applicant is a resident of the state and of the county, subject to the requirements of federal law. Existing law requires that the regulations require that state residency be established only if certain requirements are met, including the requirement that the applicant makes specified declarations under penalty of perjury.

This bill would revise those provisions to, among other things, further prescribe the circumstances under which state residency may be established and to require the department to electronically verify an individual's state residency using certain sources and would set forth how an individual may establish state residency if the department is unable to electronically verify his or her state residency. The bill would,

for purposes of establishing state residency, authorize an individual to make various declarations under penalty of perjury, and would authorize other individuals, such as parents or legal guardians, to make various declarations under penalty of perjury regarding the individual's state residency if the individual is incapable of indicating intent. By expanding the crime of perjury, the bill would impose a state-mandated local program.

~~Existing law requires Medi-Cal beneficiaries, with some exceptions, to file semiannual status reports to ensure that beneficiaries make timely and accurate reports of any change in circumstance that may affect their eligibility and requires, with some exceptions, a county to promptly redetermine eligibility whenever a county receives information about changes in a beneficiary's circumstances that may affect eligibility for Medi-Cal benefits.~~

~~This bill would, commencing January 1, 2014, revise these provisions to, among other things, delete the semiannual status report requirement and require a county to perform redeterminations every 12 months. The bill would require any forms signed by the beneficiary for purposes of redetermining eligibility to be signed under penalty of perjury. By expanding the crime of perjury, the bill would impose a state-mandated local program.~~

*This bill would provide that any individual who is 21 years of age or older, does not have minor children eligible for Medi-Cal benefits, would be eligible for Medi-Cal benefits but for a specified five-year eligibility limitation, and who is enrolled in and covered through the California Health Benefit Exchange with an advanced premium tax credit shall be eligible for specified Medi-Cal benefits and insurance premium costs and cost-sharing charges paid by the department, as specified.*

*Under existing law, one of the ways by which Medi-Cal services are provided is pursuant to contracts with various types of managed care plans.*

*This bill would require Medi-Cal managed care plans to provide mental health benefits covered by the state plan, as prescribed.*

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 with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

*This bill would become operative only if AB 1 of the First Extraordinary Session is enacted and takes effect.*

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. The Legislature finds and declares all of the
- 2 following:
- 3 (a) The United States is the only industrialized country in the
- 4 world without a universal health insurance system.
- 5 (b) (1) In 2006, the United States Census reported that 46
- 6 million Americans did not have health insurance.
- 7 (2) In California in 2009, according to the UCLA Center for
- 8 Health Policy Research’s “The State of Health Insurance in
- 9 California: Findings from the 2009 California Health Interview
- 10 Survey,” 7.1 million Californians were uninsured in 2009,
- 11 amounting to 21.1 percent of nonelderly Californians who had no
- 12 health insurance coverage for all or some of 2009, up nearly 2
- 13 percentage points from 2007.
- 14 (c) On March 23, 2010, President Obama signed the Patient
- 15 Protection and Affordable Care Act (Public Law 111-148), which
- 16 was amended by the Health Care and Education Reconciliation
- 17 Act of 2010 (Public Law 111-152), and together are referred to as
- 18 the Affordable Care Act of 2010 (Affordable Care Act).
- 19 (d) The Affordable Care Act is the culmination of decades of
- 20 movement toward health reform, and is the most fundamental
- 21 legislative transformation of the United States health care system
- 22 in 40 years.
- 23 (e) As a result of the enactment of the Affordable Care Act,
- 24 according to estimates by the UCLA Center for Health Policy
- 25 Research and the UC Berkeley Labor Center, using the California
- 26 Simulation of Insurance Markets, in 2019, after the Affordable
- 27 Care Act is fully implemented:
- 28 (1) Between 89 and 92 percent of Californians under 65 years
- 29 of age will have health coverage.

1 (2) Between 1.2 and 1.6 million individuals will be newly  
2 enrolled in Medi-Cal.

3 (f) It is the intent of the Legislature to ensure full implementation  
4 of the Affordable Care Act, including the Medi-Cal expansion for  
5 individuals with incomes below 133 percent of the federal poverty  
6 level, so that millions of uninsured Californians can receive health  
7 care coverage.

8 ~~SEC. 2. Section 12698.30 of the Insurance Code is amended~~  
9 ~~to read:~~

10 ~~12698.30. (a) (1) Subject to paragraph (2), at a minimum,~~  
11 ~~coverage shall be provided to subscribers during one pregnancy,~~  
12 ~~and for 60 days thereafter, and to children less than two years of~~  
13 ~~age who were born of a pregnancy covered under this program to~~  
14 ~~a woman enrolled in the program before July 1, 2004.~~

15 ~~(2) Commencing January 1, 2014, at a minimum, coverage shall~~  
16 ~~be provided to subscribers during one pregnancy, and until the end~~  
17 ~~of the month in which the 60th day thereafter occurs, and to~~  
18 ~~children less than two years of age who were born of a pregnancy~~  
19 ~~covered under this program to a woman enrolled in the program~~  
20 ~~before July 1, 2004.~~

21 ~~(b) Coverage provided pursuant to this part shall include, at a~~  
22 ~~minimum, those services required to be provided by health care~~  
23 ~~service plans approved by the United States Secretary of Health~~  
24 ~~and Human Services as a federally qualified health care service~~  
25 ~~plan pursuant to Section 417.101 of Title 42 of the Code of Federal~~  
26 ~~Regulations.~~

27 ~~(c) Coverage shall include health education services related to~~  
28 ~~tobacco use.~~

29 ~~(d) Medically necessary prescription drugs shall be a required~~  
30 ~~benefit in the coverage provided under this part.~~

31 ~~SEC. 2. Section 11026 of the Welfare and Institutions Code is~~  
32 ~~amended to read:~~

33 11026. (a) Notwithstanding any other provision of law, the  
34 State Department of Social Services and the State Department of  
35 Health Care Services shall annually inform the Franchise Tax  
36 Board of the names and social security numbers of all applicants  
37 or recipients of public social services or public assistance programs.  
38 The Franchise Tax Board, upon receipt of that information, shall  
39 furnish to the departments the information required by Section  
40 ~~19286.7 19555~~ of the Revenue and Taxation Code.

1 (b) This section shall be implemented only to the extent it is  
2 funded in the annual Budget Act.

3 SEC. 3. Section 14000.7 is added to the Welfare and  
4 Institutions Code, to read:

5 14000.7. (a) The department shall provide assistance to any  
6 applicant or beneficiary that requests help with the application or  
7 redetermination process to the extent required by federal law.

8 (b) The assistance provided under subdivision (a) shall be  
9 available to the individual in person, over the telephone, and online,  
10 and in a manner that is accessible to individuals with disabilities  
11 and those who have limited English proficiency.

12 (c) To the extent otherwise required by Chapter 3.5  
13 (commencing with Section 11340) of Part 1 of Division 3 of Title  
14 2 of the Government Code, the department shall adopt emergency  
15 regulations implementing this section no later than July 1, 2015.  
16 The department may thereafter readopt the emergency regulations  
17 pursuant to that chapter. The adoption and readoption, by the  
18 department, of regulations implementing this section shall be  
19 deemed to be an emergency and necessary to avoid serious harm  
20 to the public peace, health, safety, or general welfare for purposes  
21 of Sections 11346.1 and 11349.6 of the Government Code, and  
22 the department is hereby exempted from the requirement that it  
23 describe facts showing the need for immediate action and from  
24 review by the Office of Administrative Law.

25 (d) This section shall be implemented only if and to the extent  
26 that federal financial participation is available and any necessary  
27 federal approvals have been obtained.

28 (e) This section shall become operative on January 1, 2014.

29 ~~SEC. 4. Section 14005.18 of the Welfare and Institutions Code~~  
30 ~~is amended to read:~~

31 ~~14005.18. (a) A woman is eligible, to the extent required by~~  
32 ~~federal law, as though she were pregnant, for all pregnancy-related~~  
33 ~~and postpartum services for a 60-day period beginning on the last~~  
34 ~~day of pregnancy.~~

35 ~~For purposes of this section, “postpartum services” means those~~  
36 ~~services provided after childbirth, child delivery, or miscarriage.~~

37 ~~(b) This section shall remain in effect only until January 1, 2014,~~  
38 ~~and as of that date is repealed, unless a later enacted statute, that~~  
39 ~~is enacted before January 1, 2014, deletes or extends that date.~~

1 ~~SEC. 5.~~ Section 14005.18 is added to the Welfare and Institutions  
2 Code, to read:

3 ~~14005.18. (a) To help prevent premature delivery and low~~  
4 ~~birth weights, the leading causes of infant and maternal morbidity~~  
5 ~~and mortality, and to promote women’s overall health, well-being,~~  
6 ~~and financial security and that of their families, it is imperative~~  
7 ~~that pregnant women enrolled in Medi-Cal be provided with all~~  
8 ~~medically necessary services. Therefore, a woman is eligible, to~~  
9 ~~the extent required by federal law, as though she were pregnant,~~  
10 ~~for all pregnancy-related and postpartum services for a period~~  
11 ~~beginning on the last day of pregnancy and continuing until the~~  
12 ~~end of the month in which the 60th day of postpartum occurs.~~

13 ~~(b) For purposes of this section, the following definitions shall~~  
14 ~~apply:~~

15 ~~(1) “Pregnancy-related services” means, at a minimum, all~~  
16 ~~services required under the state plan.~~

17 ~~(2) “Postpartum services” means those services provided after~~  
18 ~~childbirth, child delivery, or miscarriage.~~

19 ~~(c) This section shall become operative January 1, 2014.~~

20 ~~SEC. 6.~~

21 ~~SEC. 4.~~ Section 14005.28 of the Welfare and Institutions Code  
22 is amended to read:

23 ~~14005.28. (a) To the extent federal financial participation is~~  
24 ~~available pursuant to an approved state plan amendment, the~~  
25 ~~department shall exercise its option under Section~~  
26 ~~1902(a)(10)(A)(ii)(XVII) of the federal Social Security Act (42~~  
27 ~~U.S.C. Sec. 1396a(a)(10)(A)(ii)(XVII)) to extend Medi-Cal benefits~~  
28 ~~to independent foster care adolescents, as defined in Section~~  
29 ~~1905(w)(1) of the federal Social Security Act (42 U.S.C. Sec.~~  
30 ~~1396d(w)(1)).~~

31 ~~(b) Notwithstanding Chapter 3.5 (commencing with Section~~  
32 ~~11340) of Part 1 of Division 3 of Title 2 of the Government Code,~~  
33 ~~and if the state plan amendment described in subdivision (a) is~~  
34 ~~approved by the federal Health Care Financing Administration,~~  
35 ~~the department may implement subdivision (a) without taking any~~  
36 ~~regulatory action and by means of all-county letters or similar~~  
37 ~~instructions. Thereafter, the department shall adopt regulations in~~  
38 ~~accordance with the requirements of Chapter 3.5 (commencing~~  
39 ~~with Section 11340) of Part 1 of Division 3 of Title 2 of the~~  
40 ~~Government Code.~~

1 (c) The department shall implement subdivision (a) on October  
2 1, 2000, but only if, and to the extent that, the department has  
3 obtained all necessary federal approvals.

4 (d) This section shall remain in effect only until January 1, 2014,  
5 and as of that date is repealed, unless a later enacted statute, that  
6 is enacted before January 1, 2014, deletes or extends that date.

7 ~~SEC. 7.~~

8 SEC. 5. Section 14005.28 is added to the Welfare and  
9 Institutions Code, to read:

10 14005.28. (a) To the extent federal financial participation is  
11 available pursuant to an approved state plan amendment, the  
12 department shall implement Section 1902(a)(10)(A)(i)(IX) of the  
13 federal Social Security Act (42 U.S.C. Sec. 1396a(a)(10)(A)(i)(IX))  
14 to provide Medi-Cal benefits to an individual who is in foster care  
15 on his or her 18th birthday until his or her 26th birthday. In  
16 addition, the department shall implement the *federal* option ~~in~~  
17 ~~paragraph (3) of subdivision (b) of Section 435.150 of Title 42 of~~  
18 ~~the Code of Federal Regulations~~ to provide Medi-Cal benefits to  
19 individuals ~~that~~ *who* were in foster care and enrolled in Medicaid  
20 in any state.

21 (1) A foster care adolescent who is in foster care *in this state*  
22 on his or her 18th birthday shall be enrolled to receive benefits  
23 under this section without any interruption in coverage and without  
24 requiring a new application.

25 (2) The department shall develop procedures to identify and  
26 enroll individuals who meet the criteria for Medi-Cal eligibility  
27 in this subdivision, including, but not limited to, former foster care  
28 adolescents who were in foster care on their 18th birthday and who  
29 lost Medi-Cal coverage as a result of attaining 21 years of age.  
30 The department shall work with counties to identify and conduct  
31 outreach to former foster care adolescents who lost Medi-Cal  
32 coverage during the 2013 calendar year as a result of attaining 21  
33 years of age, to ensure they are aware of the ability to reenroll  
34 under the coverage provided pursuant to this section.

35 (3) (A) The department shall develop and implement a  
36 simplified redetermination form for this program. A beneficiary  
37 qualifying for the benefits extended pursuant to this section shall  
38 fill out and return this form only if information known to the  
39 department is no longer accurate or is materially incomplete.

1 (B) The department shall seek federal approval to institute a  
 2 renewal process that allows a beneficiary receiving benefits under  
 3 this section to remain on Medi-Cal after a redetermination form  
 4 is returned as undeliverable and the county is otherwise unable to  
 5 establish contact. If federal approval is granted, the recipient shall  
 6 remain eligible for services under the Medi-Cal fee-for-service  
 7 program until the time contact is reestablished or ineligibility is  
 8 established, and to the extent federal financial participation is  
 9 available.

10 (C) The department shall terminate eligibility only after it  
 11 determines that the recipient is no longer eligible and all due  
 12 process requirements are met in accordance with state and federal  
 13 law.

14 (b) This section shall be implemented only if and to the extent  
 15 that federal financial participation is available.

16 (c) This section shall become operative January 1, 2014.

17 ~~SEC. 8. Section 14005.30 of the Welfare and Institutions Code~~  
 18 ~~is amended to read:~~

19 ~~14005.30. (a) (1) To the extent that federal financial~~  
 20 ~~participation is available, Medi-Cal benefits under this chapter~~  
 21 ~~shall be provided to individuals eligible for services under Section~~  
 22 ~~1396u-1 of Title 42 of the United States Code, including any~~  
 23 ~~options under Section 1396u-1(b)(2)(C) made available to and~~  
 24 ~~exercised by the state.~~

25 ~~(2) The department shall exercise its option under Section~~  
 26 ~~1396u-1(b)(2)(C) of Title 42 of the United States Code to adopt~~  
 27 ~~less restrictive income and resource eligibility standards and~~  
 28 ~~methodologies to the extent necessary to allow all recipients of~~  
 29 ~~benefits under Chapter 2 (commencing with Section 11200) to be~~  
 30 ~~eligible for Medi-Cal under paragraph (1).~~

31 ~~(3) To the extent federal financial participation is available, the~~  
 32 ~~department shall exercise its option under Section 1396u-1(b)(2)(C)~~  
 33 ~~of Title 42 of the United States Code authorizing the state to~~  
 34 ~~disregard all changes in income or assets of a beneficiary until the~~  
 35 ~~next annual redetermination under Section 14012. The department~~  
 36 ~~shall implement this paragraph only if, and to the extent that the~~  
 37 ~~State Child Health Insurance Program waiver described in Section~~  
 38 ~~12693.755 of the Insurance Code extending Healthy Families~~  
 39 ~~Program eligibility to parents and certain other adults is approved~~  
 40 ~~and implemented.~~

1 ~~(b) To the extent that federal financial participation is available,~~  
2 ~~the department shall exercise its option under Section~~  
3 ~~1396u-1(b)(2)(C) of Title 42 of the United States Code as necessary~~  
4 ~~to expand eligibility for Medi-Cal under subdivision (a) by~~  
5 ~~establishing the amount of countable resources individuals or~~  
6 ~~families are allowed to retain at the same amount medically needy~~  
7 ~~individuals and families are allowed to retain, except that a family~~  
8 ~~of one shall be allowed to retain countable resources in the amount~~  
9 ~~of three thousand dollars (\$3,000).~~

10 ~~(c) To the extent federal financial participation is available, the~~  
11 ~~department shall, commencing March 1, 2000, adopt an income~~  
12 ~~disregard for applicants equal to the difference between the income~~  
13 ~~standard under the program adopted pursuant to Section 1931(b)~~  
14 ~~of the federal Social Security Act (42 U.S.C. Sec. 1396u-1) and~~  
15 ~~the amount equal to 100 percent of the federal poverty level~~  
16 ~~applicable to the size of the family. A recipient shall be entitled~~  
17 ~~to the same disregard, but only to the extent it is more beneficial~~  
18 ~~than, and is substituted for, the earned income disregard available~~  
19 ~~to recipients.~~

20 ~~(d) For purposes of calculating income under this section during~~  
21 ~~any calendar year, increases in social security benefit payments~~  
22 ~~under Title II of the federal Social Security Act (42 U.S.C. Sec.~~  
23 ~~401 et seq.) arising from cost-of-living adjustments shall be~~  
24 ~~disregarded commencing in the month that these social security~~  
25 ~~benefit payments are increased by the cost-of-living adjustment~~  
26 ~~through the month before the month in which a change in the~~  
27 ~~federal poverty level requires the department to modify the income~~  
28 ~~disregard pursuant to subdivision (c) and in which new income~~  
29 ~~limits for the program established by this section are adopted by~~  
30 ~~the department.~~

31 ~~(e) Subdivision (b) shall be applied retroactively to January 1,~~  
32 ~~1998.~~

33 ~~(f) Notwithstanding Chapter 3.5 (commencing with Section~~  
34 ~~11340) of Part 1 of Division 3 of Title 2 of the Government Code,~~  
35 ~~the department shall implement, without taking regulatory action,~~  
36 ~~subdivisions (a) and (b) of this section by means of an all-county~~  
37 ~~letter or similar instruction. Thereafter, the department shall adopt~~  
38 ~~regulations in accordance with the requirements of Chapter 3.5~~  
39 ~~(commencing with Section 11340) of Part 1 of Division 3 of Title~~  
40 ~~2 of the Government Code.~~

1 ~~(g) This section shall remain in effect only until January 1, 2014,~~  
2 ~~and as of that date is repealed, unless a later enacted statute, that~~  
3 ~~is enacted before January 1, 2014, deletes or extends that date.~~

4 ~~SEC. 9. Section 14005.30 is added to the Welfare and~~  
5 ~~Institutions Code, to read:~~

6 ~~14005.30. (a) (1) To the extent that federal financial~~  
7 ~~participation is available, Medi-Cal benefits under this chapter~~  
8 ~~shall be provided to individuals eligible for services under Section~~  
9 ~~1396u-1 of Title 42 of the United States Code, known as the~~  
10 ~~Section 1931(b) program, including any options under Section~~  
11 ~~1396u-1(b)(2)(C) made available to and exercised by the state.~~

12 ~~(2) The department shall exercise its option under Section~~  
13 ~~1396u-1(b)(2)(C) of Title 42 of the United States Code to adopt~~  
14 ~~less restrictive income and resource eligibility standards and~~  
15 ~~methodologies to the extent necessary to allow all recipients of~~  
16 ~~benefits under Chapter 2 (commencing with Section 11200) to be~~  
17 ~~eligible for Medi-Cal under paragraph (1).~~

18 ~~(b) Commencing January 1, 2014, pursuant to Section~~  
19 ~~1396a(e)(14)(C) of Title 42 of the United States Code, there shall~~  
20 ~~be no assets test and no deprivation test for any individual under~~  
21 ~~this section.~~

22 ~~(c) For purposes of calculating income under this section during~~  
23 ~~any calendar year, increases in social security benefit payments~~  
24 ~~under Title II of the federal Social Security Act (42 U.S.C. Sec.~~  
25 ~~401 et seq.) arising from cost-of-living adjustments shall be~~  
26 ~~disregarded commencing in the month that these social security~~  
27 ~~benefit payments are increased by the cost-of-living adjustment~~  
28 ~~through the month before the month in which a change in the~~  
29 ~~federal poverty level requires the department to modify the income~~  
30 ~~disregard pursuant to subdivision (c) and in which new income~~  
31 ~~limits for the program established by this section are adopted by~~  
32 ~~the department.~~

33 ~~(d) This section shall become operative January 1, 2014.~~

34 ~~SEC. 10.~~

35 ~~SEC. 6. Section 14005.31 of the Welfare and Institutions Code~~  
36 ~~is amended to read:~~

37 ~~14005.31. (a) (1) Subject to paragraph (2), for any person~~  
38 ~~whose eligibility for benefits under Section 14005.30 has been~~  
39 ~~determined with a concurrent determination of eligibility for cash~~  
40 ~~aid under Chapter 2 (commencing with Section 11200), loss of~~

1 eligibility or termination of cash aid under Chapter 2 (commencing  
2 with Section 11200) shall not result in a loss of eligibility or  
3 termination of benefits under Section 14005.30 absent the existence  
4 of a factor that would result in loss of eligibility for benefits under  
5 Section 14005.30 for a person whose eligibility under Section  
6 14005.30 was determined without a concurrent determination of  
7 eligibility for benefits under Chapter 2 (commencing with Section  
8 11200).

9 (2) Notwithstanding paragraph (1), a person whose eligibility  
10 would otherwise be terminated pursuant to that paragraph shall  
11 not have his or her eligibility terminated until the transfer  
12 procedures set forth in Section 14005.32 or the redetermination  
13 procedures set forth in Section 14005.37 and all due process  
14 requirements have been met.

15 (b) The department, in consultation with the counties and  
16 representatives of consumers, managed care plans, and Medi-Cal  
17 providers, shall prepare a simple, clear, consumer-friendly notice  
18 to be used by the counties, to inform Medi-Cal beneficiaries whose  
19 eligibility for cash aid under Chapter 2 (commencing with Section  
20 11200) has ended, but whose eligibility for benefits under Section  
21 14005.30 continues pursuant to subdivision (a), that their benefits  
22 will continue. To the extent feasible, the notice shall be sent out  
23 at the same time as the notice of discontinuation of cash aid, and  
24 shall include all of the following:

25 (1) A statement that Medi-Cal benefits will continue even though  
26 cash aid under the CalWORKs program has been terminated.

27 (2) A statement that continued receipt of Medi-Cal benefits will  
28 not be counted against any time limits in existence for receipt of  
29 cash aid under the CalWORKs program.

30 (3) A statement that the Medi-Cal beneficiary does not need to  
31 fill out monthly status reports in order to remain eligible for  
32 Medi-Cal, but shall be required to submit a semiannual status report  
33 and annual reaffirmation forms. The notice shall remind individuals  
34 whose cash aid ended under the CalWORKs program as a result  
35 of not submitting a status report that he or she should review his  
36 or her circumstances to determine if changes have occurred that  
37 should be reported to the Medi-Cal eligibility worker.

38 (4) A statement describing the responsibility of the Medi-Cal  
39 beneficiary to report to the county, within 10 days, significant  
40 changes that may affect eligibility.

1 (5) A telephone number to call for more information.

2 (6) A statement that the Medi-Cal beneficiary’s eligibility  
3 worker will not change, or, if the case has been reassigned, the  
4 new worker’s name, address, and telephone number, and the hours  
5 during which the county’s eligibility workers can be contacted.

6 (c) This section shall be implemented on or before July 1, 2001,  
7 but only to the extent that federal financial participation under  
8 Title XIX of the federal Social Security Act (42 U.S.C. Sec. 1396  
9 et seq.) is available.

10 (d) Notwithstanding Chapter 3.5 (commencing with Section  
11 11340) of Part 1 of Division 3 of Title 2 of the Government Code,  
12 the department shall, without taking any regulatory action,  
13 implement this section by means of all-county letters or similar  
14 instructions. Thereafter, the department shall adopt regulations in  
15 accordance with the requirements of Chapter 3.5 (commencing  
16 with Section 11340) of Part 1 of Division 3 of Title 2 of the  
17 Government Code. Comprehensive implementing instructions  
18 shall be issued to the counties no later than March 1, 2001.

19 (e) This section shall remain in effect only until January 1, 2014,  
20 and as of that date is repealed, unless a later enacted statute, that  
21 is enacted before January 1, 2014, deletes or extends that date.

22 ~~SEC. 11.~~

23 *SEC. 7.* Section 14005.31 is added to the Welfare and  
24 Institutions Code, to read:

25 14005.31. (a) (1) Subject to paragraph (2), for any person  
26 whose eligibility for benefits under Section 14005.30 has been  
27 determined with a concurrent determination of eligibility for cash  
28 aid under Chapter 2 (commencing with Section 11200), loss of  
29 eligibility or termination of cash aid under Chapter 2 (commencing  
30 with Section 11200) shall not result in a loss of eligibility or  
31 termination of benefits under Section 14005.30 absent the existence  
32 of a factor that would result in loss of eligibility for benefits under  
33 Section 14005.30 for a person whose eligibility under Section  
34 14005.30 was determined without a concurrent determination of  
35 eligibility for benefits under Chapter 2 (commencing with Section  
36 11200).

37 (2) Notwithstanding paragraph (1), a person whose eligibility  
38 would otherwise be terminated pursuant to that paragraph shall  
39 not have his or her eligibility terminated until the transfer  
40 procedures set forth in Section 14005.32 or the redetermination

1 procedures set forth in Section 14005.37 and all due process  
2 requirements have been met.

3 (b) The department, in consultation with the counties and  
4 representatives of consumers, managed care plans, and Medi-Cal  
5 providers, shall prepare a simple, clear, consumer-friendly notice  
6 to be used by the counties to inform Medi-Cal beneficiaries whose  
7 eligibility for cash aid under Chapter 2 (commencing with Section  
8 11200) has ended, but whose eligibility for benefits under Section  
9 14005.30 continues pursuant to subdivision (a), that their benefits  
10 will continue. To the extent feasible, the notice shall be sent out  
11 at the same time as the notice of discontinuation of cash aid, and  
12 shall include all of the following:

13 (1) A statement that Medi-Cal benefits will continue even though  
14 cash aid under the CalWORKs program has been terminated.

15 (2) A statement that continued receipt of Medi-Cal benefits will  
16 not be counted against any time limits in existence for receipt of  
17 cash aid under the CalWORKs program.

18 (3) A statement that the Medi-Cal beneficiary does not need to  
19 fill out monthly status reports in order to remain eligible for  
20 Medi-Cal, but may be required to submit annual reaffirmation  
21 forms. The notice shall remind individuals whose cash aid ended  
22 under the CalWORKs program as a result of not submitting a status  
23 report that he or she should review his or her circumstances to  
24 determine if changes have occurred that should be reported to the  
25 Medi-Cal eligibility worker.

26 (4) A statement describing the responsibility of the Medi-Cal  
27 beneficiary to report to the county, within 10 days, significant  
28 changes that may affect eligibility.

29 (5) A telephone number to call for more information.

30 (6) A statement that the Medi-Cal beneficiary's eligibility  
31 worker will not change, or, if the case has been reassigned, the  
32 new worker's name, address, and telephone number, and the hours  
33 during which the county's eligibility workers can be contacted.

34 (c) *This section shall be implemented only to the extent that*  
35 *federal financial participation under Title XIX of the federal Social*  
36 *Security Act (42 U.S.C. Sec. 1396 et seq.) is available.*

37 (e)

38 (d) Notwithstanding Chapter 3.5 (commencing with Section  
39 11340) of Part 1 of Division 3 of Title 2 of the Government Code,  
40 the department, without taking any further regulatory action, shall

1 implement, interpret, or make specific this section by means of  
 2 all-county letters, plan letters, plan or provider bulletins, or similar  
 3 instructions until the time regulations are adopted. Thereafter, the  
 4 department shall adopt regulations in accordance with the  
 5 requirements of Chapter 3.5 (commencing with Section 11340) of  
 6 Part 1 of Division 3 of Title 2 of the Government Code. Beginning  
 7 six months after the effective date of this section, *and*  
 8 *notwithstanding Section 10231.5 of the Government Code*, the  
 9 department shall provide a status report to the Legislature on a  
 10 semiannual basis until regulations have been adopted.

11 ~~(d)~~

12 (e) This section shall become operative on January 1, 2014.

13 ~~SEC. 12.~~

14 *SEC. 8.* Section 14005.32 of the Welfare and Institutions Code  
 15 is amended to read:

16 14005.32. (a) (1) If the county has evidence clearly  
 17 demonstrating that a beneficiary is not eligible for benefits under  
 18 this chapter pursuant to Section 14005.30, but is eligible for  
 19 benefits under this chapter pursuant to other provisions of law, the  
 20 county shall transfer the individual to the corresponding Medi-Cal  
 21 program. Eligibility under Section 14005.30 shall continue until  
 22 the transfer is complete.

23 (2) The department, in consultation with the counties and  
 24 representatives of consumers, managed care plans, and Medi-Cal  
 25 providers, shall prepare a simple, clear, consumer-friendly notice  
 26 to be used by the counties, to inform beneficiaries that their  
 27 Medi-Cal benefits have been transferred pursuant to paragraph (1)  
 28 and to inform them about the program to which they have been  
 29 transferred. To the extent feasible, the notice shall be issued with  
 30 the notice of discontinuance from cash aid, and shall include all  
 31 of the following:

32 (A) A statement that Medi-Cal benefits will continue under  
 33 another program, even though aid under Chapter 2 (commencing  
 34 with Section 11200) has been terminated.

35 (B) The name of the program under which benefits will continue,  
 36 and an explanation of that program.

37 (C) A statement that continued receipt of Medi-Cal benefits will  
 38 not be counted against any time limits in existence for receipt of  
 39 cash aid under the CalWORKs program.

1 (D) A statement that the Medi-Cal beneficiary does not need to  
2 fill out monthly status reports in order to remain eligible for  
3 Medi-Cal, but shall be required to submit a semiannual status report  
4 and annual reaffirmation forms. In addition, if the person or persons  
5 to whom the notice is directed has been found eligible for  
6 transitional Medi-Cal as described in Section 14005.8 or 14005.85,  
7 the statement shall explain the reporting requirements and duration  
8 of benefits under those programs, and shall further explain that,  
9 at the end of the duration of these benefits, a redetermination, as  
10 provided for in Section 14005.37 shall be conducted to determine  
11 whether benefits are available under any other provision of law.

12 (E) A statement describing the beneficiary's responsibility to  
13 report to the county, within 10 days, significant changes that may  
14 affect eligibility or share of cost.

15 (F) A telephone number to call for more information.

16 (G) A statement that the beneficiary's eligibility worker will  
17 not change, or, if the case has been reassigned, the new worker's  
18 name, address, and telephone number, and the hours during which  
19 the county's Medi-Cal eligibility workers can be contacted.

20 (b) No later than September 1, 2001, the department shall submit  
21 a federal waiver application seeking authority to eliminate the  
22 reporting requirements imposed by transitional Medicaid under  
23 Section 1925 of the federal Social Security Act (Title 42 U.S.C.  
24 Sec. 1396r-6).

25 (c) This section shall be implemented on or before July 1, 2001,  
26 but only to the extent that federal financial participation under  
27 Title XIX of the federal Social Security Act (42 U.S.C. Sec. 1396  
28 et seq.) is available.

29 (d) Notwithstanding Chapter 3.5 (commencing with Section  
30 11340) of Part 1 of Division 3 of Title 2 of the Government Code,  
31 the department shall, without taking any regulatory action,  
32 implement this section by means of all-county letters or similar  
33 instructions. Thereafter, the department shall adopt regulations in  
34 accordance with the requirements of Chapter 3.5 (commencing  
35 with Section 11340) of Part 1 of Division 3 of Title 2 of the  
36 Government Code. Comprehensive implementing instructions  
37 shall be issued to the counties no later than March 1, 2001.

38 (e) This section shall remain in effect only until January 1, 2014,  
39 and as of that date is repealed, unless a later enacted statute, that  
40 is enacted before January 1, 2014, deletes or extends that date.

1 ~~SEC. 13.~~

2 *SEC. 9.* Section 14005.32 is added to the Welfare and  
3 Institutions Code, to read:

4 14005.32. (a) (1) If the county has evidence clearly  
5 demonstrating that a beneficiary is not eligible for benefits under  
6 this chapter pursuant to Section 14005.30, but is eligible for  
7 benefits under this chapter pursuant to other provisions of law, the  
8 county shall transfer the individual to the corresponding Medi-Cal  
9 program in conformity with and subject to the requirements of  
10 Section 14005.37. Eligibility under Section 14005.30 shall continue  
11 until the transfer is complete.

12 (2) The department, in consultation with the counties and  
13 representatives of consumers, managed care plans, and Medi-Cal  
14 providers, shall prepare a simple, clear, consumer-friendly notice  
15 to be used by the counties to inform beneficiaries that their  
16 Medi-Cal benefits have been transferred pursuant to paragraph (1)  
17 and to inform them about the program to which they have been  
18 transferred. To the extent feasible, the notice shall be issued with  
19 the notice of discontinuance from cash aid, and shall include all  
20 of the following:

21 (A) A statement that Medi-Cal benefits will continue under  
22 another program, even though aid under Chapter 2 (commencing  
23 with Section 11200) has been terminated.

24 (B) The name of the program under which benefits will continue  
25 and an explanation of that program.

26 (C) A statement that continued receipt of Medi-Cal benefits will  
27 not be counted against any time limits in existence for receipt of  
28 cash aid under the CalWORKs program.

29 (D) A statement that the Medi-Cal beneficiary does not need to  
30 fill out monthly status reports in order to remain eligible for  
31 Medi-Cal, but may be required to submit annual reaffirmation  
32 forms. In addition, if the person or persons to whom the notice is  
33 directed has been found eligible for transitional Medi-Cal as  
34 described in Section 14005.8 or 14005.85, the statement shall  
35 explain the reporting requirements and duration of benefits under  
36 those programs and shall further explain that, at the end of the  
37 duration of these benefits, a redetermination, as provided in Section  
38 14005.37, shall be conducted to determine whether benefits are  
39 available under any other law.

1 (E) A statement describing the beneficiary’s responsibility to  
2 report to the county, within 10 days, significant changes that may  
3 affect eligibility or share of cost.

4 (F) A telephone number to call for more information.

5 (G) A statement that the beneficiary’s eligibility worker will  
6 not change, or, if the case has been reassigned, the new worker’s  
7 name, address, and telephone number, and the hours during which  
8 the county’s Medi-Cal eligibility workers can be contacted.

9 (c) *This section shall be implemented only to the extent that*  
10 *federal financial participation under Title XIX of the federal Social*  
11 *Security Act (42 U.S.C. Sec. 1396 et seq.) is available.*

12 (b)

13 (d) Notwithstanding Chapter 3.5 (commencing with Section  
14 11340) of Part 1 of Division 3 of Title 2 of the Government Code,  
15 the department, without taking any further regulatory action, shall  
16 implement, interpret, or make specific this section by means of  
17 all-county letters, plan letters, plan or provider bulletins, or similar  
18 instructions until the time regulations are adopted. Thereafter, the  
19 department shall adopt regulations in accordance with the  
20 requirements of Chapter 3.5 (commencing with Section 11340) of  
21 Part 1 of Division 3 of Title 2 of the Government Code. Beginning  
22 six months after the effective date of this section, *and*  
23 *notwithstanding Section 10231.5 of the Government Code*, the  
24 department shall provide a status report to the Legislature on a  
25 semiannual basis until regulations have been adopted.

26 (e)

27 (e) This section shall become operative on January 1, 2014.

28 ~~SEC. 14. Section 14005.36 of the Welfare and Institutions~~  
29 ~~Code is amended to read:~~

30 ~~14005.36. (a) The county shall undertake outreach efforts to~~  
31 ~~beneficiaries receiving benefits under this chapter, in order to~~  
32 ~~maintain the most up-to-date home addresses, telephone numbers,~~  
33 ~~and other necessary contact information, and to encourage and~~  
34 ~~assist with timely submission of the annual reaffirmation form,~~  
35 ~~and, when applicable, transitional Medi-Cal program reporting~~  
36 ~~forms and to facilitate the Medi-Cal redetermination process when~~  
37 ~~one is required as provided in Section 14005.37. In implementing~~  
38 ~~this subdivision, a county may collaborate with community-based~~  
39 ~~organizations, provided that confidentiality is protected.~~

1 ~~(b) The department shall encourage and facilitate efforts by~~  
2 ~~managed care plans to report updated beneficiary contact~~  
3 ~~information to counties.~~

4 ~~(c) The department and each county shall incorporate, in a timely~~  
5 ~~manner, updated contact information received from managed care~~  
6 ~~plans pursuant to subdivision (b) into the beneficiary's Medi-Cal~~  
7 ~~case file and into all systems used to inform plans of their~~  
8 ~~beneficiaries' enrollee status. Updated Medi-Cal beneficiary contact~~  
9 ~~information shall be limited to the beneficiary's telephone number,~~  
10 ~~change of address information, and change of name. The county~~  
11 ~~shall attempt to verify that the information it receives from the~~  
12 ~~plan is accurate, which may include, but is not limited to, making~~  
13 ~~contact with the beneficiary, before updating the beneficiary's case~~  
14 ~~file.~~

15 ~~(d) This section shall be implemented only to the extent that~~  
16 ~~federal financial participation under Title XIX of the federal Social~~  
17 ~~Security Act (42 U.S.C. Sec. 1396 et seq.) is available.~~

18 ~~(e) To the extent otherwise required by Chapter 3.5~~  
19 ~~(commencing with Section 11340) of Part 1 of Division 3 of Title~~  
20 ~~2 of the Government Code, the department shall adopt emergency~~  
21 ~~regulations implementing this section no later than July 1, 2015.~~  
22 ~~The department may thereafter readopt the emergency regulations~~  
23 ~~pursuant to that chapter. The adoption and readoption, by the~~  
24 ~~department, of regulations implementing this section shall be~~  
25 ~~deemed to be an emergency and necessary to avoid serious harm~~  
26 ~~to the public peace, health, safety, or general welfare for purposes~~  
27 ~~of Sections 11346.1 and 11349.6 of the Government Code, and~~  
28 ~~the department is hereby exempted from the requirement that it~~  
29 ~~describe facts showing the need for immediate action and from~~  
30 ~~review by the Office of Administrative Law.~~

31 ~~SEC. 15. Section 14005.37 of the Welfare and Institutions~~  
32 ~~Code is amended to read:~~

33 ~~14005.37. (a) Except as provided in Section 14005.39,~~  
34 ~~whenever a county receives information about changes in a~~  
35 ~~beneficiary's circumstances that may affect eligibility for Medi-Cal~~  
36 ~~benefits, the county shall promptly redetermine eligibility. The~~  
37 ~~procedures for redetermining Medi-Cal eligibility described in this~~  
38 ~~section shall apply to all Medi-Cal beneficiaries.~~

39 ~~(b) Loss of eligibility for cash aid under that program shall not~~  
40 ~~result in a redetermination under this section unless the reason for~~

1 the loss of eligibility is one that would result in the need for a  
2 redetermination for a person whose eligibility for Medi-Cal under  
3 Section 14005.30 was determined without a concurrent  
4 determination of eligibility for cash aid under the CalWORKs  
5 program.

6 (e) A loss of contact, as evidenced by the return of mail marked  
7 in such a way as to indicate that it could not be delivered to the  
8 intended recipient or that there was no forwarding address, shall  
9 require a prompt redetermination according to the procedures set  
10 forth in this section.

11 (d) Except as otherwise provided in this section, Medi-Cal  
12 eligibility shall continue during the redetermination process  
13 described in this section. A Medi-Cal beneficiary's eligibility shall  
14 not be terminated under this section until the county makes a  
15 specific determination based on facts clearly demonstrating that  
16 the beneficiary is no longer eligible for Medi-Cal under any basis  
17 and due process rights guaranteed under this division have been  
18 met.

19 (e) For purposes of acquiring information necessary to conduct  
20 the eligibility determinations described in subdivisions (a) to (d),  
21 inclusive, a county shall make every reasonable effort to gather  
22 information available to the county that is relevant to the  
23 beneficiary's Medi-Cal eligibility prior to contacting the  
24 beneficiary. Sources for these efforts shall include, but are not  
25 limited to, Medi-Cal, CalWORKs, and CalFresh case files of the  
26 beneficiary or of any of his or her immediate family members,  
27 which are open or were closed within the last 45 days, and  
28 wherever feasible, other sources of relevant information reasonably  
29 available to the counties.

30 (f) If a county cannot obtain information necessary to  
31 redetermine eligibility pursuant to subdivision (e), the county shall  
32 attempt to reach the beneficiary by telephone in order to obtain  
33 this information, either directly or in collaboration with  
34 community-based organizations so long as confidentiality is  
35 protected.

36 (g) If a county's efforts pursuant to subdivisions (e) and (f) to  
37 obtain the information necessary to redetermine eligibility have  
38 failed, the county shall send to the beneficiary a form, which shall  
39 highlight the information needed to complete the eligibility  
40 determination. The county shall not request information or

1 ~~documentation that has been previously provided by the~~  
2 ~~beneficiary, that is not absolutely necessary to complete the~~  
3 ~~eligibility determination, or that is not subject to change. The form~~  
4 ~~shall be accompanied by a simple, clear, consumer-friendly cover~~  
5 ~~letter, which shall explain why the form is necessary, the fact that~~  
6 ~~it is not necessary to be receiving CalWORKs benefits to be~~  
7 ~~receiving Medi-Cal benefits, the fact that receipt of Medi-Cal~~  
8 ~~benefits does not count toward any time limits imposed by the~~  
9 ~~CalWORKs program, the various bases for Medi-Cal eligibility,~~  
10 ~~including disability, and the fact that even persons who are~~  
11 ~~employed can receive Medi-Cal benefits. The cover letter shall~~  
12 ~~include a telephone number to call in order to obtain more~~  
13 ~~information. The form and the cover letter shall be developed by~~  
14 ~~the department in consultation with the counties and representatives~~  
15 ~~of consumers, managed care plans, and Medi-Cal providers. A~~  
16 ~~Medi-Cal beneficiary shall have no less than 20 days from the date~~  
17 ~~the form is mailed pursuant to this subdivision to respond. Except~~  
18 ~~as provided in subdivision (h), failure to respond prior to the end~~  
19 ~~of this 20-day period shall not impact his or her Medi-Cal~~  
20 ~~eligibility.~~

21 ~~(h) If the purpose for a redetermination under this section is a~~  
22 ~~loss of contact with the Medi-Cal beneficiary, as evidenced by the~~  
23 ~~return of mail marked in such a way as to indicate that it could not~~  
24 ~~be delivered to the intended recipient or that there was no~~  
25 ~~forwarding address, a return of the form described in subdivision~~  
26 ~~(g) marked as undeliverable shall result in an immediate notice of~~  
27 ~~action terminating Medi-Cal eligibility.~~

28 ~~(i) If, within 20 days of the date of mailing of a form to the~~  
29 ~~Medi-Cal beneficiary pursuant to subdivision (g), a beneficiary~~  
30 ~~does not submit the completed form to the county, the county shall~~  
31 ~~send the beneficiary a written notice of action stating that his or~~  
32 ~~her eligibility shall be terminated 10 days from the date of the~~  
33 ~~notice and the reasons for that determination, unless the beneficiary~~  
34 ~~submits a completed form prior to the end of the 10-day period.~~

35 ~~(j) If, within 20 days of the date of mailing of a form to the~~  
36 ~~Medi-Cal beneficiary pursuant to subdivision (g), the beneficiary~~  
37 ~~submits an incomplete form, the county shall attempt to contact~~  
38 ~~the beneficiary by telephone and in writing to request the necessary~~  
39 ~~information. If the beneficiary does not supply the necessary~~  
40 ~~information to the county within 10 days from the date the county~~

1 contacts the beneficiary in regard to the incomplete form, a 10-day  
2 notice of termination of Medi-Cal eligibility shall be sent.

3 ~~(k) If, within 30 days of termination of a Medi-Cal beneficiary's~~  
4 ~~eligibility pursuant to subdivision (h), (i), or (j), the beneficiary~~  
5 ~~submits to the county a completed form, eligibility shall be~~  
6 ~~determined as though the form was submitted in a timely manner~~  
7 ~~and if a beneficiary is found eligible, the termination under~~  
8 ~~subdivision (h), (i), or (j) shall be rescinded.~~

9 ~~(l) If the information reasonably available to the county pursuant~~  
10 ~~to the redetermination procedures of subdivisions (d), (e), (g), and~~  
11 ~~(m) does not indicate a basis of eligibility, Medi-Cal benefits may~~  
12 ~~be terminated so long as due process requirements have otherwise~~  
13 ~~been met.~~

14 ~~(m) The department shall, with the counties and representatives~~  
15 ~~of consumers, including those with disabilities, and Medi-Cal~~  
16 ~~providers, develop a timeframe for redetermination of Medi-Cal~~  
17 ~~eligibility based upon disability, including ex parte review, the~~  
18 ~~redetermination form described in subdivision (g), timeframes for~~  
19 ~~responding to county or state requests for additional information,~~  
20 ~~and the forms and procedures to be used. The forms and procedures~~  
21 ~~shall be as consumer-friendly as possible for people with~~  
22 ~~disabilities. The timeframe shall provide a reasonable and adequate~~  
23 ~~opportunity for the Medi-Cal beneficiary to obtain and submit~~  
24 ~~medical records and other information needed to establish~~  
25 ~~eligibility for Medi-Cal based upon disability.~~

26 ~~(n) This section shall be implemented on or before July 1, 2001,~~  
27 ~~but only to the extent that federal financial participation under~~  
28 ~~Title XIX of the federal Social Security Act (42 U.S.C. Sec. 1396~~  
29 ~~et seq.) is available.~~

30 ~~(o) Notwithstanding Chapter 3.5 (commencing with Section~~  
31 ~~11340) of Part 1 of Division 3 of Title 2 of the Government Code,~~  
32 ~~the department shall, without taking any regulatory action,~~  
33 ~~implement this section by means of all county letters or similar~~  
34 ~~instructions. Thereafter, the department shall adopt regulations in~~  
35 ~~accordance with the requirements of Chapter 3.5 (commencing~~  
36 ~~with Section 11340) of Part 1 of Division 3 of Title 2 of the~~  
37 ~~Government Code. Comprehensive implementing instructions~~  
38 ~~shall be issued to the counties no later than March 1, 2001.~~

1 ~~(p) This section shall remain in effect only until January 1, 2014,~~  
2 ~~and as of that date is repealed, unless a later enacted statute, that~~  
3 ~~is enacted before January 1, 2014, deletes or extends that date.~~

4 SEC. 16. ~~Section 14005.37 is added to the Welfare and~~  
5 ~~Institutions Code, to read:~~

6 ~~14005.37. (a) Except as provided in Section 14005.39, a county~~  
7 ~~shall perform redeterminations of eligibility for Medi-Cal~~  
8 ~~beneficiaries every 12 months and shall promptly redetermine~~  
9 ~~eligibility whenever the county receives information about changes~~  
10 ~~in a beneficiary's circumstances that may affect eligibility for~~  
11 ~~Medi-Cal benefits. The procedures for redetermining Medi-Cal~~  
12 ~~eligibility described in this section shall apply to all Medi-Cal~~  
13 ~~beneficiaries.~~

14 ~~(b) Loss of eligibility for cash aid under that program shall not~~  
15 ~~result in a redetermination under this section unless the reason for~~  
16 ~~the loss of eligibility is one that would result in the need for a~~  
17 ~~redetermination for a person whose eligibility for Medi-Cal under~~  
18 ~~Section 14005.30 was determined without a concurrent~~  
19 ~~determination of eligibility for cash aid under the CalWORKs~~  
20 ~~program.~~

21 ~~(c) A loss of contact, as evidenced by the return of mail marked~~  
22 ~~in such a way as to indicate that it could not be delivered to the~~  
23 ~~intended recipient or that there was no forwarding address, shall~~  
24 ~~require a prompt redetermination according to the procedures set~~  
25 ~~forth in this section.~~

26 ~~(d) Except as otherwise provided in this section, Medi-Cal~~  
27 ~~eligibility shall continue during the redetermination process~~  
28 ~~described in this section and a beneficiary's Medi-Cal eligibility~~  
29 ~~shall not be terminated under this section until the county makes~~  
30 ~~a specific determination based on facts clearly demonstrating that~~  
31 ~~the beneficiary is no longer eligible for Medi-Cal benefits under~~  
32 ~~any basis and due process rights guaranteed under this division~~  
33 ~~have been met.~~

34 ~~(e) (1) For purposes of acquiring information necessary to~~  
35 ~~conduct the eligibility redeterminations described in this section,~~  
36 ~~a county shall gather information available to the county that is~~  
37 ~~relevant to the beneficiary's Medi-Cal eligibility prior to contacting~~  
38 ~~the beneficiary. Sources for these efforts shall include information~~  
39 ~~contained in the beneficiary's file or other information, including~~  
40 ~~more recent information available to the county, including, but not~~

1 limited to, Medi-Cal, CalWORKs, and CalFresh case files of the  
2 beneficiary or of any of his or her immediate family members;  
3 which are open or were closed within the last 45 days, information  
4 accessed through any databases accessed under Sections 435.948,  
5 435.949, and 435.956 of Title 42 of the Code of Federal  
6 Regulations, and wherever feasible, other sources of relevant  
7 information reasonably available to the county.

8 (2) ~~In the case of an annual redetermination, if, based upon~~  
9 ~~information obtained pursuant to paragraph (1), the county is able~~  
10 ~~to make a determination of continued eligibility, the county shall~~  
11 ~~notify the beneficiary of both of the following:~~

12 (A) ~~The eligibility determination and the information it is based~~  
13 ~~on:~~

14 (B) ~~That the beneficiary is required to inform the county via the~~  
15 ~~Internet, by telephone, by mail, in person, or through other~~  
16 ~~commonly available electronic means, in counties where such~~  
17 ~~electronic communication is available, if any information contained~~  
18 ~~in the notice is inaccurate but that the beneficiary is not required~~  
19 ~~to sign and return the notice if all information provided on the~~  
20 ~~notice is accurate:~~

21 (3) ~~The county shall make all reasonable efforts not to send~~  
22 ~~multiple notices during the same time period about eligibility. The~~  
23 ~~notice of eligibility renewal shall contain other related information~~  
24 ~~such as if the beneficiary is in a new Medi-Cal program.~~

25 (4) ~~In the case of a redetermination due to a change in~~  
26 ~~circumstances, if a county determines that the change in~~  
27 ~~circumstances does not affect the beneficiary's eligibility status,~~  
28 ~~the county shall not send the beneficiary a notice unless required~~  
29 ~~to do so by federal law.~~

30 (f) (1) ~~In the case of an annual eligibility redetermination, if~~  
31 ~~the county is unable to determine continued eligibility based on~~  
32 ~~the information obtained pursuant to paragraph (1) of subdivision~~  
33 ~~(e), the beneficiary shall be so informed and shall be provided with~~  
34 ~~an annual renewal form that is prepopulated with information that~~  
35 ~~the county has obtained and that identifies any additional~~  
36 ~~information needed by the county to determine eligibility. The~~  
37 ~~form shall be accompanied by a cover letter advising the~~  
38 ~~beneficiary of all of the following:~~

1 ~~(A) The requirement that he or she provide any necessary~~  
2 ~~information to the county within 60 days of the date that the form~~  
3 ~~is sent to the beneficiary.~~

4 ~~(B) That the beneficiary may respond to the county via the~~  
5 ~~Internet, by mail, by telephone, in person, or through other~~  
6 ~~commonly available electronic means if those means are available~~  
7 ~~in that county.~~

8 ~~(C) That if the beneficiary chooses to return the form to the~~  
9 ~~county in person or via mail, the beneficiary shall sign the form~~  
10 ~~in order for it to be considered complete.~~

11 ~~(D) The phone number to call in order to obtain more~~  
12 ~~information.~~

13 ~~(2) The county shall attempt to contact the beneficiary via the~~  
14 ~~Internet, by telephone, or through other commonly available~~  
15 ~~electronic means, if those means are available in that county, during~~  
16 ~~the 60-day period to collect the necessary information.~~

17 ~~(3) If the beneficiary has not provided any response to the~~  
18 ~~written request for information sent pursuant to paragraph (1)~~  
19 ~~within 60 days from the date the form is sent, the county shall~~  
20 ~~terminate his or her eligibility for Medi-Cal benefits following the~~  
21 ~~provision of timely notice.~~

22 ~~(4) If the beneficiary responds to the written request for~~  
23 ~~information during the 60-day period pursuant to paragraph (1)~~  
24 ~~but the information provided is not complete, the county shall~~  
25 ~~follow the procedures set forth in subdivision (g) to work with the~~  
26 ~~beneficiary to complete the information.~~

27 ~~(5) (A) The form and cover letter required by this subdivision~~  
28 ~~shall be developed by the department in consultation with the~~  
29 ~~counties and representatives of eligibility workers and consumers.~~

30 ~~(B) For beneficiaries whose eligibility is not determined using~~  
31 ~~MAGI-based financial methods, the county may use existing~~  
32 ~~renewal forms until the state develops prepopulated renewal forms~~  
33 ~~to provide to beneficiaries. The department shall develop~~  
34 ~~prepopulated renewal forms for use with beneficiaries whose~~  
35 ~~eligibility is not determined using MAGI-based financial methods~~  
36 ~~by January 1, 2015.~~

37 ~~(g) (1) In the case of a redetermination due to change in~~  
38 ~~circumstances, if a county cannot obtain sufficient information to~~  
39 ~~redetermine eligibility pursuant to subdivision (e), the county shall~~  
40 ~~attempt to reach the beneficiary by telephone and other commonly~~

1 available electronic means, in counties where such electronic  
2 communication is available, in order to obtain this information,  
3 either directly or in collaboration with community-based  
4 organizations so long as confidentiality is protected.

5 (2) If a county's efforts pursuant to subdivision (e) and  
6 paragraph (1) of this subdivision to obtain the information  
7 necessary to redetermine eligibility have failed, the county shall  
8 send to the beneficiary a form stating the information needed to  
9 renew eligibility. The county shall only request information related  
10 to the change in circumstances. The county shall not request  
11 information or documentation that has been previously provided  
12 by the beneficiary, that is not absolutely necessary to complete the  
13 eligibility determination, or that is not subject to change. The  
14 county shall only request information for nonapplicants necessary  
15 to make an eligibility determination or for a purpose directly related  
16 to the administration of the state Medicaid plan. The form shall  
17 advise the individual to provide any necessary information to the  
18 county via the Internet, by telephone, by mail, in person, or through  
19 other commonly available electronic means and, if the individual  
20 will provide the form by mail or in person, to sign the form. The  
21 form shall include a telephone number to call in order to obtain  
22 more information. The form shall be developed by the department  
23 in consultation with the counties, representatives of consumers,  
24 and eligibility workers. A Medi-Cal beneficiary shall have no less  
25 than 20 days from the date the form is mailed pursuant to this  
26 subdivision to respond. Except as provided in paragraph (3), failure  
27 to respond prior to the end of this 20-day period shall not impact  
28 his or her Medi-Cal eligibility.

29 (3) If the purpose for a redetermination under this section is a  
30 loss of contact with the Medi-Cal beneficiary, as evidenced by the  
31 return of mail marked in such a way as to indicate that it could not  
32 be delivered to the intended recipient or that there was no  
33 forwarding address, a return of the form described in this  
34 subdivision marked as undeliverable shall result in an immediate  
35 notice of action terminating Medi-Cal eligibility.

36 (4) If, within 20 days of the date of mailing of a form to the  
37 Medi-Cal beneficiary pursuant to this subdivision, a beneficiary  
38 does not submit the completed form to the county or otherwise  
39 provide the needed information to the county, the county shall  
40 send the beneficiary a written notice of action stating that his or

1 her eligibility shall be terminated 10 days from the date of the  
2 notice and the reasons for that determination, unless the beneficiary  
3 submits a completed form or otherwise provides the needed  
4 information to the county prior to the end of the 10-day period.

5 (5) If, within 20 days of the date of mailing of a form to the  
6 Medi-Cal beneficiary pursuant to this subdivision, the beneficiary  
7 submits an incomplete form, the county shall attempt to contact  
8 the beneficiary by telephone, in writing, or other commonly  
9 available electronic means, in counties where such electronic  
10 communication is available, to request the necessary information.  
11 If the beneficiary does not supply the necessary information to the  
12 county within 10 days from the date the county contacts the  
13 beneficiary in regard to the incomplete form, a 10-day notice of  
14 termination of Medi-Cal eligibility shall be sent.

15 (h) If within 90 days of termination of a Medi-Cal beneficiary's  
16 eligibility or a change in eligibility status pursuant to this section,  
17 the beneficiary submits to the county a signed and completed form  
18 or otherwise provides the needed information to the county,  
19 eligibility shall be redetermined by the county and if the beneficiary  
20 is found eligible, the termination shall be rescinded.

21 (i) If the information available to the county pursuant to the  
22 redetermination procedures of this section does not indicate a basis  
23 of eligibility, Medi-Cal benefits may be terminated so long as due  
24 process requirements have otherwise been met.

25 (j) The department shall, with the counties and representatives  
26 of consumers, including those with disabilities, and Medi-Cal  
27 eligibility workers, develop a timeframe for redetermination of  
28 Medi-Cal eligibility based upon disability, including ex parte  
29 review, the redetermination forms described in subdivisions (f)  
30 and (g), timeframes for responding to county or state requests for  
31 additional information, and the forms and procedures to be used.  
32 The forms and procedures shall be as consumer-friendly as possible  
33 for people with disabilities. The timeframe shall provide a  
34 reasonable and adequate opportunity for the Medi-Cal beneficiary  
35 to obtain and submit medical records and other information needed  
36 to establish eligibility for Medi-Cal based upon disability.

37 (k) The county shall consider blindness as continuing until the  
38 reviewing physician determines that a beneficiary's vision has  
39 improved beyond the applicable definition of blindness contained  
40 in the plan.

- 1 ~~(l) The county shall consider disability as continuing until the~~  
2 ~~review team determines that a beneficiary's disability no longer~~  
3 ~~meets the applicable definition of disability contained in the plan.~~  
4 ~~(m) If a county has enough information available to it to renew~~  
5 ~~eligibility with respect to all eligibility criteria, the county shall~~  
6 ~~begin a new 12-month eligibility period.~~  
7 ~~(n) For individuals determined ineligible for Medi-Cal by a~~  
8 ~~county following the redetermination procedures set forth in this~~  
9 ~~section, the county shall determine eligibility for other insurance~~  
10 ~~affordability programs and if the individual is found to be eligible,~~  
11 ~~the county shall, as appropriate, transfer the individual's electronic~~  
12 ~~account to other insurance affordability programs via a secure~~  
13 ~~electronic interface.~~  
14 ~~(o) Any renewal form or notice shall be accessible to persons~~  
15 ~~who are limited English proficient and persons with disabilities~~  
16 ~~consistent with all federal and state requirements.~~  
17 ~~(p) The requirements to provide information in subdivision (b)~~  
18 ~~and to report changes in circumstances in subdivision (c) may be~~  
19 ~~provided through any of the modes of submission allowed in~~  
20 ~~Section 435.907(a) of Title 42 of the Code of Federal Regulations,~~  
21 ~~including an Internet Web site identified by the department,~~  
22 ~~telephone, mail, in person, and other commonly available electronic~~  
23 ~~means as authorized by the department.~~  
24 ~~(q) Forms required to be signed by a beneficiary pursuant to~~  
25 ~~this section shall be signed under penalty of perjury. Electronic~~  
26 ~~signatures, telephonic signatures, and handwritten signatures~~  
27 ~~transmitted by electronic transmission shall be accepted.~~  
28 ~~(r) For purposes of this section, "MAGI-based financial~~  
29 ~~methods" means income calculated using the financial~~  
30 ~~methodologies described in Section 1396a(e)(14) of Title 42 of~~  
31 ~~the United States Code, and as added by the federal Patient~~  
32 ~~Protection and Affordable Care Act (Public Law 111-148), as~~  
33 ~~amended by the federal Health Care and Education Reconciliation~~  
34 ~~Act of 2010 (Public Law 111-152), and any subsequent~~  
35 ~~amendments.~~  
36 ~~(s) This section shall be implemented only if and to the extent~~  
37 ~~that federal financial participation is available and any necessary~~  
38 ~~federal approvals have been obtained.~~  
39 ~~(t) This section shall become operative January 1, 2014.~~

1 ~~SEC. 17.~~ Section 14005.38 of the Welfare and Institutions Code  
2 is amended to read:

3 14005.38. (a) To the extent feasible, the department shall use  
4 the redetermination form required by subdivision (g) of Section  
5 14005.37 as the annual reaffirmation form.

6 (b) ~~This section shall remain in effect only until January 1, 2014,~~  
7 ~~and as of that date is repealed, unless a later enacted statute, that~~  
8 ~~is enacted before January 1, 2014, deletes or extends that date.~~

9 ~~SEC. 18.~~

10 ~~SEC. 10.~~ Section 14005.39 of the Welfare and Institutions  
11 Code is amended to read:

12 14005.39. (a) If a county has facts clearly demonstrating that  
13 a Medi-Cal beneficiary cannot be eligible for Medi-Cal due to an  
14 event, such as death or change of state residency, Medi-Cal benefits  
15 shall be terminated without a redetermination under Section  
16 14005.37.

17 (b) Whenever Medi-Cal eligibility is terminated without a  
18 redetermination, as provided in subdivision (a), the Medi-Cal  
19 eligibility worker shall record that fact or event causing the  
20 eligibility termination in the beneficiary's file, along with a  
21 certification that a full redetermination could not result in a finding  
22 of Medi-Cal eligibility. Following this certification, a notice of  
23 action specifying the basis for termination of Medi-Cal eligibility  
24 shall be sent to the beneficiary.

25 (c) This section shall be implemented only if and to the extent  
26 that federal financial participation under Title XIX of the federal  
27 Social Security Act (42 U.S.C. Sec. 1396 et. seq.) is available and  
28 necessary federal approvals have been obtained.

29 (d) ~~Notwithstanding Chapter 3.5 (commencing with Section~~  
30 ~~11340) of Part 1 of Division 3 of Title 2 of the Government Code,~~  
31 ~~the department shall, without taking any regulatory action,~~  
32 ~~implement this section by means of all-county letters or similar~~  
33 ~~instructions. Thereafter, the department shall adopt regulations in~~  
34 ~~accordance with the requirements of Chapter 3.5 (commencing~~  
35 ~~with Section 11340) of Part 1 of Division 3 of Title 2 of the~~  
36 ~~Government Code.~~

37 ~~SEC. 19.~~ Section 14005.60 is added to the Welfare and  
38 Institutions Code, to read:

39 14005.60. (a) Commencing January 1, 2014, the department  
40 shall provide eligibility for Medi-Cal benefits for any person who

1 meets the eligibility requirements of Section  
2 1902(a)(10)(A)(i)(VIII) of Title XIX of the federal Social Security  
3 Act (42 U.S.C. Sec. 1396a(a)(10)(A)(i)(VIII)).

4 (b) ~~Persons who qualify under subdivision (a) and are currently~~  
5 ~~enrolled in a Low Income Health Program (LIHP) under~~  
6 ~~California's Bridge to Reform Section 1115(a) Medicaid~~  
7 ~~Demonstration shall be transitioned to the Medi-Cal program under~~  
8 ~~this section in accordance with the transition plan as approved by~~  
9 ~~the federal Centers for Medicare and Medicaid Services. With~~  
10 ~~respect to plan enrollment, a LIHP enrollee shall be simultaneously~~  
11 ~~notified by the department at least 60 days prior to January 1, 2014,~~  
12 ~~of all of the following:~~

13 (1) ~~Which Medi-Cal health plan or plans contain his or her~~  
14 ~~existing medical home provider.~~

15 (2) ~~That the LIHP enrollee, subject to his or her ability to choose~~  
16 ~~or change plans as described in paragraph (3), will be assigned to~~  
17 ~~a health plan that includes his or her medical home and will be~~  
18 ~~enrolled effective January 1, 2014. If the enrollee wants to keep~~  
19 ~~his or her medical home, no additional action will be required.~~

20 (3) ~~The opportunity to choose a different health plan prior to~~  
21 ~~January 1, 2014, if there is more than one plan available in the~~  
22 ~~county where he or she resides. Instructions on how to choose or~~  
23 ~~change plans shall be included in the notice, along with a packet~~  
24 ~~of information about the available plans in the LIHP enrollee's~~  
25 ~~county.~~

26 (4) ~~If his or her existing medical home provider is not contracted~~  
27 ~~with any Medi-Cal managed care health plan, he or she will receive~~  
28 ~~all provider and health plan information required to be sent to new~~  
29 ~~enrollees. If he or she does not affirmatively select one of the~~  
30 ~~available Medi-Cal managed care plans within 30 days of receipt~~  
31 ~~of the notice, he or she will automatically be assigned a plan~~  
32 ~~through the department prescribed auto-assignment process.~~

33 (e) ~~In counties where no Medi-Cal managed care health plans~~  
34 ~~are available, LIHP enrollees shall be (1) notified that they will~~  
35 ~~be transitioned to fee-for-service Medi-Cal as of January 1, 2014,~~  
36 ~~(2) informed if their LIHP medical home provider is a Medi-Cal~~  
37 ~~fee-for-service provider, (3) provided instructions on how to access~~  
38 ~~services, (4) given a list of Medi-Cal fee-for-service providers by~~  
39 ~~area of practice with contact information for each provider, and~~

1 ~~(5) provided any other information that is required to be sent to~~  
 2 ~~new enrollees.~~

3 ~~(d) The department shall consult with stakeholders in developing~~  
 4 ~~the notice required by this section, including representatives of~~  
 5 ~~Medi-Cal beneficiaries, representatives of public hospitals, and~~  
 6 ~~representatives of county social service departments.~~

7 ~~(e) In order to ensure that no persons lose health care coverage~~  
 8 ~~in the course of the transition, the department shall require that~~  
 9 ~~notices of the January 1, 2014, change be sent to LIHP enrollees~~  
 10 ~~upon their LIHP redetermination in 2013 and again at least 90 days~~  
 11 ~~prior to the transition. Pursuant to Section 1902(k)(1) and Section~~  
 12 ~~1937(b)(1)(D) of the federal Social Security Act (42 U.S.C. Sec.~~  
 13 ~~1396a(k)(1); 42 U.S.C. Sec. 1396u-7(b)(1)(D)), the department~~  
 14 ~~shall seek approval from the United States Secretary of Health and~~  
 15 ~~Human Services to establish a benchmark benefit package that~~  
 16 ~~includes the same benefits, services, and coverage that are provided~~  
 17 ~~to all other full-scope Medi-Cal enrollees, supplemented by any~~  
 18 ~~benefits, services, and coverage included in the essential health~~  
 19 ~~benefits package adopted by the state pursuant to Section 1367.005~~  
 20 ~~of the Health and Safety Code and Section 10112.27 of the~~  
 21 ~~Insurance Code and approved by the United States Secretary of~~  
 22 ~~Health and Human Services under Section 18022 of Title 42 of~~  
 23 ~~the United States Code, and any successor essential health benefit~~  
 24 ~~package adopted by the state.~~

25 ~~SEC. 20. Section 14005.62 is added to the Welfare and~~  
 26 ~~Institutions Code, to read:~~

27 ~~14005.62. Commencing January 1, 2014, the department shall~~  
 28 ~~accept an individual's attestation of information and verify~~  
 29 ~~information pursuant to Section 15926.2.~~

30 ~~SEC. 21.~~

31 ~~SEC. 11. Section 14005.63 is added to the Welfare and~~  
 32 ~~Institutions Code, to read:~~

33 ~~14005.63. (a) A person who wishes to apply for an insurance~~  
 34 ~~affordability program shall be allowed to file an application on his~~  
 35 ~~or her own behalf or on behalf of his or her family. Subject to the~~  
 36 ~~requirements of Section 14014.5, an individual also may be~~  
 37 ~~accompanied, assisted, and represented in the application and~~  
 38 ~~renewal process by an individual or organization of his or her own~~  
 39 ~~choice. If the individual, for any reason, is unable to apply or renew~~

1 on his or her own behalf, any of the following persons may assist  
2 in the application process or during a renewal of eligibility:

3 (1) The individual’s guardian, conservator, a person authorized  
4 to make health care decisions on behalf of the individual pursuant  
5 to an advance health care directive, or executor or administrator  
6 of the individual’s estate.

7 (2) A public agency representative.

8 (3) The individual’s legal counsel, relative, friend, or other  
9 spokesperson of his or her choice.

10 (b) A person who wishes to challenge a decision concerning his  
11 or her eligibility for or receipt of benefits from an insurance  
12 affordability program has the right to represent himself or herself  
13 or use legal counsel, a relative, a friend, or other spokesperson of  
14 his or her choice subject to the requirements of Section 14014.5.

15 (c) To the extent otherwise required by Chapter 3.5  
16 (commencing with Section 11340) of Part 1 of Division 3 of Title  
17 2 of the Government Code, the department shall adopt emergency  
18 regulations implementing this section no later than July 1, 2015.  
19 The department may thereafter readopt the emergency regulations  
20 pursuant to that chapter. The adoption and readoption, by the  
21 department, of regulations implementing this section shall be  
22 deemed to be an emergency and necessary to avoid serious harm  
23 to the public peace, health, safety, or general welfare for purposes  
24 of Sections 11346.1 and 11349.6 of the Government Code, and  
25 the department is hereby exempted from the requirement that it  
26 describe facts showing the need for immediate action and from  
27 review by the Office of Administrative Law.

28 (d) This section shall be implemented on October 1, 2013, or  
29 when all necessary federal approvals have been obtained,  
30 whichever is later, and only if and to the extent that federal  
31 financial participation is available.

32 ~~SEC. 22. Section 14005.64 is added to the Welfare and~~  
33 ~~Institutions Code, to read:~~

34 ~~14005.64. (a) This section implements Section 1902(e)(14)(C)~~  
35 ~~of the federal Social Security Act (42 U.S.C. Sec. 1396a(e)(14)(C))~~  
36 ~~and Section 435.603(g) of Title 42 of the Code of Federal~~  
37 ~~Regulations, which prohibits the use of an assets test for individuals~~  
38 ~~whose income eligibility is determined based on modified adjusted~~  
39 ~~gross income (MAGI), and Section 2002 of the federal Patient~~  
40 ~~Protection and Affordable Care Act (Affordable Care Act) (42~~

1 U.S.C. Sec. 1396a(e)(14)(I) and Section 435.603(d) of Title 42  
2 of the Code of Federal Regulations, which requires a 5-percent  
3 income disregard for individuals whose income eligibility is  
4 determined based on MAGI.

5 (b) In the case of individuals whose financial eligibility for  
6 Medi-Cal is determined based on the application of MAGI pursuant  
7 to Section 435.603 of Title 42 of the Code of Federal Regulations,  
8 the eligibility determination shall not include any assets or  
9 resources test.

10 (c) The department shall implement the 5-percent income  
11 disregard for individuals whose income eligibility is determined  
12 based on MAGI in Section 2002 of the Affordable Care Act (42  
13 U.S.C. Sec. 1396a(e)(14)(I) and Section 435.603(d) of Title 42  
14 of the Code of Federal Regulations.

15 (d) The department shall adopt an equivalent income level for  
16 each eligibility group whose income level will be converted to  
17 MAGI. The equivalent income level shall not be less than the dollar  
18 amount of all income exemptions, exclusions, deductions, and  
19 disregards in effect on March 23, 2010, plus the existing income  
20 level expressed as a percent of the federal poverty level for each  
21 eligibility group so as to ensure that the use of MAGI income  
22 methodology does not result in populations who would have been  
23 eligible under this chapter and Part 6.3 (commencing with Section  
24 12695) of Division 2 of the Insurance Code losing coverage.

25 (e) The department shall include individuals under 19 years of  
26 age, or in the case of full-time students, under 21 years of age, in  
27 the household for purposes of determining eligibility under Section  
28 1396a(e)(14) of Title 42 of the United States Code, as added by  
29 the federal Patient Protection and Affordable Care Act (Public  
30 Law 111-148), and as amended by the federal Health Care and  
31 Education Reconciliation Act of 2010 (Public Law 111-152) and  
32 any subsequent amendments, as provided in Section 435.603(f)(3)  
33 of Title 42 of the Code of Federal Regulations.

34 (f) This section shall become operative on January 1, 2014.

35 SEC. 23.— Section 14005.65 is added to the Welfare and  
36 Institutions Code, to read:

37 14005.65.— In accordance with the state's options under Section  
38 435.603(h) of Title 42 of the Code of Federal Regulations, the  
39 department shall adopt procedures to take into account projected  
40 future changes in income and family size, for individuals whose

1 ~~Medi-Cal income eligibility is determined using MAGI-based~~  
2 ~~methods, in order to grant or maintain eligibility for those~~  
3 ~~individuals who may be ineligible or become ineligible if only the~~  
4 ~~current monthly income and family size are considered.~~

5 ~~(a) For current beneficiaries whose eligibility has already been~~  
6 ~~approved, the department shall base financial eligibility on~~  
7 ~~projected annual household income for the remainder of the current~~  
8 ~~calendar year if the current monthly income would render the~~  
9 ~~beneficiary ineligible due to fluctuating income.~~

10 ~~(b) For applicants, the department shall, in determining the~~  
11 ~~current monthly household income and family size, base an initial~~  
12 ~~determination of eligibility on the projected annual household~~  
13 ~~income and family size for the upcoming year if considering the~~  
14 ~~current monthly income and family size in isolation would render~~  
15 ~~an applicant ineligible.~~

16 ~~(c) In the procedures adopted pursuant to this section, the~~  
17 ~~department shall implement a reasonable method to account for a~~  
18 ~~reasonably predictable decrease in income and increase in family~~  
19 ~~size, as evidenced by a history of predictable fluctuations in income~~  
20 ~~or other clear indicia of a future decrease in income and increase~~  
21 ~~in family size. The department shall not assume potential future~~  
22 ~~increases in income or decreases in family size to make an applicant~~  
23 ~~or beneficiary ineligible in the current month.~~

24 ~~(d) This section shall become operative on January 1, 2014.~~

25 *SEC. 12. Section 14005.65 is added to the Welfare and*  
26 *Institutions Code, to read:*

27 *14005.65. (a) The department shall file a state plan amendment*  
28 *to exercise the federal option under subdivision (h) of Section*  
29 *435.603 of Title 42 of the Code of Federal Regulations to allow*  
30 *beneficiaries to use projected annual household income and to*  
31 *allow applicants and beneficiaries to use reasonably predictable*  
32 *annual income as set forth in this section when determining their*  
33 *eligibility for Medi-Cal benefits.*

34 *(b) (1) Beneficiaries shall be allowed to use projected annual*  
35 *household income to establish eligibility for Medi-Cal benefits for*  
36 *the remainder of the calendar year in which that projected income*  
37 *is used to determine eligibility if the current monthly income would*  
38 *render the beneficiary ineligible due to an increase in income.*

1 (2) *If projected annual household income has been used by the*  
2 *beneficiary, the department shall redetermine the beneficiary's*  
3 *Medi-Cal benefits at the end of the calendar year.*

4 (c) (1) *Applicants and beneficiaries shall be allowed to use*  
5 *reasonably predictable annual income to establish eligibility for*  
6 *Medi-Cal benefits.*

7 (2) *Before being allowed to use reasonably predictable annual*  
8 *income pursuant to establishing eligibility for Medi-Cal benefits,*  
9 *the applicant or beneficiary shall provide the department with*  
10 *adequate evidence of the predicted change, including, but not*  
11 *limited to, a signed contract for employment, clear proof of a*  
12 *history of predictable fluctuations in income, or other clear indicia*  
13 *of such future changes in income.*

14 (d) *This section shall be implemented only if and to the extent*  
15 *that federal financial participation is available and any necessary*  
16 *federal approvals have been obtained.*

17 (e) *This section shall become operative on January 1, 2014.*

18 SEC. 13. *Section 14005.66 is added to the Welfare and*  
19 *Institutions Code, to read:*

20 14005.66. *The department shall seek any federal waivers*  
21 *necessary to use the eligibility information of individuals who have*  
22 *been determined eligible for the CalFresh program under Chapter*  
23 *10 (commencing with Section 18900) of Part 6, and who are under*  
24 *65 years of age and are not disabled, to determine their Medi-Cal*  
25 *eligibility.*

26 SEC. 14. *Section 14005.67 is added to the Welfare and*  
27 *Institutions Code, to read:*

28 14005.67. *The department shall seek any federal waivers*  
29 *necessary to automatically enroll parents in the Medi-Cal program*  
30 *who apply for Medi-Cal benefits and have one or more children*  
31 *who are eligible for Medi-Cal benefits based upon a determined*  
32 *income level that is at or below the applicable income standard*  
33 *for eligibility under Section 14005.60.*

34 SEC. 15. *Section 14005.68 is added to the Welfare and*  
35 *Institutions Code, to read:*

36 14005.68. *The department may seek any federal waivers or*  
37 *state plan amendments necessary to use the eligibility information*  
38 *of individuals determined eligible for other state-only funded health*  
39 *care programs and county general assistance programs to*

1 *determine an applicant's Medi-Cal eligibility to the extent that*  
2 *there is no General Fund impact.*

3 ~~SEC. 24.~~

4 *SEC. 16.* Section 14007.1 of the Welfare and Institutions Code  
5 is amended to read:

6 14007.1. (a) The department shall adopt regulations for use  
7 by the county welfare department in determining whether an  
8 applicant is a resident of this state and of the county subject to the  
9 requirements of federal law. The regulations shall require that state  
10 residency is not established unless the applicant does both of the  
11 following:

12 (1) The applicant produces one of the following:

13 (A) A recent California rent or mortgage receipt or utility bill  
14 in the applicant's name.

15 (B) A current California motor vehicle driver's license or  
16 California Identification Card issued by the Department of Motor  
17 Vehicles in the applicant's name.

18 (C) A current California motor vehicle registration in the  
19 applicant's name.

20 (D) A document showing that the applicant is employed in this  
21 state.

22 (E) A document showing that the applicant has registered with  
23 a public or private employment service in this state.

24 (F) Evidence that the applicant has enrolled his or her children  
25 in a school in this state.

26 (G) Evidence that the applicant is receiving public assistance  
27 in this state.

28 (H) Evidence of registration to vote in this state.

29 (2) The applicant declares, under penalty of perjury, that all of  
30 the following apply:

31 (A) The applicant does not own or lease a principal residence  
32 outside this state.

33 (B) The applicant is not receiving public assistance outside this  
34 state. As used in this subdivision, "public assistance" does not  
35 include unemployment insurance benefits.

36 (b) A denial of a determination of residency may be appealed  
37 in the same manner as any other denial of eligibility. The  
38 administrative law judge shall receive any proof of residency  
39 offered by the applicant and may inquire into any facts relevant  
40 to the question of residency. A determination of residency shall

1 not be granted unless a preponderance of the credible evidence  
2 supports the applicant’s intent to remain indefinitely in this state.

3 (c) This section shall remain in effect only until January 1, 2014,  
4 and as of that date is repealed, unless a later enacted statute, that  
5 is enacted before January 1, 2014, deletes or extends that date.

6 ~~SEC. 25.~~

7 *SEC. 17.* Section 14007.1 is added to the Welfare and  
8 Institutions Code, to read:

9 14007.1. (a) The department shall electronically verify an  
10 individual’s state residency using information from the federal  
11 Supplemental Nutrition Assistance Program, the CalWORKs  
12 program, the California Health Benefit Exchange, the Franchise  
13 Tax Board, the Department of Motor Vehicles, ~~the state agency~~  
14 ~~administering the state’s unemployment compensation laws, and~~  
15 ~~the Employment Development Department, or~~ the electronic  
16 service established in accordance with Section 435.949 of Title  
17 42 of the Code of Federal Regulations, and other available sources.  
18 If the department is unable to electronically verify an individual’s  
19 state residency using these electronic data sources, an individual  
20 ~~may establish~~ shall verify state residency as set forth in this section.

21 (b) If the individual is 21 years of age or older, is capable of  
22 indicating intent, and is not residing in an institution, state  
23 residency is established when the individual ~~does both of the~~  
24 ~~following.~~ *provides one of the following:*

25 ~~(1) The individual provides one of the following:~~

26 ~~(A)~~

27 ~~(1)~~ A recent California rent or mortgage receipt or utility bill  
28 in the individual’s name.

29 ~~(B)~~

30 ~~(2)~~ A current California motor vehicle driver’s license or  
31 California Identification Card issued by the Department of Motor  
32 Vehicles in the individual’s name.

33 ~~(C)~~

34 ~~(3)~~ A current California motor vehicle registration in the  
35 individual’s name.

36 ~~(D)~~

37 ~~(4)~~ A document showing that the individual is employed in this  
38 state or is seeking employment in the state.

39 ~~(E)~~

- 1 (5) A document showing that the individual has registered with  
2 a public or private employment service in this state.  
3 ~~(F)~~
- 4 (6) Evidence that the individual has enrolled his or her children  
5 in a school in this state.  
6 ~~(G)~~
- 7 (7) Evidence that the individual is receiving public assistance  
8 in this state. *For purposes of this paragraph, “public assistance”*  
9 *shall not include unemployment insurance benefits.*
- 10 ~~(H)~~
- 11 (8) Evidence of registration to vote in this state.  
12 ~~(I)~~
- 13 (9) A declaration by the individual under penalty of perjury that  
14 he or she intends to reside in this state and does not have a fixed  
15 address and cannot provide any of the documents identified in  
16 ~~subparagraphs (A) to (H) paragraphs (1) to (8), inclusive.~~
- 17 ~~(J)~~
- 18 (10) A declaration by the individual under penalty of perjury  
19 that he or she has entered the state with a job commitment or is  
20 seeking employment in the state and cannot provide any of the  
21 documents identified in ~~subparagraphs (A) to (H) paragraphs (1)~~  
22 ~~to (8), inclusive.~~
- 23 ~~(2) The individual declares, under penalty of perjury, that both~~  
24 ~~of the following apply:~~
- 25 ~~(A) The individual does not own or lease a principal residence~~  
26 ~~outside this state.~~
- 27 ~~(B) The individual is not receiving public assistance outside~~  
28 ~~this state. For purposes of this subdivision, “public assistance”~~  
29 ~~shall not include unemployment insurance benefits.~~
- 30 (c) If the individual is 21 years of age or older, is incapable of  
31 indicating intent, and is not residing in an institution, state  
32 residency is established when the parent, legal guardian of the  
33 individual, or any other person with knowledge declares, under  
34 penalty of perjury, that the individual is residing in this state.
- 35 (d) If the individual is 21 years of age or older, is residing in an  
36 institution, and became incapable of indicating intent before  
37 reaching 21 years of age, state residency is established by any of  
38 the following:
- 39 (1) When the parent applying for Medi-Cal on the individual’s  
40 behalf (A) declares under penalty of perjury that the individual’s

1 parents reside in separate states and (B) establishes that he or she  
2 (the parent) is a resident of this state in accordance with the  
3 requirements of this section.

4 (2) When the legal guardian applying for Medi-Cal on the  
5 individual's behalf (A) declares under penalty of perjury that  
6 parental rights have been terminated and (B) establishes that he  
7 or she (the legal guardian) is a resident of this state in accordance  
8 with the requirements of this section.

9 (3) When the parent or parents applying for Medi-Cal on the  
10 individual's behalf establishes in accordance with the requirements  
11 of this section that he, she, or they (the parent or parents), were a  
12 resident of this state at the time the individual was placed in the  
13 institution.

14 (4) When the legal guardian applying for Medi-Cal on the  
15 individual's behalf (A) declares under penalty of perjury that  
16 parental rights have been terminated and (B) establishes in  
17 accordance with the requirements of this section that he or she (the  
18 legal guardian) was a resident of this state at the time the individual  
19 was placed in the institution.

20 (5) When the parent, or parents, applying for Medi-Cal on the  
21 individual's behalf (A) provides a document from the institution  
22 that demonstrates that the individual is institutionalized in this  
23 state and (B) establishes in accordance with the requirements of  
24 this section that he, she, or they (the parent or parents), are a  
25 resident of this state.

26 (6) When the legal guardian applying for Medi-Cal on the  
27 individual's behalf (A) provides a document from the institution  
28 that demonstrates that the individual is institutionalized in this  
29 state, (B) declares under penalty of perjury that parental rights  
30 have been terminated, and (C) establishes in accordance with the  
31 requirements of this section that he or she (the legal guardian) is  
32 a resident of this state.

33 (7) When the individual or party applying for Medi-Cal on the  
34 individual's behalf (A) provides a document from the institution  
35 that demonstrates that the individual is institutionalized in this  
36 state, (B) declares under penalty of perjury that the individual has  
37 been abandoned by his or her parents and does not have a legal  
38 guardian, and (C) establishes that he or she (the individual or party  
39 applying for Medi-Cal on the individual's behalf) is a resident of  
40 this state in accordance with the requirements of this section.

1 (e) Except when another state has placed the individual in the  
2 institution, if the individual is 21 years of age or older, is residing  
3 in an institution, and became incapable of indicating intent on or  
4 after reaching 21 years of age, state residency is established when  
5 the person filing the application on the individual's behalf provides  
6 a document from the institution that demonstrates that the  
7 individual is institutionalized in this state.

8 (f) If the individual is 21 years of age or older, is capable of  
9 indicating intent, and is residing in an institution, state residency  
10 is established when the individual (1) provides a document from  
11 the institution that demonstrates that the individual is  
12 institutionalized in this state, and (2) declares under penalty of  
13 perjury that he or she intends to reside in this state.

14 (g) If the individual is under 21 years of age, is married or  
15 emancipated from his or her parents, is capable of indicating intent,  
16 and is not residing in an institution, state residency is established  
17 in accordance with subdivision (b).

18 (h) If the individual is under 21 years of age, is not living in an  
19 institution, and is not described in subdivision (g), state residency  
20 is established by any of the following:

21 (1) When the individual resides with his or her parent or parents  
22 and the parent or parents establish that he, she, or they (the parent  
23 or parents), as the case may be, are a resident of this state in  
24 accordance with the requirements of subdivision (b).

25 (2) When the individual resides with a caretaker relative and  
26 the caretaker relative establishes that he, she, or they (the caretaker  
27 relative or caretaker relatives), are a resident of this state in  
28 accordance with the requirements of subdivision (b).

29 (3) When the person with whom the individual is residing is  
30 not the individual's parent or caretaker relative and he or she (A)  
31 declares under penalty of perjury that the individual is residing  
32 with him or her, and (B) establishes that he or she (the person with  
33 whom the individual is residing) is a resident of this state in  
34 accordance with the requirements of subdivision (b).

35 (4) When the individual does not reside with his or her parents  
36 or with a caretaker relative and he or she declares under penalty  
37 of perjury that he or she is living in this state.

38 (i) If the individual is under 21 years of age, is institutionalized,  
39 and is not married or emancipated, state residency is established

1 in accordance with ~~paragraphs~~ *paragraph* (3), (4), (5), (6) ~~and, or~~  
 2 (7) of subdivision (d).

3 (j) A denial of a determination of residency may be appealed  
 4 in the same manner as any other denial of eligibility. The  
 5 administrative law judge shall receive any proof of residency  
 6 offered by the individual and may inquire into any facts relevant  
 7 to the question of residency. A determination of residency shall  
 8 not be granted unless a preponderance of the credible evidence  
 9 supports that the individual is a resident of this state under Section  
 10 14007.15.

11 (k) To the extent otherwise required by Chapter 3.5  
 12 (commencing with Section 11340) of Part 1 of Division 3 of Title  
 13 2 of the Government Code, the department shall adopt emergency  
 14 regulations implementing this section no later than July 1, 2015.  
 15 The department may thereafter readopt the emergency regulations  
 16 pursuant to that chapter. The adoption and readoption, by the  
 17 department, of regulations implementing this section shall be  
 18 deemed to be an emergency and necessary to avoid serious harm  
 19 to the public peace, health, safety, or general welfare for purposes  
 20 of Sections 11346.1 and 11349.6 of the Government Code, and  
 21 the department is hereby exempted from the requirement that it  
 22 describe facts showing the need for immediate action and from  
 23 review by the Office of Administrative Law.

24 (l) For purposes of this section, the definitions in subdivision  
 25 (i) of Section 14007.15 shall apply.

26 (m) This section shall be implemented only if and to the extent  
 27 that federal financial participation is available and any necessary  
 28 federal approvals have been obtained.

29 (n) This section shall become operative on January 1, 2014.

30 ~~SEC. 26.~~

31 *SEC. 18.* Section 14007.15 is added to the Welfare and  
 32 Institutions Code, immediately following Section 14007.1, to read:

33 14007.15. (a) Except as provided in subdivision (f), an  
 34 individual is a resident of this state if he or she is 21 years of age  
 35 or older, is not residing in an institution, is living in the state, and  
 36 any of the following apply:

37 (1) The individual intends to reside in this state, including  
 38 individuals who do not have a fixed address.

1 (2) The individual has entered this state with a job commitment  
2 or is seeking employment in this state, regardless of whether he  
3 or she is currently employed.

4 (3) The individual is incapable of indicating intent.

5 (b) Except as provided in subdivision (f), an individual that is  
6 21 years of age or older, is residing in an institution, and became  
7 incapable of indicating intent before reaching 21 years of age is a  
8 resident of this state if any of the following apply:

9 (1) The individual's parents reside in separate states and the  
10 parent applying for Medi-Cal on the individual's behalf is a resident  
11 of this state under this section.

12 (2) The parental rights have been terminated and a legal guardian  
13 has been appointed for the individual and the legal guardian  
14 applying for Medi-Cal on the individual's behalf is a resident of  
15 this state under this section.

16 (3) The individual's parent or parents, or legal guardian if  
17 parental rights have been terminated, was a resident of this state  
18 under this section at the time the individual was placed in the  
19 institution.

20 (4) The individual is institutionalized in this state and the parent  
21 or parents, or legal guardian if parental rights have been terminated,  
22 applying for ~~Med-Cal~~ *Medi-Cal* on the individual's behalf is a  
23 resident of this state under this section.

24 (5) The individual is institutionalized in this state, has been  
25 abandoned by his or her parent or parents, does not have a legal  
26 guardian, and the individual or party that filed the Medi-Cal  
27 application on the individual's behalf is a resident of this state  
28 under this section.

29 (c) Except as provided in subdivision (f) and except where  
30 another state has placed the individual in the institution, an  
31 individual is a resident of this state if he or she is 21 years of age  
32 or older, is institutionalized in this state, and became incapable of  
33 indicating intent on or after reaching 21 years of age.

34 (d) Except as provided in subdivision (f), an individual is a  
35 resident of this state if he or she is 21 years of age or older, is  
36 institutionalized in this state, and intends to reside in this state.

37 (e) Except as provided in subdivision (f), an individual that is  
38 under 21 years of age is a resident of this state if one of the  
39 following apply:

1 (1) The individual is not residing in an institution, is capable of  
2 indicating intent, is married or is emancipated from his or her  
3 parents, is living in this state, and one of the following apply:

4 (A) The individual intends to reside in this state, which includes  
5 an individual who does not have a fixed address.

6 (B) The individual has entered this state with a job commitment  
7 or is seeking employment in this state, regardless of whether he  
8 or she is currently employed.

9 (2) The individual is not described in paragraph (1) and is not  
10 living in an institution, and any of the following apply:

11 (A) The individual resides in this state, including without a fixed  
12 address.

13 (B) The individual resides with his or her parent or parents or  
14 a caretaker relative who is a resident of this state under this section.

15 (3) The individual is institutionalized, is not married or  
16 emancipated, and any of the following apply:

17 (A) The individual’s parent or parents, or legal guardian if  
18 parental rights have been terminated, was a resident of this state  
19 under this section at the time of placement in the institution.

20 (B) The individual is institutionalized in this state and his or  
21 her parent or parents, or legal guardian if parental rights have been  
22 terminated, who files the application on the individual’s behalf is  
23 a resident of this state under this section.

24 (C) The individual is institutionalized in this state, has been  
25 abandoned by his or her parents, does not have a legal guardian,  
26 and the individual or party that files the application on the  
27 individual’s behalf is a resident of this state under this section.

28 (f) An individual who is receiving a state supplementary  
29 payment (SSP) is a resident of the state paying the SSP.

30 (g) An individual who lives in this state and is receiving foster  
31 care or adoption assistance under Title IV-E of the federal Social  
32 Security Act is a resident of this state.

33 (h) (1) If this state or an agent of this state arranges for an  
34 individual to be placed in an institution located in another state,  
35 the individual is a resident of this state.

36 (2) The following actions do not constitute a placement by this  
37 state:

38 (A) Providing basic information to the individual about another  
39 state’s Medicaid program and information about the availability  
40 of health care services and facilities in another state.

1 (B) Assisting an individual to locate an institution in another  
2 state when the individual is capable of indicating intent and  
3 independently decides to move to the other state.

4 (3) When a competent individual leaves the facility in which  
5 he or she was placed by this state, that individual's state of  
6 residence is the state where the individual is physically located.

7 (4) If this state initiates a placement in another state because it  
8 lacks an appropriate facility to provide services to the individual,  
9 the individual is a resident of this state.

10 (i) For the purposes of this section and Section 14007.1, the  
11 following definitions apply:

12 (1) "Incapable of indicating intent" means when an individual  
13 is considered to be any of the following:

14 (A) Determined to have an I.Q. of 49 or less or to have a mental  
15 age of 7 years or younger based upon tests administered by a  
16 properly licensed mental health or developmental disabilities  
17 professional.

18 (B) Found to be incapable of indicating intent based on medical  
19 documentation provided by a physician, psychologist, or other  
20 person licensed by the state in the field of mental health or  
21 developmental disabilities.

22 (C) Been judicially determined to be legally incompetent.

23 (2) "Institution" shall have the same meaning as that term is  
24 defined in Section 435.1010 of Title 42 of the Code of Federal  
25 Regulations. For the purposes of determining residency under  
26 subdivision (h), the term also includes licensed foster care homes  
27 providing food, shelter, and supportive services to one or more  
28 persons unrelated to the proprietor.

29 (j) To the extent otherwise required by Chapter 3.5 (commencing  
30 with Section 11340) of Part 1 of Division 3 of Title 2 of the  
31 Government Code, the department shall adopt emergency  
32 regulations implementing this section no later than July 1, 2015.  
33 The department may thereafter readopt the emergency regulations  
34 pursuant to that chapter. The adoption and readoption, by the  
35 department, of regulations implementing this section shall be  
36 deemed to be an emergency and necessary to avoid serious harm  
37 to the public peace, health, safety, or general welfare for purposes  
38 of Sections 11346.1 and 11349.6 of the Government Code, and  
39 the department is hereby exempted from the requirement that it

1 describe facts showing the need for immediate action and from  
2 review by the Office of Administrative Law.

3 (k) This section shall be implemented only if and to the extent  
4 that federal financial participation is available and any necessary  
5 federal approvals have been obtained.

6 (l) This section shall become operative on January 1, 2014.

7 ~~SEC. 27.~~

8 *SEC. 19.* Section 14007.6 of the Welfare and Institutions Code  
9 is amended to read:

10 14007.6. (a) A recipient who maintains a residence outside of  
11 this state for a period of at least two months shall not be eligible  
12 for services under this chapter where the county has made inquiry  
13 of the recipient pursuant to Section 11100, and where the recipient  
14 has not responded to this inquiry by clearly showing that he or she  
15 has (1) not established residence elsewhere; and (2) been prevented  
16 by illness or other good cause from returning to this state.

17 (b) If a recipient whose services are terminated pursuant to  
18 subdivision (a) reapplies for services, services shall be restored  
19 provided all other eligibility criteria are met if this individual can  
20 prove both of the following:

21 (1) His or her permanent residence is in this state.

22 (2) That residence has not been established in any other state  
23 which can be considered to be of a permanent nature.

24 (c) This section shall remain in effect only until January 1, 2014,  
25 and as of that date is repealed unless a later enacted statute, that  
26 is enacted before January 1, 2014, deletes or extends that date.

27 ~~SEC. 28.~~

28 *SEC. 20.* Section 14007.6 is added to the Welfare and  
29 Institutions Code, to read:

30 14007.6. (a) A recipient who maintains a residence outside of  
31 this state for a period of at least two months shall not be eligible  
32 for services under this chapter where the county has made inquiry  
33 of the recipient pursuant to Section 11100, and where the recipient  
34 has not responded to this inquiry by clearly showing that he or she  
35 has (1) not established residence elsewhere; or (2) been prevented  
36 by illness or other good cause from returning to this state.

37 (b) If a recipient whose services are terminated pursuant to  
38 subdivision (a) reapplies for services, services shall be restored  
39 provided all other eligibility criteria are met and the individual is  
40 considered a resident pursuant to Section 14007.15.

1 (c) To the extent otherwise required by Chapter 3.5  
2 (commencing with Section 11340) of Part 1 of Division 3 of Title  
3 2 of the Government Code, the department shall adopt emergency  
4 regulations implementing this section no later than July 1, 2015.  
5 The department may thereafter readopt the emergency regulations  
6 pursuant to that chapter. The adoption and readoption, by the  
7 department, of regulations implementing this section shall be  
8 deemed to be an emergency and necessary to avoid serious harm  
9 to the public peace, health, safety, or general welfare for purposes  
10 of Sections 11346.1 and 11349.6 of the Government Code, and  
11 the department is hereby exempted from the requirement that it  
12 describe facts showing the need for immediate action and from  
13 review by the Office of Administrative Law.

14 (d) This section shall be implemented only if and to the extent  
15 that federal financial participation is available and any necessary  
16 federal approvals have been obtained.

17 (e) This section shall become operative on January 1, 2014.

18 ~~SEC. 29.~~

19 *SEC. 21.* Section 14008.85 of the Welfare and Institutions  
20 Code is amended to read:

21 14008.85. (a) To the extent federal financial participation is  
22 available, a parent who is the principal wage earner shall be  
23 considered an unemployed parent for purposes of establishing  
24 eligibility based upon deprivation of a child where any of the  
25 following applies:

26 (1) The parent works less than 100 hours per month as  
27 determined pursuant to the rules of the Aid to Families with  
28 Dependent Children program as it existed on July 16, 1996,  
29 including the rule allowing a temporary excess of hours due to  
30 intermittent work.

31 (2) The total net nonexempt earned income for the family is not  
32 more than 100 percent of the federal poverty level as most recently  
33 calculated by the federal government. The department may adopt  
34 additional deductions to be taken from a family's income.

35 (3) The parent is considered unemployed under the terms of an  
36 existing federal waiver of the 100-hour rule for recipients under  
37 the program established by Section 1931(b) of the federal Social  
38 Security Act (42 U.S.C. Sec. 1396u-1).

39 (b) Notwithstanding Chapter 3.5 (commencing with Section  
40 11340) of Part 1 of Division 3 of Title 2 of the Government Code,

1 the department shall implement this section by means of an  
2 all-county letter or similar instruction without taking regulatory  
3 action. Thereafter, the department shall adopt regulations in  
4 accordance with the requirements of Chapter 3.5 (commencing  
5 with Section 11340) of Part 1 of Division 3 of Title 2 of the  
6 Government Code.

7 (c) This section shall remain in effect only until January 1, 2014,  
8 and as of that date is repealed, unless a later enacted statute, that  
9 is enacted before January 1, 2014, deletes or extends that date.

10 ~~SEC. 30. Section 14011.16 of the Welfare and Institutions~~  
11 ~~Code is amended to read:~~

12 ~~14011.16. (a) Commencing August 1, 2003, the department~~  
13 ~~shall implement a requirement for beneficiaries to file semiannual~~  
14 ~~status reports as part of the department's procedures to ensure that~~  
15 ~~beneficiaries make timely and accurate reports of any change in~~  
16 ~~circumstance that may affect their eligibility. The department shall~~  
17 ~~develop a simplified form to be used for this purpose. The~~  
18 ~~department shall explore the feasibility of using a form that allows~~  
19 ~~a beneficiary who has not had any changes to so indicate by~~  
20 ~~checking a box and signing and returning the form.~~

21 ~~(b) Beneficiaries who have been granted continuous eligibility~~  
22 ~~under Section 14005.25 shall not be required to submit semiannual~~  
23 ~~status reports. To the extent federal financial participation is~~  
24 ~~available, all children under 19 years of age shall be exempt from~~  
25 ~~the requirement to submit semiannual status reports.~~

26 ~~(c) For any period of time that the continuous eligibility period~~  
27 ~~described in paragraph (1) of subdivision (a) of Section 14005.25~~  
28 ~~is reduced to six months, subdivision (b) shall become inoperative,~~  
29 ~~and all children under 19 years of age shall be required to file~~  
30 ~~semiannual status reports.~~

31 ~~(d) Beneficiaries whose eligibility is based on a determination~~  
32 ~~of disability or on their status as aged or blind shall be exempt~~  
33 ~~from the semiannual status report requirement described in~~  
34 ~~subdivision (a). The department may exempt other groups from~~  
35 ~~the semiannual status report requirement as necessary for simplicity~~  
36 ~~of administration.~~

37 ~~(e) When a beneficiary has completed, signed, and filed a~~  
38 ~~semiannual status report that indicated a change in circumstance,~~  
39 ~~eligibility shall be redetermined.~~

1 ~~(f) Notwithstanding Chapter 3.5 (commencing with Section~~  
2 ~~11340) of Part 1 of Division 3 of Title 2 of the Government Code,~~  
3 ~~the department shall implement this section by means of all-county~~  
4 ~~letters or similar instructions without taking regulatory action.~~  
5 ~~Thereafter, the department shall adopt regulations in accordance~~  
6 ~~with the requirements of Chapter 3.5 (commencing with Section~~  
7 ~~11340) of Part 1 of Division 3 of Title 2 of the Government Code.~~

8 ~~(g) This section shall be implemented only if and to the extent~~  
9 ~~federal financial participation is available.~~

10 ~~(h) This section shall remain in effect only until January 1, 2014,~~  
11 ~~and as of that date is repealed, unless a later enacted statute, that~~  
12 ~~is enacted before January 1, 2014, deletes or extends that date.~~

13 ~~SEC. 31. Section 14011.17 of the Welfare and Institutions~~  
14 ~~Code is amended to read:~~

15 ~~14011.17. The following persons shall be exempt from the~~  
16 ~~semiannual reporting requirements described in Section 14011.16:~~

17 ~~(a) Pregnant women whose eligibility is based on pregnancy.~~

18 ~~(b) Beneficiaries receiving Medi-Cal through Aid for Adoption~~  
19 ~~of Children Program.~~

20 ~~(c) Beneficiaries who have a public guardian.~~

21 ~~(d) Medically indigent children who are not living with a parent~~  
22 ~~or relative and who have a public agency assuming their financial~~  
23 ~~responsibility.~~

24 ~~(e) Individuals receiving minor consent services.~~

25 ~~(f) Beneficiaries in the Breast and Cervical Cancer Treatment~~  
26 ~~Program.~~

27 ~~(g) Beneficiaries who are CalWORKs recipients and custodial~~  
28 ~~parents whose children are CalWORKs recipients.~~

29 ~~(h) This section shall remain in effect only until January 1, 2014,~~  
30 ~~and as of that date is repealed, unless a later enacted statute, that~~  
31 ~~is enacted before January 1, 2014, deletes or extends that date.~~

32 ~~SEC. 32. Section 14012 of the Welfare and Institutions Code~~  
33 ~~is amended to read:~~

34 ~~14012. (a) Reaffirmation shall be filed annually and may be~~  
35 ~~required at other times in accordance with general standards~~  
36 ~~established by the department.~~

37 ~~(b) This section shall remain in effect only until January 1, 2014,~~  
38 ~~and as of that date is repealed, unless a later enacted statute, that~~  
39 ~~is enacted before January 1, 2014, deletes or extends that date.~~

1 ~~SEC. 33. Section 14012 is added to the Welfare and Institutions~~  
 2 ~~Code, to read:~~

3 ~~14012. (a) This section implements Section 435.916(a)(1) of~~  
 4 ~~Title 42 of the Code of Federal Regulations, which applies to the~~  
 5 ~~eligibility of Medi-Cal beneficiaries whose financial eligibility is~~  
 6 ~~determined using modified adjusted gross income (MAGI) based~~  
 7 ~~income.~~

8 ~~(b) To the extent required by federal law or regulations, the~~  
 9 ~~eligibility of Medi-Cal beneficiaries whose financial eligibility is~~  
 10 ~~determined using a MAGI-based income shall be renewed once~~  
 11 ~~every 12 months, and no more frequently than every 12 months.~~

12 ~~(c) This section shall become operative on January 1, 2014.~~

13 *SEC. 22. Section 14011.66 is added to the Welfare and*  
 14 *Institutions Code, to read:*

15 *14011.66. (a) Effective January 1, 2014, the department shall*  
 16 *provide Medi-Cal benefits during a presumptive eligibility period*  
 17 *to individuals who have been determined eligible on the basis of*  
 18 *preliminary information by a qualified hospital in accordance with*  
 19 *Section 1396a(a)(47)(B) of Title 42 of the United States Code and*  
 20 *as set forth in this section.*

21 *(b) A hospital may only make presumptive eligibility*  
 22 *determinations under this section if it complies with all of*  
 23 *following:*

24 *(1) It is a participating provider under the state plan or under*  
 25 *a federal waiver under Section 1315 of Title 42 of the United States*  
 26 *Code.*

27 *(2) It has notified the department in writing that it has elected*  
 28 *to be a qualified entity for the purpose of making presumptive*  
 29 *eligibility determinations.*

30 *(3) It agrees to make presumptive eligibility determinations*  
 31 *consistent with all applicable policies and procedures.*

32 *(4) It has not been disqualified to make presumptive eligibility*  
 33 *determinations by the department.*

34 *(c) Qualified hospitals may only make presumptive eligibility*  
 35 *determinations based upon income for children, pregnant women,*  
 36 *parents and other caretaker relatives, and other adults, whose*  
 37 *income is calculated using the applicable MAGI-based income*  
 38 *standard.*

1 (d) The department shall establish a process for determining  
2 whether a hospital should be disqualified from being able to make  
3 presumptive eligibility determinations under this section.

4 (e) For purposes of this section, “MAGI-based income” means  
5 income calculated using the financial methodologies described in  
6 Section 1396a(e)(14) of Title 42 of the United States Code, as  
7 added by the federal Patient Protection and Affordable Care Act  
8 (Public Law 111-148) and as amended by the federal Health Care  
9 and Education Reconciliation Act of 2010 (Public Law 111-152)  
10 and any subsequent amendments.

11 (f) This section shall be implemented only if and to the extent  
12 that federal financial participation is available and any necessary  
13 federal approvals have been obtained.

14 ~~SEC. 34.~~

15 SEC. 23. Section 14014.5 is added to the Welfare and  
16 Institutions Code, to read:

17 14014.5. (a) It is the intent of the Legislature to protect  
18 individual privacy and the integrity of Medi-Cal and other  
19 insurance affordability programs by restricting the disclosure of  
20 personal identifying information to prevent identity theft, abuse,  
21 or fraud in situations where an insurance affordability program  
22 applicant or beneficiary appoints an authorized representative to  
23 assist him or her in obtaining health care benefits.

24 (b) The department, in consultation with the California Health  
25 Benefit Exchange, shall implement policies and prescribe forms,  
26 notices, and other safeguards to ensure the privacy and protection  
27 of the rights of applicants who appoint an authorized representative  
28 consistent with the provisions of Section 1902 of the federal Social  
29 Security Act (42 U.S.C. Sec. 1396a) and Section 435.908 of Title  
30 42 of the Code of Federal Regulations.

31 (c) All insurance affordability programs shall obtain completed  
32 authorization forms pursuant to subdivision (b) prior to making  
33 the final determination concerning the eligibility or renewal to  
34 which the authorization applies.

35 (d) An authorization pursuant to this section shall do both of  
36 the following:

37 (1) Specify what authority the applicant or beneficiary is  
38 granting to the authorized representative and what notices, if any,  
39 should be sent to the authorized representative in addition to the  
40 applicant or beneficiary.

1 (2) Be effective until the applicant or beneficiary cancels or  
2 modifies the authorization or appoints a new authorized  
3 representative, or the authorized representative informs the agency  
4 that he or she is no longer acting in that capacity or there is a  
5 change in the legal authority on which the authority was based.  
6 The notice shall conform to all federal requirements.

7 (e) An authorization pursuant to this section may be canceled  
8 or modified at any time for any reason by the insurance  
9 affordability program applicant or beneficiary by submitting notice  
10 of cancellation or modification to the appropriate insurance  
11 affordability program in accordance with policies and forms  
12 developed pursuant to subdivision (b).

13 (f) The agency shall accept electronic, including telephonically  
14 recorded, signatures, and handwritten signatures transmitted by  
15 facsimile or other electronic transmission.

16 (g) For purposes of this section all of the following definitions  
17 shall apply:

18 (1) “Authorized representative” means:

19 (A) (i) Any individual appointed in writing, on a form  
20 designated by the department, by a competent person that is an  
21 applicant for or beneficiary of any insurance affordability program,  
22 to act in place or on behalf of the applicant or beneficiary for  
23 purposes related to the insurance affordability program, including,  
24 but not limited to, accompanying, assisting, or representing the  
25 applicant in the application process or the beneficiary in the  
26 redetermination of eligibility process, as specified by the applicant  
27 or beneficiary.

28 (ii) Legal documentation of authority to act on behalf of the  
29 applicant or beneficiary under state law, including, but not limited  
30 to, a court order establishing legal guardianship or a valid power  
31 of attorney to make health care decisions, shall ~~serve~~ *serve* in  
32 place of a written appointment by the applicant or beneficiary.

33 (2) “Competent” means being able to act on one’s own behalf  
34 in business and personal matters.

35 (h) An authorized representative of an applicant or beneficiary  
36 of an insurance affordability program who also is employed by or  
37 is a contractor for any type of health care provider or facility shall  
38 fully disclose in writing to the applicant or beneficiary that the  
39 authorized representative is employed by or contracting with such  
40 a provider or facility and of any potential conflicts of interest.

1 (i) All notices regarding the insurance affordability program,  
2 including, but not limited to, those related to the application,  
3 redetermination, or actions taken by the agency, shall be sent to  
4 the applicant or beneficiary, and to the authorized representative  
5 if authorized by the applicant or beneficiary.

6 (j) (1) If an applicant or beneficiary is not competent and has  
7 not appointed an appropriately authorized representative pursuant  
8 to this section or that appointment is no longer effective, any of  
9 the individuals identified in subparagraphs (A) to (C), inclusive,  
10 may be recognized by the hearing officer as the authorized  
11 representative to represent the applicant or beneficiary at the state  
12 hearing regarding a notice of action if, at the hearing, he or she  
13 demonstrates that the applicant or beneficiary is not competent  
14 and that lack of competency is the reason that he or she has not  
15 been authorized by the applicant or beneficiary to act as the  
16 applicant's or beneficiary's authorized representative. The  
17 individuals that may be recognized are:

18 (A) A relative of the applicant or beneficiary or a person  
19 appointed by the relative.

20 (B) A person with knowledge of the applicant's or beneficiary's  
21 circumstances that completed and signed the statement of facts on  
22 the applicant's or beneficiary's behalf.

23 (C) An applicant's or beneficiary's legal counsel or advocate  
24 working under the supervision of an attorney.

25 (2) If an applicant or beneficiary is not competent and has not  
26 appointed an appropriately authorized representative pursuant to  
27 this section or that appointment is no longer effective, the hearing  
28 officer may allow an individual with knowledge about the  
29 applicant's or beneficiary's circumstances to represent the applicant  
30 or beneficiary at the hearing if (A) the hearing officer determines  
31 that the representation is in the applicant or beneficiary's best  
32 interests and (B) there is not a person who qualifies under  
33 paragraph (1) that is available to represent the applicant or  
34 beneficiary.

35 (k) (1) ~~Pursuant to Section 435.923(e) of Title 42 of the Code~~  
36 ~~of Federal Regulations, a~~ A provider or staff member or volunteer  
37 of an organization who intends to serve as an authorized  
38 representative shall ~~provide~~ *comply with, and shall provide*, a  
39 signed written agreement that he or she will adhere to ~~requirements~~  
40 ~~set forth in the Code of Federal Regulations for authorized~~

1 representatives, including Section 447.10 of Title 42, subpart F of  
2 Part 431 of Title 45, and Section 155.260(f) of Title 45: *all federal*  
3 *and state requirements governing his or her appointment as an*  
4 *authorized representative, including, but not limited to, those*  
5 *relating to confidentiality of information, prohibitions against*  
6 *reassignment of provider claims, and conflicts of interest.* The  
7 department shall work with counties and consumer advocates to  
8 develop a standard agreement form that may be used for this  
9 purpose.

10 ~~(2) Pursuant to 435.923(e) of Title 45 of the Code of Federal~~  
11 ~~Regulations, the regulations developed pursuant to this section~~  
12 ~~shall require authorized representatives to comply with all~~  
13 ~~applicable state and federal laws regarding conflicts of interest~~  
14 ~~and confidentiality of information.~~

15 ~~(3)~~

16 (2) The standard agreement form developed pursuant to  
17 paragraph (1) shall include a notification regarding the  
18 requirements of this subdivision and a statement that by signing  
19 the agreement, the individual named as an authorized representative  
20 agrees to abide by those requirements.

21 (l) To the extent otherwise required by Chapter 3.5 (commencing  
22 with Section 11340) of Part 1 of Division 3 of Title 2 of the  
23 Government Code, the department shall adopt emergency  
24 regulations implementing this section no later than July 1, 2015.  
25 The department may thereafter readopt the emergency regulations  
26 pursuant to that chapter. The adoption and readoption, by the  
27 department, of regulations implementing this section shall be  
28 deemed to be an emergency and necessary to avoid serious harm  
29 to the public peace, health, safety, or general welfare for purposes  
30 of Sections 11346.1 and 11349.6 of the Government Code, and  
31 the department is hereby exempted from the requirement that it  
32 describe facts showing the need for immediate action and from  
33 review by the Office of Administrative Law.

34 (m) This section shall be implemented only if and to the extent  
35 that federal financial participation is available and any necessary  
36 federal approvals have been obtained.

37 (n) This section shall be implemented on October 1, 2013, or  
38 when all necessary federal approvals have been obtained,  
39 whichever is later.

1 ~~SEC. 35.—Section 14015.5 is added to the Welfare and Institutions~~  
2 ~~Code, to read:~~

3 ~~14015.5.—(a) Notwithstanding any other provision of state law,~~  
4 ~~the department shall retain or delegate the authority to perform~~  
5 ~~Medi-Cal eligibility determinations as set forth in this section.~~

6 ~~(b) If after an assessment and verification for potential eligibility~~  
7 ~~for Medi-Cal benefits using the applicable MAGI-based income~~  
8 ~~standard of all persons that apply through an electronic or a paper~~  
9 ~~application processed by CalHEERS, which is jointly managed~~  
10 ~~by the department and the Exchange, and to the extent required~~  
11 ~~by federal law and regulation is completed, the Exchange and the~~  
12 ~~department may electronically determine the applicant's eligibility~~  
13 ~~for Medi-Cal benefits using only the information initially provided~~  
14 ~~online, or through the written application submitted by, or on behalf~~  
15 ~~of, the applicant, and without further staff review to verify the~~  
16 ~~accuracy of the submitted information, the Exchange and the~~  
17 ~~department shall determine that applicant's eligibility for the~~  
18 ~~Medi-Cal program using the applicable MAGI-based income~~  
19 ~~standard.~~

20 ~~(c) Except as provided in subdivision (b) and Section 14015.7,~~  
21 ~~the county of residence shall be responsible for eligibility~~  
22 ~~determinations and ongoing case management for the Medi-Cal~~  
23 ~~program.~~

24 ~~(d) (1) Notwithstanding any other provision of state law, the~~  
25 ~~Exchange shall be authorized to provide information regarding~~  
26 ~~available Medi-Cal managed health care plan selection options to~~  
27 ~~applicants determined to be eligible for Medi-Cal benefits using~~  
28 ~~the MAGI-based income standard and allow those applicants to~~  
29 ~~choose an available managed health care plan.~~

30 ~~(2) The Exchange is authorized to record an applicant's health~~  
31 ~~plan selection into CalHEERS for reporting to the department.~~  
32 ~~CalHEERS shall have the ability to report to the department the~~  
33 ~~results of an applicant's health plan selection.~~

34 ~~(e) Notwithstanding Chapter 3.5 (commencing with Section~~  
35 ~~11340) of Part 1 of Division 3 of Title 2 of the Government Code,~~  
36 ~~the department, without taking any further regulatory action, shall~~  
37 ~~implement, interpret, or make specific this section by means of~~  
38 ~~all-county letters, plan letters, plan or provider bulletins, or similar~~  
39 ~~instructions until the time regulations are adopted. Thereafter, the~~  
40 ~~department shall adopt regulations in accordance with the~~

1 requirements of Chapter 3.5 (commencing with Section 11340) of  
2 Part 1 of Division 3 of Title 2 of the Government Code. Beginning  
3 six months after the effective date of this section, the department  
4 shall provide a status report to the Legislature on a semiannual  
5 basis until regulations have been adopted.

6 (f) For the purposes of this section, the following definitions  
7 shall apply:

8 (1) "ACA" means the federal Patient Protection and Affordable  
9 Care Act (Public Law 111-148), as amended by the federal Health  
10 Care and Education Reconciliation Act of 2010 (Public Law  
11 111-152);

12 (2) "CalHEERS" means the California Healthcare Eligibility,  
13 Enrollment, and Retention System developed under Section 15926.

14 (3) "Exchange" means the California Health Benefit Exchange  
15 established pursuant to Section 100500 of the Government Code.

16 (4) "MAGI-based income" means income calculated using the  
17 financial methodologies described in Section 1396a(e)(14) of Title  
18 42 of the United States Code as added by ACA and any subsequent  
19 amendments.

20 (g) This section shall be implemented only if and to the extent  
21 that federal financial participation is available and any necessary  
22 federal approvals have been obtained.

23 (h) This section shall become operative on October 1, 2013.

24 (i) This section shall become inoperative on July 1, 2015, and,  
25 as of January 1, 2016, is repealed, unless a later enacted statute,  
26 that becomes operative on or before January 1, 2016, deletes or  
27 extends the dates on which it becomes inoperative and is repealed.

28 SEC. 36. Section 14015.7 is added to the Welfare and  
29 Institutions Code, to read:

30 14015.7. (a) (1) Notwithstanding any other law, for persons  
31 who call the customer service center operated by the Exchange  
32 for the purpose of applying for an insurance affordability program,  
33 the Exchange shall implement a workflow transfer protocol that  
34 consists of only those questions that are essential to reliably  
35 ascertain whether the caller's household appears to include any  
36 individuals who are potentially eligible for Medi-Cal benefits and  
37 to determine an appropriate point of referral. The workflow transfer  
38 protocol and referral procedures used by the Exchange shall be  
39 developed and implemented in conjunction with and subject to  
40 review and approval by the department.

1     ~~(2) (A) Except as provided in paragraph (3), if, after applying~~  
2 ~~the transfer protocol specified in paragraph (1), the Exchange~~  
3 ~~determines that the caller's household appears to include one or~~  
4 ~~more individuals who are potentially eligible for Medi-Cal benefits~~  
5 ~~using the applicable MAGI-based income standard, the Exchange~~  
6 ~~shall refer the caller to his or her county of residence or other~~  
7 ~~appropriate county resource for completion of the federally required~~  
8 ~~assessment. The county shall proceed with the assessment and also~~  
9 ~~perform any required eligibility determination.~~

10     ~~(B) Subject to any income limitations that may be imposed by~~  
11 ~~the Exchange, and subject to review and approval from the~~  
12 ~~department, if after applying the transfer protocol specified in~~  
13 ~~paragraph (1) the Exchange determines that the caller's household~~  
14 ~~appears to include an individual who is pregnant, or who is~~  
15 ~~potentially eligible for Medi-Cal benefits on a basis other than~~  
16 ~~using a MAGI-based income standard because an applicant is~~  
17 ~~potentially disabled, 65 years of age or older, or potentially in need~~  
18 ~~of long-term care services, the Exchange shall refer the caller to~~  
19 ~~his or her county of residence or other appropriate county resource~~  
20 ~~for completion of the federally required assessment. The county~~  
21 ~~shall proceed with the assessment and also perform any required~~  
22 ~~eligibility determination.~~

23     ~~(3) Notwithstanding any other law, only during the initial open~~  
24 ~~enrollment period established by the Exchange, and in no case~~  
25 ~~after June 30, 2014, if after applying the transfer protocol specified~~  
26 ~~in paragraph (1) the Exchange determines that the caller's~~  
27 ~~household appears to include both individuals who are potentially~~  
28 ~~eligible for Medi-Cal benefits using the applicable MAGI-based~~  
29 ~~income standard and individuals who are not potentially eligible~~  
30 ~~for Medi-Cal benefits, the Exchange shall proceed with its~~  
31 ~~assessment and if it is subsequently determined that an applicant~~  
32 ~~or applicants are potentially eligible for Medi-Cal benefits using~~  
33 ~~the applicable MAGI-based income standard, the Exchange shall~~  
34 ~~initially determine the applicant or applicants eligibility for~~  
35 ~~Medi-Cal benefits. If determined eligible, the applicant's or~~  
36 ~~applicants' coverage shall start on January 1, 2014, or on the date~~  
37 ~~of the determination, whichever is later. The county of residence~~  
38 ~~shall be responsible for final confirmation of eligibility~~  
39 ~~determinations relying on data provided by and verifications done~~  
40 ~~by the Exchange and the county shall perform only that additional~~

1 work that is necessary for the county to prepare and send out the  
2 required notice to the applicant regarding the result of the eligibility  
3 determination and shall not impose any additional burdens upon  
4 the applicant. The county of residence shall be responsible for  
5 sending out the required notices of all Medi-Cal eligibility  
6 determinations.

7 (4) Notwithstanding any other law, if after applying the transfer  
8 protocol specified in paragraph (1) the Exchange determines that  
9 the caller's household appears to only include individuals who are  
10 not potentially eligible for Medi-Cal benefits, the Exchange shall  
11 proceed with its assessment of eligibility. If it is subsequently  
12 determined that an applicant or applicants are potentially eligible  
13 for Medi-Cal benefits using the applicable MAGI-based income  
14 standard, the Exchange shall initially determine the applicant or  
15 applicants eligibility for Medi-Cal benefits. If determined eligible,  
16 the applicant's or applicants' coverage shall start on January 1,  
17 2014, or on the date of the determination, whichever is later. The  
18 county of residence shall be responsible for final confirmation of  
19 eligibility determinations relying on data provided by and  
20 verifications done by the Exchange and the county shall perform  
21 only that additional work that is necessary for the county to prepare  
22 and send out the required notice to the applicant regarding the  
23 result of the eligibility determination and shall not impose any  
24 additional burdens upon the applicant. The county of residence  
25 shall be responsible for sending out the required notices of all  
26 Medi-Cal eligibility determinations.

27 (5) Subject to any income limitations that may be imposed by  
28 the Exchange, and subject to review and approval from the  
29 department, if after assessing the potential eligibility of an  
30 applicant, which shall include enrolling the individual in  
31 Exchange-based coverage if eligible and, if the determination is  
32 being made pursuant to subdivision (3), determining initial  
33 eligibility for MAGI-based Medi-Cal, the Exchange determines  
34 that the applicant is pregnant, or is potentially eligible for Medi-Cal  
35 benefits on a basis other than using a MAGI-based income standard  
36 because the applicant is potentially disabled, 65 years of age or  
37 older, or potentially in need of long-term care services, or if the  
38 applicant requests a full Medi-Cal eligibility determination, the  
39 Exchange shall, consistent with federal law and regulations,  
40 transmit all information provided by or on behalf of the applicant,

1 and any information obtained or verified by the Exchange, to the  
2 applicant's county of residence or other appropriate county resource  
3 via secure electronic interface, promptly and without undue delay,  
4 for a full Medi-Cal eligibility determination.

5 (6) Except as otherwise provided in this section and subdivision  
6 (b) of Section 14015.5, the county of residence shall be responsible  
7 for eligibility determinations and ongoing case management for  
8 the Medi-Cal program.

9 (7) Implementation of the protocols and referral procedures in  
10 this subdivision shall be subject to the terms specified in the  
11 agreements established under subdivision (b).

12 (b) The department, Exchange, and each county consortia shall  
13 jointly enter into an interagency agreement that specifies the  
14 operational parameters and performance standards pertaining to  
15 the transfer protocol. After consulting with counties, consumer  
16 advocates, and labor organizations that represent employees of the  
17 customer service center operated by the Exchange and employees  
18 of county customer service centers, the Exchange and the  
19 department shall determine and implement the performance  
20 standards that shall be incorporated into these agreements.

21 (c) Prior to October 1, 2014, the Exchange and the department,  
22 in consultation with counties, consumer advocates, and labor  
23 organizations that represent employees of the customer service  
24 center operated by the Exchange and employees of county customer  
25 service centers, shall review and determine the efficacy of the  
26 enrollment procedures established in this section.

27 (d) Notwithstanding Chapter 3.5 (commencing with Section  
28 11340) of Part 1 of Division 3 of Title 2 of the Government Code,  
29 the department, without taking any further regulatory action, shall  
30 implement, interpret, or make specific this section by means of  
31 all-county letters, plan letters, plan or provider bulletins, or similar  
32 instructions until the time regulations are adopted. Thereafter, the  
33 department shall adopt regulations in accordance with the  
34 requirements of Chapter 3.5 (commencing with Section 11340) of  
35 Part 1 of Division 3 of Title 2 of the Government Code. Beginning  
36 six months after the effective date of this section, the department  
37 shall provide a status report to the Legislature on a semiannual  
38 basis until regulations have been adopted.

39 (e) For the purposes of this section, the following definitions  
40 shall apply:

1 (1) “ACA” means the federal Patient Protection and Affordable  
 2 Care Act (Public Law 111-148), as amended by the federal Health  
 3 Care and Education Reconciliation Act of 2010 (Public Law  
 4 111-152);

5 (2) “CalHEERS” means the California Healthcare Eligibility,  
 6 Enrollment, and Retention System developed under Section 15926.

7 (3) “Exchange” means the California Health Benefit Exchange  
 8 established pursuant to Section 100500 of the Government Code.

9 (4) “MAGI-based income” means income calculated using the  
 10 financial methodologies described in Section 1396a(e)(14) of Title  
 11 42 of the United States Code as added by ACA and any subsequent  
 12 amendments.

13 (f) This section shall be implemented only if and to the extent  
 14 that federal financial participation is available and any necessary  
 15 federal approvals have been obtained.

16 (g) This section shall become operative on October 1, 2013.

17 ~~SEC. 37.~~ Section 14055 is added to the Welfare and Institutions  
 18 Code, to read:

19 14055. (a) For the purposes of this chapter, “caretaker relative”  
 20 means a relative of a dependent child by blood, adoption, or  
 21 marriage with whom the child is living, who assumes primary  
 22 responsibility for the child’s care, and who is one of the following:

23 (1) The child’s father, mother, grandfather, grandmother,  
 24 brother, sister, stepfather, stepmother, stepbrother, stepsister, great  
 25 grandparent, uncle, aunt, nephew, niece, great-great grandparent,  
 26 great uncle or aunt, first cousin, great-great-great grandparent,  
 27 great-great uncle or aunt, or first cousin once removed.

28 (2) The spouse or registered domestic partner of one of the  
 29 relatives identified in paragraph (1), even after the marriage is  
 30 terminated by death or divorce or the domestic partnership has  
 31 been legally terminated.

32 (b) This section shall become operative on January 1, 2014.

33 ~~SEC. 38.~~

34 ~~SEC. 24.~~ Section 14057 is added to the Welfare and Institutions  
 35 Code, to read:

36 14057. (a) For the purposes of this chapter, “insurance  
 37 affordability program” means a program that is one of the  
 38 following:

39 (1) The state’s Medi-Cal program under Title XIX of the federal  
 40 Social Security Act (42 U.S.C. Sec. 1396 et seq.).

1 (2) The state’s children’s health insurance program (CHIP)  
2 under Title XXI of the federal Social Security Act (42 U.S.C. Sec.  
3 1397aa et seq.).

4 (3) A program that makes available to qualified applicants  
5 coverage in a qualified health plan through the California Health  
6 Benefit Exchange, established pursuant to Title 22 (commencing  
7 with Section 100500) of the Government Code, with advance  
8 payment of the premium tax credit established under Section 36B  
9 of the Internal Revenue Code.

10 (4) A program that makes available coverage in a qualified  
11 health plan through the California Health Benefit Exchange,  
12 established pursuant to Title 22 (commencing with Section 100500)  
13 of the Government Code, with cost-sharing reductions established  
14 under Section 1402 of the federal Patient Protection and Affordable  
15 Care Act (Public Law 111-148), and any subsequent amendments  
16 to that act.

17 (b) This section shall become operative on ~~January 1, 2014~~  
18 *October 1, 2013*.

19 ~~SEC. 39.~~

20 *SEC. 25.* Section 14102 is added to the Welfare and Institutions  
21 Code, to read:

22 14102. (a) ~~(1)~~ Notwithstanding any other *provision of law*  
23 and except as otherwise provided in this section, any individual  
24 who is 21 years of age or older, who does not have minor children  
25 eligible for ~~Medi-Cal~~, *Medi-Cal benefits* and would be eligible for  
26 ~~full-scope~~ *Medi-Cal benefits* pursuant to Section  
27 1902(a)(10)(A)(i)(VIII) of Title XIX of the federal Social Security  
28 Act (42 U.S.C. Sec. 1396a(a)(10)(A)(i)(VIII)) but for the five-year  
29 eligibility limitation under Section 1613 of Title 8 of the United  
30 States ~~Code~~ *Code*, and who is ~~otherwise eligible for state-only~~  
31 ~~funded full-scope benefits shall be ineligible for those state-only~~  
32 ~~funded benefits if he or she is eligible for, and is not barred from~~  
33 ~~enrolling in because he or she is outside of an available enrollment~~  
34 ~~period for coverage with an advanced premium tax credit offered~~  
35 ~~through the Exchange. is enrolled in coverage through the~~  
36 *Exchange with an advanced premium tax credit shall be eligible*  
37 *for the following:*

38 ~~(2) On or after January 1, 2015, if an individual is eligible for~~  
39 ~~and does not enroll in coverage offered through the Exchange with~~  
40 ~~an advanced premium tax credit during his or her first available~~

1 enrollment period, that individual shall be ineligible for the  
2 state-only funded benefits referenced in paragraph (1), except as  
3 provided in paragraph (3).

4 ~~(3) An individual shall be ineligible for Medi-Cal pursuant to  
5 this section only if and when he or she is able to receive the  
6 premium assistance, cost sharing, and benefits described in  
7 subdivision (c). Disenrollment from state-only Medi-Cal shall only  
8 occur during an available enrollment period in the Exchange.~~

9 ~~(4) The department shall inform and assist such individuals on  
10 enrolling in coverage through the Exchange with the premium  
11 assistance, cost sharing, and benefits described in subdivision (c)  
12 and the process for disenrollment from Medi-Cal, if applicable, in  
13 a way that ensures seamless transition between coverage, including,  
14 but not limited to, developing processes to coordinate with the  
15 county entities that administer eligibility for coverage in Medi-Cal  
16 and the Exchange.~~

17 ~~(b) (1) An individual who is a state-only Medi-Cal person as  
18 defined in Section 14052 shall not be subject to subdivision (a) or  
19 (c).~~

20 ~~(c) An individual subject to subdivision (a) who is enrolled in  
21 coverage through the Exchange with an advanced premium tax  
22 credit shall be eligible for the following:~~

23 ~~(1) Those Medi-Cal benefits for which he or she would have  
24 been eligible but for the five-year eligibility limitation only to the  
25 extent that they are not available through his or her individual  
26 health plan.~~

27 ~~(2) The department shall pay on behalf of the beneficiary:~~

28 ~~(A) The beneficiary's insurance premium costs for an individual  
29 health plan, minus the beneficiary's premium tax credit authorized  
30 by Section 36B of Title 26 of the United States Code and its  
31 implementing regulations.~~

32 ~~(B) The beneficiary's cost-sharing charges so that the individual  
33 has the same cost-sharing charges as he or she would have in the  
34 Medi-Cal program.~~

35 ~~(b) (1) If an individual is eligible for benefits under subdivision  
36 (a) and he or she is otherwise eligible for state-only funded  
37 full-scope benefits, but (A) he or she is barred from enrolling in  
38 an Exchange qualified health plan because he or she is outside of  
39 an available enrollment period for coverage or (B) the Exchange  
40 and the department do not have the operational capability to~~

1 *implement the benefits under subdivision (a), he or she shall remain*  
2 *eligible for those state-only funded benefits subject to paragraph*  
3 *(2).*

4 *(2) On the first date that an individual referenced in paragraph*  
5 *(1) is eligible for and can enroll in coverage under a qualified*  
6 *health plan offered through the Exchange, he or she shall be*  
7 *ineligible for the state-only funded full-scope benefits referenced*  
8 *in paragraph (1) unless the Exchange and the department do not*  
9 *have the operational capability to implement the benefits under*  
10 *subdivision (a).*

11 *(c) The department shall inform and assist individuals eligible*  
12 *under this section on enrolling in coverage through the Exchange*  
13 *with the premium assistance, cost sharing, and benefits described*  
14 *in subdivision (a), including, but not limited to, developing*  
15 *processes to coordinate with the county entities that administer*  
16 *eligibility for coverage in Medi-Cal and the Exchange.*

17 *(d) For purposes of this section, the following definitions shall*  
18 *apply:*

19 *(1) “Cost-sharing charges” means any expenditure required by*  
20 *or on behalf of an enrollee by his or her individual health plan with*  
21 *respect to essential health benefits and includes deductibles,*  
22 *coinsurance, copayments, or similar charges, but excludes*  
23 *premiums, and spending for noncovered services.*

24 *(2) “Exchange” means the California Health Benefit Exchange*  
25 *established pursuant to Section 100500 of the Government Code.*

26 *(e) Benefits for services under this section shall be provided*  
27 *with state-only funds only if federal financial participation is not*  
28 *available for those services. The department shall maximize federal*  
29 *financial participation in implementing this section to the extent*  
30 *allowable.*

31 *(f) Notwithstanding Chapter 3.5 (commencing with Section*  
32 *11340) of Part 1 of Division 3 of Title 2 of the Government Code,*  
33 *the department, without taking any further regulatory action, shall*  
34 *implement, interpret, or make specific this section by means of*  
35 *all-county letters, plan letters, plan or provider bulletins, or similar*  
36 *instructions until the time regulations are adopted. Thereafter, the*  
37 *department shall adopt regulations in accordance with the*  
38 *requirements of Chapter 3.5 (commencing with Section 11340) of*  
39 *Part 1 of Division 3 of Title 2 of the Government Code. Beginning*  
40 *six months after the effective date of this section, the department*

1 shall provide a status report to the Legislature on a semiannual  
2 basis until regulations have been adopted.

3 (g) This section shall become operative on January 1, 2014.

4 ~~SEC. 40. Section 14102.5 is added to the Welfare and~~  
5 ~~Institutions Code, to read:~~

6 ~~14102.5. (a) The department shall, in collaboration with the~~  
7 ~~Exchange, the counties, consumer advocates, and the Statewide~~  
8 ~~Automated Welfare System consortia, develop and prepare one or~~  
9 ~~more reports that shall be issued on at least a quarterly basis and~~  
10 ~~shall be made publicly available within 30 days following the end~~  
11 ~~of each quarter, for the purpose of informing the California Health~~  
12 ~~and Human Services Agency, the Exchange, the Legislature, and~~  
13 ~~the public about the enrollment process for all insurance~~  
14 ~~affordability programs. The reports shall comply with federal~~  
15 ~~reporting requirements and shall, at a minimum, include the~~  
16 ~~following information, to be derived from, as appropriate~~  
17 ~~depending on the data element, CalHEERS, MEDS, or the~~  
18 ~~Statewide Automated Welfare System:~~

19 ~~(1) For applications received for insurance affordability~~  
20 ~~programs through any venue, all of the following:~~

21 ~~(A) The number of applications received through each venue.~~

22 ~~(B) The number of applicants included on those applications.~~

23 ~~(C) Applicant demographics, including, but not limited to,~~  
24 ~~gender, age, race, ethnicity, and primary language.~~

25 ~~(D) The disposition of applications, including all of the~~  
26 ~~following:~~

27 ~~(i) The number of eligibility determinations that resulted in an~~  
28 ~~approval for coverage.~~

29 ~~(ii) The program or programs for which the individuals in clause~~  
30 ~~(i) were determined eligible.~~

31 ~~(iii) The number of applications that were denied for any~~  
32 ~~coverage and the reason or reasons for the denials.~~

33 ~~(E) The number of days for eligibility determinations.~~

34 ~~(2) With regard to health plan selection, all of the following:~~

35 ~~(A) The health plans that are selected by applicants enrolled in~~  
36 ~~an insurance affordability program, reported by the program.~~

37 ~~(B) The number of Medi-Cal enrollees who do not select a health~~  
38 ~~plan but are defaulted into a plan.~~

39 ~~(3) For annual redeterminations conducted for beneficiaries, all~~  
40 ~~of the following:~~

- 1 (A) The number of redeterminations processed.
- 2 (B) The number of redeterminations that resulted in continued
- 3 eligibility for the same program.
- 4 (C) The number of redeterminations that resulted in a change
- 5 in eligibility to a different program.
- 6 (D) The number of redeterminations that resulted in a finding
- 7 of ineligibility for any program and the reason or reasons for the
- 8 findings of ineligibility.
- 9 (E) The number of days for redeterminations to be completed.
- 10 (4) With regard to disenrollments not related to a
- 11 redetermination of eligibility, all of the following:
- 12 (A) The number of beneficiary disenrollments.
- 13 (B) The reasons for the disenrollments.
- 14 (C) The number of disenrollments that are caused by an
- 15 individual disenrolling from one insurance affordability program
- 16 and enrolling into another.
- 17 (5) The number of applications for insurance affordability
- 18 programs that were filed with the help of an assister or navigator.
- 19 (6) The total number of grievances and appeals filed by
- 20 applicants and enrollees regarding eligibility for insurance
- 21 affordability programs, the basis for the grievance, and the
- 22 outcomes of the appeals.
- 23 (b) The department shall collect the information necessary for
- 24 these reports and develop these reports using data obtained from
- 25 the Statewide Automated Welfare System, CalHEERS, MEDS,
- 26 and any other appropriate state information management systems.
- 27 (c) For purposes of this section, the following definitions shall
- 28 apply:
- 29 (1) “CalHEERS” means the California Healthcare Eligibility,
- 30 Enrollment, and Retention System developed under Section 15926.
- 31 (2) “Exchange” means the California Health Benefit Exchange
- 32 established pursuant to Title 22 (commencing with Section 100500)
- 33 of the Government Code.
- 34 (3) “Statewide Automated Welfare System” means the system
- 35 developed pursuant to Section 10823.
- 36 (4) “MEDS” means the Medi-Cal Eligibility Data System.
- 37 (d) Notwithstanding Chapter 3.5 (commencing with Section
- 38 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
- 39 the department, without taking any further regulatory action, shall
- 40 implement, interpret, or make specific this section by means of

1 all-county letters, plan letters, plan or provider bulletins, or similar  
 2 instructions until the time regulations are adopted. Thereafter, the  
 3 department shall adopt regulations in accordance with the  
 4 requirements of Chapter 3.5 (commencing with Section 11340) of  
 5 Part 1 of Division 3 of Title 2 of the Government Code. Beginning  
 6 six months after the effective date of this section, the department  
 7 shall provide a status report to the Legislature on a semiannual  
 8 basis until regulations have been adopted.

9 ~~(e) This section shall become operative on January 1, 2014.~~

10 *SEC. 26. Section 14103 is added to the Welfare and Institutions*  
 11 *Code, to read:*

12 *14103. (a) The implementation of the optional expansion of*  
 13 *Medi-Cal benefits to adults who meet the eligibility requirements*  
 14 *of Section 1902(a)(10)(A)(i)(VIII) of Title XIX of the federal Social*  
 15 *Security Act (42 U.S.C. Sec. 1396a(a)(10)(A)(i)(VIII)), shall be*  
 16 *contingent upon the following:*

17 *(1) If the federal medical assistance percentage payable to the*  
 18 *state under the ACA for the optional expansion of Medi-Cal*  
 19 *benefits to adults is reduced below 90 percent, that reduction shall*  
 20 *be addressed in a timely manner through the annual state budget*  
 21 *or legislative process. Upon receiving notification of any reduction*  
 22 *in federal assistance pursuant to this paragraph, the Director of*  
 23 *Finance shall immediately notify the Chairpersons of the Senate*  
 24 *and Assembly Health Committees and the Chairperson of the Joint*  
 25 *Legislative Budget Committee.*

26 *(2) If, prior to January 1, 2018, the federal medical assistance*  
 27 *percentage payable to the state under the ACA for the optional*  
 28 *expansion of Medi-Cal benefits to adults is reduced to 70 percent*  
 29 *or less, the implementation of any provision in this chapter*  
 30 *authorizing the optional expansion of Medi-Cal benefits to adults*  
 31 *shall cease 12 months after the effective date of the federal law or*  
 32 *other action reducing the federal medical assistance percentage.*

33 *(b) For purposes of this section, "ACA" means the federal*  
 34 *Patient Protection and Affordable Care Act (Public Law 111-148)*  
 35 *as originally enacted and as amended by the federal Health Care*  
 36 *and Education Reconciliation Act of 2010 (Public Law 111-152)*  
 37 *and any subsequent amendments.*

38 ~~SEC. 41.~~

39 *SEC. 27. Section 14132 of the Welfare and Institutions Code*  
 40 *is amended to read:*

1 14132. The following is the schedule of benefits under this  
2 chapter:

3 (a) Outpatient services are covered as follows:

4 Physician, hospital or clinic outpatient, surgical center,  
5 respiratory care, optometric, chiropractic, psychology, podiatric,  
6 occupational therapy, physical therapy, speech therapy, audiology,  
7 acupuncture to the extent federal matching funds are provided for  
8 acupuncture, and services of persons rendering treatment by prayer  
9 or healing by spiritual means in the practice of any church or  
10 religious denomination insofar as these can be encompassed by  
11 federal participation under an approved plan, subject to utilization  
12 controls.

13 (b) (1) Inpatient hospital services, including, but not limited  
14 to, physician and podiatric services, physical therapy and  
15 occupational therapy, are covered subject to utilization controls.

16 (2) For Medi-Cal fee-for-service beneficiaries, emergency  
17 services and care that are necessary for the treatment of an  
18 emergency medical condition and medical care directly related to  
19 the emergency medical condition. This paragraph shall not be  
20 construed to change the obligation of Medi-Cal managed care  
21 plans to provide emergency services and care. For the purposes of  
22 this paragraph, “emergency services and care” and “emergency  
23 medical condition” shall have the same meanings as those terms  
24 are defined in Section 1317.1 of the Health and Safety Code.

25 (c) Nursing facility services, subacute care services, and services  
26 provided by any category of intermediate care facility for the  
27 developmentally disabled, including podiatry, physician, nurse  
28 practitioner services, and prescribed drugs, as described in  
29 subdivision (d), are covered subject to utilization controls.  
30 Respiratory care, physical therapy, occupational therapy, speech  
31 therapy, and audiology services for patients in nursing facilities  
32 and any category of intermediate care facility for the  
33 developmentally disabled are covered subject to utilization controls.

34 (d) (1) Purchase of prescribed drugs is covered subject to the  
35 Medi-Cal List of Contract Drugs and utilization controls.

36 (2) Purchase of drugs used to treat erectile dysfunction or any  
37 off-label uses of those drugs are covered only to the extent that  
38 federal financial participation is available.

39 (3) (A) To the extent required by federal law, the purchase of  
40 outpatient prescribed drugs, for which the prescription is executed

1 by a prescriber in written, nonelectronic form on or after April 1,  
2 2008, is covered only when executed on a tamper resistant  
3 prescription form. The implementation of this paragraph shall  
4 conform to the guidance issued by the federal Centers for Medicare  
5 and Medicaid Services but shall not conflict with state statutes on  
6 the characteristics of tamper resistant prescriptions for controlled  
7 substances, including Section 11162.1 of the Health and Safety  
8 Code. The department shall provide providers and beneficiaries  
9 with as much flexibility in implementing these rules as allowed  
10 by the federal government. The department shall notify and consult  
11 with appropriate stakeholders in implementing, interpreting, or  
12 making specific this paragraph.

13 (B) Notwithstanding Chapter 3.5 (commencing with Section  
14 11340) of Part 1 of Division 3 of Title 2 of the Government Code,  
15 the department may take the actions specified in subparagraph (A)  
16 by means of a provider bulletin or notice, policy letter, or other  
17 similar instructions without taking regulatory action.

18 (4) (A) (i) For the purposes of this paragraph, nonlegend has  
19 the same meaning as defined in subdivision (a) of Section  
20 14105.45.

21 (ii) Nonlegend acetaminophen-containing products, with the  
22 exception of children's acetaminophen-containing products,  
23 selected by the department are not covered benefits.

24 (iii) Nonlegend cough and cold products selected by the  
25 department are not covered benefits. This clause shall be  
26 implemented on the first day of the first calendar month following  
27 90 days after the effective date of the act that added this clause,  
28 or on the first day of the first calendar month following 60 days  
29 after the date the department secures all necessary federal approvals  
30 to implement this section, whichever is later.

31 (iv) Beneficiaries under the Early and Periodic Screening,  
32 Diagnosis, and Treatment Program shall be exempt from clauses  
33 (ii) and (iii).

34 (B) Notwithstanding Chapter 3.5 (commencing with Section  
35 11340) of Part 1 of Division 3 of Title 2 of the Government Code,  
36 the department may take the actions specified in subparagraph (A)  
37 by means of a provider bulletin or notice, policy letter, or other  
38 similar instruction without taking regulatory action.

39 (e) Outpatient dialysis services and home hemodialysis services,  
40 including physician services, medical supplies, drugs and

1 equipment required for dialysis, are covered, subject to utilization  
2 controls.

3 (f) Anesthesiologist services when provided as part of an  
4 outpatient medical procedure, nurse anesthetist services when  
5 rendered in an inpatient or outpatient setting under conditions set  
6 forth by the director, outpatient laboratory services, and X-ray  
7 services are covered, subject to utilization controls. Nothing in  
8 this subdivision shall be construed to require prior authorization  
9 for anesthesiologist services provided as part of an outpatient  
10 medical procedure or for portable X-ray services in a nursing  
11 facility or any category of intermediate care facility for the  
12 developmentally disabled.

13 (g) Blood and blood derivatives are covered.

14 (h) (1) Emergency and essential diagnostic and restorative  
15 dental services, except for orthodontic, fixed bridgework, and  
16 partial dentures that are not necessary for balance of a complete  
17 artificial denture, are covered, subject to utilization controls. The  
18 utilization controls shall allow emergency and essential diagnostic  
19 and restorative dental services and prostheses that are necessary  
20 to prevent a significant disability or to replace previously furnished  
21 prostheses which are lost or destroyed due to circumstances beyond  
22 the beneficiary's control. Notwithstanding the foregoing, the  
23 director may by regulation provide for certain fixed artificial  
24 dentures necessary for obtaining employment or for medical  
25 conditions that preclude the use of removable dental prostheses,  
26 and for orthodontic services in cleft palate deformities administered  
27 by the department's California Children Services Program.

28 (2) For persons 21 years of age or older, the services specified  
29 in paragraph (1) shall be provided subject to the following  
30 conditions:

31 (A) Periodontal treatment is not a benefit.

32 (B) Endodontic therapy is not a benefit except for vital  
33 pulpotomy.

34 (C) Laboratory processed crowns are not a benefit.

35 (D) Removable prosthetics shall be a benefit only for patients  
36 as a requirement for employment.

37 (E) The director may, by regulation, provide for the provision  
38 of fixed artificial dentures that are necessary for medical conditions  
39 that preclude the use of removable dental prostheses.

1 (F) Notwithstanding the conditions specified in subparagraphs  
2 (A) to (E), inclusive, the department may approve services for  
3 persons with special medical disorders subject to utilization review.

4 (3) Paragraph (2) shall become inoperative July 1, 1995.

5 (i) Medical transportation is covered, subject to utilization  
6 controls.

7 (j) Home health care services are covered, subject to utilization  
8 controls.

9 (k) Prosthetic and orthotic devices and eyeglasses are covered,  
10 subject to utilization controls. Utilization controls shall allow  
11 replacement of prosthetic and orthotic devices and eyeglasses  
12 necessary because of loss or destruction due to circumstances  
13 beyond the beneficiary's control. Frame styles for eyeglasses  
14 replaced pursuant to this subdivision shall not change more than  
15 once every two years, unless the department so directs.

16 Orthopedic and conventional shoes are covered when provided  
17 by a prosthetic and orthotic supplier on the prescription of a  
18 physician and when at least one of the shoes will be attached to a  
19 prosthesis or brace, subject to utilization controls. Modification  
20 of stock conventional or orthopedic shoes when medically  
21 indicated, is covered subject to utilization controls. When there is  
22 a clearly established medical need that cannot be satisfied by the  
23 modification of stock conventional or orthopedic shoes,  
24 custom-made orthopedic shoes are covered, subject to utilization  
25 controls.

26 Therapeutic shoes and inserts are covered when provided to  
27 beneficiaries with a diagnosis of diabetes, subject to utilization  
28 controls, to the extent that federal financial participation is  
29 available.

30 (l) Hearing aids are covered, subject to utilization controls.  
31 Utilization controls shall allow replacement of hearing aids  
32 necessary because of loss or destruction due to circumstances  
33 beyond the beneficiary's control.

34 (m) Durable medical equipment and medical supplies are  
35 covered, subject to utilization controls. The utilization controls  
36 shall allow the replacement of durable medical equipment and  
37 medical supplies when necessary because of loss or destruction  
38 due to circumstances beyond the beneficiary's control. The  
39 utilization controls shall allow authorization of durable medical  
40 equipment needed to assist a disabled beneficiary in caring for a

1 child for whom the disabled beneficiary is a parent, stepparent,  
2 foster parent, or legal guardian, subject to the availability of federal  
3 financial participation. The department shall adopt emergency  
4 regulations to define and establish criteria for assistive durable  
5 medical equipment in accordance with the rulemaking provisions  
6 of the Administrative Procedure Act (Chapter 3.5 (commencing  
7 with Section 11340) of Part 1 of Division 3 of Title 2 of the  
8 Government Code).

9 (n) Family planning services are covered, subject to utilization  
10 controls.

11 (o) Inpatient intensive rehabilitation hospital services, including  
12 respiratory rehabilitation services, in a general acute care hospital  
13 are covered, subject to utilization controls, when either of the  
14 following criteria are met:

15 (1) A patient with a permanent disability or severe impairment  
16 requires an inpatient intensive rehabilitation hospital program as  
17 described in Section 14064 to develop function beyond the limited  
18 amount that would occur in the normal course of recovery.

19 (2) A patient with a chronic or progressive disease requires an  
20 inpatient intensive rehabilitation hospital program as described in  
21 Section 14064 to maintain the patient's present functional level as  
22 long as possible.

23 (p) (1) Adult day health care is covered in accordance with  
24 Chapter 8.7 (commencing with Section 14520).

25 (2) Commencing 30 days after the effective date of the act that  
26 added this paragraph, and notwithstanding the number of days  
27 previously approved through a treatment authorization request,  
28 adult day health care is covered for a maximum of three days per  
29 week.

30 (3) As provided in accordance with paragraph (4), adult day  
31 health care is covered for a maximum of five days per week.

32 (4) As of the date that the director makes the declaration  
33 described in subdivision (g) of Section 14525.1, paragraph (2)  
34 shall become inoperative and paragraph (3) shall become operative.

35 (q) (1) Application of fluoride, or other appropriate fluoride  
36 treatment as defined by the department, other prophylaxis treatment  
37 for children 17 years of age and under, are covered.

38 (2) All dental hygiene services provided by a registered dental  
39 hygienist in alternative practice pursuant to Sections 1768 and  
40 1770 of the Business and Professions Code may be covered as

1 long as they are within the scope of Denti-Cal benefits and they  
2 are necessary services provided by a registered dental hygienist  
3 in alternative practice.

4 (r) (1) Paramedic services performed by a city, county, or  
5 special district, or pursuant to a contract with a city, county, or  
6 special district, and pursuant to a program established under Article  
7 3 (commencing with Section 1480) of Chapter 2.5 of Division 2  
8 of the Health and Safety Code by a paramedic certified pursuant  
9 to that article, and consisting of defibrillation and those services  
10 specified in subdivision (3) of Section 1482 of the article.

11 (2) All providers enrolled under this subdivision shall satisfy  
12 all applicable statutory and regulatory requirements for becoming  
13 a Medi-Cal provider.

14 (3) This subdivision shall be implemented only to the extent  
15 funding is available under Section 14106.6.

16 (s) In-home medical care services are covered when medically  
17 appropriate and subject to utilization controls, for beneficiaries  
18 who would otherwise require care for an extended period of time  
19 in an acute care hospital at a cost higher than in-home medical  
20 care services. The director shall have the authority under this  
21 section to contract with organizations qualified to provide in-home  
22 medical care services to those persons. These services may be  
23 provided to patients placed in shared or congregate living  
24 arrangements, if a home setting is not medically appropriate or  
25 available to the beneficiary. As used in this section, “in-home  
26 medical care service” includes utility bills directly attributable to  
27 continuous, 24-hour operation of life-sustaining medical equipment,  
28 to the extent that federal financial participation is available.

29 As used in this subdivision, in-home medical care services,  
30 include, but are not limited to:

31 (1) Level of care and cost of care evaluations.

32 (2) Expenses, directly attributable to home care activities, for  
33 materials.

34 (3) Physician fees for home visits.

35 (4) Expenses directly attributable to home care activities for  
36 shelter and modification to shelter.

37 (5) Expenses directly attributable to additional costs of special  
38 diets, including tube feeding.

39 (6) Medically related personal services.

40 (7) Home nursing education.

- 1 (8) Emergency maintenance repair.
- 2 (9) Home health agency personnel benefits which permit
- 3 coverage of care during periods when regular personnel are on
- 4 vacation or using sick leave.
- 5 (10) All services needed to maintain antiseptic conditions at
- 6 stoma or shunt sites on the body.
- 7 (11) Emergency and nonemergency medical transportation.
- 8 (12) Medical supplies.
- 9 (13) Medical equipment, including, but not limited to, scales,
- 10 gurneys, and equipment racks suitable for paralyzed patients.
- 11 (14) Utility use directly attributable to the requirements of home
- 12 care activities which are in addition to normal utility use.
- 13 (15) Special drugs and medications.
- 14 (16) Home health agency supervision of visiting staff which is
- 15 medically necessary, but not included in the home health agency
- 16 rate.
- 17 (17) Therapy services.
- 18 (18) Household appliances and household utensil costs directly
- 19 attributable to home care activities.
- 20 (19) Modification of medical equipment for home use.
- 21 (20) Training and orientation for use of life-support systems,
- 22 including, but not limited to, support of respiratory functions.
- 23 (21) Respiratory care practitioner services as defined in Sections
- 24 3702 and 3703 of the Business and Professions Code, subject to
- 25 prescription by a physician and surgeon.
- 26 Beneficiaries receiving in-home medical care services are entitled
- 27 to the full range of services within the Medi-Cal scope of benefits
- 28 as defined by this section, subject to medical necessity and
- 29 applicable utilization control. Services provided pursuant to this
- 30 subdivision, which are not otherwise included in the Medi-Cal
- 31 schedule of benefits, shall be available only to the extent that
- 32 federal financial participation for these services is available in
- 33 accordance with a home- and community-based services waiver.
- 34 (t) Home- and community-based services approved by the
- 35 United States Department of Health and Human Services ~~may be~~
- 36 *are* covered to the extent that federal financial participation is
- 37 available for those services under *the state plan or* waivers granted
- 38 in accordance with Section *1315 or* 1396n of Title 42 of the United
- 39 States Code. The director may seek waivers for any or all home-
- 40 and community-based services approvable under Section *1315 or*

1 1396n of Title 42 of the United States Code. Coverage for those  
2 services shall be limited by the terms, conditions, and duration of  
3 the federal waivers.

4 (u) Comprehensive perinatal services, as provided through an  
5 agreement with a health care provider designated in Section  
6 14134.5 and meeting the standards developed by the department  
7 pursuant to Section 14134.5, subject to utilization controls.

8 The department shall seek any federal waivers necessary to  
9 implement the provisions of this subdivision. The provisions for  
10 which appropriate federal waivers cannot be obtained shall not be  
11 implemented. Provisions for which waivers are obtained or for  
12 which waivers are not required shall be implemented  
13 notwithstanding any inability to obtain federal waivers for the  
14 other provisions. No provision of this subdivision shall be  
15 implemented unless matching funds from Subchapter XIX  
16 (commencing with Section 1396) of Chapter 7 of Title 42 of the  
17 United States Code are available.

18 (v) Early and periodic screening, diagnosis, and treatment for  
19 any individual under 21 years of age is covered, consistent with  
20 the requirements of Subchapter XIX (commencing with Section  
21 1396) of Chapter 7 of Title 42 of the United States Code.

22 (w) Hospice service which is Medicare-certified hospice service  
23 is covered, subject to utilization controls. Coverage shall be  
24 available only to the extent that no additional net program costs  
25 are incurred.

26 (x) When a claim for treatment provided to a beneficiary  
27 includes both services which are authorized and reimbursable  
28 under this chapter, and services which are not reimbursable under  
29 this chapter, that portion of the claim for the treatment and services  
30 authorized and reimbursable under this chapter shall be payable.

31 (y) Home- and community-based services approved by the  
32 United States Department of Health and Human Services for  
33 beneficiaries with a diagnosis of AIDS or ARC, who require  
34 intermediate care or a higher level of care.

35 Services provided pursuant to a waiver obtained from the  
36 Secretary of the United States Department of Health and Human  
37 Services pursuant to this subdivision, and which are not otherwise  
38 included in the Medi-Cal schedule of benefits, shall be available  
39 only to the extent that federal financial participation for these  
40 services is available in accordance with the waiver, and subject to

1 the terms, conditions, and duration of the waiver. These services  
2 shall be provided to individual beneficiaries in accordance with  
3 the client’s needs as identified in the plan of care, and subject to  
4 medical necessity and applicable utilization control.

5 The director may under this section contract with organizations  
6 qualified to provide, directly or by subcontract, services provided  
7 for in this subdivision to eligible beneficiaries. Contracts or  
8 agreements entered into pursuant to this division shall not be  
9 subject to the Public Contract Code.

10 (z) Respiratory care when provided in organized health care  
11 systems as defined in Section 3701 of the Business and Professions  
12 Code, and as an in-home medical service as outlined in subdivision  
13 (s).

14 (aa) (1) There is hereby established in the department, a  
15 program to provide comprehensive clinical family planning  
16 services to any person who has a family income at or below 200  
17 percent of the federal poverty level, as revised annually, and who  
18 is eligible to receive these services pursuant to the waiver identified  
19 in paragraph (2). This program shall be known as the Family  
20 Planning, Access, Care, and Treatment (Family PACT) Program.

21 (2) The department shall seek a waiver in accordance with  
22 Section 1315 of Title 42 of the United States Code, or a state plan  
23 amendment adopted in accordance with Section  
24 1396a(a)(10)(A)(ii)(XXI) of Title 42 of the United States Code,  
25 which was added to Section 1396a of Title 42 of the United States  
26 Code by Section 2303(a)(2) of the federal Patient Protection and  
27 Affordable Care Act (PPACA) (Public Law 111-148), for a  
28 program to provide comprehensive clinical family planning  
29 services as described in paragraph (8). Under the waiver, the  
30 program shall be operated only in accordance with the waiver and  
31 the statutes and regulations in paragraph (4) and subject to the  
32 terms, conditions, and duration of the waiver. Under the state plan  
33 amendment, which shall replace the waiver and shall be known as  
34 the Family PACT successor state plan amendment, the program  
35 shall be operated only in accordance with this subdivision and the  
36 statutes and regulations in paragraph (4). The state shall use the  
37 standards and processes imposed by the state on January 1, 2007,  
38 including the application of an eligibility discount factor to the  
39 extent required by the federal Centers for Medicare and Medicaid  
40 Services, for purposes of determining eligibility as permitted under

1 Section 1396a(a)(10)(A)(ii)(XXI) of Title 42 of the United States  
2 Code. To the extent that federal financial participation is available,  
3 the program shall continue to conduct education, outreach,  
4 enrollment, service delivery, and evaluation services as specified  
5 under the waiver. The services shall be provided under the program  
6 only if the waiver and, when applicable, the successor state plan  
7 amendment are approved by the federal Centers for Medicare and  
8 Medicaid Services and only to the extent that federal financial  
9 participation is available for the services. Nothing in this section  
10 shall prohibit the department from seeking the Family PACT  
11 successor state plan amendment during the operation of the waiver.

12 (3) Solely for the purposes of the waiver or Family PACT  
13 successor state plan amendment and notwithstanding any other  
14 provision of law, the collection and use of an individual's social  
15 security number shall be necessary only to the extent required by  
16 federal law.

17 (4) Sections 14105.3 to 14105.39, inclusive, 14107.11, 24005,  
18 and 24013, and any regulations adopted under these statutes shall  
19 apply to the program provided for under this subdivision. No other  
20 provision of law under the Medi-Cal program or the State-Only  
21 Family Planning Program shall apply to the program provided for  
22 under this subdivision.

23 (5) Notwithstanding Chapter 3.5 (commencing with Section  
24 11340) of Part 1 of Division 3 of Title 2 of the Government Code,  
25 the department may implement, without taking regulatory action,  
26 the provisions of the waiver after its approval by the federal Health  
27 Care Financing Administration and the provisions of this section  
28 by means of an all-county letter or similar instruction to providers.  
29 Thereafter, the department shall adopt regulations to implement  
30 this section and the approved waiver in accordance with the  
31 requirements of Chapter 3.5 (commencing with Section 11340) of  
32 Part 1 of Division 3 of Title 2 of the Government Code. Beginning  
33 six months after the effective date of the act adding this  
34 subdivision, the department shall provide a status report to the  
35 Legislature on a semiannual basis until regulations have been  
36 adopted.

37 (6) In the event that the Department of Finance determines that  
38 the program operated under the authority of the waiver described  
39 in paragraph (2) or the Family PACT successor state plan  
40 amendment is no longer cost effective, this subdivision shall

1 become inoperative on the first day of the first month following  
2 the issuance of a 30-day notification of that determination in  
3 writing by the Department of Finance to the chairperson in each  
4 house that considers appropriations, the chairpersons of the  
5 committees, and the appropriate subcommittees in each house that  
6 considers the State Budget, and the Chairperson of the Joint  
7 Legislative Budget Committee.

8 (7) If this subdivision ceases to be operative, all persons who  
9 have received or are eligible to receive comprehensive clinical  
10 family planning services pursuant to the waiver described in  
11 paragraph (2) shall receive family planning services under the  
12 Medi-Cal program pursuant to subdivision (n) if they are otherwise  
13 eligible for Medi-Cal with no share of cost, or shall receive  
14 comprehensive clinical family planning services under the program  
15 established in Division 24 (commencing with Section 24000) either  
16 if they are eligible for Medi-Cal with a share of cost or if they are  
17 otherwise eligible under Section 24003.

18 (8) For purposes of this subdivision, “comprehensive clinical  
19 family planning services” means the process of establishing  
20 objectives for the number and spacing of children, and selecting  
21 the means by which those objectives may be achieved. These  
22 means include a broad range of acceptable and effective methods  
23 and services to limit or enhance fertility, including contraceptive  
24 methods, federal Food and Drug Administration approved  
25 contraceptive drugs, devices, and supplies, natural family planning,  
26 abstinence methods, and basic, limited fertility management.  
27 Comprehensive clinical family planning services include, but are  
28 not limited to, preconception counseling, maternal and fetal health  
29 counseling, general reproductive health care, including diagnosis  
30 and treatment of infections and conditions, including cancer, that  
31 threaten reproductive capability, medical family planning treatment  
32 and procedures, including supplies and followup, and  
33 informational, counseling, and educational services.  
34 Comprehensive clinical family planning services shall not include  
35 abortion, pregnancy testing solely for the purposes of referral for  
36 abortion or services ancillary to abortions, or pregnancy care that  
37 is not incident to the diagnosis of pregnancy. Comprehensive  
38 clinical family planning services shall be subject to utilization  
39 control and include all of the following:

1 (A) Family planning related services and male and female  
2 sterilization. Family planning services for men and women shall  
3 include emergency services and services for complications directly  
4 related to the contraceptive method, federal Food and Drug  
5 Administration approved contraceptive drugs, devices, and  
6 supplies, and followup, consultation, and referral services, as  
7 indicated, which may require treatment authorization requests.

8 (B) All United States Department of Agriculture, federal Food  
9 and Drug Administration approved contraceptive drugs, devices,  
10 and supplies that are in keeping with current standards of practice  
11 and from which the individual may choose.

12 (C) Culturally and linguistically appropriate health education  
13 and counseling services, including informed consent, that include  
14 all of the following:

- 15 (i) Psychosocial and medical aspects of contraception.
- 16 (ii) Sexuality.
- 17 (iii) Fertility.
- 18 (iv) Pregnancy.
- 19 (v) Parenthood.
- 20 (vi) Infertility.
- 21 (vii) Reproductive health care.
- 22 (viii) Preconception and nutrition counseling.
- 23 (ix) Prevention and treatment of sexually transmitted infection.
- 24 (x) Use of contraceptive methods, federal Food and Drug  
25 Administration approved contraceptive drugs, devices, and  
26 supplies.
- 27 (xi) Possible contraceptive consequences and followup.
- 28 (xii) Interpersonal communication and negotiation of  
29 relationships to assist individuals and couples in effective  
30 contraceptive method use and planning families.

31 (D) A comprehensive health history, updated at the next periodic  
32 visit (between 11 and 24 months after initial examination) that  
33 includes a complete obstetrical history, gynecological history,  
34 contraceptive history, personal medical history, health risk factors,  
35 and family health history, including genetic or hereditary  
36 conditions.

37 (E) A complete physical examination on initial and subsequent  
38 periodic visits.

1 (F) Services, drugs, devices, and supplies deemed by the federal  
2 Centers for Medicare and Medicaid Services to be appropriate for  
3 inclusion in the program.

4 (9) In order to maximize the availability of federal financial  
5 participation under this subdivision, the director shall have the  
6 discretion to implement the Family PACT successor state plan  
7 amendment retroactively to July 1, 2010.

8 (ab) (1) Purchase of prescribed enteral nutrition products is  
9 covered, subject to the Medi-Cal list of enteral nutrition products  
10 and utilization controls.

11 (2) Purchase of enteral nutrition products is limited to those  
12 products to be administered through a feeding tube, including, but  
13 not limited to, a gastric, nasogastric, or jejunostomy tube.  
14 Beneficiaries under the Early and Periodic Screening, Diagnosis,  
15 and Treatment Program shall be exempt from this paragraph.

16 (3) Notwithstanding paragraph (2), the department may deem  
17 an enteral nutrition product, not administered through a feeding  
18 tube, including, but not limited to, a gastric, nasogastric, or  
19 jejunostomy tube, a benefit for patients with diagnoses, including,  
20 but not limited to, malabsorption and inborn errors of metabolism,  
21 if the product has been shown to be neither investigational nor  
22 experimental when used as part of a therapeutic regimen to prevent  
23 serious disability or death.

24 (4) Notwithstanding Chapter 3.5 (commencing with Section  
25 11340) of Part 1 of Division 3 of Title 2 of the Government Code,  
26 the department may implement the amendments to this subdivision  
27 made by the act that added this paragraph by means of all-county  
28 letters, provider bulletins, or similar instructions, without taking  
29 regulatory action.

30 (5) The amendments made to this subdivision by the act that  
31 added this paragraph shall be implemented June 1, 2011, or on the  
32 first day of the first calendar month following 60 days after the  
33 date the department secures all necessary federal approvals to  
34 implement this section, whichever is later.

35 (ac) Diabetic testing supplies are covered when provided by a  
36 pharmacy, subject to utilization controls.

37 ~~(ad) Commencing January 1, 2014, any benefits, services, and~~  
38 ~~coverage not otherwise described in this chapter that are included~~  
39 ~~in the essential health benefits package adopted by the state~~  
40 ~~pursuant to Section 1367.005 of the Health and Safety Code and~~

1 ~~Section 10112.27 of the Insurance Code and approved by the~~  
 2 ~~United States Secretary of Health and Human Services under~~  
 3 ~~Section 18022 of Title 42 of the United States Code, and any~~  
 4 ~~successor essential health benefit package adopted by the state.~~

5 ~~SEC. 42. Section 14132.02 is added to the Welfare and~~  
 6 ~~Institutions Code, to read:~~

7 ~~14132.02. (a) Pursuant to Sections 1902(k)(1) and~~  
 8 ~~1937(b)(1)(D) of the federal Social Security Act (42 U.S.C. Sec.~~  
 9 ~~1396a(k)(1); 42 U.S.C. Sec. 1396u-7(b)(1)(D)), the department~~  
 10 ~~shall seek approval from the United States Secretary of Health and~~  
 11 ~~Human Services to establish a benchmark benefit package that~~  
 12 ~~includes the same benefits, services, and coverage as is provided~~  
 13 ~~to all other full-scope Medi-Cal enrollees, supplemented by any~~  
 14 ~~benefits, services, and coverage included in the essential health~~  
 15 ~~benefits package adopted by the state pursuant to Section 1367.005~~  
 16 ~~of the Health and Safety Code and Section 10112.27 of the~~  
 17 ~~Insurance Code and approved by the secretary under Section 18022~~  
 18 ~~of Title 42 of the United States Code, and any successor essential~~  
 19 ~~health benefit package adopted by the state.~~

20 ~~(b) This section shall become operative on January 1, 2014.~~

21 ~~SEC. 43. Section 15926 of the Welfare and Institutions Code~~  
 22 ~~is amended to read:~~

23 ~~15926. (a) The following definitions apply for purposes of~~  
 24 ~~this part:~~

25 ~~(1) “Accessible” means in compliance with Section 11135 of~~  
 26 ~~the Government Code, Section 1557 of the PPACA, and regulations~~  
 27 ~~or guidance adopted pursuant to these statutes.~~

28 ~~(2) “Limited-English-proficient” means not speaking English~~  
 29 ~~as one’s primary language and having a limited ability to read,~~  
 30 ~~speak, write, or understand English.~~

31 ~~(3) “Insurance affordability program” means a program that is~~  
 32 ~~one of the following:~~

33 ~~(A) The Medi-Cal program under Title XIX of the federal Social~~  
 34 ~~Security Act (42 U.S.C. Sec. 1396 et seq.).~~

35 ~~(B) The Healthy Families Program under Title XXI of the~~  
 36 ~~federal Social Security Act (42 U.S.C. Sec. 1397aa et seq.).~~

37 ~~(C) A program that makes available to qualified individuals~~  
 38 ~~coverage in a qualified health plan through the California Health~~  
 39 ~~Benefit Exchange established pursuant to Title 22 (commencing~~  
 40 ~~with Section 100500) of the Government Code with advance~~

1 payment of the premium tax credit established under Section 36B  
2 of the Internal Revenue Code.

3 ~~(4) A program that makes available coverage in a qualified~~  
4 ~~health plan through the California Health Benefit Exchange~~  
5 ~~established pursuant to Title 22 (commencing with Section 100500)~~  
6 ~~of the Government Code with cost-sharing reductions established~~  
7 ~~under Section 1402 of PPACA and any subsequent amendments~~  
8 ~~to that act.~~

9 ~~(b) An individual shall have the option to apply for insurance~~  
10 ~~affordability programs in person, by mail, online, by telephone,~~  
11 ~~or by other commonly available electronic means.~~

12 ~~(e) (1) A single, accessible, standardized paper, electronic, and~~  
13 ~~telephone application for insurance affordability programs shall~~  
14 ~~be developed by the department in consultation with MRMIB and~~  
15 ~~the board governing the Exchange as part of the stakeholder process~~  
16 ~~described in subdivision (b) of Section 15925. The application~~  
17 ~~shall be used by all entities authorized to make an eligibility~~  
18 ~~determination for any of the insurance affordability programs and~~  
19 ~~by their agents.~~

20 ~~(2) The application shall be tested and operational by the date~~  
21 ~~as required by the federal Secretary of Health and Human Services.~~

22 ~~(3) The application form shall, to the extent not inconsistent~~  
23 ~~with federal statutes, regulations, and guidance, satisfy all of the~~  
24 ~~following criteria:~~

25 ~~(A) The form shall include simple, user-friendly language and~~  
26 ~~instructions.~~

27 ~~(B) The form may not ask for information related to a~~  
28 ~~nonapplicant that is not necessary to determine eligibility in the~~  
29 ~~applicant's particular circumstances.~~

30 ~~(C) The form may require only information necessary to support~~  
31 ~~the eligibility and enrollment processes for insurance affordability~~  
32 ~~programs.~~

33 ~~(D) The form may be used for, but shall not be limited to,~~  
34 ~~screening.~~

35 ~~(E) The form may ask, or be used otherwise to identify, if the~~  
36 ~~mother of an infant applicant under one year of age had coverage~~  
37 ~~through an insurance affordability program for the infant's birth,~~  
38 ~~for the purpose of automatically enrolling the infant into the~~  
39 ~~applicable program without the family having to complete the~~  
40 ~~application process for the infant.~~

1 ~~(F) The form may include questions that are voluntary for~~  
2 ~~applicants to answer regarding demographic data categories,~~  
3 ~~including race, ethnicity, primary language, disability status, and~~  
4 ~~other categories recognized by the federal Secretary of Health and~~  
5 ~~Human Services under Section 4302 of the PPACA.~~

6 ~~(G) Until January 1, 2016, the department shall instruct counties~~  
7 ~~to not reject an application that was in existence prior to January~~  
8 ~~1, 2014, but to accept the application and request any additional~~  
9 ~~information needed from the applicant in order to complete the~~  
10 ~~eligibility determination process. The department shall work with~~  
11 ~~counties and consumer advocates to develop the supplemental~~  
12 ~~questions.~~

13 ~~(d) Nothing in this section shall preclude the use of a~~  
14 ~~provider-based application form or enrollment procedures for~~  
15 ~~insurance affordability programs or other health programs that~~  
16 ~~differs from the application form described in subdivision (e), and~~  
17 ~~related enrollment procedures. Nothing in this section shall~~  
18 ~~preclude the use of a joint application, developed by the department~~  
19 ~~and the State Department of Social Services, that allows for an~~  
20 ~~application to be made for multiple programs, including, but not~~  
21 ~~limited to, CalWORKs, CalFresh, and insurance affordability~~  
22 ~~programs.~~

23 ~~(e) The entity making the eligibility determination shall grant~~  
24 ~~eligibility immediately whenever possible and with the consent of~~  
25 ~~the applicant in accordance with the state and federal rules~~  
26 ~~governing insurance affordability programs.~~

27 ~~(f) (1) If the eligibility, enrollment, and retention system has~~  
28 ~~the ability to prepopulate an application form for insurance~~  
29 ~~affordability programs with personal information from available~~  
30 ~~electronic databases, an applicant shall be given the option, with~~  
31 ~~his or her informed consent, to have the application form~~  
32 ~~prepopulated. Before a prepopulated application is submitted to~~  
33 ~~the entity authorized to make eligibility determinations, the~~  
34 ~~individual shall be given the opportunity to provide additional~~  
35 ~~eligibility information and to correct any information retrieved~~  
36 ~~from a database.~~

37 ~~(2) All insurance affordability programs shall accept~~  
38 ~~self-attestation, instead of requiring an individual to produce a~~  
39 ~~document, for age, date of birth, family size, household income,~~  
40 ~~state residence, pregnancy, and any other applicable criteria needed~~

1 to determine the eligibility of an applicant or recipient, to the extent  
2 permitted by state and federal law.

3 ~~(3) An applicant or recipient shall have his or her information~~  
4 ~~electronically verified in the manner required by the PPACA and~~  
5 ~~implementing federal regulations and guidance.~~

6 ~~(4) Before an eligibility determination is made, the individual~~  
7 ~~shall be given the opportunity to provide additional eligibility~~  
8 ~~information and to correct information.~~

9 ~~(5) The eligibility of an applicant shall not be delayed or denied~~  
10 ~~for any insurance affordability program unless the applicant is~~  
11 ~~given a reasonable opportunity, of at least the kind provided for~~  
12 ~~under the Medi-Cal program pursuant to Section 14007.5 and~~  
13 ~~paragraph (7) of subdivision (e) of Section 14011.2, to resolve~~  
14 ~~discrepancies concerning any information provided by a verifying~~  
15 ~~entity.~~

16 ~~(6) To the extent federal financial participation is available, an~~  
17 ~~applicant shall be provided benefits in accordance with the rules~~  
18 ~~of the insurance affordability program, as implemented in federal~~  
19 ~~regulations and guidance, for which he or she otherwise qualifies~~  
20 ~~until a determination is made that he or she is not eligible and all~~  
21 ~~applicable notices have been provided. Nothing in this section~~  
22 ~~shall be interpreted to grant presumptive eligibility if it is not~~  
23 ~~otherwise required by state law, and, if so required, then only to~~  
24 ~~the extent permitted by federal law.~~

25 ~~(g) The eligibility, enrollment, and retention system shall offer~~  
26 ~~an applicant and recipient assistance with his or her application or~~  
27 ~~renewal for an insurance affordability program in person, over the~~  
28 ~~telephone, by mail, online, or through other commonly available~~  
29 ~~electronic means and in a manner that is accessible to individuals~~  
30 ~~with disabilities and those who are limited English proficient.~~

31 ~~(h) (1) During the processing of an application, renewal, or a~~  
32 ~~transition due to a change in circumstances, an entity making~~  
33 ~~eligibility determinations for an insurance affordability program~~  
34 ~~shall ensure that an eligible applicant and recipient of insurance~~  
35 ~~affordability programs that meets all program eligibility~~  
36 ~~requirements and complies with all necessary requests for~~  
37 ~~information moves between programs without any breaks in~~  
38 ~~coverage and without being required to provide any forms,~~  
39 ~~documents, or other information or undergo verification that is~~  
40 ~~duplicative or otherwise unnecessary. The individual shall be~~

1 informed about how to obtain information about the status of his  
2 or her application, renewal, or transfer to another program at any  
3 time, and the information shall be promptly provided when  
4 requested.

5 (2) The application or case of an individual screened as not  
6 eligible for Medi-Cal on the basis of Modified Adjusted Gross  
7 Income (MAGI) household income but who may be eligible on  
8 the basis of being 65 years of age or older, or on the basis of  
9 blindness or disability, shall be forwarded to the Medi-Cal program  
10 for an eligibility determination. During the period this application  
11 or case is processed for a non-MAGI Medi-Cal eligibility  
12 determination, if the applicant or recipient is otherwise eligible  
13 for an insurance affordability program, he or she shall be  
14 determined eligible for that program.

15 (3) Renewal procedures shall include all available methods for  
16 reporting renewal information, including, but not limited to,  
17 face-to-face, telephone, mail, and online renewal or renewal  
18 through other commonly available electronic means.

19 (4) An applicant who is not eligible for an insurance affordability  
20 program for a reason other than income eligibility, or for any reason  
21 in the case of applicants and recipients residing in a county that  
22 offers a health coverage program for individuals with income above  
23 the maximum allowed for the Exchange premium tax credits, shall  
24 be referred to the county health coverage program in his or her  
25 county of residence.

26 (i) Notwithstanding subdivisions (e), (f), and (j), before an online  
27 applicant who appears to be eligible for the Exchange with a  
28 premium tax credit or reduction in cost sharing, or both, may be  
29 enrolled in the Exchange, both of the following shall occur:

30 (1) The applicant shall be informed of the overpayment penalties  
31 under the federal Comprehensive 1099 Taxpayer Protection and  
32 Repayment of Exchange Subsidy Overpayments Act of 2011  
33 (Public Law 112-9), if the individual's annual family income  
34 increases by a specified amount or more, calculated on the basis  
35 of the individual's current family size and current income, and that  
36 penalties are avoided by prompt reporting of income increases  
37 throughout the year.

38 (2) The applicant shall be informed of the penalty for failure to  
39 have minimum essential health coverage.

1 (j) ~~The department shall, in coordination with MRMIB and the~~  
2 ~~Exchange board, streamline and coordinate all eligibility rules and~~  
3 ~~requirements among insurance affordability programs using the~~  
4 ~~least restrictive rules and requirements permitted by federal and~~  
5 ~~state law. This process shall include the consideration of~~  
6 ~~methodologies for determining income levels, assets, rules for~~  
7 ~~household size, citizenship and immigration status, and~~  
8 ~~self-attestation and verification requirements.~~

9 (k) ~~(1) Forms and notices developed pursuant to this section~~  
10 ~~shall be accessible and standardized, as appropriate, and shall~~  
11 ~~comply with federal and state laws, regulations, and guidance~~  
12 ~~prohibiting discrimination.~~

13 ~~(2) Forms and notices developed pursuant to this section shall~~  
14 ~~be developed using plain language and shall be provided in a~~  
15 ~~manner that affords meaningful access to limited-English-proficient~~  
16 ~~individuals, in accordance with applicable state and federal law,~~  
17 ~~and at a minimum, provided in the same threshold languages as~~  
18 ~~required for Medi-Cal managed care plans.~~

19 (l) ~~The department, the California Health and Human Services~~  
20 ~~Agency, MRMIB, and the Exchange board shall establish a process~~  
21 ~~for receiving and acting on stakeholder suggestions regarding the~~  
22 ~~functionality of the eligibility systems supporting the Exchange,~~  
23 ~~including the activities of all entities providing eligibility screening~~  
24 ~~to ensure the correct eligibility rules and requirements are being~~  
25 ~~used. This process shall include consumers and their advocates,~~  
26 ~~be conducted no less than quarterly, and include the recording,~~  
27 ~~review, and analysis of potential defects or enhancements of the~~  
28 ~~eligibility systems. The process shall also include regular updates~~  
29 ~~on the work to analyze, prioritize, and implement corrections to~~  
30 ~~confirmed defects and proposed enhancements, and to monitor~~  
31 ~~screening.~~

32 (m) ~~In designing and implementing the eligibility, enrollment,~~  
33 ~~and retention system, the department, MRMIB, and the Exchange~~  
34 ~~board shall ensure that all privacy and confidentiality rights under~~  
35 ~~the PPACA and other federal and state laws are incorporated and~~  
36 ~~followed, including responses to security breaches.~~

37 (n) ~~Except as otherwise specified, this section shall be operative~~  
38 ~~on January 1, 2014.~~

39 *SEC. 28. Section 14132.02 is added to the Welfare and*  
40 *Institutions Code, to read:*

1 14132.02. (a) The department shall seek approval from the  
2 United States Secretary of Health and Human Services to provide  
3 individuals made eligible pursuant to Section 14005.60 with the  
4 alternative benefit package option authorized by Section  
5 1396u-7(b)(1)(D) of Title 42 of the United States Code. Effective  
6 January 1, 2014, the alternative benefit package shall provide the  
7 same schedule of benefits provided to full-scope Medi-Cal  
8 beneficiaries qualifying under the modified adjusted gross income  
9 standard pursuant to Section 1396a(e)(14) of Title 42 of the United  
10 States Code, except coverage of long-term services and supports  
11 shall be excluded unless otherwise required by Section  
12 1396u-7(a)(2) of Title 42 of the United States Code or made  
13 available pursuant to subdivision (b). The alternative benefit  
14 package shall also include any benefits otherwise required by  
15 Section 1396u-7 of Title 42 of the United States Code and any  
16 regulations or guidance issued pursuant to that section.

17 (b) Notwithstanding Section 14005.64, and only to the extent  
18 federal approval is obtained, the department shall provide  
19 coverage for long-term services and supports to only those  
20 individuals who meet the asset requirements imposed under the  
21 Medi-Cal program for receipt of such services.

22 (c) For purposes of this section, long-term services and supports  
23 include nursing facility services, a level of care in any institution  
24 equivalent to nursing facility services, home- and community-based  
25 services furnished under the state plan or a waiver under Section  
26 1315 or 1396n of Title 42 of the United States Code, home health  
27 services as described in Section 1396d(a)(7) of Title 42 of the  
28 United States Code, and personal care services described in  
29 Section 1396d(a)(24) of Title 42 of the United States Code.

30 (d) The department may seek approval of any necessary state  
31 plan amendments or waivers to implement this section.

32 (e) This section shall be implemented only to the extent that  
33 federal financial participation is available and any necessary  
34 federal approvals have been obtained.

35 SEC. 29. Section 14132.03 is added to the Welfare and  
36 Institutions Code, to read:

37 14132.03. (a) The following shall be covered Medi-Cal benefits  
38 effective January 1, 2014:

39 (1) Mental health services included in the essential health  
40 benefits package adopted by the state pursuant to Section 1367.005

1 of the Health and Safety Code and Section 10112.27 of the  
2 Insurance Code and approved by the United States Secretary of  
3 Health and Human Services under Section 18022 of Title 42 of  
4 the United States Code. To the extent behavioral health treatment  
5 services are considered mental health services pursuant to the  
6 essential health benefits package, these services shall only be  
7 provided to individuals who receive services through federally  
8 approved waivers or state plan amendments pursuant to the  
9 Lanterman Developmental Disability Services Act, at Division 4.5  
10 (commencing with Section 4500).

11 (2) Substance use disorder services included in the essential  
12 health benefits package adopted by the state pursuant to Section  
13 1367.005 of the Health and Safety Code and Section 10112.27 of  
14 the Insurance Code and approved by the United States Secretary  
15 of Health and Human Services under Section 18022 of Title 42 of  
16 the United States Code.

17 (b) The department may seek approval of any necessary state  
18 plan amendments to implement this section.

19 (c) This section shall be implemented only to the extent that  
20 federal financial participation is available and any necessary  
21 federal approvals have been obtained.

22 SEC. 30. Article 5.9 (commencing with Section 14189) is added  
23 to Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions  
24 Code, to read:

25  
26 Article 5.9. *Medi-Cal Managed Care Plan Mental Health*  
27 *Benefits*  
28

29 14189. *Medi-Cal managed care plans shall provide mental*  
30 *health benefits covered in the state plan excluding those benefits*  
31 *provided by county mental health plans under the Specialty Mental*  
32 *Health Services Waiver. The department may require the managed*  
33 *care plans to cover mental health pharmacy benefits to the extent*  
34 *provided in the contracts between the department and the Medi-Cal*  
35 *managed care plans.*

36 ~~SEC. 44.~~

37 SEC. 31. No reimbursement is required by this act pursuant to  
38 Section 6 of Article XIII B of the California Constitution for certain  
39 costs that may be incurred by a local agency or school district  
40 because, in that regard, this act creates a new crime or infraction,

1 eliminates a crime or infraction, or changes the penalty for a crime  
2 or infraction, within the meaning of Section 17556 of the  
3 Government Code, or changes the definition of a crime within the  
4 meaning of Section 6 of Article XIII B of the California  
5 Constitution.

6 However, if the Commission on State Mandates determines that  
7 this act contains other costs mandated by the state, reimbursement  
8 to local agencies and school districts for those costs shall be made  
9 pursuant to Part 7 (commencing with Section 17500) of Division  
10 4 of Title 2 of the Government Code.

11 *SEC. 32. This act shall become operative only if Assembly Bill*  
12 *1 of the 2013–14 First Extraordinary Session is enacted and takes*  
13 *effect.*

O