

**Introduced by Senators Hernandez and Steinberg**December 3, 2012

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An act to amend Section 12698.30 of the Insurance Code, and to amend Sections 14005.31, 14005.32, 14132, and 15926 of, to amend and repeal Sections 14008.85, 14011.16, and 14011.17 of, to amend, repeal, and add Sections 14005.18, 14005.28, 14005.30, 14005.37, and 14012 of, to add Sections 14005.60, 14005.62, 14005.63, 14005.64, 14132.02, and 15926.2 to, the Welfare and Institutions Code, relating to health.

## LEGISLATIVE COUNSEL'S DIGEST

SB 28, as introduced, 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 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 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.

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.

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

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

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

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

- 1 SECTION 1. 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.

1 (b) 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. 21. Section 14012 is added to the Welfare and Institutions  
5 Code, to read:

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

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

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

16 SEC. 22. Section 14132 of the Welfare and Institutions Code  
17 is amended to read:

18 14132. The following is the schedule of benefits under this  
19 chapter:

20 (a) Outpatient services are covered as follows:

21 Physician, hospital or clinic outpatient, surgical center,  
22 respiratory care, optometric, chiropractic, psychology, podiatric,  
23 occupational therapy, physical therapy, speech therapy, audiology,  
24 acupuncture to the extent federal matching funds are provided for  
25 acupuncture, and services of persons rendering treatment by prayer  
26 or healing by spiritual means in the practice of any church or  
27 religious denomination insofar as these can be encompassed by  
28 federal participation under an approved plan, subject to utilization  
29 controls.

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

33 (2) For Medi-Cal fee-for-service beneficiaries, emergency  
34 services and care that are necessary for the treatment of an  
35 emergency medical condition and medical care directly related to  
36 the emergency medical condition. This paragraph shall not be  
37 construed to change the obligation of Medi-Cal managed care  
38 plans to provide emergency services and care. For the purposes of  
39 this paragraph, “emergency services and care” and “emergency