

**ASSEMBLY BILL**

**No. 1**

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**Introduced by Assembly Member John A. Pérez  
(Coauthor: Assembly Member Pan)**

January 28, 2013

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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, 14007.1, 14007.6, and 14012 of, and to add Sections 14005.60, 14005.62, 14005.63, 14005.64, 14005.65, and 14132.02 to, the Welfare and Institutions Code, relating to health.

LEGISLATIVE COUNSEL'S DIGEST

AB 1, as introduced, John A. Pérez. 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

1 (b) Beneficiaries receiving Medi-Cal through Aid for Adoption  
2 of Children Program.

3 (c) Beneficiaries who have a public guardian.

4 (d) Medically indigent children who are not living with a parent  
5 or relative and who have a public agency assuming their financial  
6 responsibility.

7 (e) Individuals receiving minor consent services.

8 (f) Beneficiaries in the Breast and Cervical Cancer Treatment  
9 Program.

10 (g) Beneficiaries who are CalWORKs recipients and custodial  
11 parents whose children are CalWORKs recipients.

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13 *and as of that date is repealed, unless a later enacted statute, that*  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

15 SEC. 25. Section 14012 of the Welfare and Institutions Code  
16 is amended to read:

17 14012. (a) Reaffirmation shall be filed annually and may be  
18 required at other times in accordance with general standards  
19 established by the department.

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21 *and as of that date is repealed, unless a later enacted statute, that*  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

23 SEC. 26. Section 14012 is added to the Welfare and Institutions  
24 Code, to read:

25 14012. (a) This section implements Section 435.916(a)(1) of  
26 Title 42 of the Code of Federal Regulations, which applies to the  
27 eligibility of Medi-Cal beneficiaries whose financial eligibility is  
28 determined using modified adjusted gross income (MAGI) based  
29 income.

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

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

35 SEC. 27. Section 14132 of the Welfare and Institutions Code  
36 is amended to read:

37 14132. The following is the schedule of benefits under this  
38 chapter:

39 (a) Outpatient services are covered as follows:

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

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

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

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

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

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

36 (3) (A) To the extent required by federal law, the purchase of  
37 outpatient prescribed drugs, for which the prescription is executed  
38 by a prescriber in written, nonelectronic form on or after April 1,  
39 2008, is covered only when executed on a tamper resistant  
40 prescription form. The implementation of this paragraph shall