

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: July 1, 2008
POSITION: Oppose
SPONSOR: Western Center on Law and Poverty

BILL NUMBER: AB 2875
AUTHOR: S. Lieber

BILL SUMMARY: Cal-WORKS/Food Stamp Recipient-Eligibility for Medi-Cal

This bill requires the Department of Health Care Services (DHCS) to make any necessary changes to update data-sharing between Medi-Cal and the Cal-WORKS and Food Stamp programs to allow the reporting of changes in circumstances to the Cal-WORKS or Food Stamp programs to be used to determine continuing Medi-Cal eligibility. This bill further provides that periodic reporting by beneficiaries in the Food Stamp or Cal-WORKS programs shall be used to satisfy the beneficiaries' reporting requirements for a Medi-Cal redetermination. This bill requires the DHCS, Department of Social Services, counties, and affected stakeholder groups to establish procedures to pre-populate Medi-Cal renewal forms to be implemented no later than January 2010.

FISCAL SUMMARY

The fiscal impact of the provisions of AB 2875 is unquantified at this time; however, General Fund, estimated in the tens of millions, would be required to complete the necessary system changes. An Information Technology Feasibility Study Report (FSR) would be required to fully evaluate and estimate the costs of those system changes.

COMMENTS

The Department of Finance opposes this bill because it would result in significant General Fund costs. Further, it has not been documented that the current system of establishing Medi-Cal eligibility and redeterminations is inappropriate or represents a significant barrier to beneficiaries who wish to continue their Medi-Cal eligibility. Therefore, given the state's current General Fund condition, this does not seem a prudent use of resources.

Analyst/Principal (0544) J. Lapanja	Date	Program Budget Manager Michael Wilkening	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

S. Lieber

July 1, 2008

AB 2875

ANALYSIS

A. Programmatic Analysis

Under current law, the DHCS administers the Medi-Cal program which provides needed health care services to low-income children, their parents, pregnant women, elderly, blind or disabled persons, nursing home residents, and refugees who meet specified criteria. Individuals who are enrolled in the Cal-WORKS program are automatically enrolled into Medi-Cal without a separate Medi-Cal application being required. Families receiving food stamps can give their consent that their Food Stamp Program application information be used to determine their eligibility for Medi-Cal. Express Lane Eligibility also allows schools to release information collected on the National School Lunch Program application to immediately pre-enroll a child into Medi-Cal until a Medi-Cal determination is completed by the county.

This bill would require the DHCS to make necessary technology and policy changes to update the data-sharing between Medi-Cal and the Cal-WORKS and Food Stamp programs so that when a beneficiary reports a change in circumstances to the Cal-WORKS or Food Stamp programs, that Medi-Cal would also receive this information. Such periodic reporting by beneficiaries in the Food Stamp or Cal-WORKS programs would be used to satisfy the beneficiaries' reporting requirements for a Medi-Cal redetermination. This bill further requires that comprehensive implementation instructions be issued by the DHCS by March 1, 2010. Furthermore, it would be required that by January 2011, all renewal forms sent to Medi-Cal beneficiaries be pre-populated with all relevant eligibility information.

Discussion: The purpose of AB 2875 is to enroll and retain as many eligible children as possible in Medi-Cal and that by creating electronic linkages between the various public benefit programs, such as Cal-WORKS and Food Stamps, potential barriers for eligibility redeterminations are minimized. However, no documentation has been received that indicates that the current system of establishing Medi-Cal eligibility and redeterminations is inappropriate or represents a significant barrier to beneficiaries who wish to continue their Medi-Cal eligibility.

B. Fiscal Analysis

The fiscal impact of AB 2875 is unquantified at this time. An Information Technology FSR would be required to fully evaluate and estimate the costs of these system changes. However, it is estimated that the cost of the required technology changes could be in the tens of millions of dollars. This is particularly true because AB 2875 requires that all procedures as outlined in the proposed bill be conducted by electronic means to the "greatest extent possible." This is a broad and somewhat vague standard which could require extensive system changes. The exact costs of implementing these system changes are indeterminate at this time until a more precise definition of what system changes are to be made and until an Information Technology FSR is completed.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)								Fund Code
	LA	(Dollars in Thousands)								
	CO	PROP	2008-2009		2009-2010		2010-2011			
	RV	98	FC	FC	FC	FC	FC	FC		
4260/Hlth Care	SO	No	-----	See Fiscal Summary	-----				0001	
4260/Hlth Care	SO	No	-----	See Fiscal Summary	-----				0890	
4260/Hlth Care	LA	No	-----	See Fiscal Summary	-----				0001	
4260/Hlth Care	LA	No	-----	See Fiscal Summary	-----				0890	
<u>Fund Code</u>	<u>Title</u>									
0001	General Fund									
0890	Trust Fund, Federal									