

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original
POSITION: Neutral
SPONSOR: Western Center on Law & Poverty

BILL NUMBER: AB 1580
AUTHOR: Bonilla, Susan

BILL SUMMARY: Health care: eligibility: enrollment.

This bill would make technical changes to Chapter 641, Statutes of 2011 (AB 1296, Bonilla), which established a stakeholder process for implementing federal health care reform. The technical changes include the following: clarify which beneficiaries are eligible for automatic non-Modified Adjusted Gross Income (MAGI) Medi-Cal eligibility determinations and clarify that AB 1296 does not grant presumptive eligibility beyond what is required by state law.

FISCAL SUMMARY

The stakeholder process mandated by AB 1296 is already underway and no new funding is necessary to support the process; therefore, the costs related to this bill appear to be minor and absorbable.

COMMENTS

The Department of Finance is neutral on this bill because it clarifies certain eligibility provisions related to federal health care reform implementation, which could have been misinterpreted under current law resulting in increased eligibility determination and benefit costs. Specific changes include the following:

- Clarifies that only individuals who are 65 or older, blind, or disabled would have their application forwarded for a non-MAGI Medi-Cal eligibility determination if an application is denied based on the MAGI eligibility process.
- Specifies that presumptive eligibility, granting Medi-Cal benefits at the time of application, is not intended to be expanded to any new populations.

As enacted by AB 1296, current state law appears to expand presumptive eligibility and requires that all denied Medi-Cal applications using MAGI be submitted for non-MAGI review. This bill would clarify that the intent of AB 1296 was not to expand presumptive eligibility and clarify which denied applications would be submitted for non-MAGI review. The changes are a result of an agreement between the California Health and Human Services Agency (CHHS) and other stakeholders (including the bills sponsor, Western Center on Law & Poverty).

Existing law requires CHHS, in consultation with the State Department of Health Care Services, Managed Risk Medical Insurance Board, the California Health Benefit Exchange (Exchange), the California Office of Systems Integration, counties, health care service plans, consumer advocates, and other stakeholders to undertake a planning process to develop plans and procedures to implement aspects of federal health care reform. The planning process must consider issues such as implementing the Exchange and streamlining the enrollment process into state health programs.

Analyst/Principal (0544) A.Dorsey	Date	Program Budget Manager Ken DaRosa	Date
Department Deputy Director		Date	
Governor's Office:	By:	Date:	Position Approved _____ Position Disapproved _____
BILL ANALYSIS			Form DF-43 (Rev 03/95 Buff)

BILL ANALYSIS--(CONTINUED)

AUTHOR

AMENDMENT DATE

BILL NUMBER

Bonilla, Susan

Original

AB 1580

Code/Department Agency or Revenue Type	SO LA CO RV	PROP 98	FC	(Fiscal Impact by Fiscal Year)			Fund Code
				(Dollars in Thousands)			
				2011-2012 FC	2012-2013 FC	2013-2014	
4260/Hlth Care	SO	No		-----	No/Minor Fiscal Impact	-----	0001
4260/Hlth Care	SO	No		-----	No/Minor Fiscal Impact	-----	0890
<u>Fund Code</u>			<u>Title</u>				
0001			General Fund				
0890			Trust Fund, Federal				