

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: 07/02/2019
POSITION: Oppose

BILL NUMBER: SB 29
AUTHOR: Durazo, Maria Elena

BILL SUMMARY: Medi-Cal: eligibility.

This bill would expand full-scope Medi-Cal eligibility to low-income undocumented seniors aged 65 and older, who are otherwise eligible for those benefits but for their immigration status, subject to appropriation by the Legislature.

FISCAL SUMMARY

Assuming implementation on July 1, 2020, this bill is estimated to increase Medi-Cal and In-Home Supportive Services costs by \$163 million (\$153 million General Fund) in 2020-21 and \$255 million (\$245 million General Fund) in 2021-22 with ongoing growth. This implementation date is assumed to provide time for necessary systems changes by the Department of Health Care Services.

As drafted, this bill would repeal full-scope Medi-Cal eligibility for low-income undocumented young adults aged 19 through 25. According to the author's office, this is a drafting error and not the intent of the bill. We therefore do not assume any savings resulting from this provision of the bill.

COMMENTS

The Department of Finance is opposed to this bill because it would create a significant General Fund pressure not included in the 2019 Budget Act. This proposal was considered by the Legislature in the 2019 budget development process and was ultimately not included.

The costs of the Medi-Cal program are generally shared between the state and federal government through the Medicaid program. Federal Medicaid funding is restricted to individuals who are citizens and lawfully present immigrants except for "restricted-scope" emergency medical coverage for undocumented immigrants. The General Fund pays for the cost of undocumented immigrant full-scope coverage expansion net of allowable federal funding for restricted-scope coverage. The 2015 Budget Act made low-income undocumented children through age 18 eligible for full-scope Medi-Cal. The 2019 Budget Act extended eligibility to low-income undocumented young adults age 19 to 25 effective upon implementation of necessary systems changes but no sooner than January 1, 2020.

Projected cost growth from 2020-21 to 2021-22 is primarily driven by phased-in enrollment of In-Home Supportive Services. Approximately \$10 million in federal funds each year would continue to be drawn down for restricted-scope coverage. This estimate accounts for, and is in addition to, current General Fund monies for restricted-scope services. However, offering full-scope coverage may increase utilization by individuals who previously did not take advantage of restricted-scope services they were eligible for, which could further increase costs.

Analyst A. Klimek	Date	Program Budget Manager Adam Dorsey	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)**Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**

Durazo, Maria Elena

07/02/2019

SB 29

Code/Department Agency or Revenue Type	SO LA CO RV	(Fiscal Impact by Fiscal Year)						Fund Code
		PROP 98	FC	2019-2020 FC	2020-2021 FC	2021-2022 FC		
4260/Hlth Care	SO	No	C	--	C	1,000	C	-- 0001
4260/Hlth Care	LA	No	C	--	C	92,000	C	95,000 0001
4260/Hlth Care	LA	No	C	--	C	10,000	C	10,000 0890
5180/Social Svcs	LA	No	C	--	C	60,000	C	150,000 0001
<u>Fund Code</u>			<u>Title</u>					
0001			General Fund					
0890			Trust Fund, Federal					