

AMENDED IN ASSEMBLY APRIL 9, 2019

CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL

No. 683

Introduced by Assembly Member Carrillo

February 15, 2019

An act to add Section 14005.62 to the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 683, as amended, Carrillo. 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. Existing law requires Medi-Cal benefits to be provided to individuals eligible for services pursuant to prescribed standards, including a modified adjusted gross income (MAGI) eligibility standard. Existing law prohibits the use of an asset or resources test for individuals whose financial eligibility for Medi-Cal is determined based on the application of MAGI. Existing federal law authorizes a state to establish a non-MAGI standard for specified individuals.

This bill would require the department to ~~disregard~~ *disregard*, commencing July 1, 2020, specified assets and resources, such as motor vehicles and life insurance policies, in determining the Medi-Cal eligibility for an applicant or beneficiary whose eligibility is not determined using MAGI, subject to federal approval and federal financial participation. The bill would ~~prohibit~~ *prohibit*, by January 1, 2020, the department from using an asset and resource test to make a

Medi-Cal eligibility determination for an applicant or beneficiary who is enrolled in the Medicare Shared Savings Program. The bill would authorize the department to implement these provisions by means of various ~~instructions~~, *instructions and would require the department to issue related updated and simplified notices and forms by June 1, 2020, to consult with interested parties and appropriate stakeholders in implementing these changes, and would require the department to adopt regulations by ~~July 1, 2020~~. January 1, 2021.*

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 the statutory provisions noted above.

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. Section 14005.62 is added to the Welfare and
- 2 Institutions Code, to read:
- 3 14005.62. (a) Commencing ~~January~~ *July* 1, 2020, for an
- 4 applicant or beneficiary whose eligibility is not determined using
- 5 the modified adjusted gross income (MAGI)-based financial
- 6 methods, as specified in Section 1396a(e)(14) of Title 42 of the
- 7 United States Code, the department shall disregard the following
- 8 assets and resources to determine eligibility:
- 9 (1) One piece of real property. The applicant or beneficiary need
- 10 not reside on the real property. Money received from the sale of
- 11 real property shall be exempt for one year if the money from the
- 12 sale is intended to be used for the purchase of a home, costs of
- 13 moving, necessary furnishings, and repair or alteration to the
- 14 principal residence.
- 15 (2) ~~Real property~~ *Property* used in a business or trade.
- 16 (3) Other real property, mortgages, deeds of trust, or other
- 17 promissory notes valued at up to twenty thousand dollars (\$20,000).

- 1 (4) Real property that the applicant or beneficiary is attempting
- 2 to sell, but has been unable to sell at fair market value.
- 3 (5) Motor vehicles.
- 4 ~~(6) Personal property used in a trade or business.~~
- 5 ~~(7)~~
- 6 (6) Household items.
- 7 ~~(8)~~
- 8 (7) Personal effects.
- 9 ~~(9)~~
- 10 (8) Retirement accounts, including an individual retirement
- 11 account (IRA) or individual retirement annuity under Section
- 12 408(a), 408(b), or 408A of Title 26 of the United States Code, a
- 13 Keogh fund, a work-related pension plan, a 401(k) or 403(b) plan,
- 14 or a payroll deduction IRA arrangement offered pursuant to the
- 15 CalSavers Retirement Savings Program (Title 21 (commencing
- 16 with Section 100000) of the Government ~~Code~~: *Code*), regardless
- 17 *of whether payment is deferred.*
- 18 ~~(10)~~
- 19 (9) Five twenty-nine savings plan *pursuant to Section 14005.38*
- 20 *and 529A savings plans.*
- 21 ~~(11)~~
- 22 (10) Burial funds, plots, ~~trusts~~ *trusts*, or prepaid burial contracts.
- 23 ~~(12)~~
- 24 (11) Musical instruments.
- 25 ~~(13) Recreation~~
- 26 (12) *Recreational* items.
- 27 ~~(14)~~
- 28 (13) Livestock, poultry, crops, or pets.
- 29 ~~(15)~~
- 30 (14) Life insurance policies.
- 31 ~~(16) Long-term care insurance policies and the amounts of~~
- 32 ~~payments made therein.~~
- 33 (15) *Resources excluded under a California Partnership for*
- 34 *Long-Term Care policy pursuant to Sections 22004, 22005, and*
- 35 *22006.*
- 36 ~~(17)~~
- 37 (16) Reparation or restitution payments, including Japanese
- 38 reparation payments made by the Canadian or United States
- 39 government, restitution payments made to Holocaust ~~victims~~,

1 *victims pursuant to Section 11008.20, and federal payments made*
 2 *to Alaska Natives and American Indians.*
 3 ~~(18)~~
 4 *(17) The value of any item that the applicant or beneficiary is*
 5 *making a good faith effort to sell, but is unable to sell at fair market*
 6 *value.*
 7 ~~(19)~~
 8 *(18) Resources intended to be used to pay unpaid medical bills*
 9 *at the time of application.*
 10 ~~(20)~~
 11 *(19) Earned income tax credit or tax refunds for up to 12 months.*
 12 ~~(21)~~
 13 *(20) Disaster and emergency payments.*
 14 ~~(22)~~
 15 *(21) Payments made by the California Victim Compensation*
 16 *Board, as specified in Section 13901 of the Government Code.*
 17 ~~(23)~~
 18 *(22) Savings of a child under 21 years of age.*
 19 ~~(24)~~
 20 *(23) Any other resource that is exempt by federal law.*
 21 ~~(25)~~
 22 *(24) (A) Ten thousand dollars (\$10,000) in nonexempt property*
 23 *for an individual and five thousand dollars (\$5,000) for each*
 24 *additional household member to be indexed ~~annually.~~ annually by*
 25 *the annual change in the California Consumer Price Index.*
 26 *(B) The limit in subparagraph (A) does not affect the community*
 27 *spouse allowance established pursuant to subdivision (c) of Section*
 28 *14006.*
 29 *(b) By January 1, 2020, for an applicant or beneficiary who is*
 30 *enrolled in the Medicare Shared Savings Program, as described in*
 31 *Part 425 of Title 42 of the Code of Federal Regulations, the*
 32 *department shall not use an asset and resource test to make a*
 33 *Medi-Cal eligibility determination.*
 34 *(c) The director shall seek any necessary federal approvals to*
 35 *implement this section. This section shall not be implemented until*
 36 *the necessary federal approval is obtained, and only to the extent*
 37 *federal financial participation is available.*
 38 *(d) (1) Notwithstanding Chapter 3.5 (commencing with Section*
 39 *11340) of Part 1 of Division 3 of Title 2 of the Government Code,*
 40 *the department may implement this section by means of provider*

1 bulletins or notices, policy letters, or other similar instructions,
2 without taking regulatory action. *By June 1, 2020, the department*
3 *shall issue updated and simplified notices and forms, including,*
4 *but not limited to, all of the following:*

5 (A) *MC Information Notice 007 (11/18) — Medi-Cal General*
6 *Property Limitations.*

7 (B) *MC 210 PA (05/07) — Property Assessment Statement of*
8 *Facts.*

9 (C) *MC 210 PS (05/07) — Property Supplement.*

10 (D) *MC 210 RV (05/11) — Medi-Cal Annual Redetermination*
11 *Form.*

12 (E) *MC 224 B (06/07) — Medi-Cal Potential Overpayment*
13 *Reporting Work Sheet — Property Total Ineligibility or Ineligibility*
14 *For A Specific Level of Services.*

15 (2) *Prior to issuing provider bulletins or notices, policy letters*
16 *or other similar instructions and updated forms pursuant to*
17 *paragraph (1), the department shall consult with interested parties*
18 *and appropriate stakeholders in implementing this section with*
19 *respect to all of the following:*

20 (A) *Notifying advocates for Medi-Cal beneficiaries of the*
21 *proposed changes.*

22 (B) *Scheduling at least one meeting to discuss the proposed*
23 *changes.*

24 (C) *Allowing for written input regarding the proposed changes.*

25 (D) *Ensuring consumer-facing materials are in simple, plain*
26 *language and translated into threshold languages.*

27 (E) *Providing advance notice on the implementation and*
28 *effective date of the changes.*

29 ~~(2)~~

30 (3) *The department shall adopt regulations by ~~July 1, 2020,~~*
31 *January 1, 2021, in accordance with the requirements of Chapter*
32 *3.5 (commencing with Section 11340) of Part 1 of Division 3 of*
33 *Title 2 of the Government Code.*

34 SEC. 2. *If the Commission on State Mandates determines that*
35 *this act contains costs mandated by the state, reimbursement to*
36 *local agencies and school districts for those costs shall be made*
37 *pursuant to Part 7 (commencing with Section 17500) of Division*
38 *4 of Title 2 of the Government Code.*

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