

**Senate Appropriations Committee Fiscal Summary**  
**Senator Kevin de León, Chair**

**SB 1002 (de León) – Medi-Cal: redetermination.**

**Amended:** March 28, 2014

**Policy Vote:** Health 8-0,  
Human Services 5-0

**Urgency:** No

**Mandate:** Yes

**Hearing Date:** April 28, 2014

**Consultant:** Brendan McCarthy

**This bill meets the criteria for referral to the Suspense File.**

**Bill Summary:** SB 1002 would require counties to reset a Medi-Cal beneficiary's 12-month eligibility period to align with the beneficiary's CalFresh eligibility period, under certain circumstances.

**Fiscal Impact:**

- Minor administrative costs to counties (General Fund and federal funds). Counties are not likely to experience significant administrative costs, because resetting the Medi-Cal eligibility period would occur during a redetermination of eligibility for the CalFresh program.
- Potentially significant costs to the Medi-Cal program due to increased enrollment, potentially in the millions to low tens of millions per year (General Fund and federal funds). Under current law, Medi-Cal beneficiaries must have their eligibility redetermined every 12 months. Every year a small but significant number of Medi-Cal beneficiaries lose their eligibility temporarily due to administrative issues, for example, not returning required forms or delays in locating needed documents. Short term lapses in eligibility are referred to as "churn". By resetting a beneficiary's Medi-Cal eligibility when performing CalFresh eligibility determinations, the bill is likely to reduce churn among this population of beneficiaries. The reduction in churn will, in turn, increase Medi-Cal costs, particularly the per member per month payments made to managed care plans.

**Background:** Under state and federal law, the Department of Health Care Services operates the Medi-Cal program, which provides health care coverage to pregnant women, children and their parents with incomes below 100 percent of the federal poverty level, as well as blind, disabled, and certain other populations. Generally, the federal government provides a 50 percent federal match for state Medi-Cal expenditures.

The federal Affordable Care Act allows states to expand Medicaid (Medi-Cal in California) eligibility to persons under 65 years of age, who are not pregnant, not entitled to Medicare Part A or enrolled in Medicare Part B, and whose income does not exceed 133 percent of the federal poverty level (effectively 138 percent of the federal poverty level as calculated under the Affordable Care Act). California has opted to expand eligibility for Medi-Cal up to 138 percent of the federal poverty level.

The Affordable Care Act provides a significantly enhanced federal match for the Medicaid expansion. Under the law, the federal government will pay for 100 percent of the cost of the Medicaid expansion in 2013-14 declining to a 90 percent federal match in the 2020 federal fiscal year and thereafter.

Existing federal law provides for the Supplemental Nutrition Assistance Program, known as CalFresh in California, which provides financial assistance to low-income households to purchase food. Under existing law, the gross income threshold for CalFresh is 130 percent of the federal poverty level.

While both Medi-Cal and CalFresh provide benefits to low income individuals, they have separate eligibility and enrollment procedures. Qualifying individuals can apply for and enroll in either or both programs through county human services departments. However, there are also ways to apply for and one program without applying for both (even if the individual would be eligible for both). In addition, the two programs have different requirements when a beneficiary's circumstances change within the eligibility period. In the Medi-Cal program, if circumstances change and a beneficiary is determined to still be eligible, the 12-month eligibility clock is reset. In CalFresh, a mid-year eligibility redetermination due to a change in circumstances does not reset the eligibility clock. In 2012, 66% of Medi-Cal households were also enrolled in CalFresh.

Therefore, it is common for an individual or household to have different enrollment dates and thus different deadlines for redetermining eligibility (which generally must happen annually for both programs).

**Proposed Law:** SB 1002 would require counties to reset a Medi-Cal beneficiary's 12-month eligibility period to align with the beneficiary's CalFresh eligibility period, under certain circumstances.

Specifically, the bill would require:

- If a county received information about a change in circumstances as part of a CalFresh application or redetermination and the applicant is eligible for CalFresh, the county is required to reset the beneficiary's Medi-Cal eligibility period to align with the CalFresh eligibility period;
- If a county recertifies eligibility or approves a CalFresh application for a Medi-Cal beneficiary (who is not receiving CalWorks or subject to a redetermination), the county is required to reset the beneficiary's Medi-Cal eligibility period to align with the CalFresh eligibility period;
- Prohibit a county from aligning Medi-Cal and CalFresh eligibility periods if doing so would reduce the beneficiary's Medi-Cal benefits.

**Related Legislation:**

- SB 970 (de León, 2012) would have allowed people applying for health coverage to use the information in their application to begin applications for other public programs such as CalFresh. That bill was vetoed by Governor Brown.
- SB 191 (Bocanegra, Statutes of 2013) established a categorical eligibility for CalFresh benefits for a household member who is eligible for Medi-Cal.

**Staff Comments:** Counties are responsible for making Medi-Cal eligibility determinations and redeterminations. The bill may add to county workload by requiring the counties to take a few additional administrative steps when realigning the eligibility periods for Medi-Cal, as required in the bill. On the other hand, realigning the eligibility periods could reduce administrative workload for the counties by eliminating the need for a Medi-Cal redetermination later in a given year. To the extent that the bill imposes administrative duties on the counties, those costs would be paid as part of the Medi-Cal program, rather than through a mandate claim.

Under federal law, the state can extend the Medi-Cal eligibility period, if a beneficiary is determined to remain eligible for the program after a change in circumstance. However, federal law does not allow the state to adjust the CalFresh eligibility period. For some beneficiaries impacted by this bill, the two eligibility periods could be initially aligned and then later become mis-aligned. For example, if a beneficiary experienced a later change in circumstance (for example, a new member of the household or a change in income), the county may need to determine whether the beneficiary is still eligible for both Medi-Cal and CalFresh. Assuming the beneficiary remains eligible for both programs, the county would then reset the beneficiary's eligibility period for Medi-Cal, but could not do so for CalFresh. In those cases, the eligibility periods would once again be misaligned.