

## ASSEMBLY THIRD READING

AB 1994 (Holden)

As Amended March 16, 2020

Majority vote

**SUMMARY:**

Extends the duration during which Medi-Cal benefits are suspended when an individual is an inmate of a public institution for three years or until the individual is no longer an inmate or is no longer eligible, whichever occurs sooner, instead of the shorter time-limited suspension of benefits under existing law. Requires county welfare departments to suspend Medi-Cal benefits to an eligible juvenile, defined as an individual under age 21 years of age and a former foster youth under age 26 years of age. Prohibits, during the period that the eligible juvenile is an inmate of a public institution, their Medi-Cal eligibility from being terminated.

**Major Provisions**

- 1) Extends the duration during which Medi-Cal benefits are suspended when an individual is an inmate of a public institution for three years or until the individual is no longer an inmate or is no longer eligible, whichever occurs sooner, instead of the existing time-limited suspension of benefits under existing law of one year from the date the person became an inmate or one year or until the individual is no longer eligible, whichever occurs sooner.
- 2) Requires the county welfare department to suspend Medi-Cal benefits to an "eligible juvenile." Prohibits, during the period that the eligible juvenile is an inmate of a public institution, their Medi-Cal eligibility from being terminated.
- 3) Defines an "eligible juvenile" to mean an individual who is either of the following:
  - a) Under 21 years of age; and,
  - b) Under 26 years of age, formerly in foster care, and who otherwise meets the description set forth in federal Medicaid law.
- 4) Requires the county welfare department to conduct a redetermination of eligibility for the Medi-Cal program for that individual without requiring a new application from the eligible juvenile prior to the release of an eligible juvenile from a public institution, pursuant to the federal "Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment (SUPPORT) for Patients and Communities Act," (HR 6 (2018) (Public Law 115-271).
- 5) Requires, if the county welfare department determines, pursuant to the redetermination, that the eligible juvenile meets eligibility requirements for the Medi-Cal program, Medi-Cal eligibility to be restored upon the eligible juvenile's release from the public institution.
- 6) Requires the county welfare department, if the individual is an eligible juvenile as described above, to process any Medi-Cal application submitted by, or on behalf of, the individual for the purpose of making a determination of Medi-Cal eligibility for that individual to receive medical assistance under the Medi-Cal program upon the release of that individual from the public institution.

**COMMENTS:**

Existing federal law prevents Medicaid benefits from being paid for incarcerated individuals except when the inmate is a patient in a medical institution. While incarceration generally excludes inmates from Medicaid payments (except for inpatient services provided outside the prison), federal law does not make them ineligible for Medicaid. The Centers for Medicare and Medicaid Services (CMS) published a letter of guidance in 2016 stating that incarceration does not preclude an inmate from being determined Medicaid eligible. In addition, to promote continuity of care, CMS encouraged states to place the inmate in suspended eligibility status during the period of incarceration, or to implement a claims processing provision to ensure that services are limited to only inpatient services.

Medi-Cal eligibility under federal and state law has to be "redetermined" annually, meaning a person must continue to show they are income eligible for the program. Under current state law, Medi-Cal beneficiaries who become incarcerated have their benefits suspended for one year or until they are released, whichever comes first. For those incarcerated for less than one year, coverage is reinstated by DHCS upon release. Anyone over the age of 18 years who is incarcerated for longer than one year has their Medi-Cal coverage terminated.

Due to a recent changes in federal law made in 2018 by HR 6 (Public Law 115-271), known as the "SUPPORT for Patients and Communities Act," juveniles who are inmates of public institutions can no longer have Medicaid eligibility terminated. HR 6 defined "juveniles" as individuals under to age 21 years and former foster youth up to age 26 years. This federal change means the one year state law limit for Medi-Cal benefit suspension must be conformed to federal law for this population. This change is effective November 2020 and the Administration has proposed trailer bill language to implement the changes required by HR 6.

**According to the Author:**

Continuity of care is vital in reducing recidivism, promoting positive health outcomes, and ensuring the successful reintegration of young people into their communities. Suspending Medi-Cal benefits instead of terminating them will ensure that once someone is released from prison they have access to life saving medications, treatments, and will support a healthy life. Additionally, increased access to preventative care will help reduce costlier forms of health care later down the road.

**Arguments in Support:**

The California State Association of Counties (CSAC), the County Behavioral Health Directors Association (CBHDA) and the County Welfare Directors Association (CWDA) write in support that this bill would allow county welfare departments to continue to suspend eligibility for Medi-Cal for incarcerated individuals past the one year timeline to avoid unnecessary workload and ensure that individuals are eligible for critical health and behavioral health services upon release. CWDA, CBHDA, and CSAC write that current law requires counties to suspend Medi-Cal eligibility for individuals who become incarcerated for up to one year from the date of incarceration, or upon release, whichever comes sooner. This current limitation makes it more difficult for individuals who are incarcerated for longer periods of time to obtain Medi-Cal benefits prior to their release from jail or prison. Individuals who become incarcerated and have their Medi-Cal benefits suspended, then subsequently terminated based on the one year limit, are required to re-apply for benefits in order to restore their Medi-Cal eligibility. Per federal guidance, this one year time limit is not mandated and states are directed to leave individuals in a

suspension status until they are no longer eligible for benefits, or upon release, whichever occurs first.

CSAC, CBHDA, and CWDA write that this bill ensures that incarcerated individuals have immediate access to coverage and reduce the risks of recidivism as individuals are able to access Medi-Cal services upon release. This provides continuity in mental health care, physical treatment and prescription medication between the period of incarceration and reintegration into their community. CWDA, CBHDA, and CSAC write that their organizations will continue to support efforts to not only suspend eligibility beyond one year but to ensure all incarcerated persons return home without gaps in health care, thus leaving to improved community safety, protecting the public health and reducing the likelihood of recidivism.

### **Arguments in Opposition:**

There is no known opposition to this bill.

### **FISCAL COMMENTS:**

- 1) According to the Assembly Appropriations Committee:
- 2) One-time costs of \$3.6 million (\$1.2 million General Fund (GF)) to make necessary system changes (GF/federal funds).
- 3) Administrative staff costs of \$140,000 (\$70,000 GF).
- 4) Projected annual costs of \$580,000 to perform additional annual redeterminations (GF/federal funds).
- 5) Potential minor information technology costs or staff workload to the California Department of Corrections and Rehabilitation.
- 6) Minor potential increased Medi-Cal costs due to higher and more immediate Medi-Cal enrollment (GF/federal funds).

### **VOTES:**

#### **ASM HEALTH: 15-0-0**

**YES:** Wood, Mayes, Aguiar-Curry, Bigelow, Bonta, Burke, Carrillo, Flora, Limón, McCarty, Nazarian, Ramos, Rodriguez, Santiago, Waldron

#### **ASM APPROPRIATIONS: 18-0-0**

**YES:** Gonzalez, Bigelow, Bauer-Kahan, Bloom, Bonta, Calderon, Carrillo, Chau, Megan Dahle, Diep, Eggman, Fong, Gabriel, Eduardo Garcia, Petrie-Norris, McCarty, Robert Rivas, Voepel

### **UPDATED:**

VERSION: March 16, 2020

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