

ASSEMBLY THIRD READING

AB 2680 (Arambula)

As Amended April 7, 2022

Majority vote

SUMMARY

Requires the Department of Health Care Services (DHCS) to create the Community Health Navigator (CHN) Program (CHN Program) to make direct grants to qualified non-profit community-based organizations (CBOs) to conduct targeted outreach, enrollment, retention, utilization, and access activities for individuals and families eligible for all Medi-Cal programs. Requires DHCS to coordinate and partner with Covered California and counties that elect to participate on a seamless approach to application assistance outreach, enrollment, retention, utilization, and access activities and for marketing targeted to individuals eligible for health coverage in Medi-Cal and Covered California that includes investment in a coordinated marketing, communications, and messaging strategy for Covered California and Medi-Cal, and development of a joint application tracker system that will allow individuals, county workers, those assisting applicants, CHN Program grantees, and Covered California customer services representatives to track applications and referrals between commercial and Medi-Cal coverage and enrollment progress in real time.

COMMENTS

The 2019 State Budget, AB 79 (Ting), Chapter 23, Statutes of 2019, made available two separate \$14.9 million allocations (for a total of \$29.8 million) to DHCS for the management and funding of Medi-Cal outreach and enrollment services. This funding is available for encumbrance or expenditure until June 30, 2022. Under this item, outreach and enrollment may include assistance with retaining and using health coverage and gaining access to needed medical care. These funds are required to be made available to selected counties and counties acting jointly. The DHCS Director is authorized, at the director's discretion, in consultation with stakeholders, to also give consideration to CBOs in an area or region of the state if a county, or counties acting jointly, do not seek an allocation, with DHCS being required to determine the number of allocations and the application process and selection criteria to allocate funds for the Medi-Cal outreach and enrollment activities.

In the May Revision to the proposed 2022 Budget, Governor Newsom proposed to add CHWs to the class of skilled and trained individuals who are able to provide clinically appropriate Medi-Cal covered benefits and services, effective January 1, 2022, but implementation was delayed until July 1, 2022 along with a similar proposal to add doula as a Medi-Cal benefit. The Governor's May Revision for the 2022-23 budget continues to propose to add CHWs as a Medi-Cal covered benefit and service, effective July 1, 2022. The May 2022 Medi-Cal Estimate assumes total fund (TF) costs of \$3.5 million (\$1.2 million General Fund [GF]) in 2021-22 and \$19.7 million TF (\$11.5 million GF) in 2022-23. In addition, the Governor's May Revision proposes, starting July 2022, to add \$60 million total funds (\$30 million GF) to the Health Enrollment Navigators Project through FY 2025-26 and continue project activities with an emphasis on COVID-19 public health emergency (PHE) related activities. Specifically, helping beneficiaries retain Medi-Cal coverage by assisting with annual renewals, reporting updated contact information, and engaging in outreach, application assistance, enrollment, and retention of difficult-to-reach target populations and support more focused targeted outreach and

enrollment for Medi-Cal program and benefit expansions, including the expansion of full-scope Medi-Cal to all income-eligible individuals aged 26-59, regardless of immigration status.

According to the Author

California is leading the way in expanding access to health care. However, obstacles to health care still remain for many low-income communities of color, immigrants, and other Limited English Proficient groups. With the expected influx of people eligible for Medi-Cal, either due to the COVID-19 pandemic or efforts to expand benefits to undocumented Californians, it is critical now more than ever to make certain the State has the infrastructure to readily serve the needs of linguistically and culturally diverse communities. This bill will establish the CHN Program to ensure that California can continue to provide life-saving services to enroll, retain, and encourage utilization of Medi-Cal benefits. This grant program will empower CBOs that are uniquely positioned, trained, and experienced in the community to address the needs of low-income Californians by conducting targeted outreach, enrollment, retention, utilization, and access activities for individuals and families eligible for Medi-Cal.

Arguments in Support

This bill is sponsored by the California Pan-Ethnic Health Network (CPEHN) and supported by numerous consumer groups to require DHCS to create an permanent program that provides grants to CBOs who can then provide these services to Californians who are eligible for benefits under Medi-Cal or communities that may require assistance navigating the Medi-Cal system and to ensure collaboration between DHCS, Covered California, state and local entities for a seamless approach to enrolling all Californians into health coverage.

As California continues to experience a growth in Medi-Cal enrollment, CPEHN argues the need for an ongoing statewide program that is specifically equipped to serve this population has never been timelier. Challenges in retaining Medi-Cal will come sharply into focus when the state resumes the annual eligibility redetermination process that has been on hold since the beginning of the PHE in 2020 to ensure continuing coverage throughout the COVID-19 PHE. CPEHN states that counties alone cannot effectively reach out to the millions of affected consumers. With adequate resources from the state through the Medi-Cal program, CPEHN argues community-based health navigators will make a major contribution. CPEHN states these navigators serve an invaluable role in connecting individuals to safety net services, informing individuals of their rights to access health care and enrolling individuals in Medi-Cal. While navigators tend to focus on enrollment and assisting with Medi-Cal applications, CPEHN states they provide services on retention of benefits and use of services. CPEHN states that, when working with vulnerable communities, families do not feel comfortable seeking assistance from government entities or workers and there is a preference to work with CBOs, and this bill would ensure that navigator services are provided through CBOs, or any eligible nonprofit organization, that has a demonstrated ability to work with communities that may have linguistic or cultural barriers.

Finally, CPEHN writes this bill seeks to create a new foundation for the future of navigator services by requiring quarterly meetings and a joint application tracker system between DHCS and Covered California. While DHCS' CHN Program focuses on Medi-Cal enrollment, Covered California's Navigator Program focuses on enrollment within the Exchange. In some instances, when an individual is being assisted by a Medi-Cal navigator it may become apparent that the person is actually eligible to purchase health care coverage through Covered California. During these moments, an application process will begin a Medi-Cal navigator but will then be transferred to Covered California for completion. Currently, there is no way to track applications

when they move to one Navigation Program to the other and this has made is particularly challenging for Medi-Cal navigators since their reimbursement rates are closely attributed to application completion. CPEHN writes a joint application tracker system will alleviate many of the application tracking issues that are currently experienced by both entities, in addition to assisting *all* navigators with their ability to closely monitor their own progress and outreach to as many Californians as possible.

Arguments in Support if Amended

The Collective: Choice (a certified insurance agency) and California Agents & Health Insurance Professionals (CAHIP) writes they would support this bill if it were amended to include agents as grant recipients to conduct targeted outreach, enrollment, retention and access for Medi-Cal-eligible individuals and families. CAHIP states its members help millions of individual Californians, families and businesses evaluate, select, purchase, and use their health care coverage plans, including Medi-Cal. CAHIP writes that, while consumers are not charged fees to work with agents, there is a commission that is available to agents for commercial group and individual health plans, but that is not the case for Medi-Cal enrollment. CAHIP writes that every time an agent services an individual or family with enrollment or utilization assistance for Medi-Cal, it is with no commission or compensation and is a direct financial loss to the agent or agency that is paying staff, building overhead, their own health insurance premiums and other operational costs.

CAHIP writes that, while agents are proud of their work as the primary enrollers in Covered California, and their service to Medi-Cal beneficiaries, they would like to be treated fairly with eligibility to apply for state resources proposed in this bill. CAHIP writes that excluding agents from community-based grant funding defies California values by not only denying agents serving low-income Californians a livable wage, but also by demanding they work with no wage at all. CAHIP states that agents run into the same kinds of problems that navigator partners experience such as tracking application transitions between Covered California and Medi-Cal. Excluding agents from necessary financial resources maintains a barrier between Californians who desperately need the time, expertise, and service of an agent in their community, to ensure they have coverage and that the coverage is utilized in a meaningful way to their health and wellbeing.

The California Coverage & Health Initiatives (CCHI) writes it would support this bill if it were amended. CCHI is a statewide association of outreach and enrollment organizations focused on helping families navigate affordable health coverage and access to high quality health services with a membership of 34 navigator agencies and affiliations with 625 CBOs that is currently involved with a statewide navigator project to expand enrollment support services to Medi-Cal beneficiaries. CCHI requests an amendment that the requirement in this bill that DHCS contract with a private foundation to administer the grant program include an additional requirement that the foundation be an entity “that works closely with all counties across California.”

Arguments in Opposition

There is no known opposition.

FISCAL COMMENTS

According to the Assembly Appropriations Committee:

- 1) Ongoing costs, likely around \$30 million dollars for DHCS to create the CHN Program, based on prior budget actions and advocacy requests (50% General Fund (GF) / 50% federal funds (FF)). The Budget Act of 2019 (AB 79 (Ting), Chapter 23, Statutes of 2019) allocated \$29.8 million to DHCS for the management and funding of Medi-Cal outreach and enrollment services; this funding expires July 1, 2022. Actual amounts for the CHN Program would be determined pursuant to funding in the annual budget act.
- 2) Total fund costs to DHCS, likely in the low hundreds of thousands every three years, to contract with an independent entity to conduct an evaluation of the CHN Program every three years (50% GF / 50% FF).
- 3) Unknown costs, potentially in excess of one million dollars, to develop a joint application tracker system that will allow individuals, county workers, those assisting applicants, CHN Program grantees, and Covered California customer services representatives to track applications and referrals between commercial and Medi-Cal coverage and enrollment progress in real time (50% GF / 50% FF).
- 4) Unknown increased Medi-Cal caseload costs to the extent outreach and assistance provided by CHNs result in increased Medi-Cal enrollment and greater retention of Medi-Cal coverage. If Medi-Cal enrollment increases by 1% as a result of increased enrollment and retention efforts of CHNs, increased caseload would be an additional 14,000, at a total annual cost of approximately \$80 million (\$24 million GF and \$56 million FF).

VOTES

ASM HEALTH: 11-0-4

YES: Wood, Waldron, Aguiar-Curry, Arambula, Carrillo, Maienschein, McCarty, Nazarian, Rodriguez, Santiago, Cristina Garcia

ABS, ABST OR NV: Bigelow, Flora, Mayes, Luz Rivas

ASM APPROPRIATIONS: 12-2-2

YES: Holden, Bryan, Calderon, Carrillo, Mike Fong, Gabriel, Eduardo Garcia, Levine, Quirk, Robert Rivas, Akilah Weber, Wilson

NO: Bigelow, Megan Dahle

ABS, ABST OR NV: Davies, Fong

UPDATED

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