

Date of Hearing: May 19, 2021

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Lorena Gonzalez, Chair

AB 369 (Kamlager) – As Amended April 26, 2021

Policy Committee: Health

Vote: 14 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill allows for streamlined Medi-Cal enrollment and service delivery for persons experiencing homelessness. Specifically, this bill:

- 1) Allows providers and facilities to presumptively enroll, as Medi-Cal beneficiaries, persons experiencing homelessness.
- 2) Allows providers, without prior approval, to bill Medi-Cal for services provided off the premises of a provider's office to beneficiaries experiencing homelessness who meet specified criteria, and requires Medi-Cal managed care plans to authorize payment for the same.
- 3) Allows the department new options to verify identity of a person experiencing homelessness and prohibits requiring a driver's license or identification card to verify identity.
- 4) Requires, if a managed care plan does not provide services to a beneficiary experiencing homelessness enrolled in the plan within the first 60 days of enrollment, the department to deduct capitation payments made by the department until such time as the beneficiary receives services.
- 5) Makes implementation contingent on federal approval and federal financial participation, and contains conforming and related changes.

FISCAL EFFECT:

This bill attempts to address a number of aspects of Medi-Cal eligibility and care delivery as they apply to persons experiencing homelessness, incurring costs across the Medi-Cal program in various areas, related to higher enrollment, delivery of more outpatient health care services and administrative systems changes, as follows (all costs are General Fund and federal funds):

- 1) Administrative costs to DHCS of an unknown amount, likely in the low hundreds of thousands one-time, to seek federal approvals and issue guidance and regulations and to develop training materials and train providers.
- 2) Costs to Medi-Cal for higher enrollment of persons experiencing homelessness who are eligible but not enrolled. The majority of uninsured persons experiencing homelessness who are eligible but not enrolled in Medi-Cal are likely to be eligible through the "Affordable Care Act (ACA) Optional Expansion" eligibility category, which generally covers low-income childless adults who were not covered before the passage and implementation of the federal ACA. Medi-Cal benefits costs for this eligibility category generally receive a high

federal matching rate of 90% federal funds. Total costs are unknown. According to the United States Interagency Council on Homelessness, as of January 2019, California had over 151,000 persons experiencing homelessness on any given day, with around 7,000 family households experiencing homelessness on any given day.

- 3) Unknown effect on costs for Medi-Cal benefits associated with potentially more robust delivery of preventive, primary care and other outpatient health care services to persons experiencing homelessness, because of the lessening of restrictions related to contracting and location of care delivery.

Overall, costs for greater and more regular outpatient health care delivery could rise but also be offset by lower hospitalizations and a lessening of the severity of medical conditions when individuals seek care. As most individuals would be enrolled in Medi-Cal managed care, changes to benefits cost would be reflected in capitation rates paid by the state. This bill also contains provisions requiring DHCS to deduct payments for capitation rates to plans from which beneficiaries are not receiving care within 60 days, which serves to limit financial liability for the state if a beneficiary does not receive care paid for by a managed care plan in which they are enrolled.

- 4) Costs of an unknown amount for information technology and systems changes to implement a new eligibility category and allow for provider-issued Benefits Identification Cards.
- 5) Increased costs one-time to train county administrative staff, as well as minor and absorbable ongoing costs to county administration associated with higher enrollment. The state does not pay counties on a strict cost-based methodology, so training costs are not directly passed on to the state, but any new workload for counties creates additional cost pressure to reimburse counties commensurate with their costs.

COMMENTS:

- 1) **Purpose.** According to the author, California's health care infrastructure does not meet the unique needs and circumstances of our homeless population. Rather than asking persons experiencing homelessness to overcome the challenges of accessing care in medical facilities, providers must be able to care for their patients wherever they may reside. This bill makes a number of changes to streamline Medi-Cal eligibility and the delivery of health care to persons experiencing homelessness. This bill is supported by health care, housing and homeless advocates and has no opposition.
- 2) **Background.** This bill would make the following changes to better serve persons experiencing homelessness:
 - a) Implements a presumptive eligibility (PE) option to allow providers to enroll persons experiencing homelessness. The provider-based PE process, which DHCS currently allows in limited circumstances, enables eligible applicants to receive immediate access to temporary, no-cost Medi-Cal while the individual applies for permanent coverage.
 - b) Adds a question asking the applicant if they are homeless at the time of their Medi-Cal application. Information about a person's homeless status is important to identify their eligibility for direct access to services under this bill, or eligibility for additional benefits.

- c) Allows Medi-Cal providers of “street medicine” to be reimbursed for services provided to persons experiencing homelessness. Current law generally requires Medi-Cal beneficiaries to enroll in a managed care plan, requires providers to be contracted with the managed care plan to be eligible to bill for services provided to the beneficiary and restricts the location of services provided by clinics. This bill streamlines the ability of providers to bill for services provided in non-traditional locations and outside of some managed care contracting requirements, recognizing such restrictions do not optimize access to care for persons experiencing homelessness.
- d) Authorizes an enrolled Medi-Cal provider to issue a temporary, provider-issued Medi-Cal benefits identification card to a person experiencing homelessness. This provision is intended to ensure persons experiencing homelessness to access care in spite of a lack of photo identification.
- e) Prohibits DHCS from requiring a provider verify identity using a driver’s license or DMV-issued identification card, or by matching signatures. Current law requires providers to verify identity at the point of treatment as a condition of receiving payment. This bill would allow a provider other means to verify identity.
- f) Requires DHCS to deduct capitation payments made to managed care plans on behalf of a person experiencing homelessness if the person does not receive care through the plan within the first 60 days of enrollment. This provision is intended to protect the state from paying a managed care plan a monthly rate for benefits, if a person experiencing homelessness does not access care paid for by the plan.

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