Office of Senate Floor Analyses
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THIRD READING

Bill No: AB 369
Author: Kamlager (D) , et al.
Amended: 6/15/21 in Senate
Vote: 21

SENATE HEALTH COMMITTEE: 7-0, 7/14/21
AYES: Eggman, Gonzalez, Hurtado, Leyva, Limón, Rubio, Wiener
NO VOTE RECORDED: Pan, Melendez, Grove, Roth

SENATE APPROPRIATIONS COMMITTEE: 5-0, 8/26/21
AYES: Portantino, Bradford, Kamlager, Laird, McGuire
NO VOTE RECORDED: Bates, Jones

ASSEMBLY FLOOR: 74-0, 5/27/21 - See last page for vote

SUBJECT: Medi-Cal services: persons experiencing homelessness

SOURCE: Author

DIGEST: This bill requires the Department of Health Services (DHCS) to implement a presumptive eligibility program for persons experiencing homelessness (PEH). This bill requires a Medi-Cal beneficiary, who is a PEH receiving services off the premises of a Medi-Cal provider's office, to seek Medi-Cal covered services directly from any participating Medi-Cal provider. This bill requires DHCS to deduct capitation payments to the Medi-Cal managed care plan (MCMC), if the MCMC does not provide Medi-Cal covered health services to a Medi-Cal beneficiary who indicates they are a PEH within the first 60 days of their enrollment, until the beneficiary receives plan-covered services.

ANALYSIS:

Existing law:

1) Establishes the Medi-Cal program, administered by the DHCS, under which low-income individuals are eligible for medical coverage, as specified. [WIC §14000, et seq.]

2) Requires DHCS to establish and operate the Whole Person Care (WPC) pilot program, in accordance with the Medi-Cal 2020 demonstration project, in order to coordinate health, behavioral health, and social services in a more efficient and effective way for high-risk, high-utilizing Medi-Cal beneficiaries. [WIC §14184.60]

3) Authorizes DHCS to create the Health Home Program (HHP) for enrollees with chronic conditions, pursuant to federal law. Prohibits DHCS from implementing HHP unless it receives federal approval and federal financial participation (FFP). [WIC §14127.3 and 14127.6]

4) Requires DHCS to select HHP providers who have a viable plan for outreaching to and engaging with eligible individuals who frequently use hospital emergency departments and are chronically homeless. [WIC §14127.3]

5) Requires targeted case management services to be a covered benefit for groups of Medi-Cal beneficiaries defined in existing law and regulations. Requires each local government agency that provides targeted case management services to have a countywide system for preventing duplication of services and ensuring coordination and continuity of care among providers of case management services provided to beneficiaries. [WIC §14132.44]

6) Requires DHCS, in consultation with Covered California to develop a single, accessible, standardized paper, electronic, and telephone application for insurance affordability programs (known as the "Single Streamline Application").[WIC §15926]

This bill:

1) Requires DHCS to implement a presumptive eligibility (PE) program for PEH. Requires the PE for PEH program to be full-scope Medi-Cal benefits without a share of cost.

2) Authorizes an enrolled Medi-Cal provider, including a health facility, such as a hospital or clinic, to make a PE for PEH eligibility determination.

3) Requires DHCS to authorize an enrolled Medi-Cal provider, as specified, to issue a temporary, provider-issued Medi-Cal benefits identification card (BIC) to a PEH who is a Medi-Cal beneficiary or receiving full-scope Medi-Cal benefits under the PE for PEH program established by this bill.

4) Prohibits DHCS from requiring a PEH to present a valid driver's license or identification card by the Department of Motor Vehicles (DMV) if the Medi-Cal provider verifies Medi-Cal eligibility through telephone or electronic means. Prohibits DHCS from requiring a provider to match the name and signature of the PEH against a signature executed at the time of service or visually verify the likeness of the PEH, if the PEH does not possess a BIC, temporary BIC or California driver's license or identification card.

5) Authorizes a provider, if they are unable to verify Medi-Cal eligibility based on the BIC, to verify eligibility through any other system, including the Medi-Cal Eligibility Data System (MEDS) or the Homeless Management Information System.

6) Requires DHCS, upon implementation of the PE for PEH program, to issue a declaration stating that implementation has commenced.

7) Authorizes DHCS to implement, interpret, or make specific the PE for PEH program by means of all-county letters, plan letters, plan or provider bulletins, or similar instructions until regulations are adopted. Requires DHCS to adopt regulations in accordance with existing law.

8) Requires DHCS to reimburse an enrolled Medi-Cal provider who bills the Medi-Cal program for covered services, if those services are provided off the premises of the Medi-Cal provider's office to a PEH who meets one of the following criteria:

   a) Is a Medi-Cal beneficiary eligible under the PE for PEH program established by this bill;

   b) Is exempt from mandatory enrollment in a MCMC; or,

   c) Receives services through fee-for-service Medi-Cal before MCMC enrollment.

9) Requires MCMC to authorize a Medi-Cal beneficiary, who is a PEH receiving services off the premises of a Medi-Cal provider's office, to seek Medi-Cal covered services directly from any participating Medi-Cal provider.

10) Requires a MCMC to reimburse an enrolled Medi-Cal provider for providing covered services that are otherwise reimbursable to the Medi-Cal provider, but that are provided off the premises of the Medi-Cal provider's office, to a Medi-Cal beneficiary who is a PEH. Authorizes a MCMC to establish reasonable requirements governing participation in the plan network, if protocols and

network participation requirements are consistent with the goal authorizing services to beneficiaries, pursuant to this bill.

11) Requires a MCMC to reimburse a participating Medi-Cal provider for providing covered services, including specialist and diagnostic services, without requiring the Medi-Cal provider to obtain prior approval, as specified. Authorizes any enrolled Medi-Cal provider to refer a Medi-Cal beneficiary who is a PEH for specialist care and diagnostics.

12) Requires DHCS to deduct capitation payments to the MCMC, if the MCMC does not provide Medi-Cal covered health services to a Medi-Cal beneficiary who indicates they are a PEH within the first 60 days of their enrollment, until the beneficiary receives plan-covered services.

13) Requires DHCS or the MCMC to notify the assigned primary care provider (PCP) of a Medi-Cal beneficiary who is a PEH if the beneficiary receives services by another provider.

14) Requires the Single Streamline Application to include means for an applicant to indicate if they are experiencing homelessness at the time of application.

15) Requires a MCMC provide a Medi-Cal beneficiary the ability to inform the plan online, in person, or via telephone that they are experiencing homelessness. Requires DHCS to inform the MCMC if the Medi-Cal beneficiary has indicated they are experiencing homelessness based on information provided on the Medi-Cal application.

16) Requires "PEH" to have the same meaning as "person who is homeless" as defined in existing federal regulations.

17) Defines "premises" to mean a site located at an addressed listed either on the provider's license or in the provider master file.

18) Requires DHCS to seek federal approvals necessary to implement this bill. Implements this bill only to the extent any necessary federal approvals are obtained and FFP is available and not otherwise jeopardized.

19) Makes legislative findings and declarations regarding poorer health outcomes and increased mortality rates for PEH, the need for providing care for PEH outside traditional medical settings, and the impact COVID-19 has had on PEH and services for PEH.

Comments

Author's statement. According to the author, California's health care infrastructure does not meet the unique needs and circumstances of our homeless population. While the state has enrolled a majority of PEH in Medi-Cal, even when insured, 73% of PEH have never seen their health care provider. Concerns for basic survival, transportation, lack of a mailing address, lack of ID and mental illness make it difficult, if not impossible, for PEH to access care in traditional health care settings. Rather than asking PEH to overcome the challenges of accessing care in medical facilities, providers must be able to care for their patients wherever they may reside. Successful delivery models, including mobile clinics and street medicine programs, exist. These programs provide medical and behavioral care, treatment for substance use disorders, enrollment in social services, and assistance with housing transitions. In addition to improving health outcomes, they also reduce the number of hospital admissions and the duration of hospital stays. Despite these benefits, Medi-Cal does not recognize the "street" as a location for providing care, so PEH are denied medical treatment, social services and other Medi-Cal benefits.

NOTE: Please see the Senate Health Committee analysis for full background discussion on this bill.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee, DHCS estimates the following costs to implement this bill:

- FY 2022-23 One-time Total Funds $39.586 million ($20.229 million GF and $19.793 million FF
- FY 2023-24 and annually thereafter Total Funds $46.6 million ($23.3 million GF and $23.3 million FF

SUPPORT: (Verified 8/26/21)

California State Treasurer, Fiona Ma
AFSCME, AFL-CIO
AIDS Healthcare Foundation
AltaMed Health Services
American Academy of Pediatrics, California
American College of Emergency Physicians, California
BIENESTAR Human Services

Cal Voices
California Academy of Family Physicians
California Academy of Physician Assistants
California Access Coalition
California Association for Nurse Practitioners
California Association of Alcohol and Drug Program Executives
California Association of Public Hospitals and Health Systems
California Association of Social Rehabilitation Agencies
California Association of Veteran Service Agencies
California Chronic Care Coalition
California Consortium of Addiction Programs and Professionals
California Hospital Association
California Life Sciences Association
California Medical Association
California Pharmacists Association
City and County of San Francisco
City of Culver City
City of Santa Monica
Coastal Street Medicine
Corporation for Supportive Housing California
County Behavioral Health Director Association of California
County Health Executives Association of California
County of Kern
Covenant House
Disability Rights California
Downtown Women's Center
Health Net
Housing California
Kaweah Delta Street Medicine Program
Keck Medicine of University of Southern California
Los Angeles Christian Health Center
Los Angeles County Board of Supervisors
Mayor of Los Angeles, Eric Garcetti
National Association of Social Workers, California Chapter
National Health Care for the Homeless Council
National Health Law Program
PATH
Sacramento Street Medicine
San Francisco Community Health Center
Skid Row Housing Trust

Street Medicine Institute
Student Run Homeless Clinics
Union Station Homeless Service
United States Veterans' Artists Alliance
United Way of Greater Los Angeles
University of California
Western Center on Law & Poverty
One individual

OPPOSITION: (Verified 8/26/21)

Department of Finance
Department of Health Care Services
Local Health Plans of California

ARGUMENTS IN SUPPORT: This bill is supported by the Los Angeles County Board of Supervisors. They write that they are fully in support of efforts that expand the provision of health care to the County's underserved residents, including those who are low-income and those who are experiencing homelessness. They note that the Los Angeles County Department of Health Services (DHS) has invested substantially to create and maintain a robust safety net health system to safeguard the health of some of Los Angeles County's most vulnerable residents. They state that this bill will augment the DHS's ability to continue providing care to this vulnerable population and will greatly enhance its ability to provide high-quality care to those most in need. According to the County's Department of Public Health (DPH), the most recent report on trends and causes of death among PEH showed that the overall mortality rate among PEH in the County continues to increase. DPH reports that this bill would help to improve the County's ability to prevent the spread of various illnesses, such as COVID-19, and could ultimately help to reduce the mortality rate among this population. Street medicine teams are key players in linking PEH to permanent housing, and by establishing Medi-Cal as a funding source for street medicine would for allow the creation of additional street medicine teams that would boost the County's efforts to transition those who are experiencing homelessness to a range of housing options.

This bill is also supported by Disability Rights California (DRC). DRC writes that this bill will increase access to health and social services for PEH by requiring the DHCS to incorporate street medicine into existing healthcare infrastructure, waiving ID requirements for providing care to unsheltered populations, and suspending the practice of sweeping encampments, which displaces the homeless

and often results in the destruction of their property. These changes will remove barriers to accessing care for PEH by providing direct, comprehensive care Californians on streets and under bridges where they reside. DRC notes that PEH, who are disproportionately people of color, suffer from poorer health and have life expectancies 30 years shorter than the general population. Alarmingly, in California, homeless deaths have doubled over the last five years. The COVID-19 pandemic has exacerbated these existing health disparities. PEH are unable to follow stay at home orders, wash hands regularly, or wear clean masks to slow the spread of COVID-19. This puts their lives, and their communities' lives, at risk. They note that street medicine has proven to be an essential service during this time, and has been the driver of COVID-19 testing efforts, surveillance, contact tracing, and education on the best way to follow health recommendations even while living on the street.

ARGUMENTS IN OPPOSITION: This bill is opposed by the Department of Health Care Services (DHCS). DHCS writes that its hospital presumptive eligibility program (Hospital PE) recently released guidance to clarify that Hospital PE providers may conduct off-site, targeted outreach to individuals who may be Medi-Cal eligible. Therefore, DHCS believes the PE program required by this bill is duplicative. Further, DHCS states that under the California Advancing and Innovating Medi-Cal (CalAIM) initiative, DHCS will establish a new, statewide enhanced care management (ECM) benefit that will provide a whole-person approach to care that addresses the clinical and non-clinical circumstances of high-need Medi-Cal beneficiaries, including those experiencing homelessness, chronic homelessness, or who are at risk of homelessness. DHCS states that it supports the practice of street medicine through the ECM component of CalAIM. DHCS argues that this bill would circumvent the coordination of care for members identified as homeless and will result in duplication of services and payment, as well as inefficient use of services. Finally, DHCS notes that this bill requires federal approvals regarding the proposed PE program and requires different utilization controls for homeless populations. DHCS believes that the Centers for Medicare and Medicaid Services would likely not approve these services, which would jeopardize FFP.

The Local Health Plans of California (LHPC) have an oppose, unless amended position. They state that the provision to deduct capitation from MCMC for not providing services within 60 days is fundamentally misaligned with the purpose of capitation. They argue that there are many reasons why an unhoused beneficiary may not receive services within the first 60 days of enrollment, perhaps most significantly is the fact that individuals who are unhoused may be difficult to locate and successful outreach is challenging. Ultimately, the requirement to deduct

capitation from MCMC if services are not provided within a certain period does not resolve the larger issue of reducing barriers to street medicine providers contracting with Medi-Cal MCMC to be reimbursed for the care they provide. Therefore, LHPC requests that this bill be amended to remove this section in its entirety.

ASSEMBLY FLOOR: 74-0, 5/27/21
AYES: Aguiar-Curry, Arambula, Bauer-Kahan, Bennett, Berman, Bloom, Boerner Horvath, Burke, Calderon, Carrillo, Cervantes, Chau, Chen, Chiu, Choi, Cooley, Cooper, Cunningham, Megan Dahle, Daly, Davies, Flora, Fong, Frazier, Friedman, Gabriel, Gallagher, Cristina Garcia, Eduardo Garcia, Gipson, Lorena Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Lackey, Lee, Levine, Low, Maienschein, Mathis, Mayes, McCarty, Medina, Mullin, Muratsuchi, Nazarian, Nguyen, O'Donnell, Patterson, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Stone, Ting, Valladares, Villapudua, Voepel, Waldron, Ward, Akilah Weber, Wicks, Wood, Rendon
NO VOTE RECORDED: Bigelow, Kiley, Seyarto, Smith

Prepared by: Kimberly Chen / HEALTH / (916) 651-4111
8/30/21 12:09:39

****** END ******