
SENATE COMMITTEE ON HEALTH

Senator Dr. Richard Pan, Chair

BILL NO: AB 4
AUTHOR: Arambula
VERSION: December 7, 2020
HEARING DATE: June 16, 2021
CONSULTANT: Kimberly Chen

SUBJECT: Medi-Cal: eligibility

SUMMARY: Extends, beginning January 1, 2022, eligibility for full scope Medi-Cal benefits to anyone regardless of age, and who is otherwise eligible for those benefits but for their immigration status.

Existing federal law: Prohibits undocumented individuals from being eligible for any state or local public benefits (including Medicaid), except for assistance for health care items and services that are necessary for the treatment of an emergency medical condition, public health assistance for immunizations, and for testing and treatment of symptoms of communicable disease. [8 U.S. Code §1621]

Existing state law:

- 1) Establishes the Medi-Cal program, administered by the Department of Health Care Services (DHCS), under which low-income individuals are eligible for medical coverage. [WIC §14000, et seq.]
- 2) Requires adults and parents with incomes up to 138% of the federal poverty level (FPL) who are under age 65 to be eligible for Medi-Cal. Requires children, including undocumented children, with incomes up to 266% of the FPL to be eligible for Medi-Cal, through age 18. Requires undocumented adults ages 19 to 25, with incomes up to 138% of the FPL, to be eligible for full-scope Medi-Cal. [WIC §14005.60, 14005.64, 14005.27, 14005.64, and 14007.8]
- 3) Requires DHCS to implement an eligibility and enrollment plan for expanding full-scope Medi-Cal benefits to undocumented individuals consistent with existing law. [WIC §14007.8]
- 4) Requires the extension of full-scope Medi-Cal benefits to undocumented adults age 65 and above, who are otherwise eligible for those benefits but for their immigration status, be prioritized for inclusion in the budget for the upcoming fiscal year if specified fiscal conditions are met, as determined by the Department of Finance (DOF). [WIC §14007.8]
- 5) Requires low-income undocumented individuals ages 25 and above, who are otherwise eligible for Medi-Cal services, to be eligible only for care and services that are necessary for the treatment of an emergency medical condition and medical care directly related to the emergency, as defined in federal law. [WIC §14007.5]
- 6) Requires low-income undocumented individuals ages 25 and above to be eligible for limited Medi-Cal pregnancy coverage, breast and cervical cancer-related treatment services, family planning services and long-term care services. [WIC §14007.65, 14007.7, 14148, 14148.5, 24003 and HSC §104162]

- 7) Defines, under state law, an “emergency medical condition” as a medical condition (including emergency labor and delivery) manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention could reasonably be expected to result in:
 - a) Placing the patient’s health in serious jeopardy;
 - b) Serious impairment to bodily functions; or,
 - c) Serious dysfunction of any bodily organ or part. [WIC §14007.5]

This bill:

- 1) Extends, beginning January 1, 2022, eligibility for full scope Medi-Cal benefits to anyone regardless of age, and who is otherwise eligible for those benefits but for their immigration status.
- 2) Requires undocumented individuals, who are already enrolled in limited scope Medi-Cal and become eligible for full-scope Medi-Cal because of this bill, to be enrolled in full-scope Medi-Cal without filing a new Medi-Cal application.
- 3) Requires the eligibility and enrollment plan for expanding full-scope Medi-Cal, required by existing law, to ensure that an individual may maintain their primary care provider as their assigned primary care provider in their enrolled Medi-Cal managed care plan’s (MCMC) provider network without disruption if their primary care provider is a contracted in-network provider within that MCMC, including in counties where the county health care access program assigns individuals to a medical home or primary care provider.
- 4) Prohibits this bill from limiting an individual’s ability to select their health care provider or their MCMC, if they reside in a county with more than one MCMC.
- 5) Deletes the requirement in existing law for DOF to determine specified fiscal conditions are met in order for full-scope Medi-Cal to be expanded as specified.
- 6) Requires DHCS to provide monthly updates to the appropriate policy and fiscal committees of the Legislature on the status of implementation of this bill.

FISCAL EFFECT: According to the Assembly Appropriations Committee:

- 1) Based on assumptions and available data, the Legislative Analyst’s Office (LAO) has estimated Medi-Cal benefits costs of \$2.4 billion total funds (\$2.1 billion General Fund (GF)) annually ongoing, including costs for In-Home Supportive Services. Given most undocumented individuals who would qualify are already enrolled in restricted-scope Medi-Cal, population assumptions are fairly reliable, but total costs could be lower or higher if health status, utilization or the rate of disability is different than assumed. This estimate assumes the state can continue to claim federal financial participation (FFP) for restricted-scope services.
- 2) Ongoing administrative and automation costs to the DHCS in the low hundreds of thousands of dollars to make necessary program and information technology changes and manage the expansion thereafter (GF).

- 3) Significant ongoing additional cost pressure to Medi-Cal county administration to maintain additional caseloads, likely in the millions of dollars, at least, statewide annually (GF).
- 4) This expansion would relieve counties and non-profit health care providers of a significant financial burden of providing care to persons who cannot otherwise afford care. This change would be offset somewhat for counties by new statutory responsibility and costs to provide specialty mental health services to those newly eligible beneficiaries who qualify. Net savings, if any, would not accrue to the state without further statutory changes

PRIOR VOTES:

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|------------------------------------|---------|
| Assembly Floor: | 58 - 18 |
| Assembly Appropriations Committee: | 12 - 4 |
| Assembly Health Committee: | 11 - 3 |

COMMENTS:

- 1) *Author’s statement.* According to the author, racism is a public health emergency. We painfully witnessed what happens to our communities of color who bore the brunt during this pandemic. In the absence of comprehensive federal immigration reform, we must act with urgency now. California has had a legacy of leading by expanding health care to our most vulnerable populations, including expanding Medi-Cal coverage to undocumented kids and young adults. This bill continues in this vein by expanding Medi-Cal coverage to income-eligible undocumented adults. Simply put, this bill ends the exclusion to health care access due to immigration status. By removing immigration status as an eligibility barrier to Medi-Cal, California can build a more universal, equitable health care system for all. Now is the time to be anti-racist, to be intentional, and to invest in all Californian’s essential needs to achieve equity in health care access. We must provide these tax-paying Californians – who have contributed to our economy and social fabric for decades – with the resources they need to be safe and healthy. We invest in the health of our state when we invest in health coverage for low-income undocumented adults, who are an essential part of our workforce and our communities.
- 2) *Background.* According to data from the US Census Bureau, since the implementation of the ACA in 2014, the rate of Californians without health insurance declined from 17.2% in 2013 to 7.1% in 2020. Undocumented immigrants represent 40% of California’s remaining uninsured, according to the LAO.
- 3) *Sources of health care coverage for undocumented immigrants.* According to California Immigrant Data Portal, California is home to approximately 2.3 million undocumented immigrants. Undocumented immigrants, who are not currently eligible under Medi-Cal, may purchase health insurance directly from insurers or may receive health care benefits through an employer. However, federal law prohibits undocumented individuals from purchasing health insurance through Covered California (CC) and prohibits individuals from receiving any federal subsidies. Moreover, according to the UC Berkeley Labor Center, because undocumented immigrants are more likely to work in industries and occupations that do not offer health insurance, they are far less likely than citizens or green card holders to receive health coverage through employer-sponsored insurance.

Depending on the county in which they reside, an undocumented individual may receive health care benefits through the county indigent health program. The types of services covered and access to providers vary by each county program. For instance, in Los Angeles County, its county indigent health program, My Health LA, has elected to extend services to low-income undocumented individuals and uses the (Global Payment Program) GPP to offer more comprehensive coverage and patient management within the primary care setting by assigning patients to a primary care provider. The GPP is a statewide pool of funding for the remaining uninsured established through the Medi-Cal 2020 section 1115 waiver. The program seeks to improve the health of the uninsured through care coordination by encouraging public hospital systems to provide greater primary and preventive services. In counties where undocumented individuals have been deemed ineligible for county indigent health programs, low-income undocumented individuals often seek care through other safety net providers, such as community clinics, or may seek care through hospital emergency departments.

- 4) *Medi-Cal coverage for immigrants.* Eligibility for full-scope Medi-Cal services is dependent on a number of factors, including income, age, disability, immigration status, and other characteristics. Individuals without satisfactory immigration status are generally not eligible for full-scope Medi-Cal but may receive “restricted scope” Medi-Cal. This includes a limited set of services that includes emergency care, pregnancy-related coverage, and benefits in other specific circumstances. In 2015, California made undocumented individuals under the age of 19 eligible to receive full-scope Medi-Cal through state-only funding. Since then, over 250,000 undocumented children have been enrolled in full-scope Medi-Cal. Full scope Medi-Cal coverage was extended to all income eligible adults ages 19 to 25, regardless of immigration status, in 2019. According to the November 2020 Medi-Cal Estimate, DHCS expects 90,000 of those adults to transition to full scope Medi-Cal in fiscal year 2021-2022.

In 2019, UC Berkeley Labor Center projected an estimated 25,000 individuals age 65 and older, who are eligible for Medi-Cal but for their immigration status, would receive full scope Medi-Cal coverage if all restricted-scope enrollees are automatically transitioned to full-scope and additional eligible individuals newly enrolled.

- 5) *Related legislation.* SB 56 (Durazo) extends eligibility for full-scope Medi-Cal benefits to undocumented adults age 60 and above who are otherwise eligible for those benefits but for their immigration status, beginning July 1, 2022. Subjects the eligibility extension to an appropriation of funds in the annual Budget Act or another statute. *SB 56 is pending in the Assembly Health Committee.*
- 6) *Prior legislation.* SB 29 (Durazo of 2019) was substantially similar to this bill. *SB 29 died on the Assembly floor.*

AB 4 (Arambula of 2019) would have extended eligibility for full-scope Medi-Cal benefits to undocumented adults 19 years and older, who are otherwise eligible for those benefits but for their immigration status. Subjected the expansion of eligibility to an appropriation of funds in the annual Budget Act or another statute. *AB 4 was not heard in the Senate Health Committee.*

SB 104 (Committee on Budget and Fiscal Review, Chapter 67, Statutes of 2019) requires full-scope Medi-Cal eligibility to be extended to income eligible undocumented adults ages 19 to 25, regardless of immigration status.

SB 974 (Lara of 2018) would have required full scope Medi-Cal eligibility, subject to an appropriation, to be expanded to individuals 65 years of or older, regardless of immigration status. *SB 974 was held on the Assembly Appropriations suspense file.*

AB 2965 (Arambula of 2018) would have required full scope Medi-Cal eligibility to be extended to individuals under 26 years of age, regardless of immigration status. *AB 2965 was held on the Senate Appropriations suspense file.*

SB 10 (Lara, Chapter 22, Statutes of 2016) requires CC to apply to the federal Department of Health and Human Services for a Section 1332 waiver to allow persons who are not otherwise able to obtain coverage through CC by reason of immigration status to obtain coverage from CC by waiving the requirement that CC offer only qualified health plans.

SB 4 (Lara, Chapter 709, Statutes of 2015) requires undocumented children under the age of 19 enrolled in restricted scope Medi-Cal, who are eligible to be enrolled in full-scope Medi-Cal, to be enrolled in full-scope Medi-Cal when DHCS implements the expansion of Medi-Cal eligibility to undocumented children under the age of 19, regardless of immigration status.

SB 75 (Committee on Budget and Fiscal Review, Chapter 18, Statutes of 2015) requires full-scope Medi-Cal eligibility to be extended to income eligible undocumented children under the age of 19, regardless of immigration status.

SB 1005 (Lara of 2014) would have required full scope Medi-Cal eligibility to be extended to individuals who would otherwise be eligible, except for their immigration status, and would have created a new health benefit exchange, to provide subsidized health care coverage to individuals who cannot purchase health care coverage through CC due to their immigration status. *SB 1005 was held on the Senate Appropriations suspense file.*

- 7) *Support.* This bill is co-sponsored by the California Immigrant Policy Center and Health Access California, which writes that the COVID-19 pandemic has made more visible and exacerbated the magnitude of racial health disparities. These disparities result in deadly outcomes for undocumented Californians who are systematically excluded from our social safety net. Very few undocumented workers have access to health care through employer-based coverage. Undocumented adults are eligible for emergency-only Medi-Cal, but this is not a substitute for the primary care and comprehensive benefits covered under full-scope Medi-Cal. As a result, most undocumented adults are uninsured, living sicker, dying younger, and one emergency away from financial ruin. They conclude that this bill continues California's leadership in improving on the ACA by expanding comprehensive Medi-Cal coverage to the largest population within California's remaining uninsured: undocumented adults. Numerous other organizations have shared similar sentiments in support.

SUPPORT AND OPPOSITION:

Support: California Immigrant Policy Center (co-sponsor)
 Health Access California (co-sponsor)
 AIDS Healthcare Foundation
 Alliance of Californians for Community Empowerment Action
 AltaMed Health Services Corporation
 American Academy of Pediatrics, California

APLA Health
Asian Americans Advancing Justice California
Association of California Healthcare Districts
Blue Shield of California
Buen Vecino
California Academy of Family Physicians
California Alliance for Retired Americans
California Association of Food Banks
California Association of Health Plans
California Association of Public Authorities for IHSS
California Association of Public Hospitals & Health Systems
California Black Health Network
California Commission on Aging
California Dental Association
California Department of Justice
CaliforniaHealth+ Advocates
California Hospital Association
California Labor Federation, AFL-CIO
California Medical Association
California Pan-Ethnic Health Network
California Psychological Association
California Rural Legal Assistance Foundation, Inc.
California School Nurses Organization
California Teachers Association
California Teamsters Public Affairs Council
California WIC Association
Central Valley Immigrant Integration Collaborative
Centro Laboral De Graton
Children's Defense Fund-California
Community Clinic Association of Los Angeles County
Community Health Councils
County Behavioral Health Directors Association of California
County Health Executives Association of California
County of Santa Clara
County Welfare Directors Association of California
Courage California
Desert AIDS Project
District Hospital Leadership Forum
Dolores Huerta Foundation
First 5 California
Friends Committee on Legislation of California
Health Professionals for Equality and Community Empowerment
Immigration Defense Taskforce, North Bay Organizing Project
Jovenes, Inc.
Kaiser Permanente
LA Best Babies Network
LA Care Health Plan
Latino Coalition for A Healthy California
Latino Community Foundation
Local Health Plans of California

Los Angeles LGBT Center
Multi-faith Action Coalition
National Association of Social Workers, California Chapter
National Immigration Law Center
North Bay Jobs With Justice
Nourish California
Prevention Institute
Public Law Center
Saban Community Clinic
San Francisco Youth Commission
Southeast Asia Resource Action Center
St. John's Well Child and Family Center
T.H.E. Health and Wellness Centers
The Children's Partnership
Unite Here International Union, AFL-CIO
Venice Family Clinic
Western Center on Law & Poverty

Oppose: None received

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