
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair
2021 - 2022 Regular Session

AB 4 (Arambula) - Medi-Cal: eligibility

Version: December 7, 2020

Urgency: No

Hearing Date: July 5, 2021

Policy Vote: HEALTH 8 - 2

Mandate: Yes

Consultant: Karen French

Bill 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.

Fiscal Impact: According to the Assembly Appropriations Committee:

- 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.
- 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).
- 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).
- 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

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

Medi-Cal Eligibility: Generally, in states that expanded Medicaid pursuant to the federal Affordable Care Act (ACA), as California did, qualified individuals with incomes under 138% of the federal poverty level are eligible for Medicaid (Medi-Cal in California). However, individuals who are undocumented are excluded from full-scope Medi-Cal and only eligible for restricted-scope Medi-Cal, which provides a limited set of services including emergency and pregnancy services.

Eligibility and coverage in Medi-Cal is restricted in most cases to what is eligible for FFP. This bill would expand eligibility for full-scope Medi-Cal at state cost, with the intent to maintain FFP for the limited—but costly—set of health care services that are currently eligible for FFP, such as emergency care.

Over the last several years, the Legislature has expanded comprehensive full scope Medi Cal coverage to undocumented children ages 0 through 18 and adults ages 19 through 25.

Projections. California's uninsurance rate has declined dramatically in recent years, but, according to the U.C. Berkeley Labor Center, 3.2 million Californians will remain uninsured in 2022, about 1.3 million of whom are undocumented and under age 65. This bill is projected to cover nearly 1 million people with full-scope coverage, over 90% of whom are currently enrolled in restricted-scope Medi-Cal.

Proposed Law:

- 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.
- 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.
- 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.
- 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.
- 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.
- Requires DHCS to provide monthly updates to the appropriate policy and fiscal committees of the Legislature on the status of implementation of this bill.

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 Appropriations Committee.*

Proposed Budget Act of 2021: As of June 25, 2021, the proposal includes an estimated \$1.3 billion per year to pay for government-funded health care for low-income immigrants living in the country illegally who are at least 50 years old. California already

pays health benefits for immigrants living in the country illegally up to age 26. Newsom had proposed expanding that to people 60 and older, but lawmakers convinced him to go further. (revise per action)

Prior Legislation and Budget Proposals. 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.

Staff Comments: >

Proposed Author Amendments: None at this time

Recommended Amendments: None

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