
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair
2021 - 2022 Regular Session

SB 56 (Durazo) - Medi-Cal: eligibility.

Version: March 1, 2021

Urgency: No

Hearing Date: March 22, 2021

Policy Vote: HEALTH 9 - 2

Mandate: Yes

Consultant: Samantha Lui

Bill Summary: Senate Bill 56 would, subject to an appropriation in the annual Budget Act or another act approved by the Legislature, and effective July 1, 2022, extend eligibility for full-scope Medi-Cal benefits to individuals who are 65 years of age or older and are otherwise eligible for those benefits but for their immigration status.

Fiscal Impact: Staff estimates unknown, significant ongoing costs (low hundreds of millions General Fund) to Medi-Cal and the In-Home Supportive Services Program. Prior to the March 4, 2020 State of Emergency declaration and Executive Order N-33-20 due to the COVID-19 pandemic, the Governor's 2020 Budget included a substantively similar proposal to this bill, with projected full-year implementation costs of approximately \$350 million (\$320 million General Fund). The assumption included that persons who would qualify for this expansion would already be receiving federally required coverage for emergency care. The Administration withdrew its proposal during the May Revision 2020. In addition, based on the latest Department of Finance (DOF) August 2020 analysis for a similar bill (SB 29, Durazo, 2020), estimated costs were \$163 million (\$153 million General Fund) and \$255 million (\$245 million GF), plus growth in the out-years, to Medi-Cal and In-Home Supportive Services programs.

Background: Medi-Cal, the state's Medicaid program, provides free or low-cost health care coverage to about 13 million individuals who are low-income, families with children, seniors, persons with disabilities, and individuals who are pregnant. According to the Senate Health Committee analysis:

Individuals without satisfactory immigration status are generally not eligible for full-scope Medi-Cal but may receive "restricted scope" Medi-Cal, such as emergency care, and pregnancy-related coverage. 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.

Existing law requires full-scope Medi-Cal benefits to individuals who are 65 years of age or older, and who do not have satisfactory immigration statuses or are unable to establish satisfactory immigration statuses, be prioritized for inclusion in the budget for the upcoming fiscal year, if DOF projects a positive ending balance in the Special Fund for Economic Uncertainties for the upcoming fiscal year and each of the ensuing three fiscal years that exceeds the cost to provide the benefits (WIC 14007.8(b)).

The DHCS November 2020 Medi-Cal Local Assistance Estimate estimates Medi-Cal spending to be \$117.9 billion total funds (\$22.5 billion General Fund) in FY 2020-21 and

\$122.2 billion total funds (\$28.4 billion General Fund) in FY 2021-22. Medi-Cal spending is projected to increase by \$4.3 billion total funds (\$5.9 billion General Fund) between 2020-21 and 2021-22, and the top three drivers of that change in estimated General Fund spending due to COVID-19 impacts, underlying cost growth in health care costs in fee-for-service and managed care and changes in utilization, and Behavioral Health Continuum Infrastructure funding.

Proposed Law: SB 56, subject to an appropriation in the annual Budget Act or another act approved by the Legislature, and effective July 1, 2022, extends eligibility for full-scope Medi-Cal benefits to individuals who are 65 years of age or older, and who are otherwise eligible for those benefits but for their immigration status. The bill requires the department to seek federal approvals to obtain federal financial participation to implement these requirements. The bill provides that benefits for these services must be provided with General Fund, if federal funds is not available. In addition, the bill requires an individual enrolled in Medi-Cal not be required to file a new application.

Related Legislation: The Legislature has deliberated several bills pertaining to Medi-Cal expansion for specified populations, including:

- AB 4 (Arambula, 2021) would extend, 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. AB 4 is pending in the Assembly Health Committee.
- SB 29 (Durazo, 2020) was substantially similar to this bill. The bill died on the Assembly Inactive File.
- 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, 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.

Staff Comments: Because counties are required to make Medi-Cal eligibility determinations and this bill would expand Medi-Cal eligibility, the bill would impose a state-mandated local program.

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