



# City of Culver City

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## Staff Report

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**File #:** 22-19, **Version:** 1

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**CC - (1) Consideration of a Support Position for AB 369 (Kamlager) - Medi-Cal Services: Persons Experiencing Homelessness; and (2) Direction to the City Manager as Deemed Appropriate.**

**Meeting Date:** June 28, 2021

**Contact Person/Dept:** Shelly Wolfberg/City Manager's Office  
**Phone Number:** (310) 253-6000

**Fiscal Impact:** Yes ☐ No ☒

**General Fund:** Yes ☐ No ☒

**Public Hearing:** ☐ **Action Item:** ☒ **Attachments:** ☒

**Commission Action Required:** Yes ☐ No ☒ **Date:**

**Public Notification:** (E-Mail) Senator Kamlager's Office and Meetings and Agendas - City Council (06/23/2021)

**Department Approval:** John M. Nachbar, City Manager (06/23/2021)

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### **RECOMMENDATION**

Staff recommends the City Council (1) consider a support position for AB 369 - Medi-Cal services: persons experiencing homelessness; and (2) provide direction to the City Manager as deemed appropriate.

### **BACKGROUND**

At the June 7, 2021 City Council Meeting, the City Council achieved consensus to agendaize a City Council item to consider supporting AB 369 (Attachment 1) to be brought back for approval at a future City Council meeting. AB 369 was introduced by then-Assemblymember Kamlager, who has been since elected to the State Senate. This Staff Report was originally scheduled for consideration at the June 14, 2021 City Council Meeting however was not heard due to time constraints.

### **About AB 369**

Existing law provides for the Medi-Cal program, administered by the State Department of Health Care Services (DHCS) and under which qualified low-income individuals receive health care

services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law requires DHCS to provide presumptive Medi-Cal eligibility to pregnant women and children. Existing law authorizes a qualified hospital to make presumptive eligibility determinations if it complies with specified requirements. Existing law authorizes DHCS, on a regional pilot project basis, to issue an identification card to a person who is eligible for Medi-Cal program benefits, but who does not possess a valid California driver's license or identification card issued by the Department of Motor Vehicles. Existing law requires the DHCS, in consultation with the board governing the California Health Benefit Exchange, to develop a single paper, electronic, and telephone application for insurance affordability programs, including Medi-Cal.

This bill would require DHCS to implement a program of presumptive eligibility for persons experiencing homelessness, under which a person would receive full-scope Medi-Cal benefits without a share of cost. The bill would require DHCS to authorize an enrolled Medi-Cal provider to issue a temporary Medi-Cal benefits identification card to a person experiencing homelessness and would prohibit DHCS from requiring a person experiencing homelessness to present a valid California driver's license or identification card issued by the Department of Motor Vehicles to receive Medi-Cal services, if the provider verifies the person's eligibility. The bill would require the insurance affordability program's paper application to include a check box, and electronic application to include a pull-down menu, for an applicant to indicate if they are experiencing homelessness at the time of application.

### **Fiscal Comments**

According to the Assembly Appropriations Committee, AB 369 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 State 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.

As of April 16, 2021, several entities have taken support positions on AB 369, based on the bill's text dated April 12, 2021. There currently are no entities listed as opposing AB 369, and as of June 15, 2021, this bill is in the Senate Committee on Health.

## **DISCUSSION**

The City Council is requested to consider whether it wants to support AB 369, as it is currently written. The City's Legislative and Policy Platform (LPP) does not provide clear direction to either support or oppose what is recommended in AB 369. However, among other positions in the LPP, the LPP supports efforts to (1) reduce homelessness and increase services to the homeless both locally and regionally; and (2) increase funding and programs to provide housing and supportive services to homeless individuals.

If the City Council takes a position on this bill, staff will transmit the position letter to the bill's author and appropriate committee members. Staff will monitor any future amendments to AB 369 to determine whether they are consistent with the City Council's direction to continue to submit position letters.

## **FISCAL ANALYSIS**

Discussion and direction regarding this matter does not create a fiscal impact to the City.

## **ATTACHMENTS**

1. 2021-06-28\_\_ATT\_\_AB 369 (Kamlager)

**MOTION**

That the City Council:

1. Discuss and consider a support position for AB 369; and
2. Provide direction to the City Manager as deemed appropriate.