An act to add Article 3.95 (commencing with Section 14130) to Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, relating to Medi-Cal.

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THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Article 3.95 (commencing with Section 14130) is added to Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, to read:

Article 3.95. Student Medi-Cal Health Equity and Access Act

14130. This article shall be known, and may be cited, as the Student Medi-Cal Health Equity and Access Act.

14130.01. For purposes of this article, the following definitions apply:

(a) "Eligible student" means an individual who meets all of the following criteria:

(1) Is enrolled as a student at a campus of the University of California system.

(2) Is enrolled in the Medi-Cal program pursuant to this chapter.

(3) Meets the eligibility and enrollment requirements established by the department pursuant to subdivision (b) of Section 14130.03.

(b) "Student health insurance plan" or "SHIP" shall be construed in the same manner as set forth in Section 10965.03 of the Insurance Code, incorporating the definition of "student health insurance coverage" in that section, but applicable only to the University of California system, or a campus thereof, for purposes of health care coverage for enrolled students and their dependents under this article.

14130.02. (a) Notwithstanding any other law, the department may contract with a student health insurance plan to provide Medi-Cal covered services on a capitated basis to eligible students enrolled at the campus or campuses served by that plan and the dependents of those eligible students.

(b) A contract executed pursuant to this section shall provide that an eligible student and their dependents may enroll in the student health insurance plan for purposes of receiving Medi-Cal covered services regardless of the student's county of Medi-Cal enrollment.

(c) A student, and their dependents, enrolled in a student health insurance plan pursuant to this article shall maintain their enrollment in their county of residence for Medi-Cal purposes and shall have access to Medi-Cal covered services in that county in accordance with existing Medi-Cal program requirements.

(d) The department shall establish policies and procedures for students and their dependents who enroll in a student health insurance plan and who need Medi-Cal covered services that are not covered by the plan.

(e) A contract executed pursuant to this section shall comply with all applicable requirements for Medi-Cal managed care plans, except as specifically modified by this section or by the department through regulation or contract provisions necessary to accommodate the unique characteristics of student health insurance plans.

(f) An eligible student and their dependents shall not be required to undergo an intercounty transfer process pursuant to Section 10003 for purposes of receiving Medi-Cal covered services through a student health insurance plan.

(g) This article shall be implemented without imposing on a county any new duties or higher level of service with regard to Medi-Cal enrollment or coverage.

14130.03. (a) The department shall establish capitation rates for contracts with student health insurance plans executed pursuant to this article. In establishing these rates, the department shall do all of the following:

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(1) Base rates on actuarially sound principles reflecting the expected cost of providing Medi-Cal covered services to the student and dependent population served.

(2) Account for health care services infrastructure and administrative costs already funded through student fees or other non-Medi-Cal sources.

(3) Consider the demographic characteristics and health care service utilization patterns of the student and dependent population.

(4) Ensure that the rates, when combined with any applicable federal financial participation, result in budget neutrality or cost savings compared to baseline state costs for eligible students and their dependents.

(5) Ensure compliance with all applicable federal requirements for capitation rate setting.

(b) The department shall establish eligibility and enrollment requirements for students and their dependents to enroll in a student health insurance plan, as reasonable and appropriate to implement this article. These requirements may include, but are not limited to, any of the following:

(1) Minimum enrollment status requirements, such as full-time or half-time enrollment.

(2) Alignment of enrollment periods with academic terms.

(3) Verification procedures to confirm student enrollment status.

(c) A contract with a student health insurance plan executed pursuant to this article shall include provisions to ensure continuity of care and coordination of services, including, but not limited to, all of the following:

(1) Access to emergency services anywhere in the state, in accordance with existing Medi-Cal requirements.

(2) Access to Medi-Cal covered services in the student's county of residence during periods when the student is not enrolled in courses or is otherwise away from campus.

(3) Access to Medi-Cal covered services not covered by the student health insurance plan.

(4) Coordination of care for students, and their dependents, with chronic conditions or ongoing treatment needs.

(5) Transition procedures for students who graduate, transfer, or otherwise leave the University of California campus.

(d) In furtherance of implementing this article, the department may enter into data-sharing and record-matching agreements with the University of California system for the limited purpose of identifying students who are currently enrolled in the Medi-Cal program.

(1) This subdivision shall be implemented in accordance with Article 3.951 (commencing with Section 14130.1), if ____ Bill No. ____ of the 2025–26 Regular Session is chaptered and adds that article.

(2) This subdivision shall be implemented to the extent not in conflict with federal and state privacy laws.

14130.04. (a) The department shall conduct evaluations on the progress of implementation of this article in accordance with this section.

(b) (1) The department shall complete the initial evaluation and submit a report of its findings to the Legislature by January 1, 2028.

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(2) The department shall complete subsequent evaluations, and shall submit to the Legislature additional reports of the findings, every five years after the initial report, unless contracts are no longer or have never been executed pursuant to this article. The initial report shall be completed regardless of the status of contracts.

(3) A report submitted pursuant to this subdivision shall be submitted in accordance with Section 9795 of the Government Code.

(c) The evaluations described in subdivision (b) shall assess enrollment, access to care, utilization, costs, health outcomes, student satisfaction, and administrative efficiency. The department shall contract with an independent evaluator to conduct these evaluations.

(d) The reports described in subdivision (b) shall include all of the following:

(1) Number of students and dependents enrolled, disaggregated by campus and segment.

(2) Total program costs, capitation payments, and any cost savings or increases compared to the baseline.

(3) Federal financial participation received.

(4) Data on access, utilization, and health outcomes.

(5) Challenges encountered and recommendations for changes.

(e) The reports described in subdivision (b) shall exclude any personally identifiable information.

14130.05. (a) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may implement, interpret, or make specific this article by means of plan letters, provider bulletins, or other similar instructions, until regulations are adopted.

(b) This article shall not be applicable to the University of California system or campus thereof, unless the Regents of the University of California, by resolution, make this article applicable.

(c) This article shall be implemented only to the extent that any necessary federal approvals are obtained and federal financial participation is available and is not otherwise jeopardized. The department shall seek any necessary federal approvals to implement this article.

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LEGISLATIVE COUNSEL'S DIGEST

Bill No.
as introduced, _____.
General Subject: Student Medi-Cal Health Equity and Access Act.

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Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income individuals receive health care services. The Medi-Cal program is in part governed by, and funded pursuant to, federal Medicaid program provisions.

Under existing law, it is the responsibility of a recipient of aid under certain public social services programs, including Medi-Cal, who changes residence from one county to another to promptly notify either the county from which they move or the county to which they move of the change of residence. Existing law requires the notified county to initiate an intercounty transfer for all benefits, a specified. Under existing law, in the case of a beneficiary receiving services through a Medi-Cal managed care plan, if the beneficiary moves to another county and is still enrolled in a plan in the county from which they moved, the beneficiary has continued access to emergency services and any other coverage that the plan authorizes out-of-network until the intercounty transfer process is complete.

Existing law states the intent of the Legislature to encourage self-funded student health coverage offered by the University of California Student Health Insurance Plan and the University of California Voluntary Dependent Plan to maintain or exceed coverage standards of the federal Patient Protection and Affordable Care Act. Existing law sets forth various provisions relating to student health insurance coverage, as defined.

This bill, the Student Medi-Cal Health Equity and Access Act, would authorize the department to contract with a student health insurance plan (SHIP) to provide Medi-Cal covered services on a capitated basis to eligible students enrolled at the campus or campuses served by that plan and the dependents of those eligible students. Under the bill, an eligible student would be defined as an individual enrolled as a student at a campus of the University of California system, enrolled in the Medi-Cal program, and meeting certain other eligibility and enrollment requirements established by the department.

The bill would authorize an eligible student and their dependents to enroll in the SHIP for purposes of receiving Medi-Cal covered services regardless of the student's county of Medi-Cal enrollment. Under the bill, the student and their dependents would maintain their enrollment in their county of residence for Medi-Cal purposes, and would not be required to undergo the above-described intercounty transfer process.

The bill would require the department to establish capitation rates and certain policies and procedures. The bill would require that an executed contract comply with all applicable requirements for Medi-Cal managed care plans, except as specified. The bill would authorize the department to enter into data-sharing and record-matching agreements with the University of California system for the limited purpose of

identifying students who are currently enrolled in the Medi-Cal program, in accordance with an unidentified legislative measure.

The bill would require the department to conduct evaluations on implementation progress, with a report of the findings from the initial evaluation submitted to the Legislature by January 1, 2028. The bill would require the department to submit additional reports every 5 years after the initial report, as specified.

Under the bill, these provisions would not be applicable to the University of California system or campus thereof, unless the Regents of the University of California, by resolution, make these provisions applicable. The bill would condition implementation of these provisions on receipt of any necessary federal approvals and the availability of federal financial participation.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

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