DHCS

TOBY DOUGLAS
DIRECTOR

State of California—Health and Human Services Agency
Department of Health Care Services

EDMUND G. BROWN JR.
GOVERNOR

September 2, 2014

Cindy Mann, Director
Center for Medicaid and CHIP Services (CMCS)
Centers for Medicare & Medicaid Services
Mailstop 323H.01
200 Independence Avenue, SW
Washington, DC 20201

Dear Ms. Mann:

This letter is an update to our July 14, 2014, mitigation plan to address pending Medi-Cal applications. I am pleased to report that in July and August California continued to make significant progress in our Medi-Cal enrollment efforts. Through a combination of county and state efforts we have reduced the number of pending applicants to approximately 350,000. But, as discussed in more detail below, we expect a significant number of these applicants to be duplicates or denials. This represents a major reduction in the number of pending applications since the late spring. Overall, under the Affordable Care Act we have enrolled an additional 2.3 million individuals in Medi-Cal, with current total program enrollment of approximately 10.9 million children and adults.

Although we are pleased with the dramatic reduction in the number of pending applications, the Department of Health Care Services (DHCS) and county human service agencies are continuing our intensive efforts to disposition new and remaining applications. We have specific, targeted activities to address each type of application, as outlined in the enclosed tables. We expect these activities will result in a disposition for most of these applications within the next six weeks.

We appreciate your support for our efforts and will continue to keep you updated on our progress.

Toby Douglas
Director

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Table 1: Medi-Cal Affordable Care Act Applications

	Month of Application/MAGI Submission, Status as of August 19, 2014									
	Oct	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**June**	**Total**
Unique, De-Duplicated MAGI Medi-Cal Applicants Pending Coverage	3,000	5,000	40,000	45,000	36,000	107,000	67,000	21,000	25,000	**349,000**
Unique, De-Duplicated MAGI Medi-Cal individuals enrolled in coverage (includes new applicants and pre-ACA consumers with change in circumstance)	50,000	73,000	245,000	317,000	218,000	491,000	345,000	229,000	216,000	**2,184,000**
Total number of Medi-Cal applicants or pre-ACA change of circumstance, including duplicate applications, sent to or from CalHEERS to SAWS	68,000	101,000	372,000	442,000	302,000	643,000	456,000	260,000	250,000	**2,894,000**

Table 2: Targeted Activities for Remaining Applicants

This table reflects targeted activities being undertaken by state and county teams to address the remaining applicants. Please note that the estimated counts in each item below are not mutually exclusive, which means, for example, that some individuals without CINs also need to be denied, or may also be applicants pending income verification.. In addition, many of these applications have data errors or inconsistencies that will require significant manual efforts by county eligibility workers. Counties have redirected staff to these efforts, and we will continue to work with counties on any additional strategies that can be used at the state level to assist with case processing.

Applicants to be Denied	Up to ten percent of applicants need to be denied due to lack of income verification or incomplete, erroneous or cancelled applications. The "negative action" automation functionality to deny these applications has not been deployed due to technical issues, but we expect to implement a short-term process to deny applications in the coming weeks. This process may also be used to disposition the numerous duplicate applications that have been submitted. Please note that the applicants that need to be denied cannot be referred to the state exchange (Covered California) because their income is stated to be within Medi-Cal income limits. Applicants whose income is stated or verified to be above Medi-Cal income limits already have been referred to Covered California.
Applicants without Unique Client Index Numbers (CINs)	An estimated twenty percent of applicants cannot be automatically identified as unique individuals based on the information provided on their applications. These applicants will require a specific manual process by county eligibility workers to review their information and determine whether they are a duplicate applicant or a unique individual, and manually assign a unique CIN for tracking within the state's Medicaid Management Information System (MMIS).
Applicants Pending Income Verification	An estimated fifty percent of applicants are pending income verification. For these cases, the state or county has attempted to electronically verify applicants' income, and the county has attempted or is in the process of administratively verifying applicants' income (using paper verifications such as pay stubs). Some of these applicants may need to be denied for failure to respond to county requests for administrative verification.

Apparently Eligible Applicants	An estimated twenty percent of applicants (roughly 70,000) appear to be MAGI eligible based on electronic verifications, but are either duplicate applications or cannot be processed into MEDS through batch processes due to application data errors. This is a significant reduction from the previous estimate of 240,000. As we noted in our July 14th mitigation plan, applicants must be successfully processed into MEDS in order to have coverage effectuated. Since we have attempted to process most of these applicants via batch process, we are working with counties to manually research these cases and determine the root cause of why they cannot be processed into MEDS. Once we determine the root cause, we will assess whether we need to take additional steps to provide these applicants with immediate coverage such as enrolling them in presumptive eligibility or sending them a letter verifying their eligibility which they can present to providers in order to access services. We will have more information in two weeks on the root problem and next steps.