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

TOBY DOUGLAS
Director

EDMUND G. BROWN JR.
Governor

March 19, 2014

TO: ALL COUNTY WELFARE DIRECTORS Letter No. 14-11
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: PRE-ACA MEDI-CAL ANNUAL REDETERMINATION PROCESS
(REFERENCE: ACWDL 14-03)

The Department of Health Care Services (DHCS) is providing guidance as a result of Assembly Bill (AB) x1 1, Chapter 3, Statutes of 2013, as well as recent guidance provided by the federal Centers for Medicare & Medicaid Services (CMS) on the Affordable Care Act of 2010 (ACA). This letter is to provide the Statewide Automated Welfare Systems (SAWS) and counties with policy guidance.

This guidance is focused on implementing Medi-Cal annual redeterminations to convert beneficiaries from Pre-ACA (Pre-Affordable Care Act) Medi-Cal to Modified Adjusted Gross Income (MAGI) Medi-Cal in 2014. There will be an additional letter that discusses the next step in the renewal process for those not MAGI eligible who should have their eligibility for non-MAGI Medi-Cal determined.

This ACWDL provides instructions in conjunction with ACWDL 14-03.

January through June Annual Redeterminations
For any of the renewals that are normally scheduled from January through June, the original renewal month will remain. For example, a January 2014 renewal processed in June 2014 will have a renewal date of January 2015, not June 2015.

Pre-ACA Medi-Cal Annual Redetermination Process for 2014
The Pre-ACA Medi-Cal Annual Redetermination Process for 2014 is comprised of the following general steps:

1. RFTHI Redetermination Packet is prepared and sent to beneficiary
2. RFTHI Redetermination Packet is returned or information otherwise provided

3. Eligibility is determined

General Process Steps

RFTHI Redetermination Packet is Prepared and Sent to Beneficiary

The Medi-Cal annual redetermination for these Pre-ACA Medi-Cal beneficiaries will begin with the RFTHI Redetermination Packet. Counties shall ensure that all RFTHI Redetermination Packet components are sent to existing Pre-ACA Medi-Cal beneficiaries for their 2014 annual redetermination.

WIC Section 14005.37 prescribes that a Medi-Cal beneficiary has 60 days to complete and return the annual redetermination form, or otherwise provide the information. Therefore, for Pre-ACA Medi-Cal beneficiaries in 2014, counties must ensure that the RFTHI Redetermination Packet is mailed to the beneficiary with a return date to allow sufficient time to collect the beneficiary's information and run the information through the business rules engine for an eligibility determination by the last day of eligibility. For purposes of this section, sufficient time means at least 60 days. This does not preclude the county or consortia from sending the packets out more than 60 days in advance of the renewal.

Beneficiary Response Options

The beneficiary can return the RFTHI Redetermination Packet by mail, or convey its contents over the phone, by fax, in person, or by any other means available. If the information is not provided via paper form, it must be adequately documented in the case file. If the RFTHI Redetermination Packet is not returned and its information is not provided by the beneficiary, follow the related guidance in the "Process Exceptions" section below.

Please note; the beneficiary is not required to submit any supporting documentation with the responses to the questions asked in the RFTHI Redetermination Packet. The packet is only to acquire information to be verified through the federal verification hub and available state data sources. Documentation shall only be required to the extent that the electronic verification through the Business Rules Engine (BRE) finds the information not reasonably compatible or if the BRE cannot verify information that must be verified and the information cannot be verified via ex-parte review. In such cases, follow the reasonable opportunity process for the beneficiary to respond to address the incompatibility, as set forth below.

County Responsibility after Sending the RFTHI Redetermination Packet

As prescribed in WIC Section 14005.37(f)(2), if during the 60-day period the beneficiary has not returned the RFTHI Redetermination Packet, or has not otherwise provided all of the requested information, the county shall attempt to contact the beneficiary requesting the information and provide a 10-day deadline following the contact. Contact must be documented in the case file and can be attempted via the internet, by

telephone, mail, or by other means available to the county and should be conducted according to the beneficiary's preferred method of contact if a method has been identified as required by WIC section 14005.37(t) and the county has the capabilities to do so. Counties are reminded that the second request with 10-day deadline must be made more than 20 days prior to the end of the renewal month to allow the beneficiary 10 days to respond and also allow for timely and adequate 10-day notice in the event that the beneficiary does not respond. If the contact method is by mail, counties should account for this and adjust the time-frames accordingly as more than 20-days may be required in order to allow enough time for this process to occur.

Example: Annual redetermination due in June, last day to process is June 30 and the RFTHI Redetermination Packet was mailed in April. If the beneficiary has failed to respond to the packet, the county must contact the beneficiary no later than June 10th to make the 10-day request in order to provide adequate and timely notice of discontinuation on June 20th in the event that the beneficiary does not respond.

As a best practice, it is recommended the county contact the beneficiary no more than 30-days after sending the RFTHI Redetermination Packet. This allows the beneficiary enough time to respond and provide ample processing time in the event that additional information needs to be verified or requested from the beneficiary.

Use the following table as a guide for RFTHI processing:

Number	Step	Action
1	Mail RFTHI Redetermination Packet	Provide minimum of 60 days for beneficiary to receive packet prior to renewal deadline.
2	Beneficiary responds	Process eligibility. If not compatible, go to step 1 of the table shown on Page 6.
3	Beneficiary does not respond	Contact beneficiary more than 20 days prior to the end of renewal month to request RFTHI information be provided.
4	Beneficiary responds	Process eligibility. If not compatible, go to step 1 of the table shown on Page 6.
5	Beneficiary does not respond	Discontinue with timely 10-day notice.

Eligibility is Determined

Once the RFTHI Redetermination Packet is returned, or information is otherwise provided, the SAWS shall use the CalHEERS BRE to determine continued Medi-Cal eligibility.

- *If MAGI Eligible* - If the beneficiary is determined eligible for MAGI Medi-Cal, the beneficiary shall be sent a Notice of Action (NOA) and shall have his/her eligibility extended for a new 12-month period.

- *If Not MAGI Eligible* – The process and procedures for individuals found ineligible for MAGI Medi-Cal at redetermination (both annual redetermination and change in circumstance redetermination) will be issued in further guidance.

- *Information Not "Reasonably Compatible" with E-Verification* - If the RFTHI Redetermination Packet is returned and the information is not reasonably compatible with the results of the e-verification through the federal data hub and state data sources, counties should follow the "Information this is Not Reasonably Compatible" instructions on Page 5..

- *Not Enough Information to Determine Eligibility* – If the RFTHI Redetermination Packet is returned or information is otherwise provided, but there is not enough information to determine eligibility for MAGI Medi-Cal, counties should following the "Missing Information" instructions on Page 6 and 7.

Process Exceptions

<u>RFTHI Redetermination Packet Not Returned and Information Not Provided</u>
If after 60 days, during which time the county has attempted to reach the beneficiary as discussed above, the Medi-Cal beneficiary does not return the RFTHI Redetermination Packet, or does not provide all the requested information and the information is not available from an ex parte review in SAWS or other data sources, the beneficiary shall be sent a notice of termination and discontinued from Medi-Cal benefits at the end of the annual redetermination due month. In accordance with due process requirements, counties shall send the beneficiary a Notice of Action explaining the basis for termination. The beneficiary shall be discontinued from benefits for lack of cooperation.

Please note if the beneficiary provides the requested information prior to this discontinuance action taking affect, the county shall rescind the discontinuance action and properly work the case.

The beneficiary shall also be notified in writing that he/she has a 90-day cure period. During the cure period, if the beneficiary returns the RFTHI Redetermination Packet, or otherwise provides the requested information, the county shall treat the information as if it were received timely, immediately enter the information into the SAWS system and submit to the CalHEERS BRE as prescribed above.

If the beneficiary is subsequently found Medi-Cal eligible, the county shall grant benefits back to the date of discontinuance, retain the old application and annual

redetermination dates, and notify the beneficiary that their Medi-Cal benefits will not be discontinued and restored back to date of discontinuance. Please note, as prescribed in WIC Section 14005.37(i) the submittal of the RFTHI Redetermination Packet, or the otherwise providing of the requested information, does not constitute a finding of Medi-Cal eligibility. The discontinuance action shall not be overturned until the information is run through the CalHEERS BRE and eligibility is found.

Information that is Not Reasonably Compatible

When submitting the RFTHI Redetermination Packet information through the CalHEERS BRE to determine continued Medi-Cal eligibility, if the result of the eligibility determination is not reasonably compatible, the county shall check available data sources ex parte to resolve the incompatibility, including data in SAWS and MEDS. If, after checking all available data sources, the incompatibility still cannot be resolved, the county shall immediately send the beneficiary the MC 355 form to request paper verification of the data element(s) that is (are) not reasonably compatible. For example, if income is not reasonably compatible, the MC 355 form should be sent asking for the beneficiary to provide paper verification of income.

The MC 355 shall not ask for verification of information that was already verified through the BRE or other available data sources. Furthermore, the form shall not ask for information that is not relevant to the eligibility determination.

The beneficiary shall be given 30 days to respond to the MC 355. If during the 30-day period the beneficiary has not responded to the form, nor otherwise provided the requested information, the county shall attempt to contact the beneficiary requesting the information. Contact can be attempted through any of the means available to the county and should be conducted according to the beneficiaries preferred method of contact if known and documented in the case.

If the MC 355 is returned timely, or needed information otherwise provided, the county shall verify that the information returned is correct. For example, if the beneficiary was required to submit income verification, the county shall verify that the document submitted is a valid income document.

Once the county approves the verification document, the county shall enter the data element into the SAWS and re-submit the redetermination to the CalHEERS BRE to continue with the eligibility determination.

If the MC 355 is not returned timely, or needed information not otherwise provided, the beneficiary shall be discontinued from Medi-Cal benefits for lack of cooperation at the end of the month at which the 30-day period ends. If the 30-day period ends prior to the annual redetermination month, the beneficiary shall not be discontinued until the end of the redetermination month.

The county shall ensure that the beneficiary is properly noticed of the discontinuance action. Upon discontinuance, the beneficiary is given a 90-day cure period. During the cure period, if the beneficiary returns the MC 355, or otherwise provides the needed information, the county shall treat the information as if it were received timely, immediately enter the information into the SAWS system and submit to the CalHEERS BRE as prescribed above.

If the beneficiary is subsequently found Medi-Cal eligible, the county shall grant benefits back to the date of discontinuance. Please note the submittal of the MC 355, or otherwise providing the information, does not constitute Medi-Cal eligibility. The discontinuance action shall not be overturned until the information is run through the CalHEERS BRE and eligibility is found. Once eligibility is found, the county shall provide notice to the beneficiary that his/her benefits have been restored back to the date of termination.

Use the following table as a guide for MC 355 time-frames.

Number	Step	Action
1	Steps 2 and 4 from the above table apply - BRE information is incompatible and ex-parte data is inadequate	Request MC 355 and give beneficiary 30 days to respond.
2	Beneficiary responds to MC 355	Run through BRE to determine eligibility. If information is still incompatible or not all information is provided by 30 day deadline, go to Step 3.
3	Beneficiary does not respond to MC 355 or information remains incompatible or incomplete	Discontinue with adequate 10-day notice if unable to determine eligibility due to lack of information or response.
4	Beneficiary cure period	Beneficiary has up to 90 days from effective date of discontinuance to provide appropriate information for the county to review eligibility for possible restoral.

Missing Information

If the RFTHI Redetermination Packet is returned, or information is otherwise provided, but there is not enough information to determine eligibility for MAGI Medi-Cal, counties should immediately send the beneficiary the MC 355 form. The form should request only the information that is required to complete the MAGI eligibility determination. The beneficiary can return the form, or otherwise provide the requested information, by mail, or convey its contents over the phone, by fax, or in person and the county shall document the information in the case.

The beneficiary shall be given 30 days to respond to the MC 355. If during the 30-day period the beneficiary has not responded to the form, nor otherwise provided the requested information, the county shall attempt to contact the beneficiary requesting the information. Contact can be attempted through any of the means available to the county and should be conducted according to the beneficiaries preferred method of contact if known and documented in the case.

If the MC 355 is returned timely, or needed information otherwise provided, the county shall enter the data element into the SAWS and submit the redetermination to the CalHEERS BRE for an eligibility determination.

If the MC 355 is not returned timely, or needed information is not otherwise provided, the beneficiary shall be discontinued from Medi-Cal benefits for lack of cooperation at the end of the month at which the 30-day period ends. If the 30-day period ends prior to the annual redetermination month, the beneficiary shall not be discontinued until the end of the redetermination month.

The county shall ensure that the beneficiary is properly noticed of the discontinuance action. Upon discontinuance, the beneficiary is given a 90-day cure period. During the cure period, if the beneficiary returns the MC 355, or otherwise provides the needed information, the county shall treat the information as if it were received timely, immediately enter the information into the SAWS system and submit to the CalHEERS BRE as prescribed above.

If the beneficiary is subsequently found Medi-Cal eligible, the county shall grant benefits back to the date of discontinuance. Please note; the submittal of the MC 355, or otherwise providing the information, does not constitute Medi-Cal eligibility. The discontinuance action shall not be overturned until the information is run through the CalHEERS BRE and eligibility is found. Once eligibility is found, the county shall provide notice to the beneficiary that his/her benefits have been restored back to the date of termination.

Loss of Contact

If the RFTHI Redetermination Packet is sent back, such as “return to sender,” or “no forwarding address” the county shall attempt to contact the beneficiary as required in WIC Section 14005.37(c). This shall include first, an ex parte review of information available to the county in SAWS about the beneficiary or his or her family members, such as from a CalFresh file with more current contact information for the beneficiary, and then, if necessary, by attempting to contact the beneficiary via the Internet, by telephone, or by other means available to the county according to the beneficiary’s preferred method of contact if a method has been identified. For beneficiaries other than former foster youth, if

all required attempts at contact fail, the county shall send a notice of discontinuance and document the inability to make appropriate contact in the case file.

Former Foster Youth up to Age 26
As required by WIC Section 14005.28 (a)(3), former foster youth are to receive a simplified annual renewal packet and should not receive the RFTHI Packet. If a county receives an RFTHI packet as return to sender or otherwise undeliverable, before proceeding with the steps to discontinuance, the county shall check all available sources to see if the beneficiary is a former foster youth. Former foster youth up to age 26 shall not be discontinued due to a loss of contact. Rather, they shall be placed into fee-for-service Medi-Cal.

The Department will be issuing further guidance on the 2014 annual redetermination process via additional ACWDLs shortly.

If you have any questions, please contract Braden Oparowski by phone at (916) 552-9570 or by email at Braden.Oparowski@dhcs.ca.gov.

Original Signed By:

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