



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



EDMUND G. BROWN JR.
Governor

DATE

To: ALL COUNTY WELFARE DIRECTORS Letter No:
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY PUBLIC HEALTH DIRECTORS
ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: Discontinuance Notice of Action for Individuals Who Lose Eligibility for Modified Adjusted Gross Income Medi-Cal as a Result of Being Over-Income – Non-Modified Adjusted Gross Income ex parte Review Fails

Purpose

The purpose of this All County Welfare Directors Letter (ACWDL) is to provide clarification to counties and consortia on the requirements for issuing a Notice of Action (NOA) to individuals who lose eligibility for Medi-Cal as a result of the following:

- Being over income for the appropriate Modified Adjusted Gross Income (MAGI) program;
- Not eligible for Consumer Protection Programs (CPP); and
- Having no potential eligibility for non-MAGI Medi-Cal programs after ex parte review or declining a non-MAGI assessment.

Currently, there is no discontinuance notice generated by the California Healthcare Enrollment, Eligibility, and Retention System (CalHEERS) for individuals who are discontinued from MAGI Medi-Cal, for the reason described in this letter, regardless of whether they become eligible for coverage under Covered California health plans. There may be other MAGI beneficiaries who are found Medi-Cal ineligible for reasons other than the reason provided in this ACWDL. Future guidance will be issued to address any gaps that are brought to the Department of Health Care Services' attention that may result in these individuals not receiving an appropriate Medi-Cal discontinuance NOA.

Discontinuance NOAs for Loss of Medi-Cal due to Over Income for MAGI Limit

An over income eligibility determination for Medi-Cal may result from a change in circumstances, such as an increase in income, change in household size, or an individual's age where program eligibility is based on age and income limits. Effective immediately,

counties must ensure that a timely and adequate manual discontinuance notice is issued to all individuals who lose eligibility for Medi-Cal due to an increase in income for the appropriate MAGI eligibility group, where the individual has no potential eligibility for CPP or non-MAGI Medi-Cal after ex parte review and/or who declines an assessment for non-MAGI Medi-Cal after receiving the non-MAGI screening packet. Please see ACWDL 14-18 for guidance on that process.

Comment [CR1]: ACWDL 14-18 p. 2 doesn't make this an either/or proposition

Comment [CR2]: Is this still the current procedure and guidance on how to handle this? If so, please indicate that. If not, please indicate insert where counties can get instructions/guidance on a) ex parte review for potential non-MAGI Medi-Cal and b) offering an assessment for non-MAGI to a beneficiary.

It would also probably be helpful to remind counties of what to do if someone is over income for MAGI and is also eligible for SOC, e.g. a 19 year-old

Comment [CR3]: Must require screening for APTC per 15926(h)(1) and ACWDL 14-18, p. 4 "If the individual is found not eligible for a non-MAGI Medi-Cal program, the county *shall immediately rerun the beneficiary through the CalHEERS BRE to determine APTC/CSR eligibility.*

Comment [CR4]: Just to clarify, a county could/should check all of the applicable boxes, or just one?

This is required whether or not an individual has new eligibility for advanced premium tax credits, cost sharing reductions or unsubsidized coverage.

Over Income NOA Included with this ACWDL

Included with this letter is the manual discontinuance NOA (Attachment 1) that counties must use to notify individuals of their discontinuance from Medi-Cal, where the individual has no potential eligibility for CPP or non-MAGI Medi-Cal after ex parte review or/and who declines an assessment for non-MAGI Medi-Cal and the individual is over income for the appropriate Medi-Cal program. Counties must ensure that the appropriate check boxes within the NOA are marked to identify the specific reason(s) the individual was determined to be over income for the Medi-Cal program.

The chart below lists the rules and regulations that must be listed on the discontinuance NOA when income is found above the MAGI Federal Poverty Level (FPL) limit, depending on the individual's circumstances.

Rules and Regulations – Income Is Above MAGI FPL

Parent/Caretaker Relative	Cal. Welf. & Inst. Code §§
Undocumented Parent/Caretaker Relative	Cal. Welf. & Inst. Code §§ 14005.30, 14005.64, Cal. Code Regs., tit. 22, § 50302
Adults 19-64 Years Old	Cal. Welf. & Inst. Code §§ 14005.60, 14005.64
Undocumented Adults 19-64 Years Old	Cal. Welf. & Inst. Code §§ 14005.60, 14005.64, Cal. Code Regs., tit. 22, § 50302
Full Scope Pregnant Women	Current full-scope up to 60%, use: Cal. Welf. & Inst. Code §§ 14005.1, 14050.1, 14005.64
	Once full scope is 109%, use: Cal. Welf. & Inst. Code §§ 14005.22, 14005.64
	Once full scope is 138%, use: Cal. Welf. & Inst. Code §§ 14005.22, 14005.225, 14005.64
Undocumented Pregnant Women up to 60%	Cal. Welf. & Inst. Code §§ 14005.1, 14050.1, 14005.64, Cal. Code Regs., tit. 22, § 50302
Limited Scope Pregnant Women	Cal. Welf. & Inst. Code § 14005.64
Undocumented Pregnant Women up to 213%	Cal. Welf. & Inst. Code § 14005.64, Cal. Code Regs., tit. 22, § 50302

Comment [CR5]: Should include citations to the consumer protection program such as TMC and CEC to indicate that they were not eligible for the CPPs either.

Children - 6-18 years old, 0-138 percent FPL	Cal. Welf. & Inst. Code § 14005.64
Undocumented Children – 6-18 years old, 0-138 percent FPL	Cal. Welf. & Inst. Code § 14005.64, Cal. Code Regs., tit. 22, § 50302
Children - 6-18 years old, 139 percent-266 percent	Cal. Welf. & Inst. Code §§ 14005.26, 14005.64
Undocumented Children - 6-18 years old, 139 percent-266 percent	Cal. Welf. & Inst. Code §§ 14005.26, 14005.64, Cal. Code Regs., tit. 22, § 50302
Children - 1-5 years old, 0 -147 percent FPL	Cal. Welf. & Inst. Code § 14005.64
Undocumented Children - 1-5 years old, 0 -147 percent FPL	Cal. Welf. & Inst. Code § 14005.64, Cal. Code Regs., tit. 22, § 50302
Children - 1-5 years old, 148 -266 percent FPL	Cal. Welf. & Inst. Code §§ 14005.26, 14005.64
Undocumented Children - 1-5 years old, 148 -266 percent FPL	Cal. Welf. & Inst. Code §§ 14005.26, 14005.64, Cal. Code Regs., tit. 22, § 50302
Infant - under 1 year old, 0-213 percent FPL	Cal. Welf. & Inst. Code § 14005.64
Undocumented Infant - under 1 year old, 0-213 percent FPL	Cal. Welf. & Inst. Code § 14005.64, Cal. Code Regs., tit. 22, § 50302
Infant - under 1 year old, 214-266 percent FPL	Cal. Welf. & Inst. Code §§ 14005.26, 14005.64
Undocumented Infant - under 1 year old, 214-266 percent FPL	Cal. Welf. & Inst. Code §§ 14005.26, 14005.64, Cal. Code Regs., tit. 22, § 50302

Senate Bill (SB) 1341

SB 1341 was signed into law September 2014 and requires the SAWS to create and send NOAs for the Medi-Cal program, including the MAGI NOAs currently generated by CalHEERS. As a result of transitioning MAGI NOAs to SAWS, it is expected that the Over Income NOA will be programmed to generate automatically for the appropriate scenarios with the implementation of SB 1341. The manual process described in this letter is intended to be used only until such time as SAWS programs the Over Income NOA to be generated automatically.

Comment [JF6]: Once SAWS is programmed, must verify that hearing rights appear appropriately as this NOA currently contains a reference to a CalHEERS snippet re hearing rights.

NOA Policy Requirements

Counties are reminded that all requirements outlined in ACWDL 13-13: *Medi-Cal General Notice of Action (NOA) Policy*, including the requirement to include the NA Back 9 hearing rights information and the multilingual notification, and the requirement to adhere to timely 10-day notice, must be followed.

Comment [CR7]: Will the Department offer any translation into the threshold languages?

Additionally, for MAGI eligibility evaluations, counties must include the Affordable Care Act Bureau designation on the NA Back 9, as required by the California Department of Social Services, in order to ensure the hearing requests, based on MAGI eligibility evaluations, are routed to the correct location. The English and Spanish versions of the correct NA Back 9 to be used for MAGI eligibility evaluations are included with this letter as attachments 2 and 3. Counties may include the local legal aid agency within the designated area of the NA Back 9.

Comment [JF8]: This is a 10 day notice of termination yet gives no information as to how to effectuate coverage in Covered CA. The Cov CA notice does not arrive until after termination, necessitating a gap in coverage.

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If you have any questions or require additional information, please contact Alison Brown at (916) 319-9565 or by email at Alison.Brown@dhcs.ca.gov.

Alice Mak, Acting Chief
Medi-Cal Eligibility Division

Attachments

DRAFT

NOTICE OF ACTION
DISCONTINUANCE OF BENEFITS

Γ	Γ	Notice Date:	_____
		Case Number:	_____
		Worker Name:	_____
		Worker ID Number:	_____
		Worker Telephone Number:	_____
		Office Hours:	_____
		Office Address:	_____

DISCONTINUANCE NOTICE FOR:
Insert Name(s) Here

We have looked at all information available to us about your circumstances and based on this information, your ~~eligibility to receive~~ Medi-Cal will be discontinued on effective the last day of <date>.

The reason your benefits are stopping is:

You no longer qualify for Medi-Cal because your household income is above the applicable Medi-Cal limit. We counted your household size and income to make our decision. This is the result of:

- A change in income
- A change in household size
- Your age is above the age range allowed, where program eligibility is based on age and income.

Comment [JF9]: As stated in our comments submitted 7/2/15 there must be an accounting of income considered and the Medi-Cal income limit for the county. This should also specify the change in household if that is the case.

[\[include provision about screening & eligibility for APTCs, how the transfer between programs works, and what, if anything, the consumer needs to do to stop or further that process.\]](#)

Please Note: Other family members with different eligibility status may receive a separate notice.
~~Please call your county eligibility worker if you need additional information about this notice.~~

We used the information you gave us and our records to make our decision. If you have questions or think we made a mistake, or if you have more information to give us, call or write to your worker right away.

[Please call your county eligibility worker if you need additional information about this notice.](#)

DO NOT THROW AWAY YOUR BENEFITS IDENTIFICATION CARD (BIC)
If you already have a plastic Benefits Identification Card (BIC), do not throw it away. You can use it again if you become eligible for Medi-Cal.

Attachment 1

<_____> is the regulation or law we relied on for this decision. If you think we made a mistake, you can appeal. See "Your Hearing Rights" on the last page to learn how to appeal. You have only 90 days to ask for a hearing. The 90 days started the day after the county sent you this notice.