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

TOBY DOUGLAS
Director

EDMUND G. BROWN JR.
Governor

March 29, 2011

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

SUBJECT: INCOME DISCREPANCIES AND UNREPORTED FEDERAL INCOME

This letter provides County Welfare Departments (CWD) with instructions for coordinating with the Department of Health Care Services (DHCS) to identify reported income discrepancies. DHCS has developed the capability to detect unreported federal income in connection with the Public Assistance Reporting Information System (PARIS).

PARIS is an information sharing system, operated by the U.S. Department of Health and Human Services, Administration for Children and Families that allows state and federal agencies to verify public assistance client circumstances. The PARIS system includes three different data matches. The PARIS-Veterans match allows states to compare their beneficiary information with the U.S. Department of Veterans Affairs. The PARIS-Interstate match allows states to compare their beneficiary information with other states. The PARIS-Federal match allows states to compare their beneficiary information with the U.S. Department of Defense (DoD) and the U.S. Office of Personnel Management (OPM). This letter provides instructions for handling unreported income detected from the PARIS-Federal match. The PARIS-Federal match does not contain any veteran aid and attendance information.

DHCS requires Medi-Cal beneficiaries to report income at the time of application or redetermination. Beneficiaries are also obligated to follow Midyear Status Report procedures and report any changes in income within ten days of the change. The Medi-Cal application and redetermination forms require the applicant or beneficiary to furnish income information for the household members. DHCS requires that the aforementioned forms be signed. By signing these forms, the individual agrees to several responsibilities, which include notifying the CWD of a change in household income within ten days.

Medi-Cal Eligibility Division
1501 Capitol Avenue, MS 4607, P.O. Box 997417, Sacramento, CA 95899-7417
(916) 552-9430 phone, (916) 552-9477 fax
Internet Address: www.dhcs.ca.gov

The PARIS-Federal match can be used to improve the capability of DHCS to identify unreported federal income. By connecting with PARIS, DHCS obtains information that identifies recipients receiving unreported federal income, which can lead to lower Medi-Cal program expenditures, through the discontinuance of ineligible beneficiaries, as well as appropriately adjusting Share-of-Cost (SOC).

DHCS started participating in the PARIS-Federal match in May 2009, and has identified Medi-Cal beneficiaries receiving unreported federal income through DoD and OPM. Through the first three-quarterly PARIS matches, DHCS identified a significant number of Medi-Cal beneficiaries, who are receiving unreported federal income. DHCS conducted a sample investigation and found that approximately 24 out of 100 cases had unreported federal income, with an average unreported income of $750 monthly. These investigations resulted in a total annual SOC adjustment of $10,680.

Effective May 1, 2011, DHCS will implement a statewide program, in conjunction with all 58 CWDs, to identify income discrepancies using the PARIS-Federal match. DHCS performs the PARIS-Federal match in February, May, August, and November. Upon receipt of the PARIS-Federal match results, DHCS will filter the match results and send each CWD a list of county-specific matches in spreadsheet format. DHCS filters the match results based on several factors, such as income discrepancy amount, eligibility status, and aid code. DHCS will specify on the spreadsheet whether the beneficiary is classified as a retired civilian, retired military veteran, or a military reservist. Retired personnel are likely receiving unearned income and military reservists are likely receiving earned income.

The CWD will then compare beneficiary-provided income information to the federal income information provided on the PARIS-Federal match file. If the income information provided by DHCS does not match the income provided by the beneficiary, the CWD should perform a reevaluation. This process could potentially include beneficiary contact, verification of accurate income reporting, reported income adjustments, SOC adjustments, and discontinuances due to ineligibility. The CWD will then report their income discrepancy and reevaluation findings to DHCS, including reported monthly income, whether the CWD was notified of the income, whether a discrepancy existed, what the discrepancy dollar amount was, and the reevaluation results. A column for notes will also be included in this spreadsheet. Should a situation arise where a beneficiary has moved to another county, the CWD should use the notes column to reflect this information and initiate the Inter-County Transfer process. Also, if a beneficiary is discontinued, the CWD should list the reason in the comments column. Refer to Enclosure 1 for a sample spreadsheet.

CWD coordination is necessary to ensure the change of beneficiary circumstances is considered as part of the Medi-Cal eligibility determination. In working with the CWDs, DHCS could identify income discrepancies and have the Medi-Cal eligibility or SOC adjusted accordingly. This could lead to reduced Medi-Cal program expenditures. The information received by the PARIS-Federal match should be treated as verified federal income information. It is taken directly from the DoD and OPM databases and matched with information on Medi-Cal beneficiaries.

CWDs must send completed income discrepancy and reevaluation reports to DHCS using a secure transmission method within 30 days of receipt. If CWDs have secure email capabilities, CWDs should send all reports using secure email to paris@dhcs.ca.gov. If CWDs do not have secure email capabilities, CWDs should send forms by fax to (916) 440-5233. If CWDs have questions regarding how to send secure emails, the CWDs should contact DHCS at paris@dhcs.ca.gov.

DHCS requests that CWDs appoint a representative to be responsible for coordinating with DHCS on this program. DHCS recommends using the same contact person used for the PARIS-Interstate pilot program. If the CWD representative for the PARIS-Federal match is different from the representative appointed for the PARIS-Interstate pilot program, CWDs should send an email to paris@dhcs.ca.gov or fax to (916) 440-5233 by April 29, 2011, to inform DHCS of the CWD representative for the PARIS efforts. DHCS will send income discrepancy spreadsheets to the CWD representatives by secure email transmission. If a CWD would like to receive the income discrepancy list using an alternate transmission method, please contact paris@dhcs.ca.gov.

If you have any questions regarding the information in this letter, please contact Ms. Shye Johnson at (916) 327-0417 or by email at Shye.Johnson@dhcs.ca.gov.

Original signed by:

René Mollow, MSN, RN, Chief
Medi-Cal Eligibility Division

Enclosure

Unreported Federal Income Spreadsheet

DHCS Provided Information										CWD Provided Information					
#	MEDS ID	CIN	First Name	Last Name	DOB	Aid Code	Elig Stat	Record Type**	Monthly Federal Income ($)	Reported Monthly Income ($)	Was County Notified of Federal Income (Y/N)?	Discrepancies? (Y/N)	Discrepancy Total (Monthly $)	Reevaluation Results (A, B, C) ***	Notes/Comments
1	123456789	123456A	John	Doe	1/1/2001	34	301	MR	$2,000.00	*	*	*	*	*	*
2															
3															
4															
5															
6															
7															
8															
9															
10															

* These are to be filled out by CWD
** Record Type values are:
MR: Military Retired
CR: Civilian Retired
MV: Military Reservists
*** Acceptable values are:
A: Discontinued
B: SOC Adjusted
C: No Change