STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

EDMUND G. BROWN JR., Governor

DEPARTMENT OF HEALTH SERVICES
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November 10, 1980

Letter No. 80-42

To: County Welfare Directors
County Health Officers
County Data Processing Officers

IMPLEMENTATION OF SB 148 (MEDI-CAL COVERAGE FOR INSTITUTIONALIZED PERSONS)

This letter is to implement the Medi-Cal eligibility provisions of SB 148. It is a follow-up to the Department's information and instruction letter of August 11, which dealt with SB 148 and its companion bill AB 339. SB 148, which has been signed into law and is now effective, provides Medi-Cal coverage for a limited number of incarcerated prisoners for a limited period of time. This coverage includes health diagnosis and treatment services (provided through the Medi-Cal program) as well as health assessments and other related preventave health services (provided through the Child Health and Disability Prevention (CHDP) program).

The August 11 letter emphasized Medi-Cal coverage for prisoners; this letter addresses all forms of client institutional status that affect eligibility. This is because the most recent federal Medicaid eligibility rules, which are incorporated by reference into state Medi-Cal statutes, address other types of insittutional status in addition to prisoner status. However, this letter does not authorize expanded eligibility for institutionalized persons other then prisoners before implementing regulations are filed.

Method and Effective Date of Eligibility Instructions

As the August 11 letter stated, the provisions of SB 148 can be implemented directly from statute, since SB 148 was a self-executing, emergency act. Accordingly, the instructions in this letter are to be implemented immediately. Eligibility determinations made in accordance with this letter apply to Medi-Cal applicants or eligibles who were being held as prisoners on or after May 9; that was the effective date of SB 148. Medi-Cal eligibility is not authorized for any period of prisoner status before May 9; nor is it authorized for any month, from May forward, during which a person was incarcerated for the entire month.

The eligibility instructions for prisoners are attached. They are in the form of proposed regulations, and procedures. The regulations are going through the adoption process now as emergency regulations. As soon as they are filed, they and the procedures will be published in the Medi-Cal Eligibility Manual.

Issuance of Medi-Cal ID Cards to Prisoners

As the August 11 letter states, the system is not yet in place that can process provider Medi-Cal billings for prisoner care in the manner that SB 148 and AB 339 require. When the system is ready, providers, cities and counties will be notified so they can submit claims. Proof of eligibility will have to

be sent in with those claims; so Medi-Cal ID cards must be issued for prisoners. Cards can be issued now, to prisoners or their authorized representatives; counties need not wait until the claims processing system is in place. In some cases, cards must be issued now, because the prisoners need them for medical care received before or after the period of incarceration. No special coding is required on Medi-Cal cards for prisoners or other institutionalized eligibles. Identification of provider claims and state and county administrative costs for such eligibles will be done through other means.

The CID system or M-208 reporting process should be used for Medi-Cal card issuance to the maximum extent possible.

Deadline for Retroactive Applications

The August 11 letter advised that August 31 was the last date for submission of applications by persons who wanted Medi-Cal coverage for care received while they were institutionalized in May. Some counties, who delayed accepting applications until they received the August 11 letter, and who are now contacting former prisoners who may be retroactively eligible, have advised that the August 31 date does not leave enough time to complete the contacts. Accordingly, the deadline for submitting applications for May and June was reset to October 31. A follow-up has been sent to recipients of the August 11 letter.

If there are any questions regarding this letter, please contact your Medi-Cal Field Representative or the CHDP Director in your local Health Department.

Sincerely,

Original signed by

Barbara V. Carr, Acting Chief
Medi-Cal Eligibility Branch

Attachments

cc: Medi-Cal Liaisons
Medi-Cal Field Representatives
County Administrative Officers

County Supervisors Association of California
California Law Officers
League of California Cities

County Probation Departments
County Hospital Administrators
County Boards of Supervisors
Expiration Date: May 31, 1981

TITLE 22, CAC, CHAPTER 2 ARTICLE 6
INSTITITIONAL STATUS

Note: The current regulations in article 6 are being repealed in their entirety and replaced with these regulations.

50271. Institutional Status -- General. The status of inmates in public or private institutions shall be a factor in the determination of their Medi-Cal eligibility as specified in Section 50273. The eligibility of inmates whose institutional status does not cause ineligibility under Section 50273 shall be contingent upon all other eligibility requirements being met.

50273. Ineligible Due to Institutional Status. (a) Inmates in public or private institutions shall be ineligible for Medi-Cal due to institutional status if they are any of the following:

(1) Detained under the penal system.
(2) Detained under Section 602, Welfare and Institutions Code.
(3) Under age 65 and a patient in an institution for the treatment of tuberculosis.
(4) Age 21-64 and receiving inpatient psychiatric services in an institution for the treatment of mental illness, except that persons institutionalized prior to their 21st birthday shall be eligible until they reach their 22nd birthday, as long as they remain continuously institutionalized and continue to receive inpatient psychiatric care.

(b)(1) Persons who are ineligible solely because of institutional status are ineligible during that portion of a month in which they are institutionalized, if they are any of the following:

(A) Age 21 through 64 and eligible under the Medically Indigent program.
(B) Eligible under the Dialysis-Only program.
(C) Eligible under the MC 800 program.
(D) Eligible under the APSB program or the APSB-Twenty Percent Social Security Increase Program.
(E) Eligible as SGA-disabled persons.
(F) Age 21 through 64 and eligible through linkage to the AFDC -- Unemployed program, and the unemployed person in the MFBU is not connected with the labor force as described in Section 50215.

(2) All other persons who would be ineligible solely because of institutional status shall be eligible throughout the first and last month of institutionalizatio

(c) Inmate status of persons detained under the penal system including Section 60 of the Welfare and Institutions Code shall be considered to be terminated only when the inmate is released from the public institution on permanent release, bail, probation, or parole. Inmate status of such persons shall not be affected by an outpatient visit to a physician or other medical practitioner outside the public institution or transfer to a public or private medical facility.

(d) Institutional status shall be considered to be terminated when a person is released from a mental institution or tuberculosis institution or transferred to a public or private medical facility. Inmate status of such persons shall not be affected by an outpatient visit to a physician or other medical practitioner outside the public institution.

(e) Institutional status shall be considered to be terminated when a person is on conditional release or convalescent leave from an institution for mental diseases. Institutional status of persons who are under the age 22 and have been receiving inpatient psychiatric services in mental hospitals shall not be considered to be terminated until he/she is unconditionally released.

(f) The provisions of this Section shall apply to Medi-Cal-only applicants detained under the penal system on or after May 9, 1980.

TITLE 22, CAC, CHAPTER 2 ARTICLE 13
SECTION 50703

50703. Period of Eligibility. (a) The period of eligibility for Medi-Cal for persons eligible for AFDC, APSB or SSI/SSP shall begin with the date specified in Section 50701 (a) and (b), and shall continue through each successive month during which the person is determined to be eligible.

(b) The period of eligibility for Medi-Cal for persons eligible as Other PA recipients shall begin with the date specified in Section 50701 (c), and shall continue through each successive month during which the person meets all eligibility requirements of the appropriate Other PA category.

(c) The period of eligibility for Medi-Cal for persons eligible as MN or MI, except as specified in (d), shall begin with the date specified in Section 50701 (c), and shall continue through each successive month during which the beneficiary meets all of the following conditions:

(1) Has cooperated with the county department to the extent required by Sections 50185 and 50187.
(2) Has met the property requirements specified in Article 9 at some time during the month.
(3) Has met the citizenship, residence and institutional status requirements specified in Articles 6 and 7 at some time during the month.

(d) The period of eligibility for Medi-Cal for a child applying on his or her behalf in accordance with Section 50147.1 (a) shall begin with the date specified in Section 50701 (c), and shall continue through each successive month during which the child meets both of the following conditions:

(1) Has met the conditions specified in (c).
(2) Has submitted a completed and signed form MC 4026 to the county department during the month in question which states that the child has a need for services related to sexual assault, drug or alcohol abuse, pregnancy, family planning or venereal disease.

(e) The period of eligibility shall not include any portion of a month in which a person is ineligible due to institutional status, as described in Section 50273 (b) (1).

(f) A final date of eligibility shall be established when the county department determines that the person or family will no longer meet all eligibility requirement as of the first of the following month. The final date shall be the last day of the

(1) Current month, if the discontinuance is not an adverse action as defined in Section 50015.
(2) Current month, if the discontinuance is an adverse action and the ten day advance notice requirements of Section 50179 (d) will be met in the current month.
(3) Following month, if the discontinuance is an adverse action and the ten day advance notice requirements will not be met in the current month.

6A - MEDI-CAL ELIGIBILITY FOR INSTITUTIONALIZED PERSONS

I. General

These procedures deal with the expansion of Medi-Cal eligibility to cover certain groups of persons while they are institutionalized for part of a month. The expanded coverage is defined in Section 50271 and 50273 of the Medi-Cal Eligibility Manual. This expanded coverage is of benefit to cities and counties as a new source of reimbursement for medical costs of jail or juvenile hall detainees. In order for cities and counties to maximize this benefit, coordination is needed among individual city and county agencies such as the sheriff and police departments, the probation department, the welfare department and the health department. The development of this internal coordination among agencies is a joint city/county responsibility.

The expanded coverage is limited to those Medi-Cal eligibles who also meet Federal Medicaid eligibility criteria. Therefore, all Medically Indigent (MI) Adults and other persons eligible under state-only Medi-Cal programs remain ineligible for Medi-Cal while incarcerated. Medical services rendered to MI Adults who are ineligible because of institutional status will not be reimbursed.

II. Eligibility Background

A. General

Regulations Section 50273 defines those kinds of institutional status that cause ineligibility for Medi-Cal. It divides people who have those types of institutional status, into two groups:

1. Eligible even while institutionalized in a particular month, because for part of that month they were <u>not</u> institutionalized. These persons are those who <u>are</u> in a program recognized by, and partially funded through, the federal Medicaid program. Such persons are either blind, or disabled, or 65 years old or more, or are under 21 years of age, or are members of a family with a deprived child (an AFDC family).

2. Ineligible during that part of the month that they are instututionalized. These are persons who are eligible under a state-only Medi-Cal program <u>not</u> recognized by the Federal Medicaid program. Section 50273 contains a list of these state-only programs; the MI Adult program is by far the largest.

B. Linkage to AFDC

1. An institutionalized person is an AFDC-MN person if he/she met AFDC linkage criteria during the noninstitutionalized part of the month. This holds whether the person applied for Medi-Cal before or after institutionalization.

2. If an institutionalized person is 21 years or over; and is linked to the AFDC-Unemployed program; and the family member who is unemployed is connected to the labor force per regulation Section 50215; then the institutionalized person is eligible during the part of the month that he/she is institutionalized. However, if the unemployed person is not connected to the labor force, the institutionalized person is not eligible.

   Example: A family has two parents and a child; and one parent met the AFDC definition of "unemployed" in a month and then was institutionalized in that month; the institutionalized parent would be eligible during the institutionalized part of the month as well as the noninstitutionalized part of the month, if he/she were "connected to the labor force", per Section 50215.

III. Eligibility Procedures -- Persons Already Eligible When Institutionalized

A. Termination of Eligibility

Institutionalized persons already eligible for Medi-Cal must be discontinued, if institutionalization is grounds for ineligibility, and the persons are:

1. Eligible under a federally recognized Medi-Cal program, but their period of institutionalization will extend throughout the month following the month of institutionalization. Eligibility will end on the last day of the first month of institutionalization.

2. MI Adult, or other state-only eligibles. Eligibility ends on the day of institutionalization.

B. Notice of Action

The Discontinuance Notice of Action will have the end-of-month effective date specified in Section 50703. In certain cases, it must also have the statement:

> "In accordance with Title 22, CAC, Section 50703 (e), Medi-Cal eligibility is not available during that part of the month of _____ that you are institutionalized." The month to be entered in the space is the month during which the individual became institutionalized and thereby lost eligibility for the institutionalized part of the month.
>
> That statement must be included if the person is an MI Adult or other state-only eligible.

Note that Regulations Section 50015 provides that a discontinuance caused by institutionalization is not an adverse action; 10 days advance notice before discontinuance is therefore not required.

C. PHP Enrollees

If a person is institutionalized in a month, needs medical care and is identified as a confirmed Prepaid Health Plan (PHP) enrollee either before or after care, the detaining agency or county should call:

Prepaid Health Plans Branch
Department of Health Services
(800) 952-5528 or 952-5529

The PHP Branch will immediately send a standard Medi-Cal card to the person, at the facility, and take steps to disenroll the person from PHP.

IV. Eligibility Procedures -- Persons Not Yet Determined Eligible When Institutionalized

These procedures are for persons who apply for eligibility after they are institutionalized. They also may apply to persons who applied in a month and then were institutionalized in that month; the extent to which the procedures apply depends on how complete the eligibility determination process was for the person before institutionalization.

A. Applications

As described in regulations Section 50141, the general rule is that insittutionalized persons must apply on their own; or if the person is a minor who has been living in the parent's home and parental responsibility has not been ended by court action or voluntary placement (see Section 50216.5 (a)(2)), the parent may apply. If there is a foster parent, the foster parent may apply. If there is a court appointed custodian of a minor, the custodian may apply. If the court has given custody to a public agency, then the minor's application will be on form MC 250, and eligibility processed in accordance with regulations Section 50251.

The situations described in Section 50147, under which any other person can apply on behelf of a person in need, also apply to institutionalized persons.

County welfare departments must accept and process Medi-Cal applications from anyone who requests coverage. However, county welfare departments are not obliged to have a Medi-Cal outreach program, or to solicit applications. The eligibility process for an institutionalized person must be started by the prisoner or his/her representative.

B. County Responsibility

The county responsible for determining eligibility of institutionalized applicants is as defined in the County of Responsibility regulations

of Article 3. As provided in Section 50135, if county of responsibility is different from the county where the institutionalized person makes application, the county of institutionalization may act as the responsible county.

C. Face-to-Face Contact

A face-to-face interview, with an institutionalized applicant or the person completing the Statement of Facts on the applicant's behalf, is required in accordance with Section 50157. If the applicant is a child, this contact must be made with the parents, or responsible person completing the Statement of Facts. As provided in regulations Section 50251, if a public agency has been charged with the financial responsibility of a child in place of the parents, and the child is not living with the parents, completion of form MC 250 by the agency is all that is required.

The face-to-face contact may be delegated to another public agency. That agency must agree to fulfill the purpose and specific requirements of the face-to-face interview as outlined in Section 50157.

D. Residence and Living Arrangement

The residence and living arrangement of the applicant immediately prior to institutionalization shall be used to determine eligibility, except where parental responsibility has been ended by court action or forma voluntary placement (see Section 50216.5 (a)(2)) during the month in questi Otherwise, parents or guardians of persons under 21 who would be responsible for those minors if institutional status were ignored shall retain responsibility for their children for Medi-Cal eligibility purposes.

E. Availability of Income and Property

Income and property which would be available if the person were not institutionalized will be treated as available when eligibility is determined.

F. Disability Referrals and Evaluations

1. The State Disability Evaluation Division will apply some modification to its internal procedures when evaluating the medical status of potentially disabled institutionalized individuals. However, these modifications will not affect county disability referrals: the procedures in Section 4A of the Eligibility Manual still apply. Counties who are already operating under the simplified Referral System (SRS) shall <u>not</u> use that process for institutionalized persons: those counties shall also use procedures Section 4A for institutionalized persons.

2. If an institutionalized individual is potentially disabled but would qualify only as an MI adult if he/she were <u>not</u> disabled, counties must await completion of the medical evaluation by the

State before making a final eligibility determination. This is because eligibility during the institutionalization period will not exist unless the person is found to be disabled as of that period.

G. Verification

Verification of information on the Statement of Facts shall be conducted in accordance with Article 4 of the Medi-Cal Eligibility regulations. As provided in regulations Section 50168 income verification may be required of a client prior to completing the eligibility determination

H. Notice of Action

The notice of action process for the "one month eligibility" may be used for institutionalized applicants whose eligibility ends at the end of the month of application. Form MC 239B Medi-Cal Notice of Action Denial/Discontinuance of Benefits, may be used for the simultaneous approval and discontinuance notice.

I. State Hearings

State hearings shall be conducted in accordance with Article 16 of the regulations.

J. Other Health Coverage

Other health coverage information shall be gathered, and coding put on Medi-Cal ID cards, in accordance with Article 15 of the eligibility regulations and procedures.

K. CHDP

Persons under age 21 who are institutionalized have the same right to information about the Child Health and Disability Prevention (CHDP) program as do non-institutionalized persons under the CHDP program. An eligible person is entitled to receive a complete health assessment which includes a health history and physical exam, other clinical and laboratory tests, immunizations and dental checkup. For reimbursement for these services a CHDP Confidential Screening/Billing Report (Form PM 160) must be completed, signed by a certified CHDP provider and submitted to the State CHDP Branch. Approval of CHDP providers is the responsibility of the CHDP Director in the local health department.

L. Medi-Cal ID Cards

Medi-Cal ID cards are to be sent to the institutionalized beneficiary, or authorized representative, at the time the beneficiary is determined to be a certified eligible. No special coding is required on Medi-Cal ID cards issued for months which include days of institutionalization.

V. MFBU Composition: Families with Institutionalized Members

Effective with the first full month of institutionalization, an institutionalized person will not be considered either an eligible member nor an excluded member of an MFBU which he/she would normally be a part of. However, if the county has good reason to believe that the person will be released from institutional status during a month, and the prior month was not a full month of institutionalization, the person will be counted as an eligible or excluded member of the MFBU, as appropriate, during the month of prospective release. If it occurs that the person was not released in that month, and the eligible members of the MFBU would benefit in that month from not having the institutionalized person in the MFBU, then the case should be recomputed without considering the institutionalized person.

Example: A person is arrested near the end of one month. The person is an MI Adult in an approved case with a spouse and child. The county is advised of the arrest, at the beginning of the second month, and is told that bail will be arranged shortly. Accordingly, the county sends the person a notice of discontinuance but retains the person as an excluded family member of the MFBU for the second month.