STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

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Letter No.: 91-98

All County Welfare Directors
All County Administrative Officers
All County Medi-Cal Program Specialists/Liaisons

SUBJECT: ARTICLE 4 APPLICATION PROCEDURES

Enclosed is the final version of the Article 4 Application Procedures for inclusion in your Procedures Manual. We apologize for the delay in its issuance. These procedures should be implemented as soon as possible, but not later than January 1, 1992.

You will receive an improved, reformatted version of Article 4 when the current revision of the Procedures Manual is completed. If you have any questions, please contact Elaine Bilot at (916) 657-1246 or Tony Plescia at (916) 657-3185.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

Enclosure

4I -- APPLICATION PROCEDURES

County Welfare Departments are responsible for:

- Accepting and processing applications for Medi-Cal.
- Informing applicants of Medi-Cal eligibility requirements; use of the Income and Eligibility Verification System (IEVS) to verify income and assets; Medi-Cal program benefits; rights and responsibilities, including appeal rights; availability of various social services; availability of Medi-Cal prepaid health plans, etc.
- Obtaining required verification and determining eligibility.
- Granting or denying the application in a timely manner.

The following section addresses various activities in the application process.

I. Application for Medi-Cal in Conjunction with Other Programs

A. Aid to Families with Dependent Children (AFDC)

Title 22, California Code of Regulations (CCR), Section 50145, provides that, when a person or family applies and is approved for any public assistance program or In-Home Supportive Services (IHSS), their Medi-Cal eligibility is established automatically and they need not submit a separate application for Medi-Cal. This section further provides that the cash applicant may also apply for retroactive Medi-Cal benefits in accordance with Section 50148.

The JA 2 Statement of Facts is used by all counties for both AFDC and Food Stamp (FS) applications. Code letters on the left side of each question indicate which items must be completed for AFDC applications, which must be completed for Food Stamps, and which must be completed when the applicant desires both. As such, a person or family applying solely for AFDC need only complete the items coded "AFDC" or "AFDC/FS", and the items marked only "FS" can be left blank.

When an AFDC application is denied, and the family (or part of the family) wishes to apply for Medi-Cal Only, the applicant shall not be required to complete an MC 210, nor is a new SAWS 1 necessary. Eligibility for Medi-Cal Only shall be determined based on the AFDC information provided on the JA 2 and the completion of an MC 13 for each Medi-Cal applicant. If additional information is deemed necessary to make a correct

Medi-Cal Only determination, it may be obtained via affidavit. The applicant shall not be required to sign an MC 210 Coversheet in such cases, as a signed Medi-Cal Rights and Responsibilities document already exists in the file in the form of a SAWS 2A (the coversheet for the JA 2). The AFDC worker is required to review the Medi-Cal portions of the SAWS 2A with the applicant in addition to the AFDC portions.

B. Food Stamps

When an application is made for Food Stamps only, the person applying is not required to complete the AFDC-only items on the JA 2. Accordingly, if the applicant requests a Medi-Cal eligibility determination subsequent to the FS-only application, he/she must go back and complete the AFDC portion of the JA 2 or, if he/she prefers, an MC 210. Again, a new SAWS 1 is not necessary and a MC 13 must be completed for each family member wishing Medi-Cal. However, unlike the post-AFDC denial scenario described in A. above, the post-FS Medi-Cal Only applicant must sign the MC 210 Coversheet, as the Medi-Cal portion of the SAWS 2A will not have been covered during the FS-only application.

II. ASSISTANCE WITH THE APPLICATION PROCESS

A. Assistance With Filing the Application

Title 22, CCR, Section 50143 provides that anyone who wishes to receive Medi-Cal may file an application (Application for Public Assistance - SAWS 1) and complete the application process, even if it appears that the person is ineligible. (Pursuant to the Hunger Prevention Act of 1988, which required the Aid to Families With Dependent Children (AFDC) and Food Stamps (FS) programs to use common forms, the SAWS 1 replaced the CA 1 as the application for Public Social Services effective 4/1/90).

If a person is in need of Medi-Cal, but for any reason is unable to apply on his/her own behalf, or if the person is deceased, anyone who knows of the applicant's need may file an application on the person's behalf. The application must be in writing on the SAWS 1, and if made by someone other than the applicant, or by a county worker on the applicant's behalf, the application must be countersigned by the applicant at the first opportunity, unless the applicant is deceased, mentally incompetent, or physically incapable of signing. The SAWS 1 is signed under penalty of perjury.

B. Face-to-Face Interviews

The County Welfare Department (CWD) is responsible for evaluating the capacity of applicants or beneficiaries to discharge their responsibilities. Regulations are specific as to who may complete and sign the Statement of Facts for Medi-Cal

(MC 210) and participate in the face-to-face interview. (See 22 CCR Sections 50163 and 50157.) As long as the applicant has the capacity to discharge his/her responsibilities, he/she is responsible for participating in the application process. Applicants may designate any person they choose at any time to accompany, assist, and represent them in the eligibility determination process. This means that a person who accompanies the applicant to the face-to-face interview may assist and represent him/her at the interview, help in obtaining required verification, etc. The person may be a family member, friend, representative of an organization, legal aid, or anyone else the applicant chooses. The person(s) designated may not appear or act in lieu of the applicant, and a competent applicant's participation in the Medi-Cal application process is not excused by designating another person (22 CCR 50185 (a)(2)). Please remember that any applicant who is mentally "incompetent" or mentally "incapable of acting on his/her own behalf" is also incapable of authorizing another person or organization to act for him/her (See Section E).

As part of a county's effort to facilitate early access to prenatal care for pregnant women through the outstationing eligibility workers (EWs), the CWD may provide for pregnant women to apply for Medi-Cal and be interviewed at a perinatal clinic or other location where they regularly receive perinatal care. Also, in certain cases, the CWD may have to arrange to interview an applicant at home or in a facility, if the person is mentally alert but physically incapacitated or otherwise unable (rural area, no transportation) to go to the county office. However, mere inconvenience does not excuse an applicant from coming to the county office to apply.

C. Authorized Representative

Some applicants sign an "authorized representative" (AR) form, thereby appointing an individual or organization to assist them in establishing Medi-Cal eligibility. Such authorization may also give the assisting person or organization access to confidential information contained in the applicant's case file. For Medi-Cal program purposes, a signed authorization form is not necessary in order for the applicant to have someone accompany and assist him/her in the application process. However, a signed authorization form is required if the person or organization assisting the applicant wishes to examine the case file in the absence of the applicant or wishes information on case activity. (See Article 2H -- Confidentiality of Medi-Cal Case Records, page 2H-5). While the signed authorization permits the AR to receive, on an "as requested" basis, any NOAs or requests for information/verification that are sent to the applicant or beneficiary, the authorization in no way obligates the CWD to routinely issue them to the AR.

Specific signed authorization is also required for a representative to act for and represent a claimant in any and all aspects of the state hearing process. If there is a question as to whether the applicant has freely chosen to designate an authorized representative, the CWD should request that the applicant clarify the situation. Written authorizations may be revoked in writing by the applicant/beneficiary at any time. The right of an AR to obtain information on an applicant's case is limited to one year from the date of the signed authorization, unless the authorization is expressly limited to a shorter period, revoked, or, in some cases, where a state hearing or appeal is pending. Except for state hearings, the one-year limitation may not be waived.

While the CWD must allow applicants the right to choose someone to accompany, assist, and represent them, applicants continue to have the responsibility to cooperate by signing the SAWS 1, noted above, completing and signing the MC 210, being present at the face-to-face interview, and personally ensuring a response to requests for information.

D. Applications for Deceased Persons

While anyone who knows of the applicant's need may sign and submit an application for Medi-Cal on behalf of a deceased person (22 CCR, Section 50143), only certain persons may complete and sign the MC 210, provide verification, and attend the face-to face interview on behalf of a deceased person. These persons are: 1) the spouse or family member; 2) a guardian, conservator, or executor; 3) a person authorized to handle the decedent's affairs; 4) or a public agency representative (22 CCR, Sections 50077, 50163). The following information provides further clarification of the third and fourth categories.

1. Persons Authorized to Handle Decedent's Affairs

If the decedent left an estate, the executor or administrator of the estate is the decedent's legal representative and may act on his/her behalf. If there is no estate, the decedent's representative may be a spouse or relative.

2. Public Agency Representative

Where a decedent has no known family and there is no executor or administrator to act on his/her behalf, the county welfare department or other public agency may, at its option, complete the MC 210 and obtain/provide verification. If the county welfare department chooses to complete the MC 210, it should follow the "diligent

search" procedures outlined in II below and in Sections 50163 (a)(3)(D) and 50167(c).

Eligibility is to be established on the same basis as if the person were alive on the application date. Rules for three-month retroactive eligibility apply 22 CCR, Section 50148.

E. Application for Persons Mentally Incapable of Acting on Their Own Behalf

Per 22 CCR, Section 50163, if an applicant is mentally incompetent, comatose, or suffering from amnesia and there is no spouse, conservator, or guardian, the MC 210 may be signed by a relative, a person who has actual knowledge of the applicant's circumstances, or a representative of a public agency. If the county has any question about the person's mental ability to act on his/her own behalf, the county may require that the Medical Report -- Medical Assistance Only form (MC 1708) be completed and signed. The county department must evaluate the person's circumstances and determine whether there is a need for referral to protective services, the public guardian's office, or another appropriate agency. If it appears that the relative, private guardian or other person is not acting in the best interests of the applicant, the county should refer the case. For example, if a relative or private guardian appears to be misappropriating income or property of the applicant, or fails, without good cause, to complete the application process or cooperate with the CWD, the case should be referred. Similarly, if the "knowledgeable person" is found to have no real, personal, and specific knowledge of the applicant's affairs, the case should be referred.

However, because such referrals: 1) Often result in finding that there is no need for protective services (the person has few resources), or 2) frequently take some time before protective services or public guardianship is established, the county department representative should, in such cases, determine whether another "knowledgeable" person, such as a relative or an LTC representative (if the applicant is in LTC) can complete and sign the MC 210 on behalf of the incompetent applicant. If no such person is available, a county representative should complete and sign the MC 210 and/or perform a diligent search as discussed in III below. Such action is not only in the applicant's best interests, but serves the county as well, by reducing the amount of time such cases are "pending" because no one is acting on the applicant's behalf while the CWD awaits the results of the referral. This is especially true in cases where the CWD is seeking to establish Medi-Cal eligibility for a person who received services in a county facility.

To be "incompetent" or "incapable of acting on one's own behalf" does not mean that the applicant does not understand English or the application process, or that the applicant just prefers to have someone else act on his/her behalf. These terms "incompetence", "incapacity" generally refer to an applicant's mental condition. While these terms could also apply to a physical condition that does not impair mental capacity but actually precludes an applicant's ability to sign the MC 210, i.e., quadriplegia, crippling arthritis, etc., such situation should be dealt with by arranging a home or facility visit. Under these circumstances, the applicant or knowledgeable person can provide the information and the knowledgeable person or county worker can sign the MC 210. If the physically-impaired applicant can make a "mark", a witness should also sign the MC 210.

Regulations do not require that a court or some other entity must first declare that a person is incompetent. Rather, when the county has evidence that a person is mentally incompetent or mentally incapable of acting on his/her own behalf, e.g., a spouse, relative, or friend with personal knowledge of the applicant applies indicating that the applicant is comatose, senile, etc., and can provide evidence to this effect, then the county may process the application with that individual acting on behalf of the applicant per 22 CCR Section 50163.

When the MC 210 is completed and signed by someone other than the applicant or his/her spouse, that person assumes the responsibilities of the applicant and is liable for declarations made on behalf of the applicant. Thus, the person must have real, personal, and specific knowledge of the applicant's affairs; that is, the person must be able to provide information (i.e., answer vital income and property questions with a response other than "unknown"). If the person signing the MC 210 willfully conceals or fails to report essential facts, that person, not the applicant/beneficiary, could be referred for a fraud investigation. Per 22 CCR, Section 50157(f), the county must inform the person who signs the MC 210 in such cases of the verification necessary to establish eligibility and must provide all requests for information and Notices of Action to that person.

III. DILIGENT SEARCH PROCEDURES

The county department representative should complete and sign the MC 210 for a deceased, comatose, amnesiac, or otherwise mentally incompetent person when 1) no one else is authorized to do so, 2) the county welfare department or the public guardian has determined that there is no need for protective services (because the person has few resources), 3) the organization or individual involved has no responsibility for the person's financial affairs (i.e., guardian of

the person, but not the estate, etc.), or 4) a relative or private guardian refuses to cooperate or fails to complete the application process on behalf of the person. Under such circumstances, any county which performs a diligent search per 22 CCR 50166 is held to a standard of exercising "reasonable diligence" by using the following guidelines in the eligibility determination process:

A. Protective Services Evaluation/Referral

Document in the case file the fact that the CWD or the public guardian's office determined there was no need for protective services or that the social worker/guardian is responsible only for the person but not the estate. When the person is deceased, the case record should indicate that the application is for a deceased person.

B. Disability Determination Referral

The CWD shall make a referral to Disability Evaluation Division (DED) for all persons whose eligibility is determined through these procedures unless the individual is obviously over age 65. The person making the referral shall sign the MC 220, Authorization for Release of Information, and write "patient is comatose" or "person is deceased", as applicable, on the face of the form. Forms MC 221, Disability Determination and Transmittal, and MC 223, Statement of Facts for Medi-Cal Regarding Disability, shall be completed with all available information. Please note that even a person under age 21 may be advantaged by a disability determination due to increased income deductions for the disabled.

C. Case Documentation Diligent Search

1. Persons Without Identification

If a member of the hospital staff has attempted to establish the identity of a person who is comatose, amnesiac, or mentally incompetent when admitted and the person's identity remains unknown, the county shall document in the case record what reasonable efforts were made by the hospital staff to establish the identity of this person. If the person is deceased and/or law enforcement officials are involved, information on identity should be requested from the appropriate agency. If the person's name is known, even though there is no other information available, see 2.

2. Persons With Identification

The CWD shall conduct the following reasonable routine search for a person with identification and document the results in the case file:

a. Medi-Cal Eligibility Data System (MEDS) "known to welfare" search by Social Security number (SSN) or, if the SSN is not available, by name and county.

b. Property search in the county of physical presence. (If there is information which indicates an address in another county, a property search shall also be requested from that county).

c. Verification of Social Security benefits via form SSA 1610/CA 810 or IEVS.

d. Verification of Veteran's Administration benefits via form CA 5.

e. Employment Development Department (EDD) clearance via IEVS.

f. Verification of vehicle registration through written request to the Department of Motor Vehicles (DMV).

g. If the personal effects of the individual indicate an account at a specific banking institution, request information from that bank. Request the bank to search for all accounts belonging to the individual. If the institution refuses to provide the requested information, document the effort in the case file (see Section 50167(c)). If the information contained in the personal effects, e.g., a current check register, provides an account balance, but the bank refuses to provide further information, include a cover letter indicating the circumstances, i.e., the individual is deceased or comatose and therefore cannot sign a release of information form, there is no person authorized to act on behalf of the individual, and the county is trying to establish Medi-Cal eligibility.

D. Application Processing -- Diligent Search

Final Action on the application shall not be taken until a determination of eligibility/ineligibility has been completed. If, at any time during the application process, the person's condition changes or a "knowledgeable" friend or relative who is willing to cooperate is found so that information can be obtained in the usual manner, the diligent search efforts shall cease.

Once the diligent search (and disability determination, if appropriate) have been completed, an eligibility decision shall be made. If the person is without identification and his/her

identity is unknown, use the following instructions to establish an identity for the Medi-Cal case and issue Medi-Cal cards for person determined to be eligible:

1. Name

   Use either John C. Doe or Jane C. Doe for the case name.

2. Age

   Hospital records or the death certificate can be used to establish approximate age.

3. Aid Code

   a. If the approximate age is under 21 years of age, use Aid Code 82 or 83.

   b. If the approximate age is between 21 and 64, and the disability determination has been approved, use either Aid Code 64, 67, or, if the person is/was in long-term care status (LTC) use Aid Code 63. If disability was denied but the person is/was in an intermediate care facility or skilled nursing facility, use Aid Code 53. If the approximate age is over 65 years of age use Aid Code 14, 17 or, if the person is/was in LTC Aid Code 13.

4. Birth Date

   Use "01" for the month and "01" for the day; use the following for the year of birth:

   a. If the approximate age is under 21, use the current year minus 10 years.

   b. If the approximate age is between 21 through 64, use the current year minus 40 years.

   c. If the approximate age is 65 or over, use the current year minus 70 years.

5. Social Security Number

   Leave blank. A pseudo-number will be assigned by MEDS.

6. Health Insurance Claim Number

   Leave blank

7. Address

If the applicant is homeless, use either the address of the county welfare department or the business office address of the facility where the individual is receiving care, as MEDS will produce a reject message if the address field is blank.

NOTE: If a comatose person regains consciousness or is otherwise identified after eligibility is established, revise the case record to reflect the person's true identity and eligibility status. If the person remains eligible for Medi-Cal and a Medi-Cal identification number has been assigned, retain the serial number and change the aid code if there is a change in eligibility status or category. If the person is found to be ineligible, discontinue the case with timely and adequate notice.

IV. SSN VERIFICATION

A. General

Title 22, CCR, Section 50168 provides, in part, that the county department must obtain verification of the SSN (or that application for a SSN/evidence of a SSN has been made) within 60 days of the date of the initial Medi-Cal application, but not necessarily prior to approval of eligibility. Subpart (B) states that SSA district office notification must be viewed as confirmation that the person has applied for a SSN or evidence of a SSN. This documentation is usually either a copy of a SS-5 or a MC 194 referral form annotated by an SSA official to indicate that a completed SS-5 has been submitted. The EW must at the very least document in file the fact that such verification was viewed and appeared to be genuine. It is preferable, however, that such verification be photocopied for the file.

B. Newborns

Federal regulations regarding application for Social Security Numbers (42 Code of Federal Regulations, Section 422.103) were amended in March 1990. They now provide for a parent, at the parent's option, to request a Social Security Number (SSN) for a newborn child when giving birth registration information to hospital personnel for state vital statistics purposes. This new procedure provides an alternative to the parent having to complete a SS-5 "Application for a Social Security Card" form at a local Social Security office for the newborn.

In conjunction with this amendment, the Social Security Administration (SSA) has revised its form "Message from Social Security", to provide a space for a hospital official to certify

that a SSN has been requested for the newborn. For Medi-Cal eligibility purposes, this form, when signed and dated by a hospital official, is acceptable as evidence that a SSN has been requested for the child. As in the case of the SS-5 and annotated MC 194 mentioned above, such evidence of application for SSN conforms with Title 22, CCR, Section 50168 (a)(1)(B).

V. OBTAINING VERIFICATION

It is the responsibility of the applicant, or the person who signed the MC 210, to obtain and make available all documents required in the application process. Applicants are required to provide such verification within a reasonable period of time so that the CWD can determine eligibility. When the applicant or the person who signed the MC 210 fails to provide the required documents/verification by the requested deadline, the CWD must make a "reasonable effort" to obtain the information (see 22 CCR, Section 50175). This means that the eligibility worker must try to contact the applicant by telephone and/or written notice.

If the applicant has attempted to obtain the necessary verification but has difficulty in securing it, the county shall, with the applicant's written consent, assist in trying to obtain the information. The applicant must sign the "Applicant Authorization for Release of Information", identify the persons to be contacted, and the specific information to be requested. If neither the applicant nor the county can obtain the documentation, then the provisions of Section 50167 (c) are to be followed. These efforts should be documented in the case file.

If the applicant does not respond to the county's follow-up attempt, the application shall be denied. If the applicant subsequently provides the necessary verification within three months of the denial, or if the applicant requests a hearing, the county shall establish whether there was good cause for failure to submit the information. If good cause does exist, and the missing verification is provided at the same time that evidence of good cause is provided, the county shall rescind the denial and approve eligibility. If a hearing was filed, good cause is found, and the missing verification has been submitted, the county should rescind the denial, approve eligibility and secure a withdrawal of the hearing request. However, if good cause does not exist, the denial action shall stand. If the case does go to hearing, the county shall ensure that the oral and written position statements reflect the county's repeated attempts to assist the applicant in providing essential information, as well as the county's determination that good cause did not exist for the applicant's failure to obtain and submit needed information. Thus, documentation in the case file is essential and should be included in the county's position statement in the event of an appeal.

VI. INFORMING APPLICANTS OF PROPERTY LIMITS

The county welfare department must provide the Medi-Cal information Notice 007 to 1) any person requesting information about Medi-Cal eligibility or 2) any person who submits an application for Medi-Cal under any Program. If the person requesting Medi-Cal information or applying for Medi-Cal is in long-term care when such request for information or application is made, the county shall also provide the Medi-Cal information Notice 005. Counties must otherwise follow the specific instructions contained in draft regulation Section 50154, and in All County Welfare Directors Letter #90-01.