



Department of Health Care Services
MEMORANDUM

DATE: July 17, 2013

TO: Tribal Chairpersons, California Indian Health Programs and Urban Indian Organizations

FROM: Sandra "Sam" Willburn, Chief, Primary and Rural Health Division 

SUBJECT: Notice of Proposed Changes to the Medi-Cal Program

The purpose of this memo is to provide information regarding proposed changes to the Department of Health Care Services' (DHCS) Medi-Cal Program that will be submitted to the Centers for Medicare and Medicaid Services (CMS). DHCS is forwarding this information for your review and comment.

DHCS is required to seek advice from designees of Indian Health Programs and Urban Indian Organizations on Medi-Cal matters having a direct effect on Indians, Indian Health Programs or Urban Indian Organizations per the American Recovery and Reinvestment Act of 2009 (ARRA). DHCS must solicit the advice of designees prior to submission to CMS of any State Plan Amendment (SPA), waiver requests or modifications, or proposals for demonstration projects in the Medi-Cal program.

Medi-Cal Modified Adjusted Gross Income (MAGI) & Children's Health Insurance Program (CHIP) Eligibility & Benefits State Plan Amendments— In accordance with California Assembly Bill x1 1 and Senate Bill x1 1, DHCS is submitting several SPAs CMS in preparation for implementation of the Medicaid and CHIP changes related to the Affordable Care Act. These SPAs are necessary to implement the MAGI-based eligibility levels and income counting methodologies for Medi-Cal and CHIP and to elect a state's single streamlined application format in accordance with these statutes. Please see the enclosed summary for a description of these proposals and contact information for questions or comments.

DHCS will hold a teleconference to provide an opportunity to discuss and provide immediate feedback regarding these SPAs. The teleconference will be held from 3:00 p.m. to 4:00 p.m. on Monday, July 22, 2013. To participate in this teleconference please dial 1- 888-998-7891 and when asked for the participant password please reply "MAGI". Please note these SPAs are scheduled for submission to CMS on July 31, 2013 in order for DHCS to implement them in accordance with statutes.

QUESTIONS AND COMMENTS:

Tribes, Indian Health Programs and Urban Indian Organizations may submit written comments or questions concerning these proposals prior to submission of the SPAs. Comments may be sent by email or by mail to the address below:

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Enclosure

**Medi-Cal Eligibility Division
Department of Health Care Services (DHCS)
Medi-Cal Modified Adjusted Gross Income (MAGI) & Children's Health Insurance
Program (CHIP) Eligibility & Benefits State Plan Amendments (SPAs)**

Background

In accordance with California Assembly Bill x1 1 and Senate Bill x1 1, DHCS is submitting several SPAs to the Centers for Medicare and Medicaid Services (CMS) in preparation for implementation of the Medicaid and CHIP changes related to the Affordable Care Act (ACA). These SPAs are necessary to implement the MAGI-based eligibility levels and income counting methodologies for Medi-Cal and CHIP and to elect a state's single streamlined application format in accordance with these statutes.

Description of SPAs and Effective Date:

The MAGI & CHIP Eligibility & Benefit SPAs will identify the groups that California will cover in the Medi-Cal program. There are mandatory and optional coverage groups. These SPAs also identify the income limits for each group, if any, and any special criteria that the state has the option of selecting. The effective date of the following SPAs will be October 1, 2013.

Medi-Cal MAGI SPAs include:

1. **Eligibility Process**

This SPA identifies the use of California's single, streamlined application and the methods by which an application is accepted. It also includes renewal processing.

2. **MAGI Income Methodology**

This SPA identifies certain MAGI options California has chosen

- When determining the household composition, pregnant women count as a single person, plus the number of unborn children
- Projecting income based on reasonable predictable changes in income (seasonal or contract workers).

3. **Single State Agency**

This SPA identifies DHCS as the Medicaid agency. It also describes other state agencies that determine eligibility and conduct appeals.

4. **Residency**

This SPA identifies the state's residency requirements.

5. **Citizenship and Immigration Status**

This SPA identifies the immigrant statuses eligible for Medicaid services. It also provides for a 90 day reasonable opportunity period for individuals who declare they are citizens or qualified immigrants to provide documentation. During this reasonable opportunity period, DHCS must approve benefits if otherwise eligible.

6. Hospital Presumptive Eligibility

This SPA identifies the state's hospital presumptive eligibility process. California is still developing the business rules to implement hospital presumptive eligibility.

CHIP MAGI Eligibility SPAs include:

1. MAGI Eligibility & Methods

These SPAs identify the groups covered under Title XXI-CHIP. DHCS will be covering pregnant women and children up to age 2 years under the Access for Infants and Mothers Program, children up to age 18 years under the Optional Targeted Low Income Program, children 6-18 years under the ACA Title XXI Medicaid Children expansion population.

2. XXI Medicaid Expansion

This SPA identifies ACA expansion coverage for children age 6-18 years with income between 100% FPL up to 133% FPL.

3. Establish 2101(f) Group

This SPA establishes that during the first renewal using MAGI methodology, if a child loses Medicaid eligibility due to the loss of disregards, the child can be eligible for CHIP consumer protection for one year.

4. Eligibility Process

This SPA identifies the use of California's single, streamlined application and the methods by which DHCS can accept an application. It also includes renewal processing.

5. Non-Financial Eligibility

These SPAs identify the CHIP programs non-financial eligibility criteria such as state residency, citizenship and lawful presence, and verification/use of applicant social security number.

Impact to Indian Health Programs and Urban Indian Organizations

Impact on Indian Health Programs

DHCS does not anticipate any impact to Indian Health Programs related to these proposals. However, Indian Health Programs may see an increase in patients that are covered by Medi-Cal.

Impact on Indian Medi-Cal Beneficiaries

These proposals may impact Indian Medi-Cal beneficiaries by expanding access to affordable medical coverage, creating a seamless and coordinated system of eligibility and enrollment, and aligning financial eligibility rules across all insurance affordability programs.

Response Date:

DHCS plans to conduct a teleconference on July 22, 2013 from 3:00 p.m. to 4:00 p.m., to allow for immediate feedback and provide an opportunity to discuss these proposals. Comments may be sent by email or mail to the address below prior to the submission date of July 31, 2013 to

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