# FINAL STATEMENT OF REASONS

## UPDATE OF INITIAL STATEMENT OF REASONS

As authorized by Government Code Section 11346.9(d), the Department of Health Care Services (Department) incorporates by reference the Initial Statement of Reasons prepared for this rulemaking.

The regulation text was made available for 5-day advance notice from June 4, 2015 through June 9, 2015, and one individual submitted a comment.

The regulation text was made available for public comment for at least 45 days, from July 10, 2015 through August 24, 2015, and one individual submitted a comment.

A public hearing was not requested.

SUMMARY AND RESPONSE TO COMMENTS

The Department received comments during the 5-day advance notice and 45-day comment periods. A summary of the comments and the Department's responses are set forth on Addendum I.

## AMENDMENTS TO THE INITIAL STATEMENT OF REASONS

As a result of comments the Department received during the 5-day advance notice and 45-day comment periods, the Department proposed changes to the regulation text. The proposed changes to the regulation text were made available for public comment for at least 15 days from December 7, 2015 through December 22, 2015. The Department received no comments during this 15-Day Public Comment period.

Therefore, the Department amended the Initial Statement of Reasons to reflect the proposed changes to the regulation text. These amendments are shown below as underline text ([begin underline]underline[end underline]) for amendments and strikeout text ([begin strikeout]~~strikeout~~[end strikeout]) for deletions. The explanations for the changes are further discussed below.

### Section 50188

Subsection (d): These regulatory provisions are consistent with WIC Section 14005.36(c)(2) and are necessary to ensure that if a beneficiary does not provide consent for the Medi-Cal managed care plan to provide his/her updated beneficiary contact information to the [begin strikeout]~~Department and~~[end strikeout] county department, then the county department shall first attempt to verify the information received from the Medi-Cal managed care plan before updating the beneficiary's Medi-

Cal case file. This will support the goal of updating the beneficiary's Medi-Cal case file with the most current and accurate information.

*This change was necessary to reflect that "Department and" was removed from the final regulation text for the reasons discussed below.*

Subsection (d)(2) [begin underline](A)[end underline]: This regulatory provision specifies that a county department, if unable to verify information pursuant to Subsection (d)(1), [begin strikeout]may[end strikeout] [begin underline]shall[end underline] attempt to verify this information by contacting the beneficiary directly, using a preferred contact method, if known. This offers the county department an alternative way to seek this verification of information, but ensures that the beneficiary will be contacted by the county department, only if the sources, as specified in Subsection (d)(1), don't result in a verification of information. This provision [begin strikeout]further[end strikeout] supports the goal of verifying the accuracy of beneficiary information before the county department updates the beneficiary's Medi-Cal case file.

*The change adding the paragraph designation (A) was necessary to reflect that this paragraph was redesignated due to the addition of a new paragraph (B) in the final regulation as discussed below. It was necessary to change the term "may" to "shall" to reflect that the final regulation text was changed for the reasons discussed below.*

**Summary of Changes**

Amendments were made to the regulatory text as a result of public comments received, and additional program consideration. The amendments and the necessity for such amendments are as follows:

Section 50188

Subsection (a): As a result of public comment, including the phrase, "or their authorized representative," This amendment is necessary to provide the opportunity for a beneficiary to have an authorized representative act on their behalf in providing updated information.

Subsections (a), (b), and (c): Upon further consideration, excluding the phrase "Department and." This amendment is necessary because the Department receives updates to beneficiary contact information automatically through updates to the Medi-Cal Eligibility Data System (MEDS.) Therefore, including a requirement to report these changes to the Department through this process is not necessary.

Subsection (b): Upon further consideration, including the phrase "described in subsection (c)." This amendment is necessary to clarify that the information described in subsections (b) and (c) have different purposes.

Subsection (b): As a result of public comment, including the phrase, ", along with the beneficiary's Client Identification Number, date of birth, former address, and, if reporting

a name change, the beneficiary's former name." This amendment is necessary to specify the additional information, which can be used by the county department to identify the appropriate beneficiary case file to be updated.

Subsection (b): Upon further consideration, excluding the phrase, "to them." This amendment is necessary to simplify this provision and to avoid any potential confusion regarding who is being provided this information.

Subsection (d)(1): Upon further consideration, excluding the word, "beneficiary's." This amendment is necessary to reduce redundancy in this subsection.

Subsection (d)(2)(A): As a result of public comment and upon further consideration, changing the term, "may" to "shall." This amendment is necessary to require county departments to attempt to contact a beneficiary to verify this updated beneficiary contact information. This mandate was determined to be necessary to ensure all county departments follow the same procedure of contacting the beneficiary and verifying the information prior to updating the beneficiary's case file. Also under this subsection, including a new designation of (A) to more clearly organize this subsection to include a new paragraph (B), as described below.

Subsection (d)(2)(A): Upon further consideration, excluding the phrase, "a method has been." This amendment is necessary to simplify this provision.

Subsection (d)(2)(B): As a result of public comment and upon further consideration, including a new paragraph (B) to read, "If the county department is unable to verify the updated beneficiary contact information pursuant to paragraph (2)(A), the county department shall not include the information reported by the Medi-Cal Managed Care plan in the beneficiary's case file." This provision is necessary to ensure that incorrect contact information is not added to a beneficiary's case file.

Subsection (d)(3): Upon further consideration, changing subsection (d) paragraph (3) to subsection (e). This amendment is necessary to appropriately organize the information and clarify that the information of this subsection applies to the entire regulation section and not just subsection (d).

## LOCAL MANDATE DETERMINATION

The Department has determined that the proposed regulations would not impose a new mandate on local agencies or school districts, nor are there any costs for which reimbursement is required by Part 7 (commencing with Section 17500) of Division 4 of the Government Code.

## ALTERNATIVES CONSIDERED

The Department has determined that no reasonable alternative considered by the Department or that has otherwise been identified and brought to the attention of the

Department would be more effective in carrying out the purpose for which this regulatory action was taken, would be as effective and less burdensome to affected private persons than the regulatory action or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

Existing regulations related to the Medi-Cal Program are located in Title 22, CCR, Division 3. Using this regulatory proposal to adopt additional requirements regarding Medi-Cal eligibility is the most effective and convenient way to provide (current/updated) information directly to those impacted (county departments, providers and beneficiaries).

This regulatory action is necessary pursuant to W&I Code Section 14005.36, which requires the Department to adopt emergency regulations.