

DATE: May 30, 2023

TO: ALL COUNTY WELFARE DIRECTORS Letter No.:17-35E
ALL COUNTY WELFARE ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS
ALL COUNTY MEDS LIAISONS

SUBJECT: ERRATA TO THE ALL COUNTY WELFARE DIRECTORS LETTER
NO. 17-35 (REFERENCE: ALL COUNTY WELFARE DIRECTOR'S
LETTERS (ACWDL): 14-18, 23-04, AND 22-20, AND MEDI-CAL
ELIGIBILITY DIVISION INFORMATION LETTER (MEDIL) I 23-09.)

The purpose of this ACWDL errata is to provide updated guidance to ACWDL 17-35. These revisions will clarify policies surrounding Soft Pause functionality. Guidance in this letter takes effect immediately.

Corrections to ACWDL 17-35 are recorded using the following:

- ~~Strike through~~ for deleted procedures; and
- **Underline and bolding** for adding new procedures.

ACWDL 17-35 provided counties with updated policies and procedures for the removal of Soft Pause through the Statewide Automated Welfare System (SAWS).

Revisions to ACWDL 17-35 can be located on pages two through six.

Introduction

Change Request (CR) 3043, implemented on May 16, 2016, added a Soft Pause indicator to the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS) Budget Worksheet page, and introduced new functionality that allows county staff to remove Soft Pause protection directly in SAWS and then redetermine eligibility.

Background

When consumers' personal circumstances change, the Soft Pause functionality protects consumers from losing their Modified Adjusted Gross Income (MAGI) Medi-Cal eligibility while the county evaluates eligibility for other Medi-Cal programs not subject to MAGI, such as Non-MAGI Medi-Cal or Consumer Protection Programs (CPPs).

Adverse actions that will trigger Soft Pause functionality include:

- Moving from MAGI Medi-Cal to Advanced Premium Tax Credits/Cost Sharing Reductions (APTC/CSR)
- ~~Moving from non-premium MAGI Medi-Cal to premium MAGI Medi-Cal~~
- ~~Moving from full-scope MAGI Medi-Cal to limited or restricted scope MAGI Medi-Cal~~
- Moving from full-scope MAGI Medi-Cal to prenatal and postnatal coverage in example listed below
- Losing eligibility for MAGI Medi-Cal, including, but not limited to, turning 65 years old, becoming eligible for Medicare before age 65, or experiencing an increase in income that renders the beneficiary ineligible due to being over program income limits.

The Soft Pause Groups are comprised of beneficiaries who meet one or more of the following criteria:

- aged 65 or older
- attesting to blindness
- attesting to being disabled
- becoming eligible for Medicare
- a parent of a child under age 21
- a caretaker relative of a child under age 21
- a child under age 21
- a pregnant woman **individual** with income over 138 percent Federal Poverty Level up to the end of the ~~60-day~~ **365-day** post-partum period

Soft Pause Functionality and Criteria Updates

Medi-Cal Postpartum Care Extension

In compliance with the provisions of the [American Rescue Plan Act, State Plan Amendment 22-0030 and 22-0031](#), the postpartum period for pregnancy was extended from 60 days to 365 days effective April 1, 2022.

The 12-month postpartum coverage period for Medi-Cal eligible pregnant individuals will begin on the day following the last day of the pregnancy and will end on the last day of the month in which the 365th day occurs. Individuals will maintain coverage through their pregnancy and 12-month extended postpartum coverage period regardless of income changes, citizenship or immigration status, aid code, or how the pregnancy ends. For further guidance on the postpartum care extension implementation, please see [ACWDL 22-23](#) and [Medi-Cal Eligibility Division Letter \(MEDIL\) I 21-13E](#).

Removal of Soft Pause Indicator For All Beneficiaries in the Optional Targeted Low Income Children Program (OTLICP)

Previously, some beneficiaries eligible under the OTLICP were required to pay premiums to remain enrolled in the program. When MAGI Medi-Cal resulted in a beneficiary moving from a non-premium aid code to a premium aid code, Soft Pause was initiated.

Senate Bill (SB) 184, Chapter 47, Statutes of 2022, approved an initiative that reduced monthly premiums to zero dollars for all OTLICP beneficiaries. In an effort to increase county administrative efficiencies and to reduce the volume of beneficiaries that go into Soft Pause, the implementation of CR 219790 removed the application of Soft Pause for beneficiaries who move from a MAGI Medi-Cal non-premium aid code to a zero dollar premium aid code ([ACWDL 23-04](#)). This change was integrated in the CalHEERS 23.2 release, on February 13, 2023. For additional guidance on the reduction of monthly premiums to zero dollars, county eligibility workers (CEW) can reference [ACWDL 22-14E](#).

CPP or MAGI Screening Prior to Soft Pause Removal

County eligibility workers (CEW) must evaluate the beneficiary for MAGI Medi-Cal eligibility and/or CPPs prior to screening for Non-MAGI Medi-Cal and removal of Soft Pause. The CEW must place the beneficiary who qualifies for a CPP in the appropriate aid code when possible. When not possible, they may remain in Soft Pause, until further evaluation is complete.

CPPs include the following programs:

- **Continuous Eligibility for Children (CEC);**
- **Transitional Medi-Cal;**
- **Four Month Continuing; and**
- **Continued Eligibility for Pregnancy (CEP)**

For any individual that is not eligible to the programs listed above or to MAGI Medi-Cal, Soft Pause is to remain in place and a Non-MAGI evaluation is to follow.

Non-MAGI Screening

Once the ~~The County Eligibility Worker (CEW)~~ has evaluated for CPPs, if the beneficiary is not eligible, the CEW must then evaluate the individual for CPPs or Non-MAGI Medi-Cal before executing a Soft Pause removal or before transferring the beneficiary for APTC/CSR evaluation. The CEW may also execute a Soft Pause removal if the beneficiary has clearly indicated in writing or verbally (with documentation

in the case file) that they do not want a Non-MAGI Medi-Cal evaluation. [ACWDL 22-33](#) outlines the policies and procedures for evaluating beneficiaries for Non-MAGI Medi-Cal.

Similarly, the county must complete an evaluation for CPPs, and Non-MAGI Medi-Cal evaluation for persons who Soft Pause during the renewal process before advancing the annual renewal date. The county shall not advance the annual renewal date for beneficiaries in Soft Pause until ~~the Non-MAGI~~ all of the aforementioned screenings ~~process outlined in ACWDL 14-18~~ have been completed and Soft Pause is removed. **For information on required Non-MAGI screening forms, CEWs can reference ACWDL 22-33.**

~~SAWS shall program in the next available release~~ **Functionality** which prevents the system from advancing the annual renewal date for household members in Soft Pause during the automated renewal process and sending renewal Notices of Action **has been implemented in SAWS**. Additionally, SAWS ~~shall~~ **added** functionality to prevent a CEW from finalizing eligibility based on a renewal reason for beneficiaries in Soft Pause.

If the individual is determined eligible for Non-MAGI Medi-Cal, the county shall remove Soft Pause via SAWS to place the beneficiary in the appropriate aid code and provide notice to the beneficiary.

Failure to provide the Non-MAGI Screening Packet
Per MEDIL I 23-19, under Social Security Act Section 1902(e)(14)(A) temporary waiver, CEWs can temporarily complete the property determination without requesting verification for Non-MAGI renewals or at reported change in circumstance, when:

- Individuals have asset information available in the case record, disregarding any increases in assets since their most recent determination, or**
- Individuals self-attested to no assets at application or at their most recent redetermination.**

The county must proceed with an ex parte Non-MAGI review, utilizing the MC 604IPS as a tool, to screen for Non-MAGI income and deductions to determine eligibility. If after the ex parte review the CEW is unable to determine Non-MAGI eligibility with information found on file, whether electronic or administrative, or if it would result in a negative action to eligibility such as moving to a share-of-cost or having an increase in share-of-cost, the Non-MAGI screening packet must be sent to obtain current income and deduction sources only.

If the packet is sent and the county is unable to obtain missing information via ex parte, the screening packet must be returned (or completed via any required modality such as telephonically, in person etc.) to evaluate for Non-MAGI eligibility.

If the forms are not received after the 30 days and the beneficiary has been contacted at least once by their preferred method of communication to remind them to submit the Non-MAGI screening packet, the county must proceed as follows:

- **Release Soft Pause and evaluate for APTC/CSR, and**
- **Discontinue MAGI Medi-Cal with a timely Notice of Action as described in [ACWDL 22-01](#).**

It is important to note that a beneficiary whose eligibility is discontinued for failure to respond to the Non-MAGI evaluation is not protected by Soft Pause. The CEW shall remove Soft Pause ~~after~~ **and** processing the discontinuance. When a discontinued beneficiary provides the missing information during the 90-day cure period, the county must treat the information as submitted timely and evaluate Medi-Cal eligibility retrospectively to the date of discontinuance. In this instance, if the discontinued beneficiary is found eligible for Non-MAGI Medi-Cal without a share of cost (SOC), the beneficiary should be granted eligibility on the Non-MAGI basis retrospectively to the date of discontinuance. If the beneficiary has already transitioned to APTC/CSR, and is found eligible only for Medically Needy with a SOC, the county may follow-up to inquire whether the individual would like to have concurrent eligibility for Medically Needy SOC and APTC/CSR.

Soft Pause Removal

With the implementation of CR 3043, CEWs have the ability to execute a Soft Pause removal directly from SAWS. Once the CEW has completed the **MAGI, Non-MAGI or CPP eligibility review or, Non-MAGI review**, the CEW may remove the Soft Pause in SAWS and choose the appropriate triggering event (i.e. lost coverage in the past 60 days).

~~For individuals who have been determined eligible for APTC/CSR, once the CEW removes Soft Pause, the CEW may complete plan enrollment in CalHEERS. If the beneficiary requests help with enrollment and plan selection, the CEW shall help them complete the process, as described in [ACWDL 16-18](#). If the county is unable to complete the plan enrollment process, beneficiaries may also contact the Covered California Service Center at (800) 300-1506 for assistance.~~

Note: Beginning May 19, 2023, CalHEERS will activate SB 260 automatic plan selection, portal enhancements and Covered California SB 260 customer noticing. As a reminder:

- **SB 260 requires Covered California to automatically enroll beneficiaries who are eligible to APTC into a health plan before their Medi-Cal termination date to help avoid a gap in coverage, and**
- **Individuals discontinued from MAGI Medi-Cal who are not eligible for APTC will not be automatically enrolled into a Covered California health plan. CEWs shall continue to assist discontinued Medi-Cal beneficiaries transitioning to Covered California who do not qualify for APTC financial assistance or SB 260 automatic plan selection.**

CEWs can reference [ACWDL 22-20](#) for more information on SB 260 and assisting transitioning beneficiaries.

It is important to note that the Soft Pause removal is prospective. Soft Pause is removed only when SAWS sends the future benefit month eligibility determination request to CalHEERS. ~~For information on how the Soft Pause removal functions in CalHEERS, see the enclosed CalHEERS Information Transmittal (Updated CIT #0127-15).~~ For technical assistance in completing these actions in SAWS, please contact your county's SAWS consortia representative.

CEWs should no longer submit CalHEERS Help Desk tickets requesting Soft Pause removal, unless the Soft Pause removal action was unsuccessful or the SAWS case is closed, ~~as described in the Second Updated Soft Pause Removal CalHEERS Information Transmittal (please see enclosure).~~ For existing CalHEERS Help Desk tickets requesting Soft Pause removal, CEWs should execute the Soft Pause removal directly from SAWS and then change the status of the Help Desk ticket to "resolved."

If you have any questions about this letter, please contact Janis Kimball at (916) 345-8060 or by email at janis.kimball@dhcs.ca.gov.

Original Signed By

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