

DATE: March 30, 2026

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 26-08
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: UPDATE TO COUNTY WELFARE DEPARTMENTS' DISCONTINUANCE
PROCESS FOR DHCS RESIDENCY VERIFICATION PROGRAMS
(References: All County Welfare Directors Letter (ACWDL) [25-06](#), [17-18](#), [10-05](#), [09-41](#), and Medi-Cal Eligibility Division Information Letter (MEDIL): [25-11](#))

Purpose

The purpose of this All County Welfare Directors Letter (ACWDL) is to advise County Welfare Departments (CWDs) of policy and procedural changes to the residency verification programs that the Department of Health Care Services (DHCS) administers. To meet requirements as described in [Section 71103](#), Reducing Duplicate Enrollment Under the Medicaid and CHIP Programs, of H.R.1 (Public Law 119-21), DHCS is automating the quarterly discontinuance process in the California Statewide Automated Welfare System (CalSAWS). Starting January 1, 2027, CWDs will no longer manually discontinue Medi-Cal residency cases in CalSAWS.

Background

DHCS conducts residency verification for Medi-Cal recipients in compliance with [HR 1](#), [Section 71103](#) and [Title XIX of the Social Security Act, §1903\(r\)\(3\)](#) under two programs, Public Assistance Reporting Information System ([PARIS Interstate](#)) and [Residency Verification Program](#) (RVP). To maintain Medi-Cal program integrity and minimize fraud, waste, and abuse, DHCS sends residency verification letters to members who may be receiving benefits in California and one or more states, or who are identified as living out of state. To have continued Medi-Cal eligibility, members are required to confirm California residency under penalty of perjury, per California Code of Regulations (CCR),

Letter No.: 26-08
Page 2
March 30, 2026

Title 22, §§ [50320](#) and [50320.1](#). California Welfare and Institutions Code (W&I code) [Section 14005.39](#) requires the termination of Medi-Cal benefits without a redetermination if a Medi-Cal member is determined not eligible for Medi-Cal due to change of state residency.

Currently, non-resident and non-respondent members are discontinued by DHCS in the Medi-Cal Eligibility Database System (MEDS) and each CWD is sent a list of members to manually discontinue in CalSAWS.

Program Expansion and Procedures (Effective January 1, 2027)

DHCS will increase the number of residency verification letters mailed to members, until the entirety of each quarter's matched file is processed to meet state and federal requirements. CWDs will no longer manually discontinue in CalSAWS and DHCS will continue to send the Notices of Action (NOAs).

When members contact DHCS to confirm California residency after the termination date, DHCS will notify the CWD contacts to request they process benefit reinstatement in MEDS and CalSAWS with no interruption in coverage. CWDs are required to reinstate any member who confirms that they are California residents with MEDS termination codes of MR (Moved Out of State Per Beneficiary) or MV (Failed to Confirm California Residency) or with the MEDS Alert codes 9070 ("Moved out of state per Federal data") within the 90-Day Cure Period and to notify DHCS.

Other Household Members

Per ACWDL 10-05, if a Medi-Cal head of household loses coverage due to residency verification, CWDs must verify residency for the spouse and/or dependents. DHCS will not terminate other household members' coverage just because the head of household or relevant individual confirms they are out of state, requests removal, or fails to respond within the specified timeframe.

After system automation, DHCS will continue to provide CWDs the quarterly discontinuance file as a reference to assist with verifying the residency of other household members. [H.R. 1 Section 71103](#) includes the provision that requires states to use trusted data sources, including the United States Postal Services (USPS) National

Letter No.: 26-08
Page 3
March 30, 2026

Change of Address (NCOA) database, to obtain and update member address information, with full implementation required no later than January 1, 2027. There will be no change to the actions taken on members whose confirmation of California residency is provided by the National Change of Address (NCOA) database, as described in ACWDL [25-06](#). Please note that ACWDL [25-06](#) will be updated to reflect the requirements of [H.R. 1 Section 71103](#). Counties are to continue to accept addresses from trusted sources and are not required to send a notice to the member once the address has been updated.

Systems Programming

CalSAWS shall make programming changes to automate batch discontinuances for out-of-state members identified through DHCS residency programs by January 1, 2027. DHCS will coordinate with CalSAWS to implement all required system modifications.

If you have any questions, please contact the Medi-Cal Eligibility Division (MCED) Policy Inbox at MCED-Policy@dhcs.ca.gov.

Sincerely,

Sarah Crow, Chief
Medi-Cal Eligibility Division