CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES
Michelle Baass | Director

DATE: March 12, 2026

TO: ALL COUNTY WELFARE DIRECTORS
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

Letter No.: 26-07

SUBJECT: Policy Changes to Retroactive Medi-Cal Coverage Periods
(Reference MEDIL 14-27, ACWDL 18-11)

Note: This ACWDL represents preliminary guidance and is subject to change based on developing federal policy guidance and state legislative changes.

Purpose

The purpose of this All County Welfare Directors Letter (ACWDL) is to provide counties with updated guidance regarding changes to retroactive Medi-Cal eligibility policy effective January 1, 2027. These policy changes are required pursuant to federal legislation enacted under H.R. 1.

Background

Under current Medi-Cal policy, individuals may be eligible for up to 3 months of retroactive Medi-Cal coverage prior to the month of application, provided all eligibility requirements are met for each retroactive month.

Effective January 1, 2027, Section 71112 of H.R. 1, Public Law 119-21, reduces the maximum allowable retroactive Medi-Cal coverage period for all eligibility groups.

Under the revised policy, individuals in the Modified Adjusted Gross Income (MAGI) New Adult Group may be eligible for up to one month of retroactive coverage. All other Medi-Cal coverage groups may be eligible for up to two months of retroactive coverage.

Policy Change

The revised retroactive Medi-Cal coverage periods apply to applications with an application date of January 1, 2027, or later.

Effective January 1, 2027, retroactive Medi-Cal coverage periods are as follows:

- **MAGI New Adult Groups:** Retroactive Medi-Cal coverage is limited to 1 month prior to the month of application
- **All Other Medi-Cal Eligibility Groups:** Retroactive Medi-Cal coverage is limited to 2 months prior to the month of application.

The New Adult Group is a Medi-Cal coverage group that provides eligibility to adults ages 19 through 64 with income up to 138 percent of the Federal Poverty Level, provided they meet all other applicable eligibility requirements, including California residency, or a valid Social Security number and U.S. citizenship or satisfactory immigration status for those who required to provide it. Aid codes for this population include M1, M2, 1C, 1J, and 1M.

Additionally, policies and notices outlined in this letter also apply to the Medi-Cal Inmate Eligibility Program (MCIEP) New Adult Group population in the following aid codes: K2, K3, K4, K5, K6, K7, K8, K9, N5, N6, N7, and N8. Counties must follow the processes detailed in this letter for this population. For more information on MCIEP policy, counties may reference ACWDL 24-04.

Policy Guidance

For Medi-Cal applications received prior to an application date of January 1, 2027, Counties must continue to evaluate and determine retroactive eligibility consistent with current policy outlined in MEDIL 14-27.

Beginning with applications received on or after January 1, 2027, counties shall evaluate retroactive eligibility only within the shortened retroactive period established under H.R. 1, not to exceed two months prior to the month of application. Counties must enter the month(s) of service requested by the applicant; however, the California Statewide Automated Welfare System (CalSAWS) and California Healthcare Eligibility, Enrollment and Retention System (CalHEERS) will automatically limit eligibility determinations to the

allowable retroactive months based on the individual's coverage group. Months outside the applicable retroactive period are not eligible for consideration.

Upon request, counties must assist with or complete the MC 210A using information provided by the applicant or family member through any available application method. When information reported on the MC 210A differs from the application month, counties must follow existing verification rules and accept electronic verification and reasonable explanations when permitted.

Because applicants may not know which coverage group they qualify for, counties must allow applicants to request up to two months of retroactive coverage and shall not discourage such requests, even if their eligibility for both months is uncertain.

Reminders
The process for requesting retroactive Medi-Cal coverage remains unchanged. The MC 210A continues to be the required form to initiate a retroactive eligibility determination.

The MC 210A has been revised to reflect updated policy changes. However, counties must continue to accept the old version of the MC 210A when submitted.

Counties must complete the MC 210A form from information the individual/family provides over the phone, in person or through any other avenue currently available for individuals/families applying for Medi-Cal. The county must obtain a telephonic signature for Retroactive Medi-Cal applications completed over the phone. When a request for retroactive coverage is submitted through the Single Streamlined Application (SSApp), the county must contact the applicant, either by telephone or mail, to complete the MC 210A and collect any additional information needed to determine eligibility.

Existing verification standards continue to apply when evaluating retroactive eligibility. When an applicant indicates "no change" on the MC 210A and a full Medi-Cal application with verified information is already on file, counties must not request additional income or eligibility information, consistent with MEDIL 14-27.

The distinctions between MAGI and Non-MAGI eligibility determinations remain unchanged. For MAGI cases, income is reasonably compatible for a retroactive month when it is at or below the Medi-Cal income limit and electronically verified. For Non-MAGI cases, asset rules and documentation requirements continue to apply. Verification must be provided for each month unless "no change" is marked on the MC 210A and income and property information listed on the SAWS 2 Plus or Single SSApp is verified.

Applicants may request retroactive coverage for up to one year from the month medical services were received. Eligibility for retroactive coverage must be evaluated separately for each requested month, based on the individual's eligibility criteria and circumstances during that specific month.

System Updates

To support implementation of the reduced retroactive coverage period, DHCS is coordinating required system changes within CalHEERS and CalSAWS. Programming updates are being made to ensure eligibility determinations and member notices accurately reflect the updated policy requirements.

System updates will take effect on January 1, 2027, in alignment with the implementation of the policy changes. Applications submitted prior to January 1, 2027, will not be impacted by these updates. For individuals who apply for Medi-Cal before January 1, 2027, the current system configuration will remain in place, allowing up to one year to request up to three months of retroactive coverage, consistent with existing policy.

DHCS will continue to work collaboratively with Counties and provide technical assistance to support consistent statewide implementation of these changes.

Notices

DHCS has revised Notice of Action (NOA) snippets to reflect recent changes to retroactive Medi-Cal coverage policy. The updated snippets will be programmed into CalSAWS to ensure that eligibility determinations and corresponding member notices

accurately align with new policy requirements, effective dates, and retroactive coverage timeframes.

To support statewide implementation and member understanding, NOA snippets will be translated into all threshold languages and effective January 1, 2027.

The updated NOA snippets are included as an attachment to this letter. These snippets have been developed for the following determination types:

- Retroactive Benefits Approved: Used when retroactive coverage is approved.
- Retroactive Benefits Denied: Used when denied for a reason other than over MAGI income or outside of New Adult Group aid code retroactive limits, and reason must be populated.
- Retroactive Benefits Denied: Over Income: Used when denied for being over MAGI income limits.
- Retroactive Benefits Denied: New Adult Group Population: Used when the request is outside of the New Adult Group aid code retroactive month limit.

As a reminder, per ACWDL 18-11 counties must issue a NOA to individuals who are denied MAGI Medi-Cal due to being over income during any of the months prior to the application month.

Examples

If eligible, individuals under the New Adult Group are limited to one month of retroactive coverage, while individuals under all other coverage groups may receive up to two months of retroactive coverage.

For retroactive eligibility, it is important to remember the difference between an individual's coverage group and their scope of coverage (full scope or restricted scope). The coverage group determines how many months of retroactive Medi-Cal may be granted, while the scope of coverage determines what services are covered in those approved months. The scope of coverage does not affect the number of retroactive months available.

Example 1: New Adult Group – Application Filed January 2027

Scenario:
An individual applies for Medi-Cal on January 20, 2027, and is determined eligible under the New Adult Group (aid code M1).

Outcome:
Under the revised policy, retroactive coverage for the New Adult Group is limited to 1 month prior to the month of application.

The individual may be eligible for retroactive coverage for December 2026 only, provided all eligibility requirements are met for that month, including any applicable work requirements. If eligible, retroactive Medi-Cal coverage may be authorized for December 2026. An approval NOA will be sent for December 2026.

Example 2: All Other Eligibility Groups – Application Filed February 2027
Scenario:
An individual who is a parent or caretaker relative applies for Medi-Cal on February 10, 2027. This individual is determined eligible for M3 aid code based on their status as a parent/caretaker in a Medi-Cal eligibility group other than the New Adult Group.

Outcome:
Retroactive coverage for all other Medi-Cal eligibility groups is limited to 2 months prior to the month of application. The individual may be eligible for coverage for December 2026 and January 2027. If all eligibility requirements are met for each month, retroactive Medi-Cal coverage may be authorized for December 2026 and January 2027. An approval NOA will be sent for December 2026 and January 2027.

Example 3: Application Filed Prior to January 1, 2027
Scenario:
An individual applies for Medi-Cal on December 28, 2026, and eligibility is approved with a beginning benefit month of December 2026. The individual is eligible with an M1 aid code.

Outcome:
Since the Medi-Cal application was received prior to January 1, 2027, the individual may be eligible for up to 3 months of retroactive coverage. If eligible, retroactive Medi-Cal coverage may be authorized for September, October, and November 2026. An approval NOA will be sent for September, October, and November 2026.

Example 4: Request for Retroactive Coverage Beyond the Allowable Period
Scenario:
An individual in a non–New Adult eligibility group applies for Medi-Cal in April 2027 and requests retroactive coverage for January, February, and March 2027.

Outcome:
Retroactive coverage for all other eligibility groups is limited to 2 months prior to the month of application. Only February and March 2027 may be authorized for retroactive coverage, if otherwise eligible. January 2027 is outside the allowable retroactive period. The systems will automatically limit the eligibility determinations to February and March 2027.

Note: DHCS is developing a notice snippet for individuals that use the old version of the MC 210A and request retroactive coverage beyond 2 months. Once the new MC 210A is in place and the old MC 210A is no longer available online or in CalSAWS, DHCS expects the use of the old MC 210A to be limited. However, the county will still need to send a denial NOA to individuals who request coverage for a retroactive month beyond two months. DHCS will release this NOA snippet in a future MEDIL.

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

Sincerely,

Sarah Crow, Chief
Medi-Cal Eligibility Division