



DATE: June 03, 2024

NL 04-0424

Supersedes: NL 05-0608
NL 03-0409
NL 03-0205

Index: Program Administration

TO: All County California Children’s Services (CCS) Program Administrators, Medical Directors/Consultants, CCS Program, and Department of Health Care Services (DHCS) Staff, and Therapy Consultants

SUBJECT: CCS Program Appeals and State Hearing Process

I. PURPOSE

The purpose of this Numbered Letter (NL) is to provide an overview on the existing appeals and State Hearing process for all children in Classic counties, and to CCS-only children and Medi-Cal fee-for-service (FFS) children with CCS in Whole Child Model (WCM) counties. Applicants or beneficiaries or authorized representatives or legal guardians, hereafter referred to as “Claimants.” California Code of Regulations (CCR), Title 22, Section 42131 et seq. contains the regulations for CCS appeals and State Hearings.¹

This NL replaces the guidance outlined in the CCS Administrative Procedure Manual. This NL also supersedes CCS NL 03-0409. This NL does not apply to service determinations for Claimants in Whole Child Model (WCM) counties. WCM counties should continue to follow the guidance outlined in All Plan Letter (APL) 21-011.

II. BACKGROUND

All children in Classic counties, as well as CCS-only children and Medi-Cal FFS children with CCS in WCM counties, have the right to First Level Appeals² and

¹ 22 CCR § 42131

² 22 CCR § 42160



State Hearings³ when the County CCS Program takes negative or adverse actions for program eligibility or services.

On August 29, 2021, CCS transitioned State Hearing venues and procedures to an updated model. These changes aim to align the CCS Hearing process with the Medi-Cal Managed Care and Covered California State Hearing and Appeals process. This NL formalizes guidance for CCS First Level Appeals, includes new guidance from the California Department of Social Services (CDSS) State Hearing process, and replaces the CCS Program Administrative Procedures manual. This information combines public and county guidance for CCS Hearings and Appeals. Non-Medi-Cal Claimants and Claimants with Medi-Cal in WCM counties have the right to First Level Appeals and State Hearings when the CCS Program takes negative or adverse actions regarding eligibility. Additionally, some hearing responsibilities have shifted for the County CCS Program and DHCS, and this document serves as a reference for County guidance.

III. POLICY

DHCS has authority under Section 1902(e)(14)(A) of the Social Security Act and 1135 Waiver flexibilities to continue providing benefits pending the outcome of a State Hearing decision to Claimants who request a State Hearing within 120 days of the Notice of Action (NOA), regardless of whether the Claimant has requested Aid Paid Pending during the appeals process. This benefit extends to non-Medi-Cal Claimants and Claimants with Medi-Cal who file for a First Level Appeal or State Hearing. This 1135 Waiver will expire on June 30, 2025. Starting July 1, 2025, Claimants must request APP within 90 days of receiving NOA, either verbally or in writing, when filing a First Level Appeal or State Hearing.⁴

Dental appeals and State Hearing requests related to the CCS eligible condition must adhere to the same First Level Appeal and State Hearing process outlined in this NL. This NL does not apply to Medi-Cal Dental State Hearings for non-CCS eligible dental conditions.

A. Definitions

1. Administrative Law Judge (ALJ): CDSS ALJ responsible for presiding over CCS Program State Hearings.
2. Aid Paid Pending (APP): The continuation of services during the appeals process for Medi-Cal and non-Medi-Cal Claimants who had previously authorized services denied, terminated, reduced, or modified.

³ 22 CCR § 42180

⁴ 22 CCR § 42321

3. Appeals Case Management System (ACMS): This system is property of the State of California, CDSS systems and data ACMS communicates information between CDSS and DHCS including, but not limited to: State Hearing Requests, decisions rendered, Claimant evidence submitted, State Hearing scheduling, Statement of Position (SOP) submission requests, decision compliance requests, and State Hearing representatives contact information.
4. Authorized Representative (AR): An appointed individual or organization that Claimants authorize as a representative to act on their behalf on all aspects of First Level Appeal and State Hearing process.
5. California Department of Social Services (CDSS): Facilitates and administers State Hearings for Claimants within the State Hearings Division (SHD).
6. CCS Applicant: A CCS Applicant can be the parent(s) or legal guardian of the applicant who is requesting enrollment into the CCS Program.
7. CCS Beneficiary: An applicant who meets financial, residential, and medical eligibility criteria for the CCS Program and is enrolled in CCS.
8. CCS Representative(s): For Independent Counties, the County's CCS administrator, medical director, and/or medical designee are the primary CCS representatives for State Hearings. For Dependent Counties, DHCS' Hearings and Appeals Unit's staff and medical officers are the primary representatives for State Hearings.
9. Claimants: A CCS program applicant, beneficiary, AR, or legal guardian who filed a First Level Appeal or requested a State Hearing.
10. First Level Appeal: A redetermination is the first level of an appeal and is a request to review a claim when the Claimant is dissatisfied with the original determination. It is a re-examination of an initial claim determination. A Claimant is not required to request and exhaust the First Level Appeal process before requesting a State Hearing.
11. Notice of Action (NOA): The NOA serves as a source of information for Claimants and any reviewing authority, including judges in State Hearings and court proceedings. The NOA notifies Claimant of their rights to a First Level Appeal and/or a State Hearing. The NOA provides an informative and understandable explanation of any adverse action a CCS program has taken on a service authorization request (SAR) or a program eligibility request.

12. State Hearing: For the purpose of this N.L., State Hearing also means Fair Hearing as specified in relevant Federal and State law. An evidentiary hearing requested by both Medi-Cal eligible and non-Medi-Cal eligible Claimants by way of any clear expression of the Claimant, or their Authorized Representative, that the Claimant wants the opportunity to present their case to a reviewing authority.⁵ State Hearings for the CCS Program are conducted by CDSS and presided over by an ALJ to resolve disagreements concerning CCS Program decisions regarding services and program eligibility. Claimants have the right to request a State Hearing regardless of whether they have filed for a CCS First Level Appeal. The County CCS Program and DHCS may not limit or interfere with the Claimant's freedom to make a request for a hearing.⁶

B. Appeals Process

DHCS and the County CCS Program, whichever decides a SAR or eligibility, must send a NOA within seven (7) calendar days of the decision to inform the Claimant of any denial, modification, or reduction of services or any denial of CCS program eligibility.⁷ A Claimant who disagrees with the denial, modification, or reduction of services, or the decision regarding their program eligibility, has the right to request a First Level Appeal and/or a State Hearing.⁸ Per federal and state law, Claimants have the right to forgo a First Level Appeal and file directly for a State Hearing when they disagree with a CCS Program's decision.⁹ DHCS and the County CCS Program cannot interfere or limit a Claimant's right to a hearing.¹⁰

1. Notice of Action

All NOAs for denial of services or eligibility are automatically generated from CMS Net when an adjudicator determines the requested services are not a covered CCS benefit or does not qualify for eligibility. First Level Appeal decision NOAs are sent by the County CCS Program that determined the eligibility or service denial. The County CCS Program must provide a NOA when:¹¹

- a) Eligibility is denied to a Claimant because the applicant has been determined medically, financially, or residentially ineligible for CCS.

⁵ 22 CCR § 42132

⁶ 42 CFR § 431.221(b)

⁷ 22 CCR § 42132

⁸ 22 CCR § 42140, 42160, 42180

⁹ 42 CFR § 431.220 and WIC § 10950

¹⁰ 42 CFR § 431.221(b)

¹¹ 22 CCR § 42132

- b) A request for new service or program benefit (i.e., one not currently being provided to a claimant) is denied.
- c) Eligibility for the CCS Program is discontinued.
- d) The amount the family must repay the program for treatment services is increased. However, if the family agrees with the new amount and signs a dated statement, which statement may be prepared by either the family or the agency, agreeing to the new amount, the family's copy of the statement constitutes written Notice of Action. No form is required.
- e) Services currently being provided are terminated, reduced, or modified. This particular provision has exceptions, a NOA is **not** required for the following:¹²
 - (1) If the reduction, termination, or modification is ordered by the CCS paneled physician providing medical supervision of the claimant.
 - (2) If the services or benefits were authorized for a limited duration as requested by the CCS paneled provider.
 - (3) If the services in question were provided in an acute or subacute care facility.
 - (4) If the reduction, termination, or modification is with the written consent of Claimant or person legally authorized to consent for Claimant.

2. First Level Appeal

The Claimant has the right to appeal decisions in response to a NOA.¹³ The requirements and timelines associated with a First Level Appeal for children in Classic counties, as well as CCS-only Claimants and CCS claimants with FFS Medi-Cal in WCM counties are as follows:

a) First Level Appeal Request

A Claimant who disagrees with the decision may submit a First Level Appeal.¹⁴ The First Level Appeal must be postmarked within 30 calendar

¹² 22 CCR § 42132(b)

¹³ 22 CCR § 42140 and 42160

¹⁴ 22 CCR § 42160(a)

days from the date of the NOA and the Claimant must send the First Level Appeal request to the County CCS Program or DHCS, whichever issued the NOA.¹⁵

The appeal must describe the denial, deferral, or modification reason, include supporting information, and request relief or outcome, including any request for continuation of CCS services during the appeals process.¹⁶ The County CCS Program or DHCS must assist the Claimant when they request assistance with appealing the decision.¹⁷

Independent County CCS Programs are responsible for overseeing all matters pertaining to the First Level Appeal request. DHCS will review and make a determination on First Level Appeal requests from Dependent County CCS Programs.

b) Aid Paid Pending

A Claimant has the right to continue receiving previously approved service(s) while awaiting a final determination from a First Level Appeal and/or State Hearing.¹⁸ A request to continue receiving previously approved services is known as APP. APP is not available for new CCS services that a CCS Program has not previously provided or rendered.

DHCS has authority under Section 1902(e)(14)(A) of the Social Security Act and 1135 Waiver flexibilities to continue providing benefits pending the outcome of a State Hearing decision to Claimants who request a State Hearing within 120 days of the NOA, regardless of whether the Claimant has requested APP during the appeals process.¹⁹ This benefit extends to non-Medi-Cal Claimants and Claimants with Medi-Cal who file for a First Level Appeal or State Hearing. This waiver will end on June 30, 2025. Beginning July 1, 2025, to continue providing previously approved services Claimants must request APP for the CCS Program within 90 days of receiving the NOA, either verbally or in writing, when filing a First Level Appeal or State Hearing. Until then, the County CCS Program must automatically provide APP for the duration of the First Level Appeal, and State Hearing process until there is a decision on the matter.²⁰

¹⁵ 22 CCR § 42160(b) and (c)

¹⁶ 22 CCR § 42160(b)

¹⁷ 22 CCR § 42160(d)

¹⁸ 22 CCR § 42160(b)

¹⁹ CMS approval letter, May 9, 2024

²⁰ Social Security Act § 1902(e)(14)(A)

As of July 1, 2025 the following requirements apply:

If a Claimant requests a First Level Appeal, any request for APP must be included in the written appeal, postmarked within 30 calendar days from the date of the Notice of Action.²¹

If a Claimant's First Level Appeal is denied, the Claimant may request a State Hearing by filing a request as specified in the Notice of Action within 90 calendar days of the date of the written appeal decision. Any request for APP during the State Hearing process after a First Level Appeal must be included in the written request for a State Hearing.²²

If the Claimant does not request a First Level Appeal, and only requests a State Hearing, APP shall be provided only if the Claimant requests the State Hearing within 10 days of the mailing or personal delivery of the NOA or before the effective date of action, and includes a request for APP.²³

If the Claimant withdraws an appeal or there is a decision against the Claimant, services under APP will stop on the date the withdrawal is submitted or the date the final decision on the Claimants State Hearing is issued.

When a Claimant requests APP, the County CCS Program or DHCS must:

- 1) Create a new SAR for the denied service(s).
- 2) Authorize services up to the estimated date of the outcome of the case decision.
- 3) Write in the Special Instructions: SAR is authorized from date of NOA to date of final appeal decision rendered or the date the request is withdrawn.
- 4) Under the case record, enter a note in CMS Net stating the family is requesting APP while awaiting the appeal process.
- 5) If the First Level Appeal or State Hearing has been continued or postponed, extend the SAR to the new anticipated outcome date.

²¹ 22 CCR § 42160(a) and (b)

²² 22 CCR § 42321(a)

²³ 22 CCR § 51014.2

6) Once a final First Level Appeal or State Hearing decision has been issued or is withdrawn, cancel the SAR to the date of the final decision or the date the appeal is withdrawn.

c) First Level Appeal Response

Independent Counties: If the decision is to uphold the denial, the County CCS Program must provide a written response within 21 calendar days of receipt of the Claimant's appeal.²⁴ This document is known as a First Level Appeal Response NOA.

If the County CCS Program requires additional information to make a decision, the County CCS Program must respond with First Level Appeal response NOA within 21 calendar days of receipt of additional information.²⁵ The First Level Appeal response NOA must include the basis for the decision, related facts, and supporting law including Medicaid due process protections and hearing rights for CCS Claimants with Medi-Cal.²⁶

If the Claimant does not agree with the County CCS Program's resolution of their appeal, they have the right to request a State Hearing.²⁷ That said, the Claimant may request a State Hearing at any time after receiving the NOA, including but not limited to, during the time the First Level Appeal process is going forward.

Dependent Counties: DHCS must provide a written response within 21 calendar days of receiving the Claimant's appeal. This document is known as a First Level Appeal Response NOA.

If DHCS requires additional information to make a decision, DHCS must respond with First Level Appeal response NOA within 21 calendar days of receipt of additional information. The First Level Appeal response NOA must include the basis for the decision, related facts, and supporting law including Medicaid due process protections and hearing rights for CCS Claimants with Medi-Cal.

If the Claimant does not agree with DHCS' resolution of their appeal, they have the right to request a State Hearing.²⁸ That said, the Claimant may request a State hearing at any time after receiving the

²⁴ 22 CCR § 42160(e)

²⁵ 22 CCR § 42160(e)

²⁶ Ibid

²⁷ 22 CCR § 42160(f) and 22 CCR § 42180

²⁸ 22 CCR § 42160(f) and 22 CCR § 42180

NOA, including but not limited to, during the time the First Level Appeal process is going forward.

3. State Hearing

State Hearings are venues to resolve disputes between Claimants and the County CCS Program regarding services and eligibility in an impartial, independent, fair, and timely manner, in accordance with federal and state law.

- a) These hearings are heard by an ALJ at CDSS by way of:
- (1) Telephone – ALJ calls Claimant and County CCS Program representatives and CDSS conducts the hearing over phone.
 - (2) On-Site Phone – Claimant may go into the local County CCS Program office. ALJ calls Claimant at the County’s office number, and CDSS conducts the hearing over the phone.
 - (3) Video – ALJ conducts a video call with the Claimant allowing the Claimant to see and hear the ALJ on a personal computer, laptop, tablet, or smart device.
 - (4) On-Site Video – Claimant may go into the County CCS Program office to use the County’s video equipment. ALJ can be both seen and heard.
 - (5) In-Person – Claimant and the ALJ will be in the same room.
- b) If a Claimant submitted a First Level Appeal and does not agree with the decision or their request has been denied, they may request a State Hearing.²⁹ Federal approval of the 1135 waiver temporarily extending appeal requirements to file for a State Hearing, Claimant must file their request within 120 calendar days of receiving the NOA. This temporary extension will terminate fall of 2024.³⁰ Non Medi-Cal Claimants may also submit a State Hearing request within 120 calendar days of receiving the First Level Appeal Decision NOA.³¹

²⁹ 22 CCR § 42180(a)

³⁰ DHCS received Federal approval of the 1135 waiver to temporarily extend the 90 days appeals requirement to 120 days after receiving the NOA. This temporary extension is effective March 1, 2020, and will terminate fall of 2024.

³¹ Social Security Act § 1902(e)(14)(A)

- c) Claimants also have the right to file for a State Hearing to appeal the original SAR denial without submitting a First Level Appeal.
- d) To file for a State Hearing, Claimants have multiple options:
 - (1) Mail the request to:

California Department of Social Services
State Hearings Division
P.O. Box 944243, Mail Station 21-37
Sacramento, California 94244-2430
 - (2) Send the request via fax to: State Hearings Division at (833) 281-0905
 - (3) Submit the request via telephone:

California Department of Social Services
Public Inquiry and Response
Phone (800) 743-8525 (Voice)
(800) 952-8349 (TDD)
 - (4) Submit the request online: Visit the CDSS's webpage at:
<https://www.cdss.ca.gov/hearing-requests>
- e) Once CDSS receives the Claimant's State Hearing request, CDSS will:³²
 - (1) Determine the date, time, and place for the State Hearing.
 - (2) Notify the Claimant at least 30 calendar days prior to date of hearing of the date, time, and place of the State Hearing.
 - (3) Conduct the hearing and take related actions.
 - (4) Issue a proposed decision to the Director of DHCS.
- f) DHCS will:
 - (1) Notify appropriate Independent County CCS Programs of the State Hearing at least 30 days prior to State Hearing, develop a plan of action, and strategize for the State Hearing with Independent County CCS Programs.

³² 22 CCR § 42305

- (2) Provide representation for Dependent County CCS Programs and assist Independent County CCS Program at the State Hearing, when necessary.
- (3) Serve as the center for communication between the involved County CCS Program, DHCS, and CDSS;
- (4) Upload documents to the CDSS ACMS Hearing Portal on behalf of the County CCS Program.
- (5) Maintain State Hearing data with a tracking system for both First Level Appeals and State Hearing data. The required data to track includes method of appeal (Written, Phone, In-person), demographics, dates, and final resolution of case.
- (6) Appear at State Hearings, as primary CCS Program Representative on Dependent County Cases and secondary on Independent County CCS Program Cases.

g) Independent Counties will:

- (1) Develop, jointly with DHCS, a plan of action and strategize for the hearing, as well as respond to any DHCS coordination on cases.
- (2) Represent their County CCS Program at the State Hearing, with assistance from DHCS representatives.
- (3) Create a SOP outlining the position of the County CCS Program, and why the action/decision was made.
- (4) Send the SOP to the Claimant by mail, and to DHCS by email for DHCS to upload to the CDSS ACMS Hearing Portal within 3 business days of the hearing.
- (5) Maintain a First Level Appeals and State Hearing data and tracking system for CCS Program cases. The required data to track includes method of appeal (Written, Phone, In-person), demographics, dates, and final resolution of case.
- (6) Appear at State Hearings, as primary County CCS Program Representative.

4. State Hearing Decision:

As set forth in California Code of Regulations, Title 22, Section 42700:

- a) The ALJ shall propose a decision which will be submitted to the Director of DHCS.
- b) DHCS Director will take one of the following actions:
 - (1) Adopt the proposed decision in its entirety; or
 - (2) Reject the proposed decision and decide the matter based upon the record including the transcript; or
 - (3) Order a further hearing to take additional evidence. If the case is so assigned, the ALJ shall prepare a proposed decision as provided in subsection (a), based upon the additional evidence provided at further hearing and the record of the prior hearing.
- c) The decision shall state the basis for the decision and the evidence relied upon and shall be final upon adoption by the Director.

5. Compliance:

- a) DHCS will submit evidence of State Hearing's decision compliance to ACMS within 30 days of the decision outcome for Dependent County CCS Programs. If an Independent County CCS Program is responsible for a State Hearing's decision compliance, they will submit evidence of Hearing compliance to DHCS, who will upload it to the CDSS ACMS Hearing Portal.

If you have any questions regarding this NL, email ISCDHAU@dhcs.ca.gov.

Sincerely,

ORIGINAL SIGNED BY

Cortney Maslyn, Chief
Integrated Systems of Care Division
Department of Health Care Services