October 8, 2018

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

SUBJECT: MEDI-CAL STATE INMATE MEDICAL PAROLE PROGRAM AID CODES
    (References: All County Welfare Directors Letters 11-27, 13-18, 14-26,
    14-26E, 17-29)

Purpose

The purpose of this letter is to provide counties with information regarding the state Medical Parole Program (MPP) Modified Adjusted Gross Income (MAGI) K2, K3, K4, and K5 aid codes which went into effect January 1, 2018. Aid codes K2, K3, K4, and K5 will only be utilized by staff of the Department of Health Care Services (DHCS) state Medi-Cal Inmate Eligibility Program (MCIEP) as counties do not have any responsibility in the state inmate application process.

Background


Effective January 1, 2014, Section 2001(a)(3) added Section 1905(y) to the Social Security Act. This section was added in order to provide an increased Federal Medical Assistance Percentage (FMAP) rate on expenditures for medical assistance to "newly eligible" individuals.
Effective January 1, 2014, the Affordable Care Act (ACA) and the implementation of Assembly Bill (AB) x1-1 (Chapter 3, Statutes of 2013, Welfare and Institutions Code Section 14005.60) expanded Medi-Cal coverage to previously ineligible persons classified as primarily single adults with income zero to 138 percent of the FPL. The expansion of Medi-Cal coverage to previously ineligible persons is referred to as the, "ACA Optional Expansion".

Senate Bill (SB) 1399 (Chapter 405, Statutes of 2010) authorizes the California Department of Corrections and Rehabilitation (CDCR) to grant medical parole to eligible state inmates who: 1) have been deemed permanently medically incapacitated with a medical condition that renders the inmate unable to perform activities of basic daily living and requiring 24-hour care, and 2) would not reasonably pose a threat to public safety.

For Medi-Cal eligibility purposes, a state inmate granted medical parole under the state Medical Parole Program is eligible for either full-scope or restricted Medi-Cal benefits, as applicable. Since inmate's granted medical parole are not officially released or paroled from state prison, the inmate's medical parole may end if: 1) the inmate's medical condition changes or improves, or 2) the inmate is discharged from a Long Term Care (LTC) facility and returns to state prison to serve the remainder of their sentence, or 3) the inmate is officially granted parole or released from state prison.

**Definition of Newly Eligible and Not Newly Eligible**

**Newly Eligible is defined as:**
- MAGI individuals 19 through 64 years of age with income zero percent to 138 percent of the Federal Poverty Level (FPL), including disabled/blind individuals with income 128 to 138 percent FPL
- Would not have been deemed eligible under the State Plan, or a waiver of the State Plan, on or before March 23, 2010
- Not pregnant at application
- Not entitled to or enrolled in Medicare Parts A or B

**Not Newly Eligible is defined as:**
- MAGI disabled/blind individuals 19 through 64 years of age with income zero percent to 128 percent FPL,
- Would have been deemed eligible under the State Plan or a waiver of the State Plan, on or before March 23, 2010
- Not pregnant at application
- Not entitled to or enrolled in Medicare Parts A or B
ACA MAGI State Medical Parole Aid Code Descriptions

The following aid codes have been implemented in MEDS for use by DHCS:

K2: (Newly Eligible State Medical Parole Citizen)
- Title XIX
- **Full-scope** Medi-Cal with no Share of Cost (SOC) for State Medical Parolees
- 19 through 64 years of age citizen/satisfactory immigration status individuals with income zero percent to 138 percent FPL, including disabled/blind individuals with income 128 percent to 138 percent FPL
- Not entitled to or enrolled in Medicare Parts A or B

K3: (Newly Eligible State Medical Parole Undocumented)
- Title XIX/Title XXI
- **Restricted** Medi-Cal with no SOC for State Medical Parolees
- 19 through 64 years of age undocumented/unsatisfactory immigration status individuals with income zero percent to 138 percent FPL, including disabled/blind individuals with income 128 percent to 138 percent FPL
- Not entitled to or enrolled in Medicare Parts A or B
- Medi-Cal benefits limited to emergency, mental health emergency (Title XIX), and pregnancy-related (Title XXI) services

K4: (Not Newly Eligible State Medical Parole Citizen)
- Title XIX
- **Full-scope** Medi-Cal with no SOC for State Medical Parolees
- Disabled/blind 19 through 64 years of age citizen/unsatisfactory immigration status individuals
- With income zero percent to 128 percent FPL
- Not entitled to or enrolled in Medicare Parts A or B

K5: (Not Newly Eligible State Medical Parole Undocumented)
- Title XIX/Title XXI
- **Restricted** Medi-Cal with no SOC for State Medical Parolees
- Disabled/blind 19 through 64 years of age undocumented/unsatisfactory immigration status individuals
- With income zero percent to 128 percent FPL
- Not entitled to or enrolled in Medicare Parts A or B
- Medi-Cal benefits limited to emergency, mental health emergency (Title XIX), and pregnancy-related (Title XXI) services
Federal Financial Participation

Title XIX FMAP is available for those who are “newly eligible” in the adult group (Section 1905(y) of the Social Security Act) and assigned to aid codes K2 and K3. From 2014 through 2016, the FMAP for aid codes K2 and K3 was 100 percent. This amount decreased to 95 percent in 2017, 94 percent in 2018, 93 percent in 2019, and 90 percent in 2020, and thereafter. Title XIX FMAP for the “not newly eligible” adults is 50 percent and is assigned to aid codes K4 and K5.

Placement in the Medi-Cal Eligibility Data System (Meds)

State Medical Parole aid codes K2, K3, K4, and K5 reside in the special segment. The segment type is PAROLE. A PAROLE segment type is created when a medical parole aid code is added to a MEDS record. The screenshot below illustrates MEDS INQ2 screen and the eligibility status in the PAROLE segment. The beneficiary has been active on K2 aid code since January 2018.
Eligibility Effective and Termination Dates

CDCR/ California Correctional Health Care Services (CCHCS) submits a Medi-Cal Single Streamlined Application to DHCS/ MCIEP staff.

Only CCHCS can submit state inmate Medi-Cal applications to DHCS. MCIEP staff are responsible for accepting and processing all Medi-Cal applications received from CCHCS for state inmates and medical parolees. Counties do not have any responsibility in the state inmate application process.

Full month Medi-Cal eligibility is granted for medical parole. However, in an instance when there is a State MCIEP aid code (INMATE Segment) and a medical parole aid code (PAROLE Segment) in the same month, the MCIEP aid code takes precedence with no lapse in coverage in that month.

For example:

- A State inmate beneficiary (e.g. N5) is transferred from a state correctional facility to a LTC facility on 09/12/2018 and is enrolled in a medical parole aid code (e.g. K2). The MCIEP aid code is terminated on 09/11/2018, one day prior to the transfer date.

- Since medical parole is not date specific, full month (K2 in this example) eligibility is reflected in MEDS; however, because the MCIEP aid code (N5 in this example) takes precedence through 9/11/2018, the medical parole eligibility is technically effective on 09/12/2018, the date of the transfer to the LTC facility.

If the medical parolee is no longer medical parole eligible, the termination of medical parole eligibility is effective the end of the month. Proper and timely noticing rules must be followed, unless termination is due to death, in which case the date of death is used as the effective date of termination in MEDS. In an instance where the medical parolee recovers and is returned to the correctional facility, a re-evaluation for MCIEP is completed and the medical parole aid code is terminated effective the last day of the month in which the parolee returns to the facility. If otherwise eligible, the State MCIEP aid code is effective the first full day back in the state correctional facility and would take precedence over the overlapping Medical Parole aid code in the same month.
MEDS Worker Alert and Automated Eligibility Verification System (AEVS)

Once medical parole eligibility has been established and the beneficiary is granted full-scope K2 or K4 aid codes with no share of cost, MEDS will display the following AEVS message: “Subscriber is Medi-Cal eligible with no share of cost/spend down”. For the beneficiaries who have been granted restricted scope K3 and K5 aid codes, MEDS will display: “Subscriber is Medi-Cal eligible with services limited to emergencies, pregnancy related services and State funded long term care services with no share of cost/spend down”. MEDS will generate existing Renewal Worker Alert number 9574 when the end of the acceptable age range is approaching for a client who is 64 years and 10 months of age: “Approaching aid code age limit, redetermination needed”.

Aid Codes Quick Reference Guide Update

State aid codes K2, K3, K4, and K5 have been added to the Aid Codes Quick Reference Guide located on the DHCS website at http://www.dhcs.ca.gov.

If you have any questions regarding this letter, please contact Angelo Vitale, by phone at (916) 345-8197 or by email at MCIEP@dhcs.ca.gov. Billing/claiming inquiries should be directed to the DHCS Safety Net Financing Division/Inmate Claiming Unit at DHCSIMCU@dhcs.ca.gov.

Original Signed By

Sandra Williams, Chief
Medi-Cal Eligibility Division