



State of California—Health and Human Services Agency
Department of Health Care Services



GAVIN NEWSOM
GOVERNOR

DATE: October 29, 2021

TO: ALL COUNTY WELFARE DIRECTORS No.: 21-23
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALIST/LIAISONS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MEDS LIAISONS
ALL CONSORTIA/SAWS PROJECT MANAGERS

SUBJECT: FAIR CREDIT REPORTING ACT NOTICE OF ACTION GUIDANCE

Purpose

The purpose of this All County Welfare Directors Letter (ACWDL) is to instruct County Welfare Departments (CWDs) that Medi-Cal eligibility determination activities are subject to requirements of the Fair Credit Reporting Act (FCRA). This letter provides CWDs with FCRA compliant language to include in certain Notices of Action (NOAs).

Background

The FCRA is a federal law enacted to promote the accuracy, fairness, and privacy of consumer information contained in the files of consumer reporting agencies. (See 15 U.S.C. Section 1681 et seq.)

- The FCRA protects consumers' from the willful and negligent inclusion of inaccurate information in their credit reports and to ensure the fairness and privacy of the consumers' information.
- The FCRA regulates the collection, dissemination, and use of consumer information, including consumer credit information.
- The Federal Trade Commission, Bureau of Consumer Protection is responsible for enforcing the provisions of the FCRA.

The Department of Health Care Services (DHCS) acquires commercially-available consumer information from two consumer reporting agencies for use in the verification of Medi-Cal eligibility. DHCS has determined that consumer data used in Medi-Cal eligibility determinations is subject to the FCRA. The two data sources requiring FCRA compliance are as follows:

- **Asset Verification Reports** - distributed by DHCS, available to counties to detect unreported assets for aged, blind, and disabled (ABD) Medi-Cal applicants, beneficiaries and their responsible relatives at the time of Application, Annual Redetermination, and Change in Circumstance.
 - Name of Consumer Data Vendor: LexisNexis Risk Solutions
- **Supplemental Income Verification wage reports**, such as The Work Number - provides instant employment verification data, such as employee earnings and hours worked, used for cash aid for the California Work Opportunity and Responsibility to Kids (CalWORKs) program and for California's food stamp program (CalFresh) eligibility determinations. In addition, such information previously collected during a CalFresh and CalWORKs eligibility determination and available in the case file must be reviewed and used as appropriate before requesting verification from a Medi-Cal applicant and/or must be considered as part of the ex parte review at Annual Redetermination and at a Change in Circumstance Redetermination before requesting verification from the beneficiary.
 - Name of Consumer Data Vendor: Equifax Workforce Solutions

For more information on Asset Verification Reports, please refer to [ACWDL 17-37](#) and [Medi-Cal Eligibility Division Information Letter \(MEDIL\) 19-12](#). For more information on Supplemental Income Verification wage reports, please refer to [ACWDL 18-21](#).

Directions

For a Medi-Cal eligibility determination or redetermination that results in a negative action (denial, discontinuance, and increase in share of cost) due to the use of Asset Verification Reports and/or Supplemental Income Verification wage report covered by the FCRA, CWDs must include additional information regarding the consumer data vendors in the NOA letter that is sent to the Medi-Cal applicant/beneficiary.

There are two types of NOA snippets used when eligibility is based on information from either one data source or two data sources (See Attachment A for detailed language):

- NOTICE OF ACTION SNIPPET FOR FCRA WHEN INFORMATION FROM ONLY ONE VENDOR IS USED IN TAKING ACTION
- NOTICE OF ACTION SNIPPET FOR FCRA WHEN INFORMATION FROM BOTH VENDORS IS USED IN TAKING ACTION

Note: Until Statewide Automated Welfare System (SAWS) has programmed the negative action NOA snippet language outlined in Attachment A, CWDs must include either Enclosure 1, Enclosure 2, or both as appropriate with the NOA letter (see attached DHCS Notification Letters), to notify applicants and beneficiaries of their right to a free credit report under the provisions of the FCRA.

As a reminder, a beneficiary must not be discontinued solely based on an Asset Verification Report that reflects unreported assets that exceed the resource limit for an ABD Medi-Cal household. However, the beneficiary could be discontinued if verification is provided that supports that the household exceeds the resource limits, or if the beneficiary is asked to verify information discovered by the Asset Verification Report (consumer report) and fails to do so.

State law requires that CWDs must redetermine eligibility every 12 months and promptly whenever the CWD receives information about changes in a beneficiary's circumstances that may affect eligibility for Medi-Cal benefits. Since implementation of the Affordable Care Act, DHCS provides steps that CWDs must complete for Modified Adjusted Gross Income (MAGI), Non-MAGI, and mixed household Annual Redeterminations and Change in Circumstance. Per [Welfare & Institutions Code Section 14005.37](#), when CWDs receive information from reports that may affect Medi-Cal eligibility, CWDs must initially complete an ex parte review.

If the CWD cannot obtain sufficient information to redetermine eligibility through the ex parte review, the CWDs must contact the beneficiary to request verification by using the MC 355 form and allowing 30 days for a response. Please refer to [ACWDL 17-37](#) for supplemental guidance on county actions that are required when redetermining eligibility for MAGI, Non-MAGI, and mixed household beneficiaries based on information obtained from a consumer report. In addition to this guidance, an ACWDL will provide counties with a comprehensive Annual Redetermination Policy in the future.

The general notification requirements of an adverse action is taken based upon information covered by the FCRA, per 15 U.S.C. Section 1681m(a). For your reference, CWDs may find this federal statute at the following website:
<https://www.ftc.gov/enforcement/statutes/fair-credit-reporting-act>.

Implementation Timeline

DHCS will work with the counties and SAWS in determining the most effective way to implement the notification requirements of the FCRA, and the timing of such implementation in SAWS.

- Enclosure 1 and 2 notification letters are available for immediate use in English and Spanish, and are attached below.
- Attachment A, NOA snippets are to be used after SAWS implements programming. Snippets in English, Spanish, and all threshold language are available to SAWS.
- DHCS will issue a subsequent MEDIL with the remaining threshold languages for Enclosure 1 and 2 notification letters.

Note: It is important to know that under the current COVID-19 Public Health Emergency (PHE) continuous coverage provisions, CWDs have been instructed to delay discontinuances and negative actions through the duration of the PHE. (For more information on this, please refer to [ACWDL 21-16](#).)

If you have any questions or if we can provide further information, please contact Kindra Davis at (916) 345-8067 or by email at Kindra.davis@dhcs.ca.gov

Original Signed by

Sandra Williams, Chief
Medi-Cal Eligibility Division

Enclosures

Attachment A – Notice of Action Snippets

Notice Type	English Text MAGI and Non-MAGI Snippets																			
FCRA Notification When Information From Only One Vendor is Used in Taking Action	<p>The action being taken was initiated by <County Department Name> and may be based on information obtained from <Vendor Name>. While information from <Vendor Name> may be used to determine or reassess your eligibility, <Vendor Name> did not make the decision to take this action and is unable to provide you with the specific reasons why the action was taken. You have the right to obtain a free copy of your consumer report if you make a request to <Vendor Name> within 60 days of <NOA Date>. You may dispute the accuracy or completeness of any information in the consumer report by contacting <Vendor Name>.</p>																			
	<p>Contact <Vendor Name> at:</p>																			
	<p><Vendor Name and Address> <Vendor Phone></p>																			
<p><u>VENDOR CONTACT INFORMATION:</u></p>																				
<table border="1"> <thead> <tr> <th data-bbox="371 766 436 797">#</th> <th data-bbox="443 766 695 797">FCRA DATA</th> <th data-bbox="701 766 1010 797">VENDOR NAME</th> <th data-bbox="1016 766 1503 797">ADDRESS</th> <th data-bbox="1509 766 1776 797">PHONE</th> </tr> </thead> <tbody> <tr> <td data-bbox="371 802 436 1089">1</td> <td data-bbox="443 802 695 1089">Asset Verification Reports</td> <td data-bbox="701 802 1010 1089">LexisNexis Risk Solutions (LNRS)</td> <td data-bbox="1016 802 1503 1089"> LexisNexis Risk Solutions Bureau LLC Consumer Inquiry Department P.O. Box 105108 Atlanta, GA 30348-5108 Web: www.risk.lexisnexis.com </td> <td data-bbox="1509 802 1776 1089">(877) 497-2621</td> </tr> <tr> <td data-bbox="371 1094 436 1346">2</td> <td data-bbox="443 1094 695 1346">Supplemental Income Verification wage reports</td> <td data-bbox="701 1094 1010 1346">Equifax Workforce Solutions (EWS)</td> <td data-bbox="1016 1094 1503 1346"> Equifax Workforce Solutions Attn: Disputes 3470 Rider Trail South Earth City, Missouri 63045 Web: www.theworknumber.com </td> <td data-bbox="1509 1094 1776 1346">(866) 222-5880</td> </tr> </tbody> </table>						#	FCRA DATA	VENDOR NAME	ADDRESS	PHONE	1	Asset Verification Reports	LexisNexis Risk Solutions (LNRS)	LexisNexis Risk Solutions Bureau LLC Consumer Inquiry Department P.O. Box 105108 Atlanta, GA 30348-5108 Web: www.risk.lexisnexis.com	(877) 497-2621	2	Supplemental Income Verification wage reports	Equifax Workforce Solutions (EWS)	Equifax Workforce Solutions Attn: Disputes 3470 Rider Trail South Earth City, Missouri 63045 Web: www.theworknumber.com	(866) 222-5880
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Notice Type	English Text MAGI and Non-MAGI Snippets
FCRA Notification When Information From Both Vendors is Used in Taking Action	<p>The action being taken was initiated by <County Department Name> and may be based on information obtained from LexisNexis Risk Solutions and Equifax Workforce Solutions. While consumer report information may be used to determine or reassess your eligibility, LexisNexis Risk Solutions and Equifax Workforce Solutions did not make the decision to take this action and are unable to provide you with the specific reasons why the action was taken. You have the right to obtain a free copy of both of your consumer reports if you make a request to LexisNexis Risk Solutions and Equifax Workforce Solutions within 60 days of <NOA Date>. You may dispute the accuracy or completeness of any information in your consumer reports by contacting LexisNexis Risk Solutions and Equifax Workforce Solutions.</p> <p>Contact LexisNexis Risk Solutions at:</p> <p>LexisNexis Risk Solutions Bureau LLC Consumer Inquiry Department P.O. Box 105108 Atlanta, GA 30348-5108 (877) 497-2621 Web: www.risk.lexisnexis.com</p> <p>Contact Equifax Workforce Solutions at:</p> <p>Equifax Workforce Solutions Attn: Disputes 3470 Rider Trail South Earth City, Missouri 63045 (866) 222-5880 Web: www.theworknumber.com</p>



MICHELLE BAASS
DIRECTOR

State of California—Health and Human Services Agency
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Date: _____

Report from a credit reporting agency was used to make changes to your Medi-Cal. This report is regulated by the Fair Credit Reporting Act (FCRA).

The action being taken was initiated by <County Department Name> and was based on information obtained from LexisNexis Risk Solutions (LNRS).

Information from LNRS may be used to determine your eligibility. LNRS did not make the decision to take this action and is unable to provide you with the specific reasons why the action was taken.

You have the right to obtain a free copy of your consumer report if you make a request to LNRS within 60 days of receiving this notice. You may dispute the accuracy or completeness of any information in the consumer report by contacting LNRS.

Ways to contact LexisNexis Risk Solutions (LNRS):

Mailing address:

LexisNexis Risk Solutions Bureau LLC
Consumer Inquiry Department
P.O. Box 105108
Atlanta, GA 30348-5108

Toll free telephone number:

(877) 497-2621

Online:

www.risk.lexisnexis.com

It is a good idea to check your consumer credit report to make sure the information is correct. If you find mistakes in your consumer credit report, contact the consumer reporting agency.

For more information about consumer reports including this report, visit the Consumer Financial Protections Bureau's website at www.consumerfinance.gov/learnmore.

If you have additional questions about the information in this letter, you can contact your local county office. For a list of county offices by name, including contact information for each county, you may visit the following DHCS website at:

<https://www.dhcs.ca.gov/services/medi-cal/Pages/CountyOffices.aspx>



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Report from a credit reporting agency was used to make changes to your Medi-Cal. This report is regulated by the Fair Credit Reporting Act (FCRA).

The action being taken was initiated by <County Department Name> and was based on information obtained from Equifax Workforce Solutions (EWS).

Information from EWS may be used to determine your eligibility. EWS did not make the decision to take this action and is unable to provide you with the specific reasons why the action was taken.

You have the right to obtain a free copy of your consumer report if you make a request to EWS within 60 days of receiving this notice. You may dispute the accuracy or completeness of any information in the consumer report by contacting EWS.

Ways to contact Equifax Workforce Solutions (EWS):

Mailing address:

Equifax Workforce Solutions
Attn: Disputes
3470 Rider Trail South
Earth City, Missouri 63045

Toll free telephone number:

(866) 222-5880

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Usamos el reporte de una agencia de reportes de crédito para hacer cambios a su Medi-Cal. Este reporte lo rige Fair Credit Reporting Act (FCRA).

La acción tomada la inició <County Department Name> y se basó en la información obtenida de LexisNexis Risk Solutions (LNRS).

Podríamos usar la información de LNRS para determinar su elegibilidad. LNRS no tomó la decisión para esta acción y no puede darle a usted los motivos específicos por los que se tomó la acción.

Usted tiene derecho a obtener una copia gratuita de su reporte del consumidor si usted envía un pedido a LNRS a más tardar 60 días después de recibir este aviso. Usted puede disputar la exactitud o la cabalidad de cualquier parte de la información del reporte del consumidor, comunicándose con LNRS.

Cómo comunicarse con LexisNexis Risk Solutions (LNRS):

Dirección postal:

LexisNexis Risk Solutions Bureau LLC
Consumer Inquiry Department
P.O. Box 105108
Atlanta, GA 30348-5108

Número de teléfono gratuito:

(877) 497-2621

Por internet:

www.risk.lexisnexis.com

Es una buena idea revisar su reporte de crédito del consumidor para asegurarse de que la información sea la correcta. Si usted encuentra errores en su reporte de crédito del consumidor, comuníquese con la agencia de reportes del consumidor.

Para obtener más información sobre los reportes del consumidor, incluyendo este reporte, visite el sitio web de Consumer Financial Protections Bureau en www.consumerfinance.gov/learnmore.

Si tiene alguna pregunta adicional sobre la información de esta carta, usted puede comunicarse con la oficina local de su condado, visitando este sitio web en <https://www.dhcs.ca.gov/services/medi-cal/Pages/CountyOffices.aspx>.



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Podríamos usar información de EWS para determinar su elegibilidad. EWS no tomó la decisión para esta acción y no puede darle a usted los motivos específicos por los que se tomó esta acción.

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