

DEPARTMENT OF HEALTH SERVICES

714/744 P Street
P.O. Box 942732
Sacramento, CA 94234-7320
(916) 657-0258



January 8, 2001

TO: All County Welfare Directors
All County Administrative Officers
All County Medi-Cal Program Specialists/Liaisons
All County Public Health Officers
All County Mental Health Directors

Letter No.: 01-01

IMPLEMENTATION OF CONTINUOUS ELIGIBILITY FOR CHILDREN

Ref.: Medi-Cal Procedures Section 5H; All County Welfare Directors Letter No. 99-06;
EMC2 No. 20080

The purpose of this All County Welfare Directors Letter (ACWDL) is to provide counties with instructions regarding the implementation of Continuous Eligibility for Children (CEC) by January 1, 2001.

CEC means that changes during the period from the last annual redetermination to the next annual redetermination which would otherwise move a child under age 19 from a no-share-of-cost (SOC) category to an SOC category, or from no-SOC eligibility to ineligibility, are disregarded.

Federal law (Section 1902(e)(12) of the Social Security Act) permits states to implement a CEC period for certain children under an age specified by the State, but not to exceed 19 years of age. Federal CEC ends with the earlier of the time the individual exceeds the state-established age or the end of a period (not to exceed 12 months) following the eligibility determination.

State legislation which mandates CEC implementation (Assembly Bill 2900, Chapter 945, Statutes of 2000) establishes CEC for children for up to a 12-month period which ends with the earlier of the date of the next eligibility determination or the child's 19th birthday. For purposes of this program, the eligibility determination refers to the annual redetermination pursuant to Section 50189 of Title 22.

The 12-Month CEC Period

The CEC period begins at the first month of Medi-Cal eligibility for all categories of no-SOC Medi-Cal, including cash-based categories, except for **State-Only Minor**

All County Welfare Directors
All County Administrative Officers
All County Medi-Cal Program Specialists/Liaisons
All County Public Health Directors
All County Mental Health Directors
Page 2

Consent Services. Even in cases where retroactive eligibility is established at the same time as the child's initial Medi-Cal eligibility is approved, the 12-month CEC period still begins with the initial month of eligibility, not the retroactive month(s). The CEC period ends with the earlier of the date of the annual redetermination or the end of the month in which the child reaches age 19.

During this CEC period, **any adverse changes in the family's financial eligibility which would cause the child to have an SOC (or to be totally ineligible) in the succeeding month are not to be effected until the yearly redetermination. Furthermore, except for death or loss of California residency, CEC will also protect the child from nonfinancial reasons for discontinuance, even if these changes adversely affect other family members.**

For example, assume a family is on Transitional Medi-Cal (TMC) and is required to return a TMC status report. If the family fails to return the status report, the family is discontinued, but the child is protected under CEC from the date of the last annual redetermination until the date of the next annual redetermination.

Note: *If the change in family circumstances would simply cause the child to be moved to a different no-SOC Medi-Cal aid category, the county should go ahead with that change. The child would continue to be protected by CEC under that new category until redetermination. In this way, most continuing eligibility procedures that are already in place are not adversely impacted by the implementation of CEC.*

Cash-Based Medi-Cal Eligible Children

Children receiving no-SOC Medi-Cal on the basis of their eligibility for a cash program, such as Supplemental Security Income (SSI) or California Work Opportunity and Responsibility to Kids (CalWORKs), are also eligible for protection under CEC.

All County Welfare Directors
All County Administrative Officers
All County Medi-Cal Program Specialists/Liaisons
All County Public Health Officers
All County Mental Health Directors
Page 3

Aid Codes

The Department is in the process of developing two new aid codes to be used for CEC – one for citizen/legal immigrant children (7J) and one for non-citizen children (7K). Unfortunately, due to the limited time we have had to prepare for implementation, these new aid codes will not be ready until approximately **March 2001**. Therefore, counties must follow the **interim procedures** provided below until the aid codes are ready for implementation. We realize this may cause some additional difficulty for the counties, and we apologize for this. However, we must do our best to meet the legislatively mandated implementation date of January 1, 2001. To the extent possible, counties should begin programming these aid codes into their own computer systems in anticipation of the MEDS start-up date.

Interim Procedures

For the time being (until the CEC aid codes are in place), whenever a CEC-eligible child has an adverse change in family circumstances which would give the child a SOC or make him or her totally ineligible, **the child is to be kept in his/her existing aid code**. If it is not possible to keep the child in the existing aid code, the county must place the child in a different no-SOC Medi-Cal aid code. The county must flag the child's case and ensure that the child will be included in the next annual redetermination. If the change would not have adverse results, i.e., the child is eligible to be placed in a different no-SOC program, the county should go ahead and make that change.

Children Eligible for Medi-Cal Only

Example 1

A family with two parents, a seven-year-old child and a nineteen-year-old child, are all receiving no-SOC Medi-Cal under the medically needy (MN) program. The family has a large increase in income so that the only program for which the parents and older child remain eligible would be the MN-SOC program, while the seven-year-old remains in the MN no-SOC program because of CEC.

All County Welfare Directors
All County Administrative Officers
All County Medi-Cal Program Specialists/Liaisons
All County Public Health Officers
All County Mental Health Directors
Page 4

Children Losing CalWORKs Cash Eligibility

CalWORKs children are considered Section 1931(b) recipients. When a child loses CalWORKs cash, the correct procedure is always to first determine if the child would qualify under any other Medi-Cal Only no-SOC program, and place the child in the appropriate no-SOC aid code. If the child does not qualify under one of the no-SOC Medi-Cal categories (including Section 1931(b)-only or TMC), the county should place the child in the most closely related appropriate aid code. For example, if the child loses cash eligibility due to a parent's *increased earnings* during this interim period, the child should be placed in the appropriate TMC aid code. If the child is only eligible for MN-SOC, he or she should be placed in the MN no-SOC aid code and the county must flag the child's case.

Example 2

A ten-year-old child is receiving no-SOC Section 1931(b) cash-based Medi-Cal, along with his mother and father, as a recipient of CalWORKs. The father begins receiving Social Security Disability benefits, which is considered *unearned* income. This increase makes the family ineligible for CalWORKs. The county determines that the only way the family continues to qualify for Medi-Cal is as MN with a SOC. The child, who is protected under CEC, cannot stay in the CalWORKs aid code. *During the interim CEC implementation period*, the child could be placed in Aid Code 3N or in the appropriate percentage program aid code.

Example 3

A child and his or her family are receiving Medi-Cal as non-cash Section 1931(b)-only eligibles. The family then loses Section 1931(b) eligibility due to increased earnings of the principal wage earner, but the whole family continues to be eligible under the TMC program. In this instance, the county should move the child to TMC along with the rest of the family. If this same child would then become *ineligible* for TMC at any point (e.g., the earnings of the family exceeded 185 percent of the federal poverty level during the second six-month TMC period), the child would be identified as CEC eligible and would remain in the TMC aid code until redetermination.

All County Welfare Directors
All County Administrative Officers
All County Medi-Cal Program Specialists/Liaisons
All County Public Health Officers
All County Mental Health Directors
Page 5

Children Losing SSI Cash-Based Medi-Cal

Currently, when a child loses SSI cash benefits, he or she generally is eligible for one additional month of no-SOC Medi-Cal, depending on the reason for SSI discontinuance. Systems changes are being addressed by the MEDS to accommodate CEC for former SSI children. However, the Ramos procedures are still in place for these children. Under RAMOS, forms are sent to these children (or their representatives) which are used to redetermine Medi-Cal Only eligibility. These forms direct the parents (or representatives) to return the completed forms to the county. If a county receives these forms during the interim CEC period, the county should place the child in a no-SOC Medi-Cal Only aid code and must flag the case until further instructions are issued by the Department of Health Services.

CEC Procedures To Be Followed Once Aid Codes Are In Place

When the CEC aid codes described on Page 3 are made available on MEDS and counties have programmed the codes into their individual systems, counties may either keep the CEC-eligible child in the same no-SOC aid code or place him or her in the appropriate CEC aid code.

Infants under Age One (CEC versus Continued Eligibility (CE) for Infants under age One)

Currently, infants under age one who are born to Medi-Cal eligible mothers are **deemed eligible** according to Title 22, Section 50262.3, for full-scope, no-SOC Medi-Cal without an application, and remain eligible under CE for one year, regardless of any family income or resource changes during that period. This CE program takes precedence over CEC.

However, children under age one who were not born to Medi-Cal eligible mothers and are eligible for no-SOC Medi-Cal programs (or children whose CE ends because they are no longer living with a Medi-Cal eligible mother) are eligible for CEC. For example, assume a child became eligible for no-SOC Medi-Cal at age two months and his or her next annual redetermination is due when he or she is fourteen months of age. If a family financial change then made him or her eligible for **only** SOC Medi-Cal at age five months, he or she would be protected by CEC until the next annual redetermination (at age 14 months).

All County Welfare Directors
All County Administrative Officers
All County Medi-Cal Program Specialists/Liaisons
All County Public Health Officers
All County Mental Health Directors
Page 6

Annual Redetermination Following a Period of CEC

As indicated previously, the CEC period ends with the date of the annual redetermination or the date the child reaches age 19, whichever occurs first.

Counties must take appropriate action based on the information gathered during the redetermination process:

- If the child who had been on CEC now would have an SOC as a result of the redetermination, he or she should be given one month of Bridging Program eligibility and the family should be referred to apply for Healthy Families.
- If the child who had been on CEC now would be totally ineligible for all Medi-Cal programs, the child should likewise be given one month of Bridging Program coverage and referred to Healthy Families (see ACWDL No. 99-06, dated February 1, 1999). An example of a child becoming totally ineligible would be a child in a family with excess family property whose income rises above the appropriate percent program limit.
- If the family income of a child who had been on CEC is found at redetermination to be at a level which would permit the child to be eligible for one of the no-SOC Medi-Cal programs, the child should be placed (or kept) in that program.

This ACWDL will be followed by a letter transmitting information about the aid code implementation date.

If you have any questions regarding this ACWDL, please contact Tony Plescia of my staff at (916) 657-3185, or by E-mail at TPlescia@dhs.ca.gov.

Sincerely,

ORIGINAL SIGNED BY

Glenda Arellano
Acting Chief
Medi-Cal Eligibility Branch
All County Welfare Directors