



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



EDMUND G. BROWN JR.  
Governor

January 24, 2014

Medi-Cal Eligibility Division Information Letter No.: I 14-10

TO: ALL COUNTY WELFARE DIRECTORS  
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS

SUBJECT: Instructions to Counties on Reinstatement of Eligibility for Children in  
Transitional Aid Codes

The purpose of this letter is to update counties and other interested parties regarding an opportunity for former Healthy Families Program (HFP) recipients who were recently discontinued due to non-receipt of Annual Eligibility Review (AER) forms to turn those forms in during early 2014 and have their eligibility reinstated. Additionally, former HFP recipients who had AERs due through December 2013 and did not return the AER will be provided with another opportunity to return their AER form in early 2014.

### **AER Not Returned Process – April through December 2013**

The Department of Health Care Services (DHCS) and its administrative vendor MAXIMUS initiated a work effort to terminate eligibility of children in 5C or 5D transitional aid codes when the AER form was not returned timely. Background on the project and instructions to counties regarding reinstatement processes are described below.

### **Background**

During 2013, MAXIMUS sent transitional aid code 5C or 5D beneficiaries a prepopulated AER form and received the completed forms for submission to county offices for a final eligibility determination. During January – March 2013, DHCS, MAXIMUS and counties discontinued cases where the AER was not returned timely using a manual process. DHCS began development of an automated process to discontinue cases where the AER form was not returned timely for April and ongoing. However, this project was delayed due to competing HFP transition priorities and limited staff resources and was ultimately not adopted when it was no longer a feasible long-term option.

The children who were scheduled for disenrollment for failure to return the AER were not disenrolled in these prior months due to the pending system enhancements and, as a

result, the children remained eligible for Medi-Cal. DHCS and MAXIMUS initiated a work effort beginning November 2013 to terminate the eligibility of children in 5C or 5D transitional aid codes when the AER was not returned timely for the due months of April through December 2013.

Original Discontinuance Notices Mailing Schedule:

April – October AERS Not Returned: Mailed out November 19 and 20, 2013  
November AERS Not Returned: Mailed out December 16, 17, 18, 2013  
December AERS Not Returned: Mailing schedule delayed – see below.

**AER Discontinuance Process**

MAXIMUS informs DHCS of 5C/5D records not returning AERs timely. DHCS identifies the cases where there is no other Medi-Cal eligibility. Those children with a 5C or 5D record who have other Medi-Cal eligibility are the responsibility of the counties to process. Once DHCS identifies 5C/5D-only cases for termination, MAXIMUS sends a timely discontinuance notice of action (NOA) and hearing rights to the beneficiary. DHCS confirms with MAXIMUS that the NOAs have been sent and discontinues the beneficiary at end of the month.

**1. November 2013 Discontinuance Process**

This AER discontinuance process was first implemented in November 2013 for the backlogged AERs that were not returned from April through October 2013. As a result, 70,382 beneficiaries received discontinuance NOAs for a discontinuance scheduled date of November 30, 2013, for failing to return their AERs between April and October 2013. The discontinuance NOA sent to beneficiaries includes the number to call at MAXIMUS to request a duplicate AER and instructions to request a hearing. As of December 31<sup>st</sup> 2013, MAXIMUS reports receiving approximately 10,000 requests for duplicate AERs from the NOAs sent in November 2013.

Reinstatements/ Additional AER mailing

Due to the sensitive nature of these discontinuances, DHCS has determined that the affected beneficiaries will be reinstated in 5C or 5D and will be provided with an additional opportunity to return their AER. Beneficiaries that returned their AER prior to December 31, 2013, including those that have requested a hearing, will have 5C or 5D eligibility reinstated effective December 1, 2013, and will remain in their health plan.

Additionally, DHCS and MAXIMUS worked together to determine the affected beneficiaries that meet the following criteria:

- have not already returned the AER
- have not had mail returned as undeliverable
- are under 19 years old.

These beneficiaries, including those that have requested a hearing but have not returned an AER, will have their 5C or 5D eligibility reinstated by DHCS effective December 1, 2013, with fee-for service Medi-Cal coverage. This group was mailed a duplicate AER with a cover letter explaining that if they return the AER by February 5, 2014, they will have eligibility reinstated in their health plan pending a final determination of eligibility by the county of residence. DHCS will be responsible for reinstating the health plan.

Beneficiaries who have requested a hearing were mailed a conditional withdrawal form along with the duplicate AER and cover letter. The cover letter explained that the beneficiary may use the conditional withdrawal form to withdraw from the hearing because eligibility has been reinstated to provide time to return the AER and have an eligibility determination. The cover letter also explained that the beneficiaries may continue with the hearing if they choose to. DHCS will be responsible for handling the hearings for this population. However, due to normal business processing at MAXIMUS, a duplicate copy of the conditional withdrawal form along with a returned AER may be sent to the counties. This is because all case document forms received at MAXIMUS are scanned together and forwarded to the county of residence. Counties are to keep the conditional withdrawal form in their case file, but are not required to take any additional action as a result of receiving the withdrawal form.

Upon receipt of an AER, MAXIMUS will forward the AER to the county of residence. The county of residence should process the AER form as if it were received timely and, if the child is eligible, place the child into the appropriate pre-Affordable Care Act (ACA) Medi-Cal aid code. If the child is not eligible under pre-ACA Medi-Cal rules, the county should then determine if there is eligibility under ACA Medi-Cal rules.

For those beneficiaries who do not submit an AER by February 5, 2014, they will receive discontinuance Notice of Action (NOA) from MAXIMUS effective February 28, 2014, and have appeal rights. Beneficiaries who return an AER prior to the discontinuance date of February 28, 2014, will have eligibility reinstated March 1, 2014, by DHCS, pending the outcome of the county's eligibility determination. If the AER is submitted within the 30 days following the February discontinuance action, it

will be treated as if it is received timely, however 5C/5D eligibility will not be restored again by DHCS and the AER will be forwarded to the county for the final determination. This is consistent with current policy which requires that eligibility be reinstated if the annual redetermination form is received prior to discontinuance and that the annual redetermination form be treated as timely when it is returned during the cure period after discontinuance.

AERs returned to MAXIMUS after March 31, 2014, will be forwarded to the county of residence and should be treated as a new application.

## **2. December 2013 Process – No Discontinuance Actions**

In December 2013, MAXIMUS and DHCS identified the beneficiaries that did not return their AER in November 2013 or prior. A majority of the beneficiaries identified in December 2013 had an AER due month of November 2013, however a handful of cases had AERs due April through October 2013 and were not included in the November 2013 process. These beneficiaries were sent a discontinuance NOA by MAXIMUS between December 16-18, 2013.

Due to the sensitivity of the November 2013 discontinuances, DHCS halted the December 2013 discontinuance action for this group of beneficiaries and the children continue in 5C or 5D aid codes retaining their health plan coverage. These beneficiaries will also be provided with a second opportunity to return their AER.

### Additional AER mailing

DHCS and MAXIMUS worked together to determine which affected beneficiaries meet the following criteria:

- have not already returned the AER
- have not had mail returned as undeliverable
- are under 19 years old.

MAXIMUS mailed these beneficiaries a duplicate AER with a cover letter explaining that if they wish to remain eligible for Medi-Cal, they must return the AER by February 5, 2014. If they return their AER by February 5, 2014, they will not be discontinued for failing to return their AER and their AER will be forwarded to the county for processing.

Counties will continue to process AERs as they are received by MAXIMUS. Because there was no discontinuance action for the December 2013 group, the beneficiaries who returned a late AER prior to February 5, 2014, should have

continued coverage in aid code 5C/5D until the county makes their final determination, unless the 5C/5D eligibility was terminated for another reason (i.e. non-payment of premium).

If they do not return their AER by February 5, 2014, MAXIMUS will send them a NOA and they have appeal rights. The discontinuance will be effective February 28, 2014. Beneficiaries who return an AER prior to the discontinuance date of February 28, 2014, will have eligibility reinstated March 1, 2014, by DHCS, pending the outcome of the county's eligibility determination. If the beneficiary submits the AER within the 30 days following the discontinuance action, it will be treated as if it is received timely, however 5C or 5D will not be restored again by DHCS and the AER will be sent to the county for a final determination. This is consistent with current policy which requires that eligibility be reinstated if the annual redetermination form is received prior to discontinuance and that the annual redetermination form be treated as timely when it is returned during the cure period after discontinuance. Any AER returned to MAXIMUS after March 31, 2014, will be forwarded to the county to be treated as a new application.

### **3. December 2013 AER Due Month**

For beneficiaries who had an AER due in the month of December 2013 and who did not return the AER prior to December 31, 2013, MAXIMUS and DHCS did not send a discontinuance NOA or take action to discontinue their 5C or 5D eligibility or health plan coverage.

#### Additional AER mailing

DHCS and MAXIMUS worked together to determine which beneficiaries with December 2013 AER due dates meet the following criteria:

- have not already returned the AER
- have not had mail returned as undeliverable
- are under 19 years old.

MAXIMUS sent these beneficiaries a duplicate AER with a cover letter explaining that if they wish to remain eligible for Medi-Cal, they must return the AER by February 5, 2014. If they return their AER by February 5, 2014, they will not be discontinued for failing to return their AER and their AER will be forwarded to the county for processing.

If they do not return their AER by February 5, 2014, they will be sent a NOA by MAXIMUS and have appeal rights. The discontinuance will be effective

February 28, 2014. Beneficiaries who return an AER prior to the discontinuance date of February 28, 2014, will have eligibility reinstated March 1, 2014, by DHCS, pending the outcome of the county's eligibility determination. If the beneficiary submits the AER within the 30 days following the discontinuance action, it will be treated as if it is received timely, however 5C or 5D will not be restored again by DHCS and the AER will be sent to the county for a final determination. This is consistent with current policy which requires that eligibility be reinstated if the annual redetermination form is received prior to discontinuance and that the annual redetermination form be treated as timely when it is returned during the cure period after discontinuance. Any AER returned to MAXIMUS after March 31, 2014 will be forwarded to the county to be treated as a new application.

Attached to this letter are copies of the four cover letters and conditional withdrawal form described above for counties' reference.

Please send any questions you have about this email to the Healthy Families Program Transition Inquiry inbox at: [HFPTransition&TLICPIquiry@dhcs.ca.gov](mailto:HFPTransition&TLICPIquiry@dhcs.ca.gov).

Original Signed By

Tara Naisbitt, Chief  
Medi-Cal Eligibility Division

Family Member umber: FMN

DATE

HOH\_N Q,ME  
ADDR\_LINE\_1  
ADDR\_LINE\_2  
CITY,STATE ZIP



Dear Applicant:

You received a notice from us in November 2013 notifying you that we have not received your child's annual eligibility review (AER) paperwork. As a result, the letter explained that your child's Medi-Cal coverage would end November 30, 2013.

This letter is to advise you we restored your child's Medi-Cal eligibility back to December 1, 2013. We did this to give you more time to send us required AER paperwork by February 5, 2014. **You can use your child's Beneficiary Identification Card (BIC) to see Medi-Cal providers now, but to keep your child's Medi-Cal eligibility and to stay in the same health plan, your AER paperwork must be received by February 5, 2014.**

Follow these easy steps now:

- Complete the AER that is included with this letter. Return it as soon as possible but no later than **February 5, 2014** to be re-enrolled in the same health plan.
- Use the postage paid envelope to return the completed AER and send proof of income and expenses for your household.

Here are the ways you can send your AER form back to us:

- Mail to:  
Medi-Cal for Families Program  
P.O. Box 138010  
Sacramento, CA 95813-8010
- Fax Toll Free **1-866-848-4977**

Next steps:

When we receive your returned AER form, we will re-enroll your child in the same health plan during the time we review your child's eligibility for continuing Medi-Cal coverage. You will receive a notice from your county of residence with the final determination of eligibility after the review is completed.

If we do not receive your AER by **February 5, 2014**, we will send you another notice about your child's eligibility.

Questions?

If you have questions, please call **1-800-880-5305**, Monday to Friday, 8 a.m. to 8 p.m., or on Saturday 8 a.m. to 5 p.m. The call is free.

Thank you,

Medi-Cal for families

Family Member Number: FMN

DATE

HOH\_NAME

ADDR\_LINE\_1

ADDR\_LINE\_2

CITY, STATE ZIP



Dear Applicant

You received a notice from us in December 2013 notifying you that we have not received your child's annual eligibility review (AER) paperwork. As a result, the letter explained that your child's Medi-Cal coverage would end December 31, 2013.

This letter is to advise you we did not end your child's Medi-Cal Coverage on December 31, 2013. We did this to give you more time to send us the required AER paperwork by February 5, 2014. **Your child will remain in the same health plan, but to keep your child's Medi-Cal eligibility and to stay in the same health plan, your AER paperwork must be received by February 5, 2014.**

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Thank you,

Medi-Cal For Families



Family Member Number: FMN

DATE

HOH\_NAME  
ADDR\_LINE\_1  
ADDR\_LINE\_2  
CITY,STATE ZIP



Dear Applicant:

Your child's annual eligibility review (AER) paperwork was due December 31, 2013, however we have not yet received your child's AER paperwork.

This letter is to advise you we did not end your child's Medi-Cal Coverage. We did this to give you more time to send us the required AER paperwork by February 5, 2014. **Your child will remain in the same health plan, but to keep your child's Medi-Cal eligibility and to stay in the same health plan, your AER paperwork must be received by February 5, 2014.**

Follow these easy steps now:

- Complete the AER that is included with this letter. Return it as soon as possible but no later than **February 5, 2014** to remain in the same health plan.
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Thank you,

Medi-Cal For Families

Family Member Number: FMN

DATE



HOH\_NAME  
ADDR\_LINE\_1  
ADDR\_LINE\_2  
CITY,STATE ZIP

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You received a notice from us in November 2013 notifying you that we have not received your child's annual eligibility review (AER) paperwork. As a result, the letter explained that your child's Medi-Cal coverage would end November 30, 2013.

This letter is to advise you we restored your child's Medi-Cal eligibility back to December 1, 2013. We did this to give you more time to send us the required AER paperwork by February 5, 2014. **You can use your child's Beneficiary Identification Card (BIC) to see Medi-Cal providers now, but to keep your child's Medi-Cal eligibility and to stay in the same health plan, your AER paperwork must be received by February 5, 2014.**

This letter is to advise you that we have received your appeal request and have taken action to restore eligibility and provide you extra time to complete the AER paperwork. If you no longer want to continue with the appeal request, you may withdraw your appeal by following the directions on the enclosed conditional withdrawal form, which states that your child's eligibility has been restored. You have the right to continue with your appeal if you choose to, even if you do not return the AER.

Follow these easy steps now:

- Complete the AER that is included with this letter.
- Return it as soon as possible but no later than **February 5, 2014** to have your child remain in the same health plan.
- Use the postage paid envelope to return the completed AER and send proof of income and expenses for your household. You may also send us the withdrawal form with your AER.

Here are the ways you can send your AER form back to us:

- Mail to:

Medi-Cal for Families Program  
P.O. Box 138010  
Sacramento, CA 95813-8010

- Fax toll free to: **1-866-848-4977**

### Next steps:

When we receive your returned AER form, we will re-enroll your child in the same health plan during the time that we review your child's eligibility for continuing Medi-Cal coverage. You will receive a notice from your county of residence with the final determination of eligibility.

## CONDITIONAL WITHDRAWAL OF REQUEST FOR HEARING

Case Name: \_\_\_\_\_ Family

Member Number: \_\_\_\_\_

CIN: \_\_\_\_\_

In order to withdraw your request for appeal, either:

- Complete this form and return it with your Annual Eligibility Review (AER) paperwork; or
- Contact the California Department of Social Services directly at (800) 743-8525

I, \_\_\_\_\_ the undersigned do hereby conditionally withdraw my request for a state hearing before the State Department of Social Services. I understand that the county will issue a notice of action when their recommendation is complete and that I must request a hearing within 90 DAYS of the county's notice if I am not satisfied with the county's reconsideration of my case. I understand that I shall have the same rights I would have had if I had not signed this conditional withdrawal.

The reasons for or conditions of this withdrawal are:

- Eligibility for the child(ren) in this case has been reinstated so I can return the AER paperwork. The AER paperwork must be received by February 5, 2014.
- Eligibility for the child(ren) in this case will be determined by the county office upon receipt of the AER paperwork.
- Eligibility for the child(ren) in this case will continue until the county takes an action.
- The county will send a notice of action when the eligibility determination is complete.

Signed by:

\_\_\_\_\_

Claimant / Date

\_\_\_\_\_

\_\_\_\_\_

(Telephone Number)

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State Use Only

\_\_\_\_\_

(DHCS Representative)

\_\_\_\_\_

(DHCS Address)

City, Zip code

\_\_\_\_\_

(Telephone Number)