



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



GAVIN NEWSOM  
GOVERNOR

DATE: August 13, 2020

Medi-Cal Eligibility Division Information Letter No.: I 20-25

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

SUBJECT: UPDATED GUIDANCE DUE TO THE COVID-19 PUBLIC HEALTH  
EMERGENCY SUPERSEDING MEDIL I 20-07 AND MEDIL I 20-08

This Medi-Cal Eligibility Division Information Letter (MEDIL) supersedes [MEDIL I 20-07](#) and [MEDIL I 20-08](#) and is intended to provide updated information and clarification for counties and the Statewide Automated Welfare System (SAWS). Counties shall continue to delay the processing of Medi-Cal annual redeterminations and delay discontinuances and negative actions for Medi-Cal, Medi-Cal Access Program (MCAP), Medi-Cal Access Infant Program (MCAIP), and County Children's Health Initiative Program (CCHIP) throughout the COVID-19 public health emergency (PHE). Updated guidance includes:

- References to the Executive Order (EO) and PHE end-dates have been changed to “through the duration of the public health emergency”, and
- Updates to the *Discontinued Cases* section on page 4.

### **Prioritizing Access to Care**

To allow for counties to prioritize processing of access to care issues, and concentrate staffing resources where needed during this public health crisis, the county shall stop processing annual renewals immediately and may exceed the timeliness standard for all administrative processing of Medi-Cal or Children's Health Insurance Program (CHIP) redeterminations. The delay shall be effective through the duration of the COVID-19PHE. County Eligibility Workers shall document the reason for the delay in processing in the case file, and should include the following statement for auditing purposes:

“Delayed redetermination processing for Medi-Cal or CHIP benefits approved due to state or federally declared major public health crisis or natural disaster.”

In addition, the county shall delay discontinuances and negative actions as a result of renewals and reported changes in circumstances to ensure beneficiaries remain eligible for Medi-Cal. The delay shall be effective through the duration of the COVID-19 PHE. The county shall continue to process determinations or redeterminations for those individuals who would gain access to health care coverage and resolve barriers related to access to care such as new applications, intercounty transfers, adding a person, a decrease in income, or prioritizing 90-day cure period restorations. The county shall document the delay in processing discontinuances or negative actions in the case file using the statement from All County Welfare Directors Letter (ACWDL) [19-01](#) for auditing purposes:

“Delayed discontinuance of Medi-Cal or CHIP benefits approved due to state or federally declared major public health crisis or natural disaster.”

SAWS, in collaboration with DHCS, made immediate changes to the systems that include the following:

- Preventing Medi-Cal cases from discontinuing automatically via pre-scheduled batch jobs; and
- Maintaining normal automated renewal functions including executing the auto ex- parte process for Modified Adjusted Gross Income (MAGI) Medi-Cal cases and sending out the redetermination packets for both MAGI and Non-MAGI Medi-Cal cases, if ex parte did not result in continued eligibility.

SAWS has informed counties and DHCS that the measures that were taken would prevent the cases from discontinuing automatically through their respective automated processes through the duration of the COVID-19 PHE.

### **County Expectations for Continuous Coverage**

During this time, individual county eligibility workers still have the ability to discontinue cases through the Eligibility Determination and Benefits Calculation (EDBC) functionality within their respective SAWS and/or through an online Medi-Cal Eligibility Data System (MEDS) transaction, as needed. County offices may need to adjust their business processes at this time to ensure that individuals neither get discontinued manually, nor are negatively impacted through the duration of the COVID-19 PHE, with a few exceptions. The following “terminations” are allowable during this time:

- Individuals who are reported to be deceased,
- Individuals who are no longer a resident of the state,
- Individuals who request voluntary discontinuance from Medi-Cal, and

- Non-MAGI Medi-Cal individuals moving from a non-Long Term Care (LTC) aid code into a LTC aid code.

The requirement to maintain continuous coverage applies to beneficiaries who fail to return documents and/or verifications necessary to determine ongoing eligibility, including renewal documents, and verifications requested upon the report of a change in circumstances. Individuals who fail to provide these necessary documents and verifications shall remain Medi-Cal eligible through the duration of the COVID-19 PHE.

This requirement to maintain continuous coverage also applies to individuals who might otherwise have coverage terminated or benefits negatively affected after a change in circumstances, including:

- individuals who age out of a Medi-Cal eligibility group during the emergency period,
- individuals who lose receipt of benefits that would otherwise affect their Medi-Cal eligibility (e.g., Supplemental Security Income (SSI), foster care assistance payments),
- individuals whose whereabouts become unknown,
- children aided in the Optional Targeted Low Income Children Program (OTLICP), who would otherwise move from a non-premium aid code to a premium aid code,
- increases in Share of Cost (SOC)—including those individuals who would otherwise move from a zero SOC to a SOC, and
- individuals who would otherwise move from full scope benefits to restricted scope coverage.

Pursuant to Centers for Medicare & Medicaid Services (CMS) guidance, counties will need to track these cases and apply the appropriate negative action once the public health emergency ends.

DHCS understands that during this period Medi-Cal eligibility in SAWS and MEDS may be out of sync with the eligibility information contained in the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS) as a result of delaying Medi-Cal negative actions and discontinuances.

### **County Action**

In order to assist individuals in gaining access to health care coverage and resolving barriers related to access to care, counties shall prioritize their workload as follows:

- Eligibility determinations for new applications
- Immediate need requests for restoration of Medi-Cal eligibility—including

- those individuals that provided information during their 90 day cure period
- Redeterminations for reported change in circumstances that would provide access to care
- Eligibility determinations for transitioning cases in Carry Forward Status to prevent gaps in coverage

### **Discontinued Cases**

#### County Expectation for Individuals Discontinued Effective April 1, 2020

DHCS understands that as early as February 20th, 2020, normal county business processes prompted the discontinuance of Medi-Cal eligibility for individuals who failed to provide and/or respond, effective April 1, 2020.

**Counties must prioritize and process Medi-Cal reinstatements for individuals who were discontinued, effective April 1, 2020 and onward throughout the COVID-19 PHE. Individuals do not have to request the reinstatement of their Medi-Cal eligibility. The only allowable discontinuances, effective April 1, 2020 and onward throughout the COVID-19 PHE, are for:**

- Individuals who are reported to be deceased,
- Individuals who are no longer a resident of the state, or
- Individuals who request voluntary discontinuance from Medi-Cal.

Further, counties are to reinstate Medi-Cal eligibility for these individuals without requiring additional documents, verifications and/or information from the individual. These cases should be identified for future processing once the suspension of negative action activities is lifted.

#### County Expectation for Discontinued Individuals in the 90-Day Cure Period

Individuals discontinued prior to March 17, 2020 (effective January 2020 and February 2020) are within their 90-day cure period (through March 2020 and April 2020, respectively). As in the current 90-Day Cure Period policy, these individuals must work with the county before the end of their 90-day cure period, providing information and/or documentation required to resolve any outstanding eligibility issues, prior to the county restoring Medi-Cal eligibility.

For example: Individuals discontinued January 2020 for failure to provide verifications have until April 30, 2020 to provide the needed verifications in order for the county to restore Medi-Cal benefits back to the date of discontinuance.

Counties are to prioritize completion of these redeterminations to provide timely access to Medi-Cal coverage.

### **Fair Hearings**

DHCS received federal approval from CMS, granting temporary flexibilities related to the Fee-for-Service (FFS) Medi-Cal State Fair Hearing process during the COVID-19 emergency period. This includes flexibility to delay scheduling Medi-Cal fair hearings and issuing fair hearing decisions. The timeframes in 42 CFR §431.221(d) provide that states can choose a reasonable timeframe for individuals to request a fair hearing not to exceed 90 days for eligibility or FFS issues. This approval extends those timeframes and allows beneficiaries up to an additional 120 days, for a total of up to 210 days, to request a fair hearing for Medi-Cal eligibility or a FFS appeal.

Individuals who have a pending hearing decision during the Executive Order period and continue to receive Medi-Cal services through Aid Paid Pending (APP) are considered enrolled for benefits and shall remain eligible for the duration of the appeal. If the hearing decision results in a negative action, the individual shall remain eligible through the duration of the COVID-19 PHE.

Counties shall delay the processing of any negative actions on a case, as a result of a fair hearing decision, through the duration of the COVID-19 PHE. Counties shall document the delay in the case file and apply the appropriate change once the public health emergency has been lifted.

### **Office Visits and Telephonic Signatures**

Counties shall follow guidance provided in [ACWDL 19-17](#) to conduct telephonic interviews/appointments in situations that usually require an applicant or beneficiary to visit the county office for services, including programs outlined in Article 4V of the Medi-Cal Eligibility Procedures Manual. Additionally, forms that usually require a wet signature to be valid, can be completed and signed via telephonic signature throughout the COVID-19 PHE.

### **Written Affidavits**

Due to the Federal and State Emergency, counties shall also accept written affidavits telephonically signed by the applicant or beneficiary. Counties shall follow the process below to accept an affidavit telephonically:

- Utilize the county's existing affidavit template and complete the affidavit with the information provided by the applicant/beneficiary;
- Inform the applicant/beneficiary that their telephonic signature carries the same weight as a handwritten signature;
- Ask the applicant/beneficiary to confirm that the information they have provided is "true and correct under penalty of perjury under the laws of the State of California";
- Include "Telephonic Signature Due to Public Health Crisis/Disaster" and the date in the signature line;
- Retain a copy of the signed affidavit in the case record (according to county business process);
- Note in the case record that an affidavit was accepted over the phone, what information was included in the affidavit, and the date the affidavit was accepted;
- Mail a copy of the affidavit to the applicant/beneficiary.

### **Continuous Coverage for Medi-Cal Beneficiaries who Become Incarcerated**

Counties are to continue to take action and process transactions for individuals released from incarceration, by reporting the Release Date, as this is a positive action and addresses a barrier to care that the inmate would otherwise experience. In addition, the termination of the Medi-Cal Inmate Eligibility Program (MCIEP) aid code, if needed, would be appropriate to ensure the Medi-Cal (non-MCIEP) eligibility displays accurately in MEDS for released inmates. For more information related to Medi-Cal Inmate Eligibility Programs & Medi-Cal Beneficiaries Who Become Incarcerated, please refer to MEDILs I 20-05 and I 20-11.

### **MEDS Generated Holds**

According to [ACWDL 96-06](#) and [MEDIL I 15-34](#), MEDS generated holds will not impact Medi-Cal eligibility. Eligibility will continue until the county resolves the hold or terminates the eligibility with proper notification. A Burman hold status is not reflected in the MEDS Online Provider Inquiry (MOPI) screen or provider Point of Service (POS) devices. There should not be a barrier to care for individuals in Burman hold status and they should be able to access care from their provider.

### **Next Steps**

DHCS will continue to work in collaboration with SAWS and counties on the next steps to develop a process for the resumption of regular business operations. This may include sending out an additional reminder to individuals who have not yet returned their renewal packet, preparing a schedule for reinstating the discontinuance batches within

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SAWS so that individuals who have not returned a packet (or verification) will be discontinued allowing for ten-day noticing requirements, and addressing the backlog of cases that were not processed during this delay and/or cases that are out of sync with CalHEERS.

DHCS will continue distributing Question and Answer (Q&A) documents through future MEDILs to answer county questions and concerns as needed. Please continue to refer to the latest Q&A document in MEDIL I 20-26 for the most recent updates.

If you have any questions, or if we can provide further information, please contact us by email at [MCED.COVID@dhcs.ca.gov](mailto:MCED.COVID@dhcs.ca.gov).

Original Signed by

Sandra Williams, Chief  
Medi-Cal Eligibility Division