



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



GAVIN NEWSOM  
GOVERNOR

DATE February 18, 2021

Medi-Cal Eligibility Division Information Letter No.: I 21-03

TO: ALL COUNTY WELFARE DIRECTORS  
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS  
ALL COUNTY MEDS LIAISONS  
ALL CONSORTIA/SAWS PROJECT MANAGERS

SUBJECT: UPDATE ON DELIVERY OF ASSET VERIFICATION REPORTS

The purpose of this Medi-Cal Eligibility Division Information Letter (MEDIL) is to inform counties of updates to the delivery schedule of the enhanced asset verification reports. While this MEDIL supersedes the implementation schedule originally outlined in MEDIL I 19-12, Counties are still instructed to use All County Welfare Director's Letter [17-37](#) as guidance when working the asset verification reports.

### Asset Verification Background

Federal law ([42 U.S.C. 1396w](#) [Section 1940 of the Federal Social Security Act]) requires that California's Medicaid program, Medi-Cal, have an electronic asset verification program (AVP) in place to detect unreported assets for Aged, Blind, and Disabled (ABD) applicants, beneficiaries, and responsible relatives at time of application, annual redetermination, changes in circumstance, and ad-hoc eligibility determinations. These provisions do not apply to individuals who are receiving Supplemental Security Income/State Supplementary Payments.

### Previous Electronic Enhancements

The Department of Health Care Services (DHCS) released MEDIL I 19-12, informing counties and the Statewide Automated Welfare System (SAWS) of important future changes to the asset verification reports and how they will be delivered. Currently, counties receive these reports in an interim spreadsheet format via secure email. In addition, a flat file titled IEV 417 is electronically uploaded each month to a Secure File Transfer protocol (SFTP) for SAWS. In February 2020, DHCS began including both the Long Term Care (LTC) and Non-LTC ABD renewal populations in these monthly AVP asset reports sent to counties and SAWS.

## **Future Electronic Enhancements**

Since February 2020, DHCS has engaged the technical teams of both the SAWS and Medi-Cal Eligibility Data System (MEDS) in an effort to utilize the IEV 417 flat file to populate AVP data screens in both SAWS and MEDS to provide counties with a more integrated and automated method of report delivery.

To advance this effort, DHCS established a new Income and Eligibility Verification System (IEVS) AVP database in MEDS. This database contains vendor response file information for LTC and Non-LTC ABD renewal individuals from April 2020 to present. Currently, this database contains nearly 12 million financial institution records for over 700,000 individuals, and new information will be loaded into the database with each subsequent month. In addition, on January 27, 2021, three new AVP screens were installed in MEDS and are now available for counties to access: the Asset List Summary screen; the Financial Institution List screen; and the Financial Institution Account Detail screen. Utilizing the individual look-up functionality now available in MEDS, county workers can enter an ABD individual's identifying information into the system and view the three new AVP screens which will display a list of financial institutions and account balances found within the MEDS AVP database, if any were reported for that individual by the vendor.

This new functionality will enable DHCS to achieve some level of automation while the department navigates through the corrective action period initiated by the Centers for Medicare and Medicaid Services to implement a fully electronic AVP in accordance with the requirements of Section 1940 of the Social Security Act.

Along with the initial functionality described above, the remaining asset verification inquiry screens are on track for MEDS implementation in the following months:

- The Real Property Detail Inquiry screen is expected to be installed by February 23, 2021.
- The Aircraft Inquiry screen is expected to be installed by March 25, 2021.
- The Watercraft Inquiry screen is expected to be installed by April 26, 2021.
- At-application functionality is expected to be incorporated within the existing MEDS screens by May 25, 2021.

Alongside DHCS' intended release of the remaining inquiry and at-application functionality within MEDS, SAWS will possess similar functionality in the coming months. The expected implementation chronology within SAWS is as follows:

- CalWIN implementation was completed in November 2020. CalWIN counties now receive their asset verification information via the IEV 417 file.
- Los Angeles County is scheduled to implement in March 2021.
- C-IV counties are not expected to implement AVP screens, but are expected to migrate to CalSAWS in September 2021 and have access to AVP data via CalSAWS screens in October 2021.

### **Use of Asset Reports as Available Information During Ex Parte Review**

[Welfare and Institutions Code \(WIC\) section 14005.37](#) requires that county workers conduct an ex parte review, at annual renewal or from a reported change in circumstance, utilizing all available information that could affect eligibility for Medi-Cal benefits prior to contacting the beneficiary. In accordance with WIC section 14005.37(e)(1), available information includes, but is not limited to any Medi-Cal, CalWORKS, or CalFresh case files associated with the beneficiary or any of his or her immediate family members which are open or were closed within the last 90 days. Information obtained from any available electronic databases or electronic verification services are permissible in addition to any other sources of relevant information reasonably available to the county. Furthermore, Appendix B, FAQ #4 of the [December 4, 2020 CMCS Informational Bulletin](#) on renewal requirements indicates that because states are required to attempt an ex parte renewal for all beneficiaries using all reliable and available information, including those subject to an asset test, use of the Asset Verification System (AVS) is a required part of the ex parte renewal process. As such, the asset verification reports fall under the purview of available information and are necessary for use in ex parte reviews. If information obtained from the asset verification reports in conjunction with other sources completes the Medi-Cal redetermination via the ex parte process, then county workers do not need to contact the beneficiary to request additional information.

If you have any questions, or if we can provide further information, please contact Ms. Corinne Marquez by phone at (916) 345-8684 or by email at [Corinne.Marquez@dhcs.ca.gov](mailto:Corinne.Marquez@dhcs.ca.gov).

Sincerely,

Original Signed By

Sandra Williams, Chief  
Medi-Cal Eligibility Division