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GAVIN NEWSOM  
GOVERNOR

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Medi-Cal Eligibility Division Information Letter No.: I 22-05

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

SUBJECT: NEW FEDERAL GUIDANCE FOR COMPACT OF FREE ASSOCIATION  
MEDI-CAL ELIGIBILITY AND MEDS CODING (Reference: ACWDL [21-33](#))

The purpose of this Medi-Cal Eligibility Division Information Letter (MEDIL) is to provide information relating to recent federal guidance on administration of Medi-Cal coverage for individuals from any of the Compact of Free Association (COFA) states, when they obtain lawful permanent resident (LPR) status. See All County Welfare Directors Letter [ACWDL 21-33](#) for additional information about the Medi-Cal eligibility of the COFA population.

### Background

On December 27, 2020, the federal Consolidated Appropriation Act was signed into law. This law (H.R. 133: Consolidated Appropriations Act, Division CC, Title II, § 208) provides that individuals from any of the COFA member sovereign states are considered Qualified Non-Citizens (QNCs), who are eligible for full scope Medi-Cal benefits and are exempt from the federal five-year bar waiting period, if otherwise eligible, for purposes of Medi-Cal eligibility only. COFA is applicable to citizens of the Federated States of Micronesia (Kosrae, Pohnpei, Chuuk and Yap), the Republic of the Marshall Islands, and the Republic of Palau.

Prior to enactment of this law, individuals from any of the COFA states were considered to be lawfully present, but not a QNC. Lawfully present immigrants, who are not QNCs, are only federally eligible for full scope Medi-Cal if they are under 21 years of age or pregnant. Under this new law, individuals from any of the COFA states became eligible for federally funded full scope Medi-Cal retroactive to December 2020, regardless of age or pregnancy status, if they meet all Medi-Cal eligibility requirements.

### New Federal Guidance

The Centers for Medicare & Medicaid Services (CMS) released [SHO #21-005](#) on October 18, 2021, which provides policy and operational guidance to implement the

extension of Medi-Cal eligibility to the citizens of the Freely Associated States living in the United States under COFA. This new federal guidance clarifies that after a COFA migrant adjusts to LPR status, they are to be treated like a LPR for purposes of Medi-Cal eligibility. This clarification does not change the Medi-Cal eligibility for COFA migrants (all eligible qualified immigrants receive full scope Medi-Cal in California, regardless of their five-year bar status). But, it does impact their Medi-Cal Eligibility Data Systems (MEDS) coding, as explained below.

The SHO includes the following guidance:

- The five-year bar applies to COFA migrants when they adjust to LPR status, unless they are under 21 years of age or pregnant, or if otherwise exempt from it.
  - A COFA migrant who adjusts to LPR status could be a QNC as early as December 27, 2020, for purposes of calculating the five-year waiting period for Medi-Cal.
  - “If a COFA migrant adjusts to LPR status prior to December 27, 2020, the date for calculating the five-year waiting period would begin on the date such adjustment to LPR status was granted.”
  - If a COFA migrant adjusts status to LPR, then the Category of Admission (COA) code returned by the Systematic Alien Verification for Entitlements (SAVE) will reflect their LPR status, rather than a COFA migrant status.

While COFA migrants who adjust their LPR status are now subject to the five-year bar, per this new federal guidance, it is important to note that these individuals (as is true for all other LPRs) will continue to be eligible for full scope Medi-Cal, regardless of their age or five-year bar status, if they meet all eligibility requirements. This change in federal guidance impacted the funding source for fullscope Medi-Cal in some cases, not the program eligibility for these individuals.

#### **Citizen/Alien Indicator Code and Entry-Grant Date**

The MEDS Citizen/Alien Indicator code “4” is currently assigned to individuals from the COFA states. When a COFA immigrant adjusts to LPR status, the counties must update MEDS with the Citizen/Alien Indicator code “K” and the “Grant Date” from the SAVE response (or the “Date of Entry”, if prior to August 22, 1996).

Medi-Cal Eligibility Division Information Letter No.: I 22-05  
Page 3  
February 8, 2022

If you have any questions or require additional information, please contact Ernesto Lopez by phone at (916) 345-8161 or via email at [Ernesto.Lopez4@dhcs.ca.gov](mailto:Ernesto.Lopez4@dhcs.ca.gov).

**Original Signed By**

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