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Governor

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TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 05-22
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALIST/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: PERFORMANCE STANDARDS INSTRUCTIONS FOR ELIGIBILITY
DETERMINATIONS AND ANNUAL REDETERMINATIONS
(Reference All County Welfare Directors Letters No. 02-52, 03-42, 03-48,
and 03-59)

This letter is to advise counties that January 1, 2006, will begin a new review cycle pursuant to Senate Bill X1 26 (Chapter 9, Statutes of 2003, 1st Extraordinary Session) that established standards for eligibility determinations and annual redeterminations (RV). By January 15, 2006, each county designated below is required to submit a report to the Department of Health Services (DHS) on the county's results in meeting the performance standards and submit a corrective action plan (CAP) if DHS finds that the county is not in compliance with one or more of the standards. The county may be subject to a reduction in county administration funds by two percent in the next fiscal year if the county does not meet the performance standards.

Information concerning the new reconciliation performance standards and the proposed Bridging Program performance standards is also provided.

Reporting Counties: The 25 counties with the largest Medi-Cal population, as identified in All County Welfare Directors Letter (ACWDL) 05-05 dated March 4, 2005, are to sample and report on five performance standards. The reporting counties excerpted from ACWDL 05-05 dated March 4, 2005, are as follows:

Alameda	San Bernardino
Butte	San Diego
Contra Costa	San Francisco
Fresno	San Joaquin
Imperial	San Mateo

Kern	Santa Barbara
Los Angeles	Santa Clara
Madera	Sonoma
Merced	Solano
Monterey	Stanislaus
Orange	Tulare
Riverside	Ventura
Sacramento	

Performance Standards:

ACWDL 03-48 dated September 5, 2003, referenced applicable federal and state laws and conveyed instructions on performance standards to counties. These performance standards are unchanged and excerpted from ACWDL 03-48 dated September 5, 2003, as follows:

Pursuant to Welfare and Institutions (W&I) Code, Section 14154(c)(1), counties must complete eligibility determinations as follows:

- (A) Ninety percent of the general applications without applicant errors and are complete shall be completed within 45 days.
- (B) Ninety percent of applications for Medi-Cal based on disability shall be completed within 90 days, excluding delays by the State.

Pursuant to W&I Code, Section 14154(c) (3), counties must perform timely RVs as follows:

- (A) Ninety percent of the annual RV forms shall be mailed to the recipient by the anniversary date.
- (B) Ninety percent of the annual RVs shall be completed within 60 days of the recipient's annual RV date for those RVs based on forms that are complete and have been returned to the county by the recipient in a timely manner.
- (C) Ninety percent of those annual RVs where the RV form has not been returned to the county by the recipient shall be completed by sending a Notice of Action (NOA) to the recipient within 45 days after the date the form was due to the county.

Sampling Methodology and Procedures:

The methodology and procedures contained in ACWDL 03-48 dated September 5, 2003, have been modified only to the extent that a new report period is accommodated. The sampling methodology and procedures are as follows:

Counties must select a specific month for review of eligibility determinations and RVs, with the sample month determined based upon whether the county is doing a retrospective or prospective review for eligibility determinations. Counties may select the appropriate month based upon whether the counties RV process is automated or manual, and the extent to which a county is automated. Counties must select a sample month in order to be able to submit the Report by January 2006. The county must use either a retrospective or prospective methodology for analysis of the performance standards for eligibility determinations, but must use the same methodology every year. Under a retrospective analysis, counties will look at the universe of cases, or a State-determined sample of cases, for a county designated month, to determine if 90 percent of the eligibility determinations were completed within the prior 45 days or 90 days, as appropriate.

Under a prospective analysis, counties will look at the universe of cases, or a State-determined sample of cases, for a county designated month, to determine if 90 percent of the eligibility determinations were completed within the following 45 or 90 days, as appropriate. Because the prospective sample month may not allow for completion of the Report by January 15, 2006, for the performance standard requiring 90 percent of disability-based eligibility determinations to be completed within 90 days, those counties using prospective methodology may submit an addendum to the January 15, 2006, report no later than February 15, 2006, with that performance standard.

For annual RVs, counties will look at the universe of cases, or a State-determined sample of cases, that were due in the designated month and determine if 90 percent were mailed to the recipient by the anniversary date, 90 percent were completed within 60 days of the recipient's annual RV date for those RVs based on forms that are complete and have been returned by the recipient in a timely manner, and 90 percent of the RVs that were not returned to the county were sent a NOA within 45 days after the RV form was due.

For the purpose of these instructions:

“Completed” means that there has been a disposition of the case by the eligibility worker certifying initial eligibility or eligibility for another 12-month period or notifying the applicant of ineligibility with a timely denial or termination NOA.

“Complete” means that all questions on the application or RV form were answered and that no further action is required from the recipient and only county action is required because the county has the information necessary to make a disposition of initial or ongoing eligibility or ineligibility.

“In a timely manner” means that the recipient has returned the RV form by the due date specified on the RV notice or by the last date of the month that the RV is to be completed by the recipient.

“Delay by the State” is when the agency cannot reach a decision within 90 days because the applicant or an examining physician delays or fails to take a required action or the Department of Social services fails to make a determination of disability within the 90 days.

If a county is unable to analyze the universe of eligibility determination cases or RVs, the county must notify DHS by the tenth day of the month preceding the sample month so that DHS may generate a sample listing.

Please note, the reporting process enables counties to identify factors that had an adverse impact on a county’s ability to meet their performance standards for general Medi-Cal applications. Two of those factors include the timely processing of applications forwarded from Single Point of Entry and applications forwarded by the California Work Opportunity and Responsibility to Kids (CalWORKS) program after CalWORKS has been denied. For reporting purposes, counties have been instructed to include these applications in their universe of cases. DHS will consider factors such as the shortened timeframe they have to complete the eligibility determinations when determining any remedy.

The sampling methodology and the aid codes subject to review that were transmitted to counties informally in the previous review cycle are unchanged as follows:

Statistically valid sample of all general application cases (nondisability) that were determined eligible in the sample month.

- General applications exclude applications based on disability, which are identified as:

Noncash based Medi-Cal only applications requiring the applicant to complete a new statement of facts form. The aid codes are:

02, 13, 14, 17, 1H, 1U, 34, 37, 3N, 3V, 44, 47, 48, 53, 55, 58, 5F, 69, 6P, 6V, 6W, 6X, 6Y, 71, 72, 74, 7A, 7C, 7H, 7M, 7N, 7P, 7R, 80, 82, 83, 86, 87, 8A, 8C, 8D, 8G, 8N, 8P, 8R, 8T, 9N.

Statistically valid sample of all disability application cases that were determined eligible in the sample month.

- Disability applications include applications based on disability, which are identified as:

Noncash based Medi-Cal only applications requiring the applicant to complete a new statement of facts form and a disability evaluation packet. The disability and blind aid codes are: 23, 24, 27, 63, 64, 67, 6A, 6C, 6G, 6H, 6U.

Redeterminations:

Statistically valid sample of all cases where the RV due date was within the sample month.

- The aid codes to be included in the sample of cases are identified below:

02, 13, 14, 16, 17, 1H, 1U, 23, 24, 26, 27, 34, 36, 37, 3N, 3V, 44, 47, 48, 53, 55, 58, 5F, 63, 66, 67, 69, 6A, 6C, 6G, 6H, 6P, 6U, 6V, 6W, 6X, 6Y, 71, 72, 74, 7A, 7C, 7H, 80, 82, 83, 86, 87, 8A, 8C, 8D, 8G, 8N, 8P, 8R, 8T, 9N.

Data Reporting:

Data reporting requirements described in ACWDL 03-59 dated December 11, 2003, will apply to Cycle 2. The Performance Standards Report on Performance requirements excerpted from ACWDL 03-59 are in Enclosure I.

Performance Monitoring:

Upon receipt of the January 15, 2006 report, DHS will review and verify county conformance with the performance standards, including selecting counties for case reviews based upon the self-reports; selecting counties for case reviews based upon trend data or other information that indicates that counties may not be in compliance with the performance standards; and selecting counties for case reviews on a random selection basis to determine if counties are meeting the performance standards.

If DHS finds that a county is not in compliance with one or more of the performance standards, the county shall, within 60 days of written notice, submit a CAP to DHS for approval. If the county's report indicates that the county has failed to comply with any one or more of the performance standards, the submission of that report shall constitute the determination that a CAP is required to be submitted within 60 days of the submission of the report.

If it is determined that a county must submit a CAP, the plan must include, for each of the performance standards that the county has not met, steps the county will take to improve its performance. The plan shall establish interim benchmarks for improvement that will be expected to be met by the county in order to avoid a reduction, in the following year, of two percent of their county administrative funds. The plan must enable DHS to measure the extent of any improvement by the county every three months. DHS and the applicable county will negotiate the CAP, interim steps, and interim reporting on a county-by-county basis. The final review of the benchmarks by DHS will be during the month of June 2007, or such earlier time as may be determined in the CAP.

If the county does not meet the performance standards, DHS, at its sole discretion, may reduce the allocation of county administrative funds, effective July 2007. Any funds reduced may be restored by DHS if, in the determination of DHS, sufficient improvement has been made by the county in meeting the performance standards during the year for which the funds were reduced. The county may use the report submitted on January 1, 2008, to claim that sufficient improvement has been made. That report will be reviewed and validated by DHS to determine if sufficient improvement has been made. If the county continues not to meet the performance standards, DHS may reduce the county administrative fee allocation by an additional two percent for each year, thereafter, in which sufficient improvement has not been made to meet the performance standards.

Other performance standard information:

Quarterly Reconciliation and Worker and Error Alerts

Performance standards for quarterly reconciliations and alerts are described in W&I Code, Section 14154.5 and require counties to submit quarterly reconciliation files and to process worker and error alerts on a timely basis. If DHS finds that a county is not performing all of the following activities, the county shall, within 60 days, submit a CAP to DHS for approval:

- Conducting quarterly reconciliations as required.
- Processing 95 percent of worker alerts within the timeframes specified.
- Processing 90 percent of the error alerts that affect eligibility or the share-of-cost (SOC) within the timeframes specified.

The county shall submit reconciliation files of its Medi-Cal eligible population to DHS every three months, based upon a schedule determined by DHS and in a format prescribed by DHS, to identify any discrepancies between eligibility files in the county records and eligibility as reflected in the Medi-Cal Eligibility Data System (MEDS).

Any error alert that affects eligibility or the SOC that is received by the tenth working day of the month shall be processed in time for the change to be effective the beginning of the following month. Any alert that affects eligibility or the SOC that is received after the tenth working day of the month shall be processed in time for the change to be effective the beginning of the month after the following month.

For those records that are on the county's files, but not on MEDS, the county shall receive worker alerts from DHS that identify these cases, and the county shall fix any data discrepancies. Any worker alert received by the tenth working day of the month shall be processed in time for the change to be effective the beginning of the following month. Any worker alert received after the tenth working day of the month shall be processed in time for the change to be effective the beginning of the month after the following month.

DHS is still in the process of determining the methodology for assessing county performance in the area of quarterly reconciliations and alert processing. DHS will be convening a work group to help develop monitoring methodologies and reporting requirements. The overall Reconciliation and Alert policy has been released in

ACWDL 05-19 dated June 7, 2005. A separate ACWDL will be issued concerning the monitoring and reporting of the quarterly reconciliation files and the error and worker alerts, and the submission of CAP if the requirements are not met.

Medi-Cal to Healthy Families Bridging Program Performance Standards

Medi-Cal to Healthy Families Bridging Program performance standards are part of the proposed 2005-06 Budget trailer bill. Upon enactment of the Budget, the performance standards will require:

1. Ninety percent of the families with children placed in the Medi-Cal to Healthy Families Bridge Benefits Program (Bridging Program) shall be sent a notice informing them of the Healthy Families Program (HFP) within five working days from the determination of a SOC.
2. Ninety percent of all RV forms for children placed in the Bridging Program shall be sent to the HFP within five working days from the determination of a SOC if the parent has given consent to send the information to the HFP.
3. Ninety percent of the families with children placed in the Bridging Program who have not consented sending the RV form to the HFP shall be sent a request, within five working days of the determination of a SOC, to consent to send the information to the HFP.

Based upon the budget trailer bill language, the Bridging Program performance standard will not go into effect until 60 days after the joint Healthy Families/Medi-Cal and the Medi-Cal mail-in applications and the annual RV form have been revised to include the consent to forward the application to the HFP. The Medi-Cal mail-in application already has consent language, the new annual RV form has the consent language, and the joint application is currently being revised to include this language. DHS will need to develop sampling and reporting requirements for the Bridging Program performance standards. DHS has convened a county and stakeholder workgroup to seek input on the Bridging Program performance reporting requirements.

If you have questions regarding this letter, please contact Ms. Amrit Singh at (916) 552-9451 or by email at Asingh@dhs.ca.gov.

ORIGINAL SIGNED BY

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Enclosure

Enclosure I
Performance Standards Report

Section I: General

1. Which method of analysis was selected for eligibility determinations, retrospective or prospective?
2. Name the month selected for retrospective or prospective analysis for eligibility determinations.
3. Explain whether a universe of cases was analyzed, or a State-determined sample was analyzed. Will the county change automated systems that will affect the sample month or sample methodology in the future?

Section II: Ninety percent of the general applications without applicant errors and are complete shall be completed within 45 days.

1. For retrospective eligibility determinations – nondisability:
 - a. Number of nondisability applications completed in the report month that were completed within 45 days: _____
 - b. Number of nondisability applications taken in report month: _____
 - c. Percent 4a is of 4b, above: _____
 - d. If 90 percent of the performance standard was not achieved, provide an explanation as to the reasons or factors that may have caused or contributed to not meeting the performance standard.
2. For prospective eligibility determinations – nondisability:
 - a. Number of nondisability applications taken in the report month that were completed within 45 days: _____
 - b. Number of nondisability applications that were taken in the report month: _____
 - c. Percent 5a is of 5b, above: _____
 - d. If 90 percent of performance standard was not achieved, provide an explanation as to the reasons or factors that may have caused or contributed to not meeting the performance standard.

Section III: Ninety percent of the applications for Medi-Cal based on disability shall be completed within 90 days, excluding delays by the state.

1. For retrospective eligibility determinations - disability:
 - a. Number of disability applications completed in the report month that were completed within 90 days, excluding delay caused by the State.

 - b. Number of disability applications completed in report month, excluding delay caused by the State: _____
 - c. Percent 6a is of 6b: _____
 - d. If 90 percent of the performance standard was not achieved, provide an explanation as to the reasons or factors that may have caused or contributed to not meeting the performance standard.
2. For prospective eligibility determinations-disability:
 - a. Number of disability applications taken in the report month that were completed within 90 days, excluding delay caused by the State.
 - b. Number of disability applications completed in a report month, excluding delay caused by the State: _____
 - c. Percent 7a is of 7b, above: _____
 - d. If 90 percent of the performance standard is not achieved, provide an explanation as to the reasons or factors that may have caused or contributed to not meeting the performance standard.

Section IV: Ninety percent of the annual RV forms shall be mailed to the recipient by the anniversary date.

1. RV forms mailed to applicant by anniversary date:
 - a. Number of RVs due in the review month that were mailed to the recipient by anniversary date: _____
 - b. Number of RVs due in the report month: _____
 - c. Percent 8a is of 8b, above: _____
 - d. If 90 percent of the performance standard was not achieved, provide an explanation as to the reasons or factors that may have caused or contributed to not meeting the performance standard.

Section V: Ninety percent of the annual RVs shall be completed within 60 days of the recipient's annual RV date for those RVs based on forms that are complete and have been returned to the county by the recipient in a timely manner.

1. RVs completed within 60 days of the recipient's annual RV date for those RVs based on forms that are complete and have been returned to the county by the recipient in a timely manner.
 - a. Number of RVs due in report month and returned complete in a timely manner that are completed within 60 days: _____
 - b. Number of RVs due in report month and returned complete in a timely manner: _____
 - c. Percent 9a is of 9b, above: _____
 - d. If 90 percent of the performance standard was not achieved, provide an explanation as to the reasons or factors that may have caused or contributed to not meeting the performance standard.

Section VI: Ninety percent of those annual RVs where the RV form has not been returned to the county by the recipient shall be terminated by sending a NOA to the recipient within 45 days after the date the form was due to the county.

1. RVs completed by sending a NOA to the recipient within 45 days after the date the RV form was due to the county and the RV form was not returned to the county by the recipient:
 - a. Number of RVs completed in the report month by sending a NOA within 45 days after the form was due to the county when the RV form was not returned to the county: _____
 - b. Number of RVs due in the report month that the recipient did not return to the county by the date the RV was due to the county: _____
 - c. Percent 10a is of 10b, above: _____
 - d. If 90 percent of the performance standard was not achieved, provide an explanation as to the reasons or factors that may have caused or contributed to not meeting the performance standard.