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



ARNOLD SCHWARZENEGGER
Governor

March 23, 2010

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 10-06
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: SUSPENSION OF MEDI-CAL BENEFITS FOR INCARCERATED
JUVENILES

The purpose of this letter is to:

- Inform counties of the implementation of Senate Bill (SB) 1147, Statutes of 2008, Chapter 546 codified at Welfare and Institutions (W&I) Code Sections 14029.5 and 14011.10.
- Inform counties of the process by which DHCS and county welfare departments will suspend Medi-Cal benefits for individuals under the age of 21 who were Medi-Cal beneficiaries at the time that they became inmates of a public institution.

BACKGROUND

SB 1147 requires the suspension of Medi-Cal, rather than the termination of Medi-Cal eligibility, for individuals under age 21 who were Medi-Cal beneficiaries at the time that they became inmates of a public institution. The term "inmate of a public institution" is defined in federal and state law. See Medi-Cal Eligibility Procedures Manual Article 6 Institutional Status.

Effective January 1, 2010, SB 1147 requires restoration of Medi-Cal benefits on the day an eligible juvenile is no longer an inmate of a public institution. This means that Medi-Cal must be restored without a new application on the day the juvenile is no longer considered an inmate of a public institution. The requirements of SB 1147 apply to juveniles who:

- Are Medi-Cal beneficiaries at the time of incarceration; and
- Comply with all annual redetermination requirements during their period of incarceration; and
- Remain otherwise eligible for Medi-Cal during their period of incarceration; and
- Are no longer considered an inmate of a public institution within one year of their incarceration date; and
- Are eligible on the day they are released.

SB 1147 REQUIREMENTS

Pursuant to SB 1147:

- DHCS is required to suspend Medi-Cal benefits for individuals under the age of 21 who were Medi-Cal beneficiaries on the date that they became inmates of a public institution.
- The suspension of Medi-Cal benefits begins on the date the individual becomes an inmate of a public institution.

NOTE: Due to notice of action requirements in California Administrative Code Title 22, Section 50179, Medi-Cal cannot be suspended until proper notice has been given to the affected beneficiaries. Suspension of Medi-Cal benefits, therefore, cannot always occur on the date the individual becomes an inmate of a public institution.

- The suspension of Medi-Cal benefits ends on the date the individual is no longer an inmate of a public institution or at the end of the month of the anniversary date he or she became an inmate of the public institution, or at the end of the month that the juvenile turns 21, or at the end of the month that the juvenile has become otherwise ineligible for Medi-Cal, whichever is sooner.

OVERVIEW OF THE PROCESS FOR SUSPENDING MEDI-CAL BENEFITS

When a CWD learns of a juvenile's incarceration from either self reporting by the juvenile's family or reporting by the detention facility, the Eligibility Worker must:

1. Determine if the incarcerated juvenile is in a Child Only Medi-Cal case or if he or she is in a Medi-Cal case that includes other family members.
2. If the juvenile is in a Medi-Cal case with other family members, the eligibility of the other family members must be reviewed by means of an SB 87 redetermination to determine if they are eligible for Medi-Cal while the juvenile is incarcerated. After completing the review of the case, counties must terminate the eligibility of other family members (with proper notice) if the other family members lose eligibility when the juvenile is incarcerated.
3. If an incarcerated juvenile is part of an open and active Medi-Cal case that includes other family members, the juvenile's eligibility must be suspended with a proper notice by means of temporarily removing that juvenile from the family Medi-Cal case. When the eligibility of an incarcerated juvenile is suspended he or she must receive the enclosed notice, "Suspension of Medi-Cal Benefits for an Incarcerated Minor" (Enclosure1).
4. Medi-Cal eligibility is suspended pursuant to Welfare and Institutions Code 14011.10 effective the date one becomes an inmate of a public institution. Counties must send the inmate notice that Medicaid is suspended as soon as the county is notified of the institutionalized status.
5. When Medi-Cal eligibility is terminated for an incarcerated juvenile while under suspension, he or she must receive proper 10-day notice about the termination of eligibility and the end of the suspension (Enclosure 3).
6. For the first year of the juvenile's incarceration all normal redetermination requirements apply even though the juvenile has been removed from the family Medi-Cal case. If redetermination requirements are not met for an incarcerated juvenile, suspension of Medi-Cal and eligibility must be terminated with proper 10-day notice.
7. If an incarcerated juvenile who is a member of an open and active Medi-Cal case that includes other family members is eligible upon release, Medi-Cal must be restored effective the day the juvenile is no longer considered an inmate of a public institution, without requiring a new application.

8. If, after reassessing the case status, the juvenile is in a Child Only Medi-Cal case, the juvenile's eligibility must be suspended with a proper notice (mailed in sufficient time to reach the beneficiary by the effective date of the action) by updating MEDS with information regarding the incarceration as explained below. When the eligibility of an incarcerated juvenile is suspended he or she must receive the enclosed notice, "Suspension of Medi-Cal Benefits for an Incarcerated Minor" (Enclosure1).
9. Benefits are restored for Juveniles in a Child-Only Medi-Cal case on the date the county reports a Release Date reflecting either the date the juvenile is released, or the date the juvenile is no longer considered an inmate. The juvenile will be able to access covered Medi-Cal services as of the Release Date entered into MEDS if they are still eligible for Medi-Cal. When suspension of Medi-Cal benefits ends because a juvenile is released, counties must send appropriate notice to inform the juvenile's family or caretakers that Medi-Cal benefits are restored. The enclosed notice, "Restore Medi-Cal Benefits Upon Release of An Eligible Minor" (or a notice containing the same information) must be used for this purpose (Enclosure 2).

TWOFOLD APPROACH TO SUSPENDING MEDI-CAL BENEFITS

DHCS has developed a bifurcated approach to suspending eligibility for incarcerated juveniles. The approach required to suspend Medi-Cal for incarcerated juveniles depends on whether they are in a Medi-Cal case that includes other family members or in a Child Only Medi-Cal case.

Suspension of Medi-Cal for Incarcerated Juveniles in a Medi-Cal Case That Includes Other Family Members

An incarcerated juvenile that is a member of an open and active Medi-Cal case that includes other individuals must be suspended by means of removing that juvenile from the family Medi-Cal case while benefits are suspended. Counties should add the released juvenile back into the family case when they are notified that he or she is no longer an inmate of a public institution, if the child is living with the family and is otherwise eligible.

- **The Family Members Case Example 1:** A child from a family that includes a mother and three children on 1931(b) becomes an inmate of a public institution. The institutionalized child must be removed from the family case. Eligibility must

be redetermined for the mother and remaining children. The institutionalized child must be added back to the case upon the release, if living with the family and otherwise eligible.

- **The Family Members Case Example 2:** A child from a family that includes a mother, a father, and only one child becomes incarcerated. All members of the family were on 1931(b). The father is SSA disabled. Due to his disability, the father maintains linkage without the child in the home. This is evaluated as a family case. In this case, the child is removed from the case; the mother is made an ineligible member of the case and the father is approved for disability linked Medi-Cal, if otherwise eligible. Upon release of the juvenile, the child must be added back to the case, if living with the family and otherwise eligible. All family members must be evaluated for eligibility as appropriate when the child is incarcerated and when the child is released.

Impact on Eligibility for Incarcerated Juveniles in a Family Case

- When benefits are suspended for an incarcerated juvenile in a family with an open and active Medi-Cal case, eligibility will be reviewed for that family when the child is incarcerated (to determine if all family members are still eligible) and at their regularly scheduled annual redetermination for all eligible family members and for the incarcerated child. As part of that review, counties must confirm that the incarcerated juvenile is still otherwise eligible and note that finding in the case file. This is necessary so that the eligibility of the child can be restored immediately upon release.
- Incarcerated juveniles who lose Medi-Cal eligibility (and suspension of benefits) while incarcerated are no longer considered to be members of their family's Medi-Cal case. Their inclusion in the family's Medi-Cal case must be re-evaluated upon their release to determine whether the juvenile is once again eligible for Medi-Cal.

Suspension of Medi-Cal for Incarcerated Juveniles in Child Only Medi-Cal Cases

To suspend eligibility for incarcerated juveniles in Child Only Medi-Cal cases, counties must use the new online MEDS transaction to report the incarceration information. Based on the reported information, MEDS will suspend Medi-Cal benefits for the incarcerated juvenile. Counties will enter incarceration information in the new "Institutionalized Client Update" MEDS screen to suspend Medi-Cal benefits. Detailed

information about the new screen will be transmitted to MEDS coordinators through the normal MEDS Change Cycle Letter process. MEDS will set an Other Health Coverage (OHC) Code value of "I" to identify suspension of Medi-Cal.

MEDS will add the "I" OHC code to the MEDS record when a Suspension Start Date is sent by the counties via the new MEDS screen. When Medi-Cal benefits are suspended for a juvenile due to incarceration, counties are required to send a proper notice of action to notify the juvenile's family or caretakers about the suspension of benefits. This notice must be mailed in sufficient time to reach the beneficiary by the effective date of the action. The enclosed notice, "Suspension of Medi-Cal Benefits for an Incarcerated Minor" (or a notice containing the same information) must be used for this purpose (Enclosure 1).

MEDS will end suspension of benefits on the date the county reports a Release Date reflecting either the date the juvenile is no longer an inmate of a public institution, or the first of the month following the month in which the juvenile loses eligibility during incarceration. The juvenile will be able to access covered Medi-Cal services as of the Release Date entered into MEDS if they are still eligible for Medi-Cal. When the county reports the Release Date, the Health Insurance System (HIS) database will be updated immediately to show the day prior to the Release Date as the end date of the institutionalized coverage exclusion. The 'I' OHC Code will still appear on the MEDS record until the following month but will not adversely affect the juvenile's eligibility once the suspension end date is reported. When suspension of Medi-Cal benefits ends because a juvenile is released, counties must send appropriate notice to inform the juvenile's family or caretakers that Medi-Cal benefits are restored. The enclosed notice, "Restore Medi-Cal Benefits Upon Release of An Eligible Minor" (or a notice containing the same information) must be used for this purpose (Enclosure 2).

When an incarcerated juvenile in a Child Only Medi-Cal case whose Medi-Cal has been suspended becomes ineligible during the first year of incarceration, turns 21, or is incarcerated for more than one year, counties must terminate the eligibility, confirm that the termination action has updated MEDS and then transmit the beginning date of ineligibility to MEDS as the suspension end date. This will end the suspension and remove the "I" OHC Code, which is necessary when eligibility and/or suspension ends for any reason. In this case, counties must send a proper 10-day notice explaining the reason for termination of Medi-Cal eligibility and the right to request a fair hearing (Enclosure 3).

IMPORTANT: Before terminating the suspension of an incarcerated juvenile who loses eligibility during incarceration or at release, counties must comply with all applicable eligibility review requirements to ensure that the child is not eligible for Medi-Cal based on another program.

- **Child Only Case Example 1:** The child from a family that includes a mother, a father, and only one child, becomes incarcerated. The child was on a Federal Poverty Level Percentage Program and the parents are not on Medi-Cal. The case remains open and the county updates MEDS with suspension dates as described in this letter. Upon release of the juvenile, the county ends the juvenile's suspension on MEDS as described in this letter.
- **Child Only Case Example 2:** The child from a family that includes a mother, a father, and only one child, becomes incarcerated. All members of the family were on 1931(b). The parents have no linkage without the child in the home. The parents must be terminated with proper 10-day notice. The child's case remains active and the county updates MEDS with suspension dates as described in this letter. Upon release of the juvenile, the county ends the juvenile's suspension on MEDS as described in this letter. When the juvenile is no longer considered an inmate all family members must be evaluated for eligibility as appropriate.

Impact on Eligibility for Child Only cases

- When benefits are suspended, eligibility must be reviewed at the next annual redetermination if it arises during the first year a juvenile is an inmate of a public institution. Counties must confirm that the juvenile is still an inmate of a public institution and is otherwise eligible. The county may use an ex parte review process to determine if the juvenile is still otherwise eligible for Medi-Cal. If there is no information known to the county that would change the juvenile's Medi-Cal eligibility, suspension continues until the end of the month of the one year anniversary of the incarceration, or until the end of the month that the juvenile turns 21 or on the date that the juvenile is released, whichever is sooner.
- If an incarcerated juvenile becomes ineligible for Medi-Cal during the first year of incarceration, suspension must end at the end of that month and eligibility must be terminated with a proper 10-day notice explaining the reason for termination of Medi-Cal eligibility and the right to request a fair hearing.

- If an incarcerated juvenile is incarcerated for more than one year, MEDS will send an alert 60 days prior to the scheduled end of the one year suspension period to remind the county to terminate Medi-Cal eligibility at the end of the last month of the one-year suspension period and send a proper notice (mailed in sufficient time to reach the beneficiary by the effective date of the action) explaining the reason for termination of Medi-Cal eligibility and the right to request a fair hearing.
- When suspension of benefits ends because an otherwise eligible incarcerated juvenile is released within one year of the suspension date, (and the release date is properly entered into MEDS), MEDS will end suspension and restore Medi-Cal effective as of the end date. Counties should assist the beneficiary as needed to ensure that benefits are restored effective on the date of release, without a new application.
- If suspension ends because a juvenile turns 21 years of age while he or she is incarcerated, eligibility must be terminated with proper notice only after an SB 87 redetermination, in accordance with current eligibility review requirements. This means that the county must determine the juvenile is not eligible under another Medi-Cal program before eligibility is terminated. 60 days prior to the beneficiary's 21st birthday MEDS will send counties an alert to remind them to terminate Medi-Cal eligibility if appropriate (with proper notice).
- Suspension and eligibility must be terminated with a proper 10-day notice for incarcerated juveniles if Medi-Cal eligibility ends for any reason and the juvenile is not eligible under another Medi-Cal program. The notice must explain the reason for the termination and the right to request a fair hearing.

Impact on Eligibility for Other Members of the Incarcerated Juvenile's Family Medi-Cal Case

- Counties must redetermine eligibility, at the time of incarceration and annual redetermination, for the other members of a family Medi-Cal case that includes an incarcerated juvenile.
- Individuals whose linkage to Medi-Cal is based solely on the residence of the incarcerated juvenile within their home, must have eligibility redetermined based on the change of circumstances when the juvenile is incarcerated and when he or she is released in addition to regular annual redetermination requirements.

- If, when a juvenile's Medi-Cal eligibility is suspended, the county determines that persons in the incarcerated juvenile's family Medi-Cal case are ineligible for Medi-Cal due to the absence of linkage and the county has conducted an SB 87 redetermination finding them ineligible for Medi-Cal, those family members must have their Medi-Cal eligibility discontinued with a proper 10-day notice explaining the reason for termination of Medi-Cal eligibility and the right to request a fair hearing.
- Although the suspension of an incarcerated juvenile's benefits is effective on the day the adequate notice requirement is met, the Medi-Cal eligibility of a family member who loses eligibility because of the juvenile's incarceration must continue until the end of the month the juvenile is incarcerated, and the other family members must receive a proper 10-day notice before their eligibility is terminated.
- Juveniles incarcerated prior to January 1, 2010 are not eligible for suspension of Medi-Cal benefits. Medi-Cal must be terminated with a proper 10-day notice of action. Juveniles incarcerated prior to January 1, 2010 who want Medi-Cal upon release must have eligibility re-established based on Medi-Cal rules in place prior to SB 1147 including, but not limited to the SB 1469 requirements (see below for more information) for processing a Medi-Cal application prior to release.

Impact of SB 1147 on SB 1469 Requirements

Prior to the passage of SB 1147, SB 1469 (Chapter 657 Statutes of 2006) required DHCS to develop a Medi-Cal application process so that juveniles who are incarcerated in specified county detention facilities for 30 days or longer can establish Medi-Cal eligibility immediately upon release if they are determined eligible. The two processes required by SB 1469 and SB 1147 will work together to make Medi-Cal more accessible to newly released juveniles who are Medi-Cal eligible. As stated in SB 1469, county detention facilities are required to notify counties when juveniles are released. Counties can use that information to add eligible juveniles back into family Medi-Cal cases or update MEDS with the suspension stop date. Juveniles who are eligible for restoration of Medi-Cal immediately upon release (without an application), under SB 1147, must not be subjected to the Medi-Cal application requirements of SB 1469. See ACWDL 07-34 for more information on SB 1469 requirements.

MEDS CHANGES FOR SUSPENSION OF MEDI-CAL BENEFITS

New MEDS Screens

DHCS has created a new MEDS screen for entering information about incarcerated juveniles in Child Only Medi-Cal cases. The Institutionalized Client Update Screen will accept entries to the "Suspension Start Date" field, and to the "Release Date" field. Once the information is entered on the Institutionalized Client Update Screen, MEDS will immediately update the HIS database with the Suspension Start Date (and Release Date, if reported) and create a transaction to update the MEDS database with an OHC code of "I" for the suspension months reported. MEDS will remove the OHC indicator "I" for the month following the Release Date month when the HIS record segment terminates based on a Release Date reported to MEDS by the county. MEDS users may view the information entered about the incarcerated juvenile by choosing the View Insurance Segment option from the HIS action request menu.

IMPORTANT NOTE: The suspension stop date cannot be reported to MEDS in advance. The MEDS update must be done on or after the reported Release Date.

New MEDS Alerts

The new MEDS alerts needed for suspension of Medi-Cal benefits, pursuant to SB 1147, are currently in development. Detailed information about those alerts will be released in an upcoming MEDS change cycle letter.

New Notices of Action

The enclosed Notices of Action (NOAs) have not yet been assigned a Medi-Cal notice number. Camera ready notices with assigned Medi-Cal numbers will be included in English in an upcoming ACWDL and posted on the DHCS website. Versions of the NOAs translated into threshold languages will follow shortly after the English versions. Please use the language in the enclosed NOAs to notify affected beneficiaries until the new NOAs are released.

All County Welfare Directors Letter No.: 10-06
Page 11
March 23, 2010

If you have any further questions regarding this process please contact Mr. Jeffery Baca at (916) 552-9513, or by email at jeff.baca@dhcs.ca.gov.

Original signed by

René Mollow, MSN, RN, Chief
Medi-Cal Eligibility Division

Enclosures

NOTICE OF ACTION
SUSPENSION OF MEDI-CAL BENEFITS
FOR AN INCARCERATED MINOR

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Notice Date: _____
Case Number: _____
Worker Name: _____
Worker ID Number: _____
Worker Telephone Number: _____
Office Hours: _____

THIS NOTICE IS TO INFORM YOU THAT MEDI-CAL BENEFITS WILL BE SUSPENDED FOR:

Insert Name(s) Here

BEGINNING ON:

Insert Date Here

The county has received information that the minor child named above is an inmate of a public institution. State law requires that when a Medi-Cal beneficiary who is under 21 becomes an inmate of a public institution, Medi-Cal benefits must be suspended for up to one year or:

- until the child is no longer considered an inmate;
- reaches his or her 21st birthday, or;
- becomes ineligible for Medi-Cal for a reason not related to incarceration (whichever is sooner).

While benefits are suspended, the child will not be able to receive Medi-Cal services. Medi-Cal benefits are suspended so that an eligible child who is under 21 and released from incarceration within one year can receive Medi-cal when they are released without a new application. While benefits are suspended all eligibility requirements must continue to be met, including completing an annual redetermination. If Medi-Cal eligibility ends for any reason while this child is an inmate of a public institution, the county will send a separate notice of action. If this child is not an inmate of a public institution, please contact the Eligibility Worker identified above so that the child will be able to access his or her Medi-Cal benefits.

Please Note: Other family members with different eligibility status will receive a separate notice if they lose eligibility because a child is incarcerated. Please call your worker if you need additional information about this notice.

IF YOUR CHILD ALREADY HAS A BENEFITS IDENTIFICATION CARD (BIC) DO NOT THROW IT AWAY.

You can use it again when the child’s suspension ends, if otherwise eligible.

You should call or write your worker right away if you have questions about this action or if the information in the notice is not correct.

If you think this action is incorrect, you can request a hearing. The back of this page explains how to request a hearing.

MC XXX (suspension of benefits for incarcerated minors) (Rev. date)

The authority for this notice is Welfare and Institutions Code section 14011.10

NOTICE OF ACTION
RESTORE MEDI-CAL BENEFITS
UPON RELEASE OF AN ELIGIBLE MINOR

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Notice Date: _____
Case Number: _____
Worker Name: _____
Worker ID Number: _____
Worker Telephone Number: _____
Office Hours: _____

THIS NOTICE IS TO INFORM YOU THAT MEDI-CAL BENEFITS HAVE BEEN RESTORED FOR:
Insert Name(s) Here

The county has received information that the minor child named above is no longer an inmate of a public institution.

Medi-cal benefits for the child named above are restored as of _____.

The child's Medi-Cal benefits have been restored because he or she is eligible for Medi-Cal benefits on the day he or she in no longer an inmate of a public institution. This means that he or she can receive Medi-Cal covered services provided on or after the above date.

If this child is still an inmate of a public institution, you must tell the Eligibility Worker identified above.

IF THE CHILD NAMED ABOVE ALREADY HAS A BENEFITS IDENTIFICATION CARD (BIC) DO NOT THROW IT AWAY. IT CAN BE USED NOW.

If the child needs a new BIC contact the eligibility worker identified above to get a new one.

MC XXX (Restore benefits for an incarcerated minors immediately upon release) (Rev. date)

The authority for this notice is Welfare and Institutions Code section 14011.10

NOTICE OF ACTION
DISCONTINUANCE OF BENEFITS

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Notice Date: _____
Case Number: _____
Worker Name: _____
Worker ID Number: _____
Worker Telephone Number: _____
Office Hours: _____

DISCONTINUANCE NOTICE FOR:

Insert Name(s) Here

We have looked at all information available to us about your circumstances and evaluated you for all Medi-Cal programs. Based on this information, your eligibility to receive Medi-Cal will be discontinued effective the last day of _____.

The reason for this discontinuance is:

Previously you received a notice informing you of the suspension of your Medi-Cal benefits. The discontinuance of your Medi-Cal eligibility also ends the suspension of your Medi-Cal benefits. This means that you will need to apply for Medi-Cal if you want Medi-Cal when you are released.

Please Note: Other family members with different eligibility status will receive a separate notice. Please call your worker if you need additional information about this notice.

We based this discontinuance action on the information available to us. You should call or write your worker right away if you have any questions about this action or if the information in the notice is not correct. You can appeal this discontinuance. The back of this page explains how to request a hearing. You can reapply at any time.

DO NOT THROW AWAY YOUR BENEFITS IDENTIFICATION CARD (BIC)

If you already have a plastic Benefits Identification Card (BIC), do not throw it away. You can use it again if you become eligible for Medi-Cal.

MC XXX (Discontinuance notice for incarcerated minors) (Rev. date)

The authority for this notice is Welfare and Institutions Code section 14011.10.