



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



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GOVERNOR

Date: October 31, 2012

TO: ALL COUNTY WELFARE DIRECTORS Letter No.:12-30
ALL COUNTY WELFARE ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS
ALL COUNTY MEDS LIAISONS

SUBJECT: HEALTHY FAMILIES PROGRAM TRANSITION TO MEDI-CAL

The purpose of this All County Welfare Directors Letter (ACWDL) is to inform counties of the changes to the Medi-Cal program pursuant to Assembly Bills 1494 (Chapter 28, Statutes of 2012) and 1468 (Chapter 438, Statutes of 2012) which provides for the transition of children from the current State Children's Health Insurance Program (S-CHIP) known as the Healthy Families Program (HFP), to the California Medi-Cal program. Additionally, Medi-Cal will cover these children under a new optional coverage group, the Targeted Low-Income Children. Upon implementation of the transition, which will occur in four phases and begin no sooner than January 1, 2013, the HFP will stop enrolling new children, with the exception of AIM-linked children, and these children will be subsequently covered under the Medi-Cal program. The Department of Health Care Services (DHCS) intends to begin the transition of the HFP children into the Medi-Cal program no sooner than January 1, 2013. DHCS will use the last known Managed Risk Medical Insurance Board (MRMIB) HFP eligibility review to give temporary Medi-Cal eligibility to these children. Granting temporary eligibility allows for a smooth transfer to the Medi-Cal program without the need to reapply for Medi-Cal at the time of transition.

Under the enabling legislation, the Medi-Cal Program will expand to add the optional program for Targeted Low-Income Children. Under these provisions, DHCS will cover children with an income up to 250 percent of the federal poverty level (FPL) by including an exemption of all resources and disregard income above 200 percent and up to and including 250 percent of the FPL for an effective income level of 200 percent of the FPL.

The enabling legislation also authorizes DHCS to implement a premium payment program pursuant to federal approvals, in accordance with Section 1916A of the Social Security Act for children with incomes greater than 150 percent FPL. In accordance with Section 14005.27 of the W&I Code, premium amounts shall be equal to those based on the HFP discounted Community Provider Plan for children eligible under the new expanded optional targeted low-income coverage group with family incomes above 150 percent and up to and including, 250 percent of the FPL.

Effective Date

DHCS intends to begin transitioning children from the HFP no sooner than January 1, 2013. The last phase of the transition will begin no sooner than September 1, 2013.

Transition Phases

The chart below shows the proposed transition phases as defined by AB 1494.

| Transition Phase | Start Date | Cases Transitioning |
|-------------------------|-------------------------------|--|
| Phase 1A | No sooner than January 2013 | Individuals currently enrolled in a HFP health plan that is a Medi-Cal managed care plan will be enrolled in the same plan, unless they choose a different Medi-Cal Managed Care plan. |
| Phase 1B | No sooner than March 2013 | |
| Phase 2 | No sooner than April 2013 | Individuals currently enrolled in a HFP health plan that is a subcontractor of a Medi-Cal Managed Care plan will be enrolled in a Medi-Cal managed care plan that includes the individual's current plan. |
| Phase 3 | No sooner than August 2013 | Individuals currently enrolled in a HFP plan that is not a Medi-Cal managed care plan and does not contract or subcontract with a Medi-Cal Managed Care plan will be enrolled in a new Medi-Cal managed care plan in the county. |
| Phase 4 | No sooner than September 2013 | Individuals currently in a county that has not implemented Medi-Cal Managed Care |

Aid Codes for the Title XXI, HFP Transitional Children

The transitioned children will be placed in one of two new aid codes for identification to transfer their eligibility as full scope Medi-Cal until the county determines Medi-Cal eligibility. The county must perform the Medi-Cal determination within one year of the HFP annual eligibility review (AER) date in accordance with W&I Code Section 14005.27(c).

Transitioned children remain in the applicable transition aid code until the date of the child's HFP AER, there is a change in circumstance that warrants a Medi-Cal review of eligibility, or if the child is in an existing Medi-Cal case at the family's Medi-Cal Redetermination (RV) that occurs sooner than the child's HFP AER month.

When there is a change prior to the HFP AER, counties must keep in mind that although continuous eligibility is not specifically defined under S-CHIP; S-CHIP programs do provide continuous eligibility. Please refer to the Section in this ACWDL on Continuous Eligibility and County Determinations.

New Aid Codes

Aid Code 5C: Provides no-cost, full scope, Medi-Cal coverage with no premium payment to children with family income at or below 150 percent of FPL during the transition period until the AER.

Aid Code 5D: Provides full scope Medi-Cal coverage with a premium payment to children with family income above 150 percent and up to 250 percent of the FPL during the transition period.

Access for Infants and Mothers (AIM)-linked Infants

AIM-linked infants will begin transitioning to Medi-Cal in Phase 1b. This HFP children's group includes infants at and below 250 percent of the FPL. These infants (ages 0-2 years of age) will also receive either aid code 5C or 5D. Infants above 250 percent FPL continue as HFP enrolled infants in the AIM program.

Current Aid Codes

HFP children in **9H** and AIM-linked infants in **0C** remain in their HFP/AIM aid code until the transition phase, 1a, 1b, 2, 3, or 4. This allows counties time to process cases on a flow basis.

Counties will also receive cases where the child is or is about to reach age 19 years or has a past due or immediately upcoming redeterminations. Once it is time to transition

to Medi-Cal, the HFP contractor sends transactions to the Medi-Cal Eligibility Data System (MEDS) to change the 9H or 0C aid code to 5C or 5D and update the HFP healthcare plan information to map to a Medi-Cal Managed Care healthcare plan.

Example: Phase 1a transition occurs no sooner than January 1, 2013. Only children in Phase 1a receive aid code 5C or 5D and have their plan code switched. The remaining HFP children retain their HFP or AIM-linked aid code and plan information until their respective transition phase.

Transitioning Children and Processing Case Information

During each transition phase, DHCS updates MEDS with the appropriate aid code for each child. The updated aid code appears on the Special Program screen of MEDS (where the 9H HFP aid code appears). Once eligibility shows on MEDS, the county systems are ready to receive case information through electronic transfer from MAXIMUS. Counties will take control of the transitioned cases to complete the child's Medi-Cal determination either at the child's AER, a change in circumstance that warrants a Medi-Cal review of eligibility, or if the child is in an existing Medi-Cal case at the family Medi-Cal Redetermination (RV) that occurs sooner than the child's HFP AER.

If necessary, a subsequent ACWDL that provides technical and system guidelines on how counties receive alerts and case records for HFP transitioned children from MAXIMUS, MAXIMUS' role with premiums, county consortia interaction with MAXIMUS and MEDS will follow.

Premiums

Children assigned 5D continue to pay premiums to the HFP Payment Section during their transition eligibility period until their next AER, if there is a change in circumstance that warrants a Medi-Cal review of eligibility, or if the child is in an existing Medi-Cal case at the family Medi-Cal Redetermination (RV) that occurs sooner than the child's HFP AER month.

At the point the counties are ready to make the Medi-Cal eligibility determination the counties will use the SB 87 process in order to determine eligibility. The county will follow the 3 steps of SB 87 and utilize the MC 355 if necessary to determine the child's eligibility. Please refer to ACWDLs 01-36, 01-39, and 02-59. Once the county makes a Medi-Cal determination, these families will either continue with the same premium, a lower premium, or not pay a premium.

MAXIMUS, who will also be under contract with DHCS, will maintain non-eligibility case maintenance and collection of premium payments for tracking purposes. If the county or beneficiary needs payment verification, the beneficiary may contact the Medi-Cal

Targeted Low-Income Payment Section, operated by MAXIMUS, directly for payment information. DHCS is working with MAXIMUS to develop a process for the county offices to verify payment information. A subsequent technical ACWDL on processes for premiums will follow.

Continuous Eligibility and County Medi-Cal Determinations

Continuous Eligibility

The option to provide continuous eligibility for Medicaid and the Children's Health Insurance Program (CHIP), (Titles XIX and XXI of the Act) is described in Section 1902(e)(12) of the Social Security Act. Continuous eligibility is not specifically defined under CHIP however; CHIP programs do provide continuous eligibility. The HFP follows the same federal rule of extending eligibility to children when there is a change that would make a child otherwise ineligible for CHIP.

1902(e)(12) of the Act permits states to implement a period of Continued Eligibility for Children under an age specified by the state, but not to exceed 19 years of age. Continuous eligibility ends with the earlier of the time the individual exceeds the state-established age or the end of a period (not to exceed 12 months) following initial ongoing eligibility or the annual RV.

If the family Medi-Cal RV, or adding the child to the Medi-Cal case as an "add a child", results in a change that would otherwise move the HFP child to a Medi-Cal share-of-cost (SOC), premium payment, or program ineligibility, the child continues with no SOC Medi-Cal until his/her AER. In addition, just as with Medi-Cal, except for death, when child reaches the age limit, loses California residency, or the child/guardian or representative of the child requests disenrollment, continuous eligibility also protects the child from nonfinancial reasons for discontinuance, even if those changes adversely affect other family members.

When the child reaches the end of their AER, the county may then notify the family that this child now has either the family SOC, family premium, or is now ineligible.

Medi-Cal Determinations

The timing of the Medi-Cal determination depends upon the individual circumstances of the child transitioning from the HFP. Some HFP children may already be in a Medi-Cal case with other family members. Others may not have any association with a Medi-Cal case.

Transitioned HFP Child in an open Medi-Cal case with other family members

When a child in aid code 5C or 5D is also in an open Medi-Cal case with other family members and that case has a Medi-Cal RV date that occurs prior to the child's HFP AER date, the county **may** determine the Medi-Cal eligibility of the case and include the HFP child without waiting until the child's HFP AER date.

When a child in aid code 5C or 5D is also in an open Medi-Cal case with other family members and the child's HFP AER is prior to the Medi-Cal family's RV date, the county **may** add the child and evaluate the Medi-Cal case with the child without having to wait for the Medi-Cal RV date. However, this does not mean that the county moves the Medi-Cal RV date. The case keeps its Medi-Cal RV date and the county does a redetermination for Medi-Cal at that time.

Example: Children transitioning to Medi-Cal in a case with other family members where the Medi-Cal RV date is before the child's HFP AER, the county does not need to wait for the HFP AER date. They may move the child into the Medi-Cal case at the Medi-Cal RV date.

Example: Children transitioning to Medi-Cal in a case with other family members where the Medi-Cal RV is after the child's HFP AER date, the county may add the HFP child to the Medi-Cal case at the HFP AER and then process the Medi-Cal RV at the appropriate time.

Transitioned HFP Child with a closed or no Medi-Cal case

If a child in aid code 5C, 5D, or 0C does not have a Medi-Cal case; the county is not required to take an action until the HFP AER date. At the HFP AER date, the county will open a Medi-Cal case and determine if the child is Medi-Cal eligible.

If other family members request Medi-Cal then the county follows the same procedures as now when adding family members to the case. See ACWDL on the Targeted Low-Income Children's Program.

Transitioned HFP Child with Medi-Cal Determined by Another Program or Agency

There may be situations where the county Medi-Cal eligibility worker does not have control of the child's Medi-Cal case due to eligibility for Medi-Cal being determined by another agency such as a Social Security Administration for

Supplemental Security Income/State Supplemental Payment (SSI/SSP) or the California Work Opportunity and Responsibility to Kids (CalWORKs) program.

The counties should address these scenarios as follows:

- SSI/SSP

Example: Child has SSI. No other family members have Medi-Cal. There is no open case. In this example, the Social Security Administration has responsibility for any redeterminations of eligibility. The county may terminate the transition aid code because the child has full scope no SOC Medi-Cal.

- CalWORKs

Example: Mom and Child have no-cost Medi-Cal through CalWORKs and the Child transitions from HFP to Medi-Cal (Mom applied for HFP for her child prior to applying for CalWORKs):

| | |
|---|----------|
| CalWORKs annual redetermination for Child: | November |
| HFP annual eligibility review date for Child: | July |

In this example, the mother applied for HFP benefits for her child prior to the county approving the case as eligible for Medi-Cal through CalWORKs. The child has an HFP AER in July. The child transitions to Medi-Cal in January. Since the CalWORKs RV date occurred prior to the transition, the county may process the child to the Medi-Cal case in January and reevaluate the case with the new member. The next CalWORKs annual RV date for the entire family is November 2013. CalWORKs conducts future eligibility redeterminations.

Notices

Transition Notices

Prior to each phase of the transition, the state will mail notifications to the affected families. Those transitioning in Phase 1 receive notification at least 60 days prior to transitioning and 30 days before the transition. Those transitioning in phases 2, 3, and 4 receive notification at least 90, 60, and 30 days prior to the transition phase.

Transitioning children will receive the Medi-Cal welcome packets and benefits identification cards in the month prior to each transition. Those individuals in a managed care health or dental plan will also receive information from these plans.

Welcome Packet

DHCS intends to send a welcome packet to transitioning HFP families prior to the effective date of their transition.

The following is a list of the proposed contents of the welcome packet.

PUB 68, Medi-Cal What It Means To You

<http://www.dhcs.ca.gov/formsandpubs/publications/Documents/PUB68.pdf>

MC 003 EPSDT program information

http://www.dhcs.ca.gov/formsandpubs/forms/Forms/MC%20003%20Mental%20Health_ENG.pdf

MC 219, Important Information for Persons Requesting Medi-Cal

<http://www.dhcs.ca.gov/formsandpubs/forms/Forms/MC%20219.pdf>

Multilingual notice – request for assistance.

<http://www.dhcs.ca.gov/formsandpubs/forms/Forms/MC%204034.pdf>

Important Information about dental benefits and

A list of counties with telephone office contact information for Medi-Cal inquires.

Reporting

AB 1494 requires the counties to report to DHCS, in a manner and for a time period prescribed by DHCS as follows:

- 1.) The number of applications processed on a monthly basis;
- 2.) A breakout of the applications and annual RV forms based on the income using the federal percentage of poverty levels;
- 3.) The final disposition of each application and RV form, including information on the approved Medi-Cal program, if applicable, and;
- 4.) The average number of days it took to process annual RVs and applications submitted directly to the county and from Single Point of Entry.

DHCS will also provide guidance and instructions on performance standards that will be released separately from this letter.

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Contacts

If you have any questions concerning this letter or require additional information pertaining to deemed eligibility of children, please contact Ms. Sherilyn Walden at (916) 552-9472 or by email at Sherilyn.Walden@dhcs.ca.gov

Original signed by Azadeh Fares

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