



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



EDMUND G. BROWN JR.
Governor

September 11, 2014

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 14-31
ALL COUNTY WELFARE ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: 2014 ALTERNATE RENEWAL POLICY LETTER

The purpose of this letter is to provide counties with the policies and procedures for implementing Medi-Cal annual redeterminations in 2014. This process converts some beneficiaries from Pre-Affordable Care Act (ACA) Medi-Cal to Modified Adjusted Gross Income (MAGI) Medi-Cal in 2014, though some beneficiaries may still remain eligible to Non-MAGI Medi-Cal.

This letter works in conjunction with All County Welfare Directors Letters (ACWDLs) 14-03, 14-03E, 14-11, and 14-18.

Background

As prescribed in ACWDL 14-03E, Pre-ACA Medi-Cal beneficiaries will begin converting over to MAGI Medi-Cal, if eligible, at their 2014 annual redetermination. As further prescribed in ACWDL 14-11, counties will send Pre-ACA Medi-Cal beneficiaries the Request for Tax Household Information (RFTHI) form at least 60-day prior to their annual redetermination date. The RFTHI form serves as the annual renewal form on most cases which counties will use to collect the tax household information on Pre-ACA Medi-Cal beneficiaries in order to convert them over to MAGI Medi-Cal.

Receipt of the RFTHI Information in 2014

Counties are hereby instructed to continue the Medi-Cal annual redetermination process as prescribed in ACWDL 14-03 and 14-03E. Upon receipt of the RFTHI information, counties are instructed to review the information.

If the received information or information known on the case shows that an individual is one of the following, counties shall complete the annual redetermination process as prescribed in ACWDL 14-11 and 14-18:

- Requesting to be added to the case, or
- Requesting to be removed from the case, or
- Reporting an out of county address change, or
- Reporting the birth of a child, or
- Death of a family member who is part of the Medi-Cal household, or
- On a special program that is time limited such as Transitional Medi-Cal or Continuous Eligibility for Children, or
- No longer categorically eligible for the existing coverage group; for example, a child aging out of the children's group who will move to the childless adult group, or
- At least one member in the case has been kept on aid due to the "grandfather protections", or
- At least one member of the case is in the Optional Targeted Low Income Children Program with a premium.

Counties must also review Share of Cost (SOC) beneficiaries to determine if they qualify for zero SOC MAGI Medi-Cal. In the event that a SOC beneficiary's eligibility is evaluated and he or she is not eligible for MAGI Medi-Cal but is eligible for Advanced Premium Tax Credits (APTC), the beneficiary will be granted APTC eligibility in accordance with Covered California requirements for special enrollment periods. Going forward, the beneficiary will have APTC eligibility and can retain Non-MAGI Medi-Cal SOC eligibility if the beneficiary chooses to renew their Non-MAGI Medi-Cal eligibility. Counties should ensure that beneficiaries newly eligible for Covered California are appropriately transitioned into APTC or the appropriate Covered California program, and can select a plan. These individuals shall not have to complete a new application to apply for coverage from Covered California.

If the RFTHI or other information known to the county through the ex parte review shows that an individual is not reporting one of the changes listed above, counties shall not execute a transaction for a California Healthcare, Eligibility and Enrollment Retention System (CalHEERS) Business Rules Engine (BRE) run and shall renew the case for another year by setting the annual redetermination date forward one year from the original renewal date. This information shall serve as the basis for the 2015 MAGI Medi-Cal renewals, using the ex parte processes as outlined in ACWDL 14-11 and 14-18. Counties shall work with their respective Statewide Automated Welfare System (SAWS) regarding the handling of this information for purposes of how and when the information will be entered into the system. The Department of Health Care Services (DHCS) will issue additional guidance shortly which will provide instructions to counties on how to process the 2015 annual redeterminations for these individuals.

As a reminder, for all MAGI eligible populations, the RFTHI information must be provided, but not necessarily returned in paper form. The beneficiary can provide the information using multiple methods, including by phone. If the beneficiary provides the information but does not return the form, counties shall ensure that staff appropriately marks the information or form barcode as "received" in SAWS to avoid any discontinuance or adverse action.

The RFTHI information shall be appropriately entered in SAWS in time to be used for the next renewal. Counties can implement their own business practices for how and when the information will be entered in SAWS based on county-specific needs and any instructions or guidelines provided by SAWS. For example, the county may enter the RFTHI information upon receipt, or may enter it later so long as it is entered prior to the 2015 renewal, depending on SAWS functionality and county resources.

Example 1:

- The beneficiary's regularly scheduled annual redetermination date is July 2014.
- The beneficiary returns the RFTHI form/information in July 2014.
- The county reviews the form/information and determines there are no additions or subtractions to the case.
- The county has a process for how the RFTHI information will be entered before the 2015 renewal and incorporated into SAWS.
- The county moves the annual redetermination date to July 2015 and the beneficiary shall remain in their existing aid code until their 2015 renewal or a change in circumstance is reported, whichever comes first.
- Appropriate Notice of Action (NOA) is sent to be beneficiary.

Example 2:

- The beneficiary's regularly scheduled annual redetermination date is February 2014 but has been postponed (per ACWDL 14-03E) to July 2014.
- The beneficiary returns the RFTHI form/information in July 2014.
- The county reviews the form/information and determines there are no additions or subtractions to the case.
- The county has a process for how the RFTHI information will be entered before the 2015 renewal and incorporated into SAWS.
- The county moves the annual redetermination date to February 2015 and the beneficiary shall remain in their existing aid code until their 2015 renewal or a change in circumstance is reported, whichever comes first.
- Appropriate Notice of Action (NOA) is sent to be beneficiary.

Example 3:

- The beneficiary's regularly scheduled annual redetermination date is July 2014.
- The beneficiary returns the RFTHI form/information in July 2014.

- The county reviews the form and determines that dad is attempting to be added to the case.
- The county completes the annual redetermination process as prescribed in ACWDL 14-11 and 14-18.
- The county sets the annual redetermination date to July 2015.
- Appropriate NOA is sent to be beneficiary.

Example 4:

- The beneficiary's regularly scheduled annual redetermination date is July 2014.
- The beneficiary returns the RFTHI form/information in July 2014.
- The beneficiary shows no linkage to MAGI Medi-Cal; only linkage is to Non-MAGI Medi-Cal.
- The county moves the annual redetermination date to July 2015 and the beneficiary shall remain in their existing aid code until their 2015 renewal or a change in circumstance is reported, whichever comes first.
- Appropriate NOA is sent to be beneficiary.

In the event that no household changes are reported, the county shall ensure that the information provided is captured and saved but shall not execute a CalHEERS BRE run. By receipt of the RFTHI information, the beneficiary's Medi-Cal annual redetermination is thereby complete and the beneficiary is granted a new period of eligibility, and grandfather protections no longer apply.

RFTHI Information Not Returned

In accordance with ACWDL 14-11, if the beneficiary fails to respond after the RFTHI is sent; the county shall attempt to contact the beneficiary to obtain the RFTHI information. Due to unexpected lower RFTHI return rates, counties are reminded to complete additional outreach to beneficiaries before taking a negative action. If the Medi-Cal beneficiary still does not return the RFTHI form after the attempted contact, or does not provide all the requested information despite follow up by the county, and the information is not available from an ex parte review in SAWS or other data sources, the beneficiary shall be sent a timely NOA to discontinue Medi-Cal benefits at the end of the annual redetermination due month.

As a reminder, no beneficiary shall be terminated when information is otherwise available through the ex parte review, whether part of a MAGI or Non-MAGI eligible group. The county must ensure that all due process requirements are met as prescribed in ACWDL 14-11 and 14-18. The county must attempt to contact beneficiaries during the 60-day period if the RFTHI information has not been returned. This attempted contact can be done through any means but should be done according to the beneficiary's preferred method of contact, if possible. If a beneficiary does not provide the RFTHI information,

and the county has not attempted to contact the beneficiary, the beneficiary shall remain in coverage until all due process requirements are met.

In accordance with due process requirements, counties shall send the beneficiary a NOA explaining the basis for termination. The beneficiary shall be discontinued from benefits for lack of cooperation only if the beneficiary has not responded, including making any attempt to reach their worker by phone, by mail, or otherwise. Any attempt by the beneficiary known to the county to provide the information necessary to determine eligibility for Medi-Cal on any basis shall not result in a termination for failure to cooperate.

Please Note: If the beneficiary provides the requested information prior to this discontinuance action taking affect, the county shall rescind the discontinuance action and properly work the case according to the instructions above in the "Receipt of the RFTHI Information in 2014" section of this ACWDL.

The beneficiary shall also be notified in writing that he/she has a 90-day cure period to cooperate with the annual redetermination requirement. During the cure period, if the beneficiary returns the RFTHI form, or otherwise provides the information that is requested to determine ongoing eligibility, the county shall treat the information as if it were received timely, rescind the discontinuance and follow the procedures prescribed above to process necessary changes or extend the renewal date if no changes are reported.

Former Foster Youth Individuals

Per existing policy as outlined in ACWDL 14-11, prior to sending a RFTHI packet to a beneficiary under the age of 26, the county shall conduct an ex parte review to see if the beneficiary is a former foster youth. As required by Welfare and Institutions Code, Section 14005.28 (a)(3), former foster youth are to receive a simplified annual renewal packet and should not receive the RFTHI packet. If the county receives an RFTHI packet as return to sender or otherwise undeliverable for a beneficiary under the age of 26, the county shall check all available sources to see if the beneficiary is a former foster youth prior to discontinuance. Former foster youth up to age 26 shall not be discontinued due to a loss of contact, or failure to respond to county contact at renewal. Rather, they shall be placed into fee-for-service Medi-Cal. DHCS will issue additional guidance on this policy in the near future.

"Grandfather Protections"

The Pre-ACA "grandfather protections" end with the start of the 2014 annual redetermination. This means that even though some individuals may not have converted over to MAGI Medi-Cal, their protection from a negative action has ended. If the beneficiary subsequently reports a change in circumstance after the completion of their 2014 annual redetermination, the county shall convert the beneficiary over to MAGI

Medi-Cal, as appropriate and prescribed in ACWDL 14-11 and 14-18, to process the change. Beneficiaries who are not MAGI Medi-Cal eligible but remain eligible in a Non-MAGI aid code shall remain in that aid code.

For example:

- Beneficiary's renewal date was in November 2014.
- RFTHI packet received and reviewed in November 2014 and no changes are reported.
- The renewal date is extended to November 2015 and the beneficiary continues to remain in a Pre-ACA aid-code.
- The beneficiary is no longer eligible to grandfather protection.
- In December 2014, the beneficiary reports a change that would cause an adverse case action
- The county would process the change as the client no longer has a protection against an adverse action.

ACA and Pre-ACA Linked Cases

As per previous instructions in Medi-Cal Eligibility Division Information Letter (MEDIL) I 14-11, counties may have created linked cases in their systems by which one or more members in a case is MAGI eligible and one or more members in a case is Pre-ACA eligible. Counties should be sure to following the instructions provided in MEDIL I 14-11 for working these cases.

If you have any questions, please contact Braden Oparowski at (916) 552-9570 or by email at Braden.Oparowski@dhcs.ca.gov.

Sincerely,

Original Signed By:

Tara Naisbitt, Chief
Medi-Cal Eligibility Division