



JENNIFER KENT  
DIRECTOR

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



GAVIN NEWSOM  
GOVERNOR

March 7, 2019

TO: ALL COUNTY WELFARE DIRECTORS Letter No: 19-09  
ALL COUNTY WELFARE ADMINISTRATIVE OFFICERS  
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS  
ALL SAWS CONSORTIUM PROJECT MANAGERS  
ALL COUNTY MEDS LIAISONS

SUBJECT: INTRODUCTION OF AID CODES L6 AND L7 FOR DISABLED  
INDIVIDUALS IN THE MODIFIED ADJUSTED GROSS INCOME NEW  
ADULT GROUP

The purpose of this All County Welfare Directors Letter is to introduce two new Medi-Cal aid codes for the purpose of properly claiming federal financial participation for the Modified Adjust Gross Income (MAGI) New Adult group under the Affordable Care Act (ACA). Furthermore, this letter will address the implementation of a Disability Indicator, which will aid in the process of identifying individuals eligible under these newly implemented aid codes.

### **Background**

The Center for Medicare and Medicaid Services (CMS) requires states to develop a way to differentiate between the population of “newly eligible” individuals in the MAGI New Adult Group and those individuals considered “not newly eligible.”

Per CMS, individuals whose eligibility has been determined for the MAGI New Adult group and who would **not** have been eligible for any of the other coverage groups that existed on December 1, 2009, are considered “newly eligible” under the ACA.

Disabled or blind individuals in the MAGI New Adult group with incomes at or below 128 percent of the Federal Poverty Level (FPL) may have been eligible for Medi-Cal based on Disabled or Blind linkage before the enactment of the ACA, and are, thus, considered “not newly eligible.” The MAGI Converted Income Standard for the Disabled or Blind FPL groups, as provided by CMS, is 128 percent of the FPL.

### **New Aid Codes**

The Department of Health Care Services has implemented two new aid codes, L6 and L7, to identify the “not newly eligible” individuals in the MAGI New Adult group. Disabled or blind individuals with income **above** 128 percent of the FPL, up to or below 138 percent of the FPL, are considered “newly eligible” and shall remain in aid codes M1 or M2.

These two new aid codes are fully programmed in the Medi-Cal Eligibility Data System and are ready for use.

**L6** is a full-scope aid code for citizens and individuals with satisfactory immigration status with income at or below 128 percent FPL.

**L7** is the corresponding restricted-scope aid code for aliens without satisfactory immigration status and unverified citizenship with income at or below 128 percent FPL.

### **Disability Indicator**

Change Request (CR) 92298 will create a new Disability Indicator to identify individuals receiving Title II Income based on a disability in the Statewide Automated Welfare Systems (SAWS) and the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS). This new functionality will ensure that individuals who are identified as disabled and who have income at or below 128 percent of the FPL will be placed automatically in the correct aid codes.

With the implementation of CR 92298, upon application, Annual Redetermination, and Change-in-Circumstance Redetermination, the Social Security Administration (SSA) will be called through the Federal Hub to verify information regarding the receipt of Title II benefits. The call will verify whether the individual has been determined disabled by SSA. If an individual has been determined disabled by SSA, the information will be returned to CalHEERS and a “Yes” result will populate in the new “Person Disabled Indicator” line of the budget worksheet.

A “Yes” result regarding a disability determination can also be triggered by an official determination of disability by the California Department of Social Services, Disability Determination Services Division (DDSD). If a SAWS case has a disability record for an individual who was determined disabled by DDSD, the disability information present in

---

---

the SAWS case will result in a “Yes” populating in the “Person Disabled Indicator” line of the budget worksheet in CalHEERS.

If an individual has been assessed by either SSA or DDSD and was determined **not** to be disabled, the “Person Disabled Indicator” line of the budget worksheet will be populated with a “No” result. Furthermore, if there is no information regarding a DDSD disability determination in SAWS and if no result is returned from SSA, the “Person Disabled Indicator” line of the budget worksheet will not be populated with any result and will remain blank.

County Eligibility Workers (CEWs) will **not** be able to override a “Yes” result populated by the Disability Indicator if SSA determined the individual as disabled. The “Yes” result will remain populated unless there is a change in the disability determination from SSA. If that is the case, the Indicator will populate an updated result on the budget worksheet in CalHEERS.

### **Disability Indicator and Other Programs**

Along with the L6/L7 aid code determination, the Disability Indicator can also be used for other Medi-Cal programs that use a determination of disability in their eligibility determination process. For example, the indicator can be used to determine linkage to the 250 percent Working Disabled Program along with the Aged & Disabled FPL program. CEW’s will not have to request additional information to verify disability for an individual, as they can use the result returned by SSA.

### **Implementation**

The L6/L7 aid codes and the Disability Indicator were implemented in CalHEERS with the deployment of CR 92298 in February 2019.

Individuals who meet the new criteria for L6/L7 eligibility should not transition to the new aid codes solely due to the implementation of these new aid codes. Instead, individuals shall remain in the corresponding M1/M2 aid code until their next Annual Redetermination or reported Change-in-Circumstance Redetermination.

Furthermore, if an individual is determined disabled by DDSD and the disability determination date is **prior** to the implementation of the L6/L7 aid codes, the individual will remain in the appropriate M1/M2 aid code for the months preceding implementation of CR 92298. Changes in eligibility post deployment of CR 92298 will be applied

---

---

All County Welfare Directors Letter No.: 19-09  
Page 4  
March 7, 2019

prospectively. Please note: CalHEERS will not apply these aid codes for months called prior to implementation.

As a reminder, counties are to promptly redetermine eligibility once individuals are newly enrolled into Medicare.

If you have any questions, or if we can provide further information, please contact Sara McDonald by phone at (916) 345-8061 or by email at [Sara.McDonald@dhcs.ca.gov](mailto:Sara.McDonald@dhcs.ca.gov).

Original Signed By

Sandra Williams, Chief  
Medi-Cal Eligibility Division

