



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



GAVIN NEWSOM  
GOVERNOR

November 2, 2021

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 21-24  
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: NON-MAGI ASSET VERIFICATION AT APPLICATION, REPORTED  
CHANGES IN CIRCUMSTANCE, AND SPECIAL CASE (RESPONSIBLE  
RELATIVE) SEARCHES

REFERENCE: [ACWDL 17-37](#) and [MEDIL I 17-05](#)

## Purpose

The purpose of this All County Welfare Directors Letter (ACWDL) is to provide county welfare departments (CWDs) guidance on how to conduct asset verification at application, reported changes in circumstance, and special case (responsible relative) searches starting January 3, 2022. Additionally, this letter will review newly integrated asset verification capabilities within the Income and Eligibility Verification System (IEVS) in the Medi-Cal Eligibility Data System (MEDS) while outlining expectations of appropriate use.

## Overview

Section 1940 of the federal Social Security Act<sup>1</sup> requires California's Medicaid program (Medi-Cal) to have an electronic asset verification program (AVP) in place to detect unreported assets for all Aged, Blind, and Disabled (ABD) applicants and beneficiaries who do not receive Supplemental Security Income/State Supplementary Payment (SSI/SSP) and from their responsible relatives. California's electronic AVP requirements are outlined in [Welfare & Institutions Code \(W&IC\) section 14013.5](#). The Department of Health Care Services (DHCS) has previously published guidance on California's

<sup>1</sup> [42 United States Code section 1396w.](#)

electronic AVP during various stages of implementation. For background on the pilot program, including participating counties and procedures, please refer to [MEDIL I 17-05](#). Information regarding California's initial AVP rollout which included Long Term Care (LTC) and non-LTC ABD annual redeterminations can be found in [ACWDL 17-37](#).

### **Requesting Asset Verification at Application**

On May 25, 2021, DHCS implemented asset report request functionality in MEDS. The MEDS Manual update explaining the request functionality and its use is now available for reference. Starting January 3, 2022, county eligibility workers (CEWs) must request asset reports at application for all Non-MAGI LTC and non-LTC ABD individuals using the revised IEVS Add Transaction (AP 21) screen. At implementation, this functionality will also include an indicator that will allow CEWs to differentiate between LTC and non-LTC applicants, which will result in a request for asset information with a 60-month lookback for LTC applicants and a 90-day lookback for non-LTC applicants.

When the "Asset Verification Inquiry" option is selected on the AP 21 screen to request an asset report, the individual's record will be included in a new weekly request file batch that is sent to the AVP vendor. Approximately 15 business days after receiving the weekly batch file, the vendor will return a response file containing the individual's asset information, enabling CEWs to determine if the Non-MAGI LTC or Non-LTC ABD individual is eligible for Medi-Cal.

- NOTE: DHCS is working on providing enhanced system integration for CEWs to request asset reports directly through their respective Statewide Automated Welfare System (SAWS) in a future release.

Although IEVS transactions occur daily, the processing of the output file for asset verification requests received via the AP 21 transaction screen will be sent to the vendor weekly. Depending on the time of entry, responses may be delayed and duplicate entries may occur. While duplicate records will be removed by DHCS prior to request file submission to the vendor, it is important for CEWs to track IEVS requests that have already been submitted, as all data received from the asset reports is valid for 90 days.

There is no mechanism to prevent the request of asset verification inquiries for non-ABD individuals, and improperly submitted requests will result in additional costs to DHCS and unnecessary response files returning back to the county. Consumer information obtained via the asset verification reports is also protected under the provisions of the Fair Credit Reporting Act (FCRA). The presence of an AVP response

in the case file will subject the case to the FCRA requirements set forth in [ACWDL 21-23](#).

### **Requesting Asset Verification Reports in MEDS**

To request an asset verification report in MEDS for applications, reported changes in circumstance, and responsible relative searches, the CEW will enter the name, Date of Birth (DOB), and Social Security Number (SSN) for the individual(s) needed on the AP 21 Add Transaction Screen using the Asset Verification Inquiry option. Counties must not request an asset report using a pseudo SSN, nor must they request an asset report until the SSN entered in MEDS has been verified by the Social Security Administration (SSA).

### **Use of Asset Verification Reports at Application**

When asset verification is performed at application, counties must not delay eligibility approval solely based on failure to receive the requested asset report. When an asset report is received, the CEW will need to verify all assets discovered by the report, regardless of whether or not they exceed property reserve limits.

For instance, when eligibility is approved prior to receipt of an asset report, counties must evaluate the contents of the report once received and take appropriate action as needed. For applicants who have a SSN, but did not provide it during the early stages of the application process, CEWs must request the asset report once the SSN has been verified by the SSA. CEWs must then submit the EW10/MB10 and subsequently remove any pseudo SSN before adding the verified SSN to MEDS.

### **Ex Parte Review and Special Case (Responsible Relative) Searches**

#### **I. Annual Renewal/Redetermination**

Due to the release of the [December 4, 2020 CMCS Informational Bulletin](#) on Annual Renewal Requirements, the ex parte renewal processing requirements specified in this ACWDL and [MEDIL I 21-03](#) supersede those outlined in [ACWDL 17-37](#). When the asset verification report identifies all assets included in the beneficiary's case file, and the value of those assets fall under property reserve limits, then CEWs must not request bank statements and/or property valuation reports. CEWs must request bank statements and/or property valuation reports under the following scenarios:

- 1) when the asset report reveals previously undisclosed assets;

- 2) when the asset report reveals a previously disclosed asset with a value exceeding the property reserve limit; or
- 3) when the asset report does not detect an asset already disclosed by the beneficiary.

## II. Change in Circumstance Redetermination

Starting January 3, 2022, CEWs must request asset reports at reported changes in circumstance for all Non-MAGI LTC and non-LTC ABD individuals. The integration of asset verification capabilities into IEVS will provide query functionality, enabling counties to request an asset verification report for any Non-MAGI LTC or non-LTC ABD beneficiary during a change in circumstance redetermination. CEWs must follow the normal change in circumstance redetermination procedure outlined in [W&IC section 14005.37](#), beginning with the completion of an ex parte review. If the result of the ex parte review is inconclusive, then the county must contact the beneficiary by sending them an MC 355 form to verify the new information and allowing 30 days for their response. More information can be found in ACWDLs, [14-18](#), [17-03](#), [18-25](#), and [19-03](#).

When the asset verification report identifies all assets included in the beneficiary's case file, and the value of those assets fall under property reserve limits, then CEWs must not request bank statements and/or property valuation reports. CEWs must request bank statements and/or property valuation reports under the following scenarios:

- 1) when the asset report reveals previously undisclosed assets;
- 2) when the asset report reveals a previously disclosed asset with a value exceeding the property reserve limit; or
- 3) when the asset report does not detect an asset already disclosed by the beneficiary.

Additional guidance for actions that are required when redetermining eligibility for non-MAGI and mixed household beneficiaries can be found in ACWDLs [14-35](#) and [14-38](#). Asset verification reports are valid for 90 days after their initial receipt by the CEW.

## III. Special Case (Responsible Relative) Searches

Federal<sup>2</sup> and state<sup>3</sup> law require DHCS to obtain the financial records of "any other person" whose resources are required by law to be disclosed to determine the eligibility of a Medi-Cal applicant or recipient, or to determine the amount or extent of medical

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<sup>2</sup> [42 U.S. Code section 1396w\(b\)\(1\)\(A\)\(B\)](#).

<sup>3</sup> [Welfare & Institutions Code section 14013.5\(b\)\(1\)](#).

assistance. The relative responsible for contributing to the cost of health care services of a Medi-Cal applicant or beneficiary is limited to spouse for spouse and parent for child<sup>4</sup>. The conditions for relative responsibility when making a determination of Medi-Cal eligibility or share of cost are outlined in [Title 22, CCR section 50351\(b\)\(1\)-50351\(d\)](#).

Furthermore, CEWs must make these determinations based on the Medi-Cal Family Budget Unit (MFBU) composition<sup>5</sup>. Additional information regarding MFBU's can be found in ACWDLs [98-43](#), [99-02](#), [99-02E](#), [99-42](#), [99-20](#), [99-56](#), [99-56E](#), [04-25](#) and Articles 8-10 of the [Medi-Cal Eligibility Procedures Manual](#) (MEPM).

Starting January 3, 2022, CEWs must generate IEVS-asset verification reports at application, reported change in circumstance, and annual redetermination for every individual identified as a responsible relative within the Non-MAGI LTC and non-LTC ABD applicant or beneficiary's MFBU.

### **Additional Information and Imaging Guidelines**

The current 10-month lookback for the monthly renewal reports on Non-MAGI LTC and non-LTC ABD beneficiaries will remain unchanged. Monthly renewal reports are currently available for use in MEDS, CalWIN, and CalSAWS. Additionally, CEWs may image and retain asset verification information from MEDS, documenting the outcome of an asset test, in accordance with the data privacy and security requirements outlined in the Medi-Cal Privacy and Security Agreement (PSA), issued via [ACWDL 19-16](#) or in any related errata or superseding ACWDLs.

If you have any questions, or if we can provide further information, please contact Corinne Marquez at (916) 345-8684 or by email at [Corinne.Marquez@dhcs.ca.gov](mailto:Corinne.Marquez@dhcs.ca.gov).

Original signed by,

Sandra Williams, Chief  
Medi-Cal Eligibility Division

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<sup>4</sup> Title [22, California Code of Regulations section 50351](#).

<sup>5</sup> Title 22, California Code of Regulations section 50377.