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GOVERNOR

February 13, 2023

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 23-04
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: SOFT PAUSE AND ELIGIBILITY REVIEW FUNCTIONALITY UPDATES IN THE STATEWIDE AUTOMATED WELFARE SYSTEM (SAWS) AND CALIFORNIA HEALTHCARE ELIGIBILITY, ENROLLMENT, AND RETENTION SYSTEM (CalHEERS)

(Reference: [ACWDL 17-35](#) and [ACWDL 21-09](#))

Purpose

The purpose of this All County Welfare Directors Letter (ACWDL) is to inform counties of system changes to Soft Pause, and Eligibility Review through Change Request (CR) 219790 and CR 216713, in both the SAWS and CalHEERS systems. Updates include:

- CR 219790- Removal of Soft Pause hold when moving a MAGI Medi-Cal beneficiary from a non-premium aid code to a premium aid code for beneficiaries in the Optional Targeted Low Income Children's Program (OTLICP),
- CR 216713- Modifying CalHEERS to place eligible Modified Adjusted Gross Income (MAGI) Medi-Cal beneficiaries that are "Pending" due to a SAWS annual renewal batch run, and report a Change In Circumstance (CIC) that would negatively impact their Medi-Cal eligibility, in "Awaiting Review" status.

CR 219790: Removal of Soft Pause Indicator For All Beneficiaries in the OTLICP

Background

When a Medi-Cal beneficiary's personal circumstances change, the Soft Pause functionality in CalHEERS protects certain populations from losing their MAGI Medi-Cal eligibility while the county evaluates for other Medi-Cal programs, such as Non-MAGI Medi-Cal or other Consumer Protection Programs (CPP).

Previously, some beneficiaries eligible under the OTLICP were required to pay premiums to remain enrolled in the program. Previously, a change between the programs was considered a negative action since the beneficiary was required to pay a premium and soft pause was invoked to prevent that change from occurring without a review for a consumer protection program such as continued eligibility for children.

[Senate Bill \(SB\) 184 Chapter 47, Statutes of 2022](#), approved an initiative that reduced monthly premiums to zero dollars for all OTLICP beneficiaries. For additional guidance on the reduction of monthly premiums to zero dollars, county eligibility workers (CEW) can reference [ACWDL 22-14E](#).

Updated CalHEERS Soft Pause Functionality

In an effort to increase county administrative efficiencies and to reduce the volume of beneficiaries that go into Soft Pause, the implementation of CR 219790 will remove the application of Soft Pause for beneficiaries who move from a MAGI Medi-Cal non-premium aid code to a zero dollar premium aid code. This change is scheduled for the CalHEERS 23.2 release, currently scheduled for February 13, 2023.

All other Soft Pause rules will remain as is and CEWs can refer to [ACWDL 17-35](#) for additional guidance on Soft Pause functionality.

For reference, a chart has been provided below that identifies which OTLICP aid codes included premiums that have been reduced to zero for which the Soft Pause indicator will no longer apply to.

Updated OTLICP Aid Code with zero premium and Program Description	
T1	T3
Children ages 6 through 19 years old. Family income is above 160 up to and including 266 percent of the Federal Poverty Level (FPL).	Children ages 1 through 6 years old. Family income is above 160 up to and including 266 percent of the FPL.

Note: Aid codes T6 and T8 have not been granted since the implementation of Senate Bill (SB) 75 (Chapter 18, Statutes of 2015), which provided full scope Medi-Cal benefits to eligible individuals under age 19, regardless of whether they have satisfactory immigration status or are unable to verify satisfactory immigration status or citizenship.

CR 216713: Apply Eligibility Review for Beneficiaries Pending Medi-Cal Eligibility Due to Pending Verifications following SAWS Batch Renewal

Background

CR 164544 (implemented in R21.6) enhanced functionality to allow the CEW the ability to review, modify, and authorize the eligibility determination results ([California Welfare and Institution Code § 14015.7\(a\)\(3\)](#)). This functionality is referred to as “Eligibility Review.” Upon implementation of Eligibility Review, when MAGI Medi-Cal eligibility results met the criteria, CalHEERS would not finalize the eligibility until the CEW review and accepted the results. Cases not subject to Eligibility Review functionality included batch transactions from CalHEERS or SAWS (included SAWS annual renewals batches).

During CalHEERS and SAWS batch runs, CEWs must complete a formal redetermination of eligibility for beneficiaries who are determined no longer eligible for MAGI Medi-Cal by the CalHEERS business rules engine. Currently, SAWS sends out a renewal packet to allow the beneficiary to provide current information about the households circumstances and verification of information such as income. Once the updated information is received by the CEW, eligibility is redetermined. The redetermination could result in continued eligibility to Medi-Cal or a transition to Covered California with or without assistance. While the beneficiary still has Medi-Cal eligibility in the SAWS and MEDS, CalHEERS will display a Medi-Cal status of “discontinued” and transition the beneficiary to Covered California prior to the county processing the renewal, causing the systems to be out of sync.

Note: This functionality only applies to beneficiaries who do not meet the soft pause criteria such as a single adult eligible under the MAGI new adult group.

Updated CalHEERS Eligibility Review Functionality for Medi-Cal Beneficiaries in Pending Status

CR 216713 will bring CalHEERS, SAWS, and MEDS into alignment by applying “Awaiting Review” status to MAGI Medi-Cal beneficiaries in CalHEERS who are determined to be no longer eligible to MAGI Medi-Cal during SAWS and CalHEERS batch renewals and do not meet soft pause criteria. Placing the beneficiary in "Awaiting Review," while the county completes the renewal process will allow eligibility in CalHEERS to remain in sync with SAWS and MEDS. It is important to note that while the case is in “Awaiting Review” there is no adverse action to the beneficiaries’ current eligibility status. For more information on Eligibility Review, CEWs can refer to [ACWDL 21-09](#).

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This change is scheduled for the CalHEERS release 23.2 currently scheduled for February 13, 2023.

If you have any questions, or if we can provide further information, please contact Janis Kimball, by phone at (916) 345-8060, or by email at Janis.Kimball@dhcs.ca.gov.

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