

DATE: December 12, 2023

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 23-29  
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: ASSET VERIFICATION PROGRAM OPERATIONS AFTER JANUARY 1, 2024  
(References: All County Welfare Directors Letter (ACWDL) [17-37](#), [21-24](#), [22-13E](#), [23-28](#) and Medi-Cal Eligibility Division Informational Letter (MEDIL) [121-42](#), [122-20E](#), [122-49](#) and [123-19](#))

## Purpose

The purpose of this All County Welfare Directors Letter (ACWDL) is to inform counties that Asset Verification Program (AVP) operations will be significantly reduced in scope due to the elimination of the requirement to consider assets when determining eligibility for Non-Modified Adjusted Gross Income (Non-MAGI) Medi-Cal programs effective January 1, 2024. AVP will no longer be used to determine or redetermine Medi-Cal eligibility for Aged, Blind and Disabled (ABD) applicants and members, but **only** to determine whether ABD applicants or members seeking coverage for Long-Term Care (LTC) made asset transfers for less than fair market value during the federally mandated five-year lookback period.

## Background

On July 14, 2023, the Centers for Medicare and Medicaid Services (CMS) approved State Plan Amendment (SPA) [23-0012](#), which implements Phase II of Assembly Bill (AB) 133 (2021) to eliminate the resource standard for all Non-Modified Adjusted Gross Income (Non-MAGI) Medi-Cal programs starting January 1, 2024.

On November 3, 2023, CMS approved SPA [23-0030](#), which revises Supplement 16 to Attachment 2-A of the State Plan to indicate that AVP will no longer be used to determine or redetermine Medi-Cal eligibility for ABD applicants and members, but only to determine whether ABD applicants or members seeking LTC made asset transfers for less than fair market value during the five-year lookback period.

CMS' approval of SPAs 23-0012 and 23-0030 results in operational changes that significantly reduces the scope of AVP starting January 1, 2024.

**Current Program Operations**

AVP currently runs on a weekly and monthly batch cycle, as illustrated in the tables below. The Section 1902(e)(14)(A) headers refer to how the case processing requirements associated with each batch process are affected by the timeliness and asset waiver flexibilities approved by CMS:

Batch Process	Target Population(s)	AVP Requests Submitted By	Timeline		
<b>Weekly</b>	Applications, Change in Circumstance (CIC) and Responsible Relative (RR) Searches	CEWs via MEDS or SAWS by 5pm PST each Friday <b>(manual)</b>	Request file picked up and submitted by vendor each Monday	Response file received by DHCS within 12-14 calendar days	Response file received by CEWs via SAWS 1-3 business days later
		Request rejections emailed to CEWs the following week			
<b>Section 1902(e)(14)(A) Waiver Flexibilities</b>					
<p><u>Timeliness Waiver (MEDIL I 22-20E)</u>: CEWs can assume there has been no change in resources verified through AVP when no information is returned through AVP or when the reports are not returned within a reasonable timeframe.</p> <ul style="list-style-type: none"> <li>The reasonable timeframe for applications, RR searches and CIC renewals is 20 calendar days.</li> </ul> <p>This temporary flexibility was effective May 1, 2022, and will continue throughout the Continuous Coverage Unwinding Period.</p> <p><u>Asset Waiver (MEDIL I 23-19)</u>: CMS has authorized CEWs to renew eligibility for Non-MAGI individuals based on asset information already in the case record.</p> <ul style="list-style-type: none"> <li>This flexibility <u>does not</u> apply to applications. The application processing requirements and table scenarios outlined on pages 5-8, examples 1-5 of ACWDL 22-13E, are still in effect. Attestation,</li> </ul>					

	<p>timeliness, reasonable compatibility, and administrative verification requirements still apply. Counties must use MEDIL I 22-49 when calculating the property reserve.</p> <ul style="list-style-type: none"> <li>CEWs are exempt from the reasonable compatibility standard and administrative verification requirements for CIC renewals as outlined in ACWDL 22-13E. The CIC Scenario tables in that erratum (pages 8-11, examples 1-5) are obsolete for the duration of the waiver approval period.</li> </ul> <p>This authority was effective March 1, 2023, and will remain effective for renewals through December 31, 2023.</p>
--	--

Description of Current Weekly Batch Process

Every week, County Eligibility Workers (CEWs) submit AVP requests for applications, reported and unreported CIC, and RR searches in the Medi-Cal Eligibility Data System (MEDS) or the Statewide Automated Welfare System (SAWS) by 5pm PST each Friday. RRs who are not applying for coverage are submitted by CEWs through a manual process by 5pm PST each Wednesday. The requests, including non-applying RRs, are compiled by DHCS on Friday evening and are sent to LexisNexis for processing on Monday morning. Requests in this batch cycle are processed at a volume of about 6,000/week.

Requests that could not be sent to LexisNexis due to an invalid SSN or bad or missing address are returned to CEWs for revision and resubmission. If CEWs do not receive a rejection email, they are to assume there were no rejections for a given week.

For successful AVP request submissions, LexisNexis returns the response file to DHCS within 12-14 calendar days. DHCS then distributes the response file to CalSAWS 1-3 business days after receipt by LexisNexis.

Batch Process	Target Population(s)	AVP Requests Submitted By	Timeline		
Monthly	Annual Renewals	DHCS after MEDS renewal ( <i>automatic</i> )	Request file picked up and submitted by vendor between 1 <sup>st</sup> and 5 <sup>th</sup>	Response file received by DHCS on or before the 15 <sup>th</sup> of	Response file received by CEWs via SAWS 1-3 business days later

			of each month	each month	
			Response file (spreadsheet format) received by participating counties after the 20th of each month		
<b>Section 1902(e)(14)(A) Waiver Flexibilities</b>					
<p><u>Timeliness Waiver (MEDIL I 22-20E)</u>: CEWs can assume there has been no change in resources verified through AVP when no information is returned through AVP or when the reports are not returned within a reasonable timeframe.</p> <ul style="list-style-type: none"> <li>The reasonable timeframe for annual renewals is 30 calendar days starting on the 5<sup>th</sup> of each month.</li> </ul> <p>This temporary flexibility was effective May 1, 2022, and will remain effective throughout the Continuous Coverage Unwinding Period.</p> <p><u>Asset Waiver (MEDIL I 23-19)</u>: CMS has authorized CEWs to renew eligibility for Non-MAGI individuals based on asset information already in the case record.</p> <ul style="list-style-type: none"> <li>CEWs are exempt from the reasonable compatibility standard and administrative verification requirements for annual renewals as outlined in ACWDL 22-13E. The Annual Renewal Scenario tables in that erratum (pages 13-15, examples 1-2) are obsolete for the duration of the waiver approval period.</li> </ul> <p>This authority is effective as of March 1, 2023, and will remain effective through December 31, 2023.</p>					

Description of Current Monthly Batch Process

After MEDS renewal, DHCS compiles AVP requests for all Non-MAGI LTC and Non-LTC ABD members with an upcoming annual renewal. To ensure AVP report data is available in SAWS before renewal packets are sent, annual renewal requests for ABD members are submitted two months prior to their redetermination date in MEDS.

LexisNexis picks up the request file between the 1<sup>st</sup> and 5<sup>th</sup> of each month and returns the response file to DHCS within 12-14 calendar days. DHCS then distributes the response file to CalSAWS 1-3 business days after receipt by LexisNexis.

**Modified Program Operations Effective January 1, 2024**

Effective January 1, 2024, the AVP process will be as follows. The Section 1902(e)(14)(A) headers provide information on how elimination of the resource standard will affect the timeliness and asset waiver flexibilities for each batch process:

Batch Process	Target Population(s)	AVP Requests Submitted By	Timeline		
<b>Weekly</b>	Applicants seeking LTC and their RRs	CEWs via MEDS or SAWS by 5pm PST each Friday ( <i>manual</i> )	Request file picked up and submitted by vendor each Monday	Response file received by DHCS within 12-14 calendar days	Response file received by CEWs via SAWS 1-3 business days later (electronic format only)
	CIC for Members seeking LTC and their RRs	Request rejections e-mailed to CEWs the following week (reduced volume)			
<b>Section 1902(e)(14)(A) Waiver Flexibilities</b>					
<p><u>Timeliness Waiver:</u> The timeliness waiver will remain effective until its expiration at the end of the Continuous Coverage Unwinding Period, unless otherwise stated.</p> <p>Upon expiration of the timeliness waiver, counties must:</p> <ul style="list-style-type: none"> <li>• Request administrative verification for applicants seeking LTC and their RRs if the AVP report is not returned within 20 calendar days.</li> <li>• Request administrative verification for members seeking LTC as a CIC and their RRs if the AVP report is not returned within 20 calendar days.</li> </ul> <p><u>Asset Waiver:</u> The asset waiver expires December 31, 2023. The reasonable compatibility standard for applications and CIC renewals, as outlined in ACWDL 22-13E, will become obsolete with the elimination of the resource standard.</p>					

Additional Information for Weekly Batch Process

Counties will continue to submit AVP requests via MEDS or SAWS. For applications, CEWs will submit AVP requests for the applicant seeking LTC and their RRs, if applicable. For members seeking LTC, CEWs will submit the request as a CIC for the member and their RRs, if applicable. There will be no change in procedure to the manual request process for non-applying RRs.

There will be no change to the request submission timeline; all requests are due by 5pm PST each Friday, and requests received after the cutoff will be included in the following week's batch. DHCS anticipates a request volume of 875/week for this population.

Counties will continue to receive weekly rejections via secure email but should anticipate a significantly smaller amount. If a county does not receive a rejection email, they should assume there were no rejections for that week.

Counties will continue to receive their response files electronically through SAWS, and DHCS does not anticipate any changes to the delivery timeline. However, spreadsheet files will not be available for the weekly response file format, so counties are advised to adjust their business processes accordingly.

<b>Monthly Batch Process</b>	<b><i>The annual renewal file process will become obsolete.</i></b>
	<b>Section 1902(e)(14)(A) Waiver Flexibilities</b>
	<p><u>Timeliness Waiver:</u> The timeliness waiver will no longer apply.</p> <p><u>Asset Waiver:</u> The asset waiver expires December 31, 2023. The reasonable compatibility standard, timeliness standard, and administrative verification requirements for annual renewals, as outlined in ACWDL 22-13E, will become obsolete with the elimination of the resource standard. The Annual Renewal scenario tables in that erratum (pages 13-15, examples 1-2) will also become obsolete.</p>

Additional Information for Monthly Batch Process

Because the AVP requirement will be obsolete for all annual renewals starting January 1, 2024, the last monthly file transmission will occur in December 2023. The December request file for ABD members with a February 2024 redetermination date in MEDS will

Letter No.: 23-29  
Page 7  
December 12, 2023

be submitted to LexisNexis on or before December 5, 2023, and the response file will be received by DHCS around December 15, 2023. The response file will be transmitted to SAWS approximately 1-3 business days later. The last spreadsheet files will be distributed to participating counties after December 20, 2023.

### **Other Considerations**

CEWs shall refer to [ACWDL 23-28](#) for information regarding asset transfer rules, periods of ineligibility, and how the AVP reports shall be utilized for detecting asset transfer(s) made for less than fair market value prior to January 1, 2024.

DHCS will provide information regarding the sunseting of the remaining AVP processes in a future letter.

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

Sincerely,

Yingjia Huang  
Assistant Deputy Director  
Health Care and Benefits  
Department of Health Care Services