

DATE: February 16, 2023

TO: ALL COUNTY WELFARE DIRECTORS Letter No.:24-03
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: CONTINUOUS ELIGIBILITY FOR CHILDREN ACCELERATED
ENROLLMENT (REFERENCE: ALL COUNTY WELFARE
DIRECTORS' LETTERS [14-05](#), [02-36](#), [21-32](#), MEDI-CAL ELIGIBILITY
DIVISION INFORMATION LETTER [23-45](#) AND [22-24](#); STATE HEALTH
OFFICIAL LETTER [23-004](#))

PURPOSE

The purpose of this letter is to provide counties with guidance regarding the new requirements for Continuous Eligibility (CE) for children who are otherwise eligible for Accelerated Enrollment (AE). This guidance is in accordance with State Health Official (SHO) Letter [23-004](#) and Section 5112 of the Consolidated Appropriations Act, 2023 (CAA, 2023), which require states to provide 12 months of continuous eligibility for children in Medicaid and the Children's Health Insurance Program (CHIP). The SHO includes an additional requirement, described below, for states that have adopted Accelerated Enrollment, also known as post enrollment verification.

BACKGROUND

Previously, federal regulations granted states the *option* to provide continuous Medicaid and CHIP eligibility to children 19 years old and younger for a period not to exceed 12 months. On February 20, 2014, DHCS issued ACWDL [14-05](#) adopting this policy and directing counties on how to process affected cases.

In 2023, Section 5112 of the federal Consolidated Appropriations Act amended Titles XIX and XXI of the Social Security Act (the Act) to *require* states to provide 12 months of continuous eligibility for children under the age of 19 enrolled in Medicaid and CHIP, effective January 1, 2024. Because California already provides a 12-month CE period for children, this part of the CAA's 2023 policy change will not affect California Medi-Cal eligibility. However, federal guidance accompanying the new CE for children requirement will impact how cases are processed under Accelerated Enrollment, another eligibility program available for children applying for Medi-Cal in California.

ACCELERATED ENROLLMENT/POST-ENROLLMENT VERIFICATION

Since July 1, 2002, California implemented AE to accelerate access to temporary, full-scope, no-cost Medi-Cal coverage for children under the age of 19 who are new to Medi-Cal. This process allows the child to be enrolled in coverage based on self-attested information while systems conduct required verifications post-enrollment consistent with the state's verification plan. AE increases access to care especially during a child's formative years. ACWDL [02-36](#) details the implementation and procedures related to AE, including an overview and description of the 8E aid code.

NEW FEDERAL GUIDANCE REGARDING CONTINUOUS ELIGIBILITY REQUIREMENT

SHO Letter [23-004](#) requires children who have been determined eligible for Medicaid or CHIP based on attested information to be entitled to a 12-month continuous eligibility period, with certain exceptions. Those exceptions occur when a child ages out during the CE period, is deceased, is no longer a California resident, was enrolled based on fraud, abuse, or agency error, or voluntarily disenrolled from Medi-Cal. Furthermore, effective January 1, 2024, states may not terminate coverage for such children during the 12-month continuous eligibility period if, in conducting post-enrollment verification, the state obtains information that indicates the child does not meet all the eligibility requirements. Under the new guidelines, such information is considered a change in circumstances, and the child's coverage may not be terminated unless the information supports one of the limited exceptions listed above. During the 12-month CE period, the child will be placed in their appropriate MAGI aid code, regardless of whether adult household members lose their AE based on information obtained during the post-enrollment verification process. The annual renewal process will be automated by SAWS. If this process fails, a renewal packet will be mailed to the family to evaluate the child's eligibility at the end of the 12 months.

SYSTEM PROGRAMMING

CalHEERS system updates are in progress to place children in the appropriate MAGI aid code based on attested income. This change is slated for April 2024.

Prior to completion of these system updates, if households report any changes that would make the family ineligible for Medi-Cal, the parents and the children are to remain in their 8E aid code, maintaining their conditionally eligible status. This will ensure that children will stay in coverage for their guaranteed CE period. A batch process to migrate these cases into their appropriate MAGI aid codes based on attested information will be performed after April 2024. This batch process will apply only to children who have applied on or after January 1, 2024.

EXAMPLES

Example 1: (SAWS) A two-member household, consisting of a mother and daughter (under 19 years of age), applies for coverage through the online SAWS portal. The mother self-attests to income below 138 percent of the Federal Poverty Limit (FPL). Both members are determined conditionally eligible. The mother is assigned aid code 8E and the child will be placed in their appropriate MAGI aid code through the AE program.¹

Example 2: (CalHEERS) A mother, father, and their 16-year-old son apply for Medi-Cal online through the Covered CA portal (CalHEERS). The application attests to income below 138 percent of the FPL. In real time, the system grants all three family members AE with aid code 8E. The case is transitioned to the county for post-enrollment verifications.

In both examples, the post-enrollment verification of the family's income is verified as over 266 percent of the FPL. The adults in the household are discontinued from 8E. The children are protected under the new continuous eligibility rules for a 12-month period from the date of application. After the 12-month continuous eligibility coverage period, the county may then re-evaluate, and if the child is not found eligible for another program, the child's coverage would be terminated.

Children under the age of 19 applying for the County Children's Health Initiative Program (CCHIP) who are found to be within the CCHIP income range during post-enrollment verification will continue to have their cases managed by the state's administrative vendor. However, the vendor shall transfer case management to the county of residence for the child to be placed in the appropriate Optional Targeted Low-Income Children's Program (OTLICP) aid code if the child's household income is determined to be below the CCHIP threshold during post-enrollment verification.

If you have any questions regarding this letter, or need further information, please contact via email AcceleratedEnrollment@dhcs.ca.gov.

Original Signed By

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¹ As explained in ACWDL [21-32](#), the settlement in the matter of *Rivera v. Lightbourne* expanded AE enrollment to adults who submit online applications through the California Healthcare Eligibility, Enrollment and Retention System (CalHEERS) but are pending verifications. This expansion required Statewide Automated Welfare System (SAWS) updates to allow children and adults to apply via SAWS, including those applying by phone or other methods, and receive AE for MAGI Medi-Cal with aid code 8E. Details about this expansion are in ACWDL [22-24](#), including system processes and procedures.