

DATE: May 31, 2024

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 24-06
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: UPDATES TO CASE PROCESSING ACTIONS AFTER THE
CONTINUOUS COVERAGE UNWINDING

The purpose of this All County Welfare Directors Letter (ACWDL) letter is to provide counties with updated guidance regarding the resumption of normal business operations once the continuous coverage unwinding concludes.

Background

During the federal COVID-19 Public Health Emergency (PHE), DHCS provided continuous access to care for millions of Californians. The Families First Coronavirus Response Act (FFCRA) authorized enhanced federal funding for Medicaid programs (“Medi-Cal” in California) conditioned upon Maintenance of Eligibility requirements that prohibit disenrollment in most circumstances. Under this “continuous coverage” requirement, states were required to maintain enrollment of nearly all Medicaid enrollees through the end of the month in which the PHE ends. On December 29, 2022, Congress passed the Consolidated Appropriations Act of 2023 which delinked the continuous coverage requirement from the PHE and ended the continuous coverage requirements effective March 31, 2023.

Starting April 1, 2023, California began the continuous coverage unwinding which required the redetermination of eligibility for most Medi-Cal members by May 31, 2024. DHCS issued multiple ACWDLs and Medi-Cal Eligibility Division Information Letters (MEDIL) and a detailed sequencing of annual renewal processing was included in the [Medi-Cal COVID-19 Public Health Emergency and Continuous Coverage Operational Unwinding Plan](#) that outlined the policies and procedures for conducting redeterminations during the unwinding period.

[ACWDL 22-18](#) provided policy guidance on conducting case actions during the continuous coverage unwinding. The letter also provided instruction to counties on resuming normal case processing operations once a Medi-Cal member’s post continuous coverage unwinding renewal was completed. This letter includes reminders

and additional guidance and clarification on the resumption of normal business operations.

The policy provided within this ACWDL is effective starting June 1, 2024.

Federal Waivers and Flexibilities

As part of the continuous coverage unwinding, DHCS applied for and received approval for 17 different federal waivers and flexibilities during the unwinding period. Initially, the waivers issued under Section 1902(e)(14)(A) authority of the Social Security Act were intended to end at the conclusion of the continuous coverage unwinding. However, on December 18, 2023, a Center for Medicaid & CHIP Services (CMCS) Informational Bulletin extended the federal use of the waivers until December 2024. A subsequent May 9, 2024, CMCS Informational Bulletin further extended the federal use of the waivers to June 30, 2025, and included additional requirements for continued use of certain income related waivers. Other waivers and flexibilities have also been made permanent as part of the April 2024 Centers for Medicare and Medicaid Services (CMS) Streamlining the Medicaid, Children's Health Insurance Program, and Basic Health Program Application, Eligibility Determination, Enrollment, and Renewal Processes final rule.

Given the large volume of recent federal guidance regarding the federal waivers and flexibilities, a separate ACWDL will be published to address the 1902(e)(14)(A) waivers and flexibilities, including a reminder regarding those flexibilities that were implemented permanently as part of California's Modified Adjusted Gross Income (MAGI) Verification Plan. Until DHCS releases additional guidance, counties should continue the use of the 1902(e)(14)(A) waivers and flexibilities as outlined in [MEDIL 24-03](#).

Application Processing

Counties shall follow normal application processing requirements, including the second contact process outlined in [ACWDL 08-07](#) and [ACWDL 22-12](#). As a reminder, counties shall follow the Medi-Cal hierarchy outlined in [ACWDL 17-03](#) when processing new applications and evaluating applicants for Medi-Cal eligibility.

During the COVID-19 PHE, certified application assisters or other individuals provisioned to submit applications through the Statewide Automated Welfare System (SAWS) Portals (including certified enrollment counsellors, Exchange Navigators, and community based organizations), were allowed to complete and submit an online application in the SAWS application portal on behalf of an applicant, based on information the applicant provided over the phone, provided the applicant has designated and confirmed that assister or other individual to be an authorized representative with limited authority to sign and submit the application on their behalf,

as outlined in [MEDIL 20-16](#). This flexibility was tied to the COVID-19 PHE and not the Continuous Coverage Requirement. This flexibility ended May 11, 2023.

Effective with the release of this letter, the provisions outlined in [MEDIL 20-16](#) are obsolete. Counties must continue to follow the guidance in [MEDIL 20-16](#) for applications received prior to the issue date of this ACWDL.

As a reminder, counties shall continue to follow guidance in [ACWDL 19-17e](#) regarding the acceptance of telephonic and electronic signatures, as this policy was implemented prior to the continuous coverage requirement period and continues to be existing policy. Additionally, DHCS will issue a separate ACWDL regarding third party electronic signatures.

In April 2024, CMS issued Streamlining the Medicaid, Children's Health Insurance Program, and Basic Health Program Application, Eligibility Determination, Enrollment, and Renewal Processes final rule which includes changes to the existing application process. These changes will take effect after publication of this letter as part of a future implementation effort. Separate letters and guidance will be issued to address these developments on a later date.

Annual Renewal Processing

[ACWDL 22-33](#) was released in December of 2022 and provides counties with policy regarding the ongoing processing of annual renewals and on change in circumstance redeterminations. The ACWDL noted that counties would not be able to effectuate portions of the policy because required system programming is not yet available, and that counties shall continue to follow current business practices until system changes are complete. June 2024 renewals will proceed according to all applicable policies and regulations as outlined in [ACWDL 22-33](#), with the following exceptions:

- Circumstances where both MAGI and Non-MAGI Medi-Cal information should be included in a single Notice of Action (NOA).
 - Counties may continue to send separate notices to members in instances when one combined notice is not automatically generated.
- If incomplete information is received during the 60 days after the annual renewal form is sent, counties shall send the MC 355 indicating that the missing information or verification is due by the annual renewal form due date.
 - Currently, the MC 355 is programmed to have a 30-day due date, regardless of when the request is sent within the renewal period. Counties should continue to allow the full 30 days included on the notice,

even if that means the member may not have eligibility redetermined until the following month.

DHCS will also provide updated guidance on the 90-Day Cure Period in a future letter. In the meantime, counties should follow the current 90-Day Cure Period policy outlined in [MEDIL 14-60](#) and [ACWDL 16-18](#). This means that when an individual returns all needed information during the 90-Day Cure Period and is determined eligible for Medi-Cal, eligibility should be established back to the discontinuance with no break in aid. Individuals who return all information and are ineligible for Medi-Cal shall be transitioned to Covered California when they meet all eligibility criteria.

As outlined earlier in this ACWDL, counties shall continue to apply 1902(e)(14)(A) waivers and flexibilities, when applicable, as part of the annual renewal process until DHCS releases additional guidance.

Change in Circumstance Redetermination

Change in circumstance redeterminations were complicated during the continuous coverage unwinding period. This was due to the requirement to maintain individuals in coverage unless the reported change in circumstance would result in a positive or neutral eligibility result for at least one member of the household. With the end of the unwinding period, counties may process changes in circumstance as they are received. Counties are reminded to follow the current policies in [ACWDL 22-33](#) surrounding changes in circumstance, such as requesting only the required information necessary to complete the redetermination.

As outlined earlier in this ACWDL, counties shall continue to apply 1902(e)(14)(A) waivers and flexibilities, when applicable, as part of the change in circumstance redetermination process until DHCS releases additional guidance.

Restoration Efforts

DHCS maintained coverage for certain individuals during the continuous coverage requirement and unwinding period and provided counties with guidance in [MEDIL 23-31](#). These efforts included:

- Continuous Coverage Unwinding: DHCS would restore the eligibility of any individual that was erroneously discontinued during the Continuous Coverage Requirement and Unwinding Period. Counties were required to review lists of disenrollments and identify cases that had a valid discontinuance.
- Out of Sync: Cases that DHCS would manually restore the eligibility for that have a district code of 99 which indicated that the individual was active in the Medi-Cal

Eligibility Data System (MEDS), but not in the county data system. Counties were provided lists of cases with the district code of 99 and were required to remediate the case to sync eligibility between the two programs.

- Share of Cost Restoration: DHCS would correct cases that were either given a share of cost or had an increase in share of cost until the county instructed DHCS that the case had gone through their renewal during the unwinding Period. Note: Long-Term Care cases were not affected by this list effort.

These efforts to restore an individual erroneously discontinued during the continuous coverage requirement and its unwinding as well as the share of cost restoration will end May 31, 2024, and DHCS will no longer restore these cases directly in MEDS. As a reminder, if a county discovers a Medi-Cal member has been discontinued in error, the county must immediately take action to restore eligibility and notify the member of the correction to their Medi-Cal.

Counties will continue to receive lists of out of sync cases until September 30, 2024, or until no more cases with a district code of 99 remain. DHCS will provide additional information if cases remain with district code 99 past the September due date.

Outstanding Renewals

Counties shall make it a priority to complete continuous coverage unwinding renewals that remain outstanding. Counties should continue to follow the various published unwinding ACWDLs, MEDILS, and frequently asked questions document.

Counties must not allow the prioritization of outstanding renewals to affect current application and renewal processing timeliness as described in [ACWDL 03-42](#) The following best practices will help counties address outstanding renewals in an efficient manner:

- Identify individuals that have provided information during their 90-day cure period and address these first.
- Identify the oldest outstanding renewals and address these next.
- Develop a targeted plan to address the outstanding renewals.
- Determine the key contributors causing outstanding renewals.
- Track and monitor outstanding renewal progress and adjust accordingly.
- Develop sample workflows in processing outstanding renewals.
- Develop an outstanding renewal task force to guide the work.

Counties are encouraged to reach out to DHCS to request technical assistance on processing outstanding renewals if needed.

Frequently Asked Questions

DHCS is reviewing the [Continuous Coverage County Support Call Q&A](#) to determine which items should be incorporated into permanent policy by means of formal ACWDLs. Once this work effort is completed, DHCS will sunset the Continuous Coverage County Support Call Q&A by way of a MEDIL.

Medi-Cal Operational Processes

This section will cover several processes related to Medi-Cal eligibility that were impacted during the continuous coverage requirement.

Returned Mail

During the continuous coverage requirement, the Consolidated Appropriations Act of 2023 set a requirement for states to conduct member outreach using more than one modality prior to termination based on return mail. DHCS provided policy guidance to implement this requirement by means of [MEDIL 23-11E](#). This policy is permanent and will continue past the end of the unwinding. DHCS will issue an errata to [ACWDL 22-09](#) to reflect the updated returned mail policy.

Counties should also continue to follow the updated guidance on processing mail that is returned undeliverable, as found in [ACWDL 22-09](#) and [MEDIL 22-45](#). Note, [MEDIL 22-45](#) eliminated the requirement to send an MC 355 to both the last known address and the new address when the county receives an updated contact information by the United States Postal Service, the National Change of Address database, managed care plans, or a Program of All-Inclusive Care for the Elderly.

MEDS Alerts

Counties were instructed to delay processing MEDS alerts if it would not have a positive effect during the Unwinding Period. Effective June 1, 2024, counties must resume timely processing of MEDS Alerts based on the MEDS Alert hierarchy included in [ACWDL 23-14](#).

Outreach

DHCS contracted with a media vendor to assist with outreach during the continuous coverage unwinding. The following table indicates the timeline for when the continuous coverage unwinding outreach efforts will end.

Outreach Effort	End Date
Paid advertising	May 31, 2024
DHCS initiated text and email	May 31, 2024
Social Press Kit Website and Resources	May 31, 2025
DHCS Coverage Ambassadors	No end date

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Outreach Effort	End Date
Coverage Ambassador Communications	No end date

The [Social Press Kit website](#) is available until May 31, 2025. Once the Social Press Kit website expires, the outreach materials contained on the website will move to the DHCS website. DHCS will provide an updated link to counties and other community stakeholders once the materials are placed in their permanent placement.

If you have any questions regarding this policy letter, please contact Derek Soiu by phone at (916) 345-8193 or by email at Derek.Soiu@dhcs.ca.gov.

Sincerely,

ORIGINAL SIGNED BY

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