

DATE: December 16, 2024

TO: ALL COUNTY WELFARE DIRECTORS Letter No.:24-19
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: ELIMINATION OF REQUIREMENT TO APPLY FOR OTHER
BENEFITS
(REFERENCE: [ACWDL 24-06](#), [ACWDL 19-13](#), [ACWDL 20-04](#) and
[MEDIL 23-42](#) and [MEDIL 23-44](#))

PURPOSE

The purpose of this All County Welfare Directors Letter (ACWDL) is to inform counties about the Centers for Medicare and Medicaid Services (CMS) final rule change to eliminate the requirement for individuals to apply for other benefits as a condition of Medi-Cal eligibility.

BACKGROUND

Section 435.608 of the Code of Federal Regulations, title 42, required Medi-Cal applicants and members to take all necessary steps to obtain any benefits to which they were entitled as a condition of eligibility unless they could show good cause for not doing so. Benefits which an applicant or beneficiary would be entitled was known as “unconditionally available income.”

On August 25, 2023, CMS approved the Department of Health Care Services (DHCS) Section 1902(e)(14)(A) waiver, temporarily suspending the requirement to apply for certain other benefits during the continuous coverage unwinding period ([MEDIL 23-42](#)). Counties have continued to operate under this waiver as CMS extended all unwinding waivers and flexibilities past the end of the unwinding period and through June 30, 2025 ([ACWDL 24-06](#)).

On April 2, 2024, CMS released the second part of a two-part final rule, [Medicaid Program; Streamlining the Medicaid, Children's Health Insurance Program, and Basic Health Program Application, Eligibility Determination, Enrollment, and Renewal Processes](#), that seeks to:

- Streamline application and enrollment processes,
- Remove access barriers, and
- Improve retention rates.

Previously, because Medi-Cal eligibility was granted before other benefit requirements were met, counties were required to follow up with Medi-Cal applicants or members to verify they applied for the unconditionally available income. If this requirement was not met, the member risked discontinuance. Effective June 1, 2025, Medi-Cal applicants and members are no longer required to apply for other benefits for all Medi-Cal programs including the Children's Health Insurance Program, Medi-Cal Access Program, and the Medi-Cal Access Infant Program.

Elimination of Requirement to Apply for Other Benefits

Effective June 1, 2025, the requirement to apply for other benefits, often referred to as "unconditionally available income," will be permanently eliminated for Medi-Cal. This does not change the rules for other social services programs such as California Work Opportunity and Responsibility to Kids (CalWORKs). The elimination of the requirement to apply for other benefits specifically applies to benefits that are income or cash based only.

County eligibility workers (CEW) shall not request the Medi-Cal applicant or member apply for unconditional available income or other benefits that include but are not limited to:

- Social Security benefits (e.g., retirement or disability benefits from the Social Security Administration),
- Unemployment Insurance benefits,
- Pensions,
- Veteran's benefits (e.g., disability compensation, pensions, or education assistance), and
- State Disability Insurance.

The following Medi-Cal eligibility requirements still apply and Medi-Cal applicants and members are required to:

- Apply for compensation available from third parties (Third Party Liability), such as Workers Compensation or compensation from a lawsuit due to an injury or accident (22 CCR § 50771) ([42 CFR § 433.138](#))
- Apply for Veteran's health benefits (22 CCR § 50761) (22 CCR § 50763),
 - Not every veteran is automatically entitled to medical care from the VA, and veterans must meet basic eligibility requirements for enrollment. If approved, the veteran will receive an enrollment notification letter and a personalized Veterans Health Benefits Handbook through the mail. CEWs can refer

- veterans in need of assistance on how to apply to the [US Department of Veteran Affairs](#) website and/or to the [“Health Care for Veterans: Answers to Frequently Asked Questions”](#) if further assistance is needed.
- To verify veteran’s health enrollment for Medi-Cal applicants or members, CEWs are required to continue using the Military Verification and Referral Form, MC 05. Furthermore, CEWs are not permitted to report veteran’s health benefits as other health care benefits (OHC), per [Medi-Cal Eligibility Procedure Manual \(MEPM\) Section 15A-3](#). CEWs may continue to refrain from reporting veteran’s health benefits as OHC, as the provider will transmit the information to DHCS through an automated data exchange system.
 - Comply with Medical Support Enforcement (MSE) except for any applicable good cause exceptions [\(22 CCR § 50771.5\)](#) [\(42 CFR § 435.610\)](#)
 - Per federal law and regulations, CEWs may not delay or deny eligibility for children or pregnant people due to the need to comply with MSE requirements. CEWs are reminded that they may not require MSE compliance before granting Medi-Cal eligibility, nor delay granting Medi-Cal eligibility when an applicant is otherwise eligible. For more information on the requirement to comply with MSE, CEWs can refer to [ACWDL 20-04](#).
 - **Note:** Until DHCS issues additional guidance, counties should continue to apply the waiver introduced during the continuous coverage unwinding that pauses this requirement. Please see [MEDIL I 23-44](#) for additional information. DHCS will provide additional guidance in the future when the unwinding waivers and flexibilities end and if any are expected to continue.
 - Applying for Medicare [\(22 CCR § 50777\)](#)

As a reminder, although applicants and members are no longer required to apply for unconditionally available income, CEWs should continue to educate Medi-Cal applicants and members about potential income from available benefits. Removing the requirement does not prevent CEWs from offering this guidance, as receiving other benefits may still help the applicant or member to meet their needs.

Until CalSAWS removes the non-compliance reason related to applying for unconditionally available income, CEWs must not take action to deny or discontinue Medi-Cal coverage when an applicant or member fails to apply for the unconditionally available income benefits mentioned on the previous page. CalSAWS will be updated

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accordingly in the next earliest release to remove this option and will inform counties upon completion.

Future Work Efforts

Policy Guidance; Errata to ACWDL 19-13

DHCS will issue an errata to the relevant sections of [ACWDL 19-13](#) regarding benefits individuals no longer need to apply for as a condition of eligibility. CEWs can still reference this letter for guidance on other remaining required benefits that applicants and members must continue to apply for as a condition of eligibility. DHCS anticipates the errata to be finalized and published by January 31, 2025.

Updated Language in the Single Streamlined Application (SSApp)

The SSApp is currently in the final stages of approval which will remove the language that informs the applicant to apply for other income benefits they may be eligible as a condition of eligibility.

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.

Sincerely,

Sarah Crow,
Division Chief, Medi-Cal Eligibility