



State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
Governor

January 15, 2015

Medi-Cal Eligibility Division Informational Letter No.: I 14-39

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIASONS

SUBJECT: California State Auditor's Report – Findings Related to Medi-Cal
Determinations for Fiscal Year Ending June 30, 2013

The purpose of this Medi-Cal Eligibility Division Informational Letter (MEDIL) is to inform the counties of the findings in the California State Auditor's Report for the fiscal year that ended on June 30, 2013. As required of non-federal entities that expend federal awards under more than one federal program, a Single Audit was performed by Klynveld, Peat, Marwick, and Goerdeler (KPMG) in accordance with Section 7502 of Title 31 of the United States Code.

KPMG independently audited 100 selected county eligibility case files and discovered only two errors. KPMG re-performed the eligibility determinations and redeterminations based on eligibility rules that were applicable prior to implementation of the Affordable Care Act (ACA) of 2010. Specifically, the two errors were:

- The county did not perform the redetermination.
- The county adjusted the Eligibility Determination and Benefits Calculation (EDBC) in May 2013 overriding the previous (EDBC) dating back to September 2012, instead of adjusting the (EDBC) on a go-forward basis as of May 2013. As a result of this action, the beneficiary's aid code for the period of September 2012 through April 2013 was incorrect.

This MEDIL addresses findings prior to the fiscal year ending on June 30, 2013, and does not supersede Federal or State requirements that became effective January 1, 2014, pursuant to ACA of 2010. In summary, the counties are reminded to perform annual redeterminations in an appropriate time and manner and ensure that the (EDBC) is updated to the extent appropriate given the new ACA eligibility rules and processes.

Medi-Cal Eligibility Division Information Letter No.: I 14-39
Page 2
January 15, 2015

If you have any questions about this letter, please contact Mr. Warren Jorgensen at (916) 552-9442 or at warren.jorgensen@dhcs.ca.gov.

Sincerely,

Original Signed by:

Alice Mak, Acting Chief
Medi-Cal Eligibility Division