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Medi-Cal Eligibility Division Information Letter No.: I 15-19

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

SUBJECT: Overview of the California Healthcare Eligibility, Enrollment, and Retention System Release 15.7 Medi-Cal Program-Related Functionalities

The purpose of this letter is to provide counties with an overview of the implementation of the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS) Release 15.7. The major functionalities are listed below:

County-Initiated Negative Action Functionality in CalHEERS (commonly referred to as “Long-Term Negative Action Functionality”)

The negative action functionality will allow counties to deny applicants or discontinue beneficiaries with an existing Modified Adjusted Gross Income (MAGI) application or case for the reasons that are described below. CalHEERS will generate and provide the Statewide Automated Welfare Systems (SAWS) with the appropriate denial or discontinuance notice of action (NOA).

Types of Negative Action

Counties will be able to take the following negative actions, at the individual and/or case level, through SAWS (available reasons vary) on MAGI Medi-Cal pending applications or existing MAGI Medi-Cal cases. For Covered California and MAGI Medi-Cal mixed households, the negative action will only be applied on the MAGI Medi-Cal individual. In the scenario in which a MAGI Medi-Cal beneficiary reports an increase in income and a negative action is subsequently taken, the individual will be discontinued from MAGI Medi-Cal and will be assessed for Covered California program eligibility.

Denials

Denial Reason		Functional Description
1.	Application Opened in Error	An application or case opened in error.
2.	Duplicate Application	Individual submits duplicate applications and the county eligibility worker (CEW) needs to close the duplicate application.
3.	On Aid Another Case	Individual is aided on another case.
4.	Failed to Complete Determination	Individual fails to provide documents and CEW's cannot complete eligibility determination.
5.	Deceased	Individual is reported deceased.
6.	Written Withdrawal (*)	Individual asked in writing or verbally to withdraw the application.
7.	Whereabouts Unknown	Individual does not return calls and cannot be reached for follow-up information.
8.	Child Applied for Self	A child applied for self and needs parents to apply for them.
9.	California Residency	Individual does not reside in California.
10.	Receives SSI	Individual applies but already has Medi-Cal (MEC) through SSI.

Discontinuances

Discontinuance Reason		Functional Description
1.	Deemed Child- Fam ReApp (**)	Used to discontinue the deemed infant to add an application for other household members who may have been previously discontinued.
2.	Failure to Complete Redetermination (***)	Individual fails to provide redetermination documents during annual redetermination or a redetermination due to a change in circumstance and the CEW cannot complete the eligibility determination.
3.	Failure to Complete Determination (***)	Individual fails to provide documents and CEW's cannot complete eligibility determination. Note: This reason can be used for denials and discontinuances.
4.	Requested Discontinuance (*)	Individual requests in writing or verbally to discontinue the case or a household member

Discontinuance Reason		Functional Description
5.	Stop Aid for Optional Member	Individual requests to discontinue a household member.
6.	TMC Report (Incomplete)	Individual fails to provide a complete Transitional Medi-Cal (TMC) Report. Please note that TMC program has not been implemented within CalHEERS at this time.
7.	TMC Report (Not Received)	Individual fails to provide a TMC Report. Please note that TMC program has not been implemented within CalHEERS at this time.
8.	Non-Payment of Premiums	Individual fails to pay premiums for a minimum of two consecutive months.
9.	On Aid on Another Case	Individual is aided on another case.
10.	Whereabouts Unknown	Individual does not return calls and cannot be reached by CEW for follow-up information.
11.	Deceased	Individual is reported deceased.
12.	California Residency	Individual no longer resides in California.

(*) As a reminder, denials are used for individuals with no benefits granted and discontinuances are used for individuals who have been granted benefits. Counties shall note that requests to withdraw an application can be taken verbally or in writing. The negative action reason of “Written Withdrawal” should be used to deny an application in the scenario in which an applicant requests a withdrawal of the application in writing or verbally. The negative action reason of “Requested Discontinuance” is used for existing MAGI Medi-Cal cases in which a beneficiary requests discontinuance either in writing or verbally.

(**) Please note that C-IV uses “Deemed Child - Fam ReApp” in the following scenario: A family with a deemed infant does not complete their annual renewal. The deemed infant remains eligible until their first birthday while the remaining members of the case are discontinued. If the family reapplies after the cure period and is found eligible for Medi-Cal, the previous eligibility for the deemed child will be discontinued with “Deemed Child - Fam ReApp” in order to provide the infant with eligibility on the new application. The child has no break in coverage and there is no discontinuance NOA generated in this scenario.

(***) Counties/SAWS are to follow the instructions in All County Welfare Directors Letter (ACWDL) 15-27 for these specific negative action reasons pertaining to discontinuances.

Negative Action Process Overview

In order to deny or discontinue MAGI Medi-Cal cases using negative action, counties will be required to use SAWS to request negative actions through CalHEERS on MAGI Medi-Cal programs only. Negative actions are only allowed from the SAWS access channel; therefore, a negative action cannot be initiated in CalHEERS. When a CEW takes a negative action within the SAWS system on a pending MAGI Medi-Cal individual or existing MAGI Medi-Cal beneficiary, CalHEERS will accept a transaction for negative actions via the electronic Health Information Transfer (eHIT) from SAWS. CalHEERS will then apply the appropriate negative action type, denial for pending individuals or discontinuance for beneficiaries, based on the Eligibility Determination Request (EDR) from SAWS, generate the appropriate NOA, and provide SAWS the NOA and outcome of the request through a Determination Eligibility Response (DER). SAWS will continue to update the Medi-Cal Eligibility Data System (MEDS) with the appropriate eligibility transaction as well as mail out the CalHEERS generated NOA.

Timely Notice

Pursuant to existing Medi-Cal policy, a NOA shall be sent to beneficiaries at least ten calendar days prior to the first of the month in which an adverse action is effective. Counties shall note that the timely 10-day notice requirement applies only to discontinuances. The 10-day notice requirement does not apply to the following negative action reasons:

- On Aid on Another Case
- Whereabouts Unknown
- Deceased
- Requested Discontinuance- Written
- Loss of California Residency

Counties should note that MEDS renewal cut-off dates will still apply; therefore, those dates may impact whether or not the action can be taken in MEDS.

Negative Action Reasons for Failure to Respond at Change of Circumstances and Redeterminations

In compliance with the preliminary injunction issued on June 23, 2015 in the matter of *Korean Community Center of the East Bay v. DHCS, et al.*, DHCS has instructed counties to suspend all discontinuances specifically for the reason of failure to respond at redeterminations and at change of circumstances until the appropriate system changes are made. Counties shall refer to ACWDL 15-27: County Requirements for Issuing Appropriate Notices of Action for Failure to Respond and/or Provide Necessary Information

at Redetermination or Change in Circumstances and Compliance with ACWDL 13-13 for more information. Below are the negative action reasons that counties/SAWS shall not use until further notice.

Discontinuance Reason	Functional Description
Failure to Complete Determination	Individual fails to provide documents and the CEW cannot complete eligibility determination.
Failure to Complete Redetermination	Individual fails to provide redetermination documents during annual redetermination and the CEW cannot complete the eligibility determination.

Medi-Cal Beneficiaries with a “Pending” Eligibility Status in CalHEERS at Redeterminations

Pursuant to the existing MAGI Medi-Cal annual renewal processes outlined in ACWDL 14-32: Medi-Cal Annual Redetermination Process for MAGI Beneficiaries, beneficiaries who had missing verifications and/or incompatibility issues via the ex parte review (step #1 in the annual renewal process and SAWS-initiated) will be placed into a “pending” eligibility status in CalHEERS. The MC 216 (the MAGI Medi-Cal pre-populated form used for renewals) will be triggered as a result of the “pending” eligibility status to request additional information from the beneficiary. With the current negative action design, the eligibility status in CalHEERS is used to discern a denial versus a discontinuance action, which would then trigger the appropriate denial or discontinuance NOA. This creates a design gap in which beneficiaries who are currently in renewal processing, and possibly for some scenarios in which a beneficiary reports a change in circumstance, where a “pending” eligibility status in CalHEERS will incorrectly receive a denial instead of a discontinuance NOA. DHCS has submitted an emergency change request to CalHEERS to address the issue and is working closely with the County Welfare Directors Association (CWDA) and SAWS for further mitigation.

In the absence of an immediate programming resolution for this design gap, the current workaround for counties is that CEW(s) not use any negative actions on MAGI Medi-Cal households that were sent the MC 216 as part of the annual renewal process. Counties shall track these cases until CalHEERS can correct the design gap and provide the appropriate notice.

Deemed Infants

Per current CalHEERS functionality, all infants up to the age of one year with income of 0 percent of the Federal poverty level (FPL) up to and including 208 percent FPL, are assigned aid code P9, which is also used for deemed infants. Counties shall note that the protections for Medi-Cal deemed infants are still applicable as prescribed in

ACWDL 09-17: Amendment of Federal Provision of “Deemed” Eligibility for Infants and ACWDL 11-33: Deemed Eligibility and Continued Eligibility for Infants. To ensure that a negative action is not incorrectly taken on a deemed infant, counties should only apply the following negative action reasons for infants in the P9 aid code that may have been deemed eligible by CalHEERS:

- Deemed Child – Fam ReApp
- Requested Discontinuance – Written
- On Aid on Another Case
- Deceased
- Loss of California Residency

Deceased Individuals

Per current system functionality in CalHEERS, NOA(s) are not triggered for failed manual verifications. In the scenario in which an individual is reported deceased either at application, redetermination, or change of circumstance, counties shall utilize the “deceased” negative action to ensure the appropriate NOA is sent.

Removing a Negative Action on the CalHEERS Portal

The negative action functionality allows users with administrative privileges in CalHEERS to remove a negative action on the CalHEERS portal. Although the functionality is available, this functionality may not rescind the case back to the month of discontinuance. As a reminder, counties shall follow existing county processes and initiate and remove negative actions only within SAWS.

Reduction of MAGI Medi-Cal NOA(s) from CalHEERS

As part of Release 15.7, CalHEERS has implemented a change that reduces the number of MAGI Medi-Cal NOA(s) at application and change of circumstance. With this new change, a MAGI Medi-Cal NOA will only be triggered for: 1) initial eligibility determination, 2) retroactive months of eligibility, 3) when there is a change in the scope of benefits or eligibility status for a member in a household, and 4) at annual renewal when a disposition is received from SAWS.

At initial application:

- CalHEERS will generate one MAGI Medi-Cal NOA per household when the initial eligibility is made.
- The MAGI Medi-Cal NOA will display the earliest effective date of the case.

For retroactive months of eligibility:

- CalHEERS will generate a single MAGI Medi-Cal NOA for each month of retroactive eligibility requested prior to the application month.

At change of circumstance:

- CalHEERS will generate one MAGI Medi-Cal NOA per household if there is an eligibility redetermination that has changes for any member of the family since the last eligibility determination. These changes include changes in the scope of benefits for each household member (change in full/restricted/limited scope) and changes in eligibility status (ex. pending to eligible).

At annual renewal:

- CalHEERS will generate a single MAGI Medi-Cal NOA regardless of whether there is a change in circumstances to inform all of the household members that the annual renewal is completed.

If you have any questions or need further information regarding this letter, please contact Ms. Alison Brown at (916) 319-9565 or by email at Alison.Brown@dhcs.ca.gov or Ms. Yingjia Huang at (916) 327-6690 or by email at yingjia.huang@dhcs.ca.gov.

Original Signed By:

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