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DIRECTOR

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



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GOVERNOR

June 30, 2016

Medi-Cal Eligibility Division Information Letter No.: I 16-06

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

SUBJECT: INCREASED VIRTUAL ADDRESS USE AS A RESIDENCE ADDRESS BY
MEDI-CAL BENEFICIARIES

The purpose of this Medi-Cal Eligibility Division Information Letter is to raise awareness of the increased use of Commercial Mail Receiving Agency (CMRA) addresses by Medi-Cal beneficiaries and to outline potential areas of concern from a program integrity standpoint.

In its May 2015 report, "*MEDICAID: Additional Actions Needed to Help Improve Provider and Beneficiary Fraud Controls*", the United States Government Accountability Office noted virtual address use as a potential indicator of fraud because it impedes state investigators visits to the residence to confirm household composition. Additionally, in July 2015, the United States Department of Justice highlighted a \$25.2 million Medicare, Medicaid, and wire fraud scheme where individuals submitted fraudulent enrollment applications for people using CMRA addresses, when in reality the applicants lived outside of the United States.

The Department of Health Care Services (DHCS) has noticed an increase in use of CMRAs as a residence address. To raise awareness of CMRA locations, DHCS has developed a list of known CMRA locations by county and will distribute it to each Medi-Cal Eligibility Data System (MEDS) Coordinator by email. This is an informational tool to alert counties to CMRA locations within their geographical boundaries.

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When an applicant or beneficiary provides a CMRA location as their address, County Eligibility Workers (CEWs) should update the mailing address accordingly; however, the residence address should reflect the actual home address when that information is available. CMRA locations are not residence addresses, and therefore, are acceptable in the mailing address field only.

For homeless beneficiaries and for those who state they do not have a fixed address, counties will continue to use their established standards for completion of the residence address fields in the Statewide Automated Welfare System (e.g. the address of the county building or other agency where mail is held for the beneficiary, or "Homeless" in the residence address field, etc.).

Thank you for your attention to CMRAs and virtual addresses. If you have any questions or comments regarding the information in this letter, please contact Leslie Nowack, by phone at (916) 327-6714 or by e-mail at leslie.nowack@dhcs.ca.gov.

Original Signed By

Sandra Williams, Chief
Medi-Cal Eligibility Division