



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



GAVIN NEWSOM
GOVERNOR

DATE: February 21, 2023

Medi-Cal Eligibility Division Information Letter No.: I 23-09

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

SUBJECT: THE CONTINUOUS COVERAGE UNWINDING PERIOD TEMPORARY
WAIVER TIMEFRAMES

The purpose of this Medi-Cal Eligibility Division Information Letter (MEDIL) is to provide clarification to counties on the Centers for Medicare and Medicaid Services (CMS) approved temporary waiver strategy timeframes during the continuous coverage unwinding period.

Background: In response to the COVID-19 Public Health Emergency (PHE), Congress enacted the [Families First Coronavirus Response Act](#), which included disaster relief provisions requiring states to maintain “continuous coverage” for Medicaid beneficiaries during the PHE. Under the [Consolidated Appropriations Act, 2023](#) (CAA, 2023), the expiration of the continuous coverage requirement will no longer be linked to the declared PHE, and the continuous coverage requirement will end on March 31, 2023.

As part of the transition to normal operations once the continuous coverage requirement has ended, the Department of Health Care Services requested and received approval from CMS for the following flexibilities:

- A MAGI Medi-Cal reasonable compatibility threshold increase of 20 percent when verifying an applicant’s self-attested income to available electronic data sources ([ACWDL 22-17](#)), and
- Section 1902(e)(14)(A) strategies which include:
 - Ex Parte Renewal for Individuals with No Income and No Data Returned,
 - Facilitating Renewal for Individuals with no Asset Verification Program (AVP) Data Returned within a Reasonable Timeframe ([ACWDL 22-17](#)),
 - Partnering with Managed Care Plans to Update Beneficiary Contact Information ([MEDIL I 22-20E](#)).

- Partnering with Program of All-Inclusive Care for the Elderly (PACE) Organizations to Update Beneficiary Contact Information ([MEDIL I 22-45](#)).
- Partnering with the National Change of Address (NCOA) Database and United States Postal Service (USPS) In-State Forwarding Address to Update Beneficiary Contact Information ([MEDIL I 22-45](#)).

The updated policy guidance below provides clarification to the temporary waiver timeframes.

Policy

Reasonable Compatibility Threshold Increase

Per previous guidance in [ACWDL 22-17](#), CalHEERS integrated the 20 percent reasonable compatibility threshold increase from July 2022 through December 2023. The 20 percent threshold will continue through the continuous coverage unwinding period. The reasonable compatibility threshold may be reduced to 10 percent beginning June 1, 2024, assuming the 12-month continuous coverage unwinding period has concluded at that time. DHCS will release further guidance when the reasonable compatibility threshold is set to decrease to 10 percent.

Section 1902(e)(14)(A) Temporary Waivers

Per guidance found in [MEDIL I 22-20E](#) and [MEDIL I 22-45](#), CMS approved Section 1902(e)(14)(A) temporary waivers.

The temporary flexibilities will continue through the 12-month continuous coverage unwinding period. DHCS will provide further guidance when the Section 1902(e)(14)(A) waivers end.

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.

Original Signed By
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