

DATE: May 12, 2023

Medi-Cal Eligibility Division Information Letter No.: I 23-21E

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

SUBJECT: ERRATA TO MEDI-CAL ELIGIBILITY DIVISION INFORMATION LETTER NO. 23-21 **COVID-19 PUBLIC HEALTH EMERGENCY WAIVER FLEXIBILITY FOR INDIVIDUALS WITH NO INCOME** (REFERENCE MEDI-CAL ELIGIBILITY DIVISION INFORMATION LETTER [I 22-20](#))

Purpose

The purpose of this Medi-Cal Eligibility Division Information Letter (MEDIL) errata is to provide updated guidance to MEDIL I 23-21 for the unsheltered population. Guidance in this letter takes effect immediately.

Corrections to MEDIL I 23-21 are recorded using the following:

- ~~strike through~~ for deleted language
- **underline and bolding** for adding new language

Below is the language from MEDIL I 23-21, with the revisions located on page 2 and 3.

The purpose of this Medi-Cal Eligibility Division Information Letter (MEDIL) is to clarify the process regarding the 1902(e)(14)(A) Waiver Flexibility for Ex Parte Renewal for individuals with no income and no data returned during the COVID-19 Public Health Emergency (PHE) and the continuous coverage unwinding period.

Background

In response to the COVID-19 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 continuous coverage requirement, County Eligibility Workers (CEWs) were prevented from processing Medi-Cal eligibility changes that would result in a negative action to existing Medi-Cal eligible household members. Beneficiaries' situations or circumstances may have changed during the continuous coverage period.

To prepare for the continuous coverage unwinding period and the return to normal operations, the Department of Health Care Services (DHCS) requested and received approval from the Centers for Medicare and Medi-Cal Services (CMS) to apply the 1902(e)(14)(A) Waiver Flexibility for Ex Parte Renewals when individuals with no income also have no data returned ([SHO 22-001](#)), referred to herein as the “zero income waiver.” The guidance below describes how counties must apply the zero income waiver to beneficiaries.

Zero Income Waiver Guidance

During the continuous coverage unwinding period, the zero income waiver will assist counties in streamlining case processing for beneficiaries that have reported or will report no income/zero income. This flexibility allows counties to temporarily complete the income determination for ex parte annual renewals during the continuous coverage unwinding period without requesting additional income information, documentation, or signed affidavit when:

- The most recent income determination was based on a verified attestation of zero income, including ex parte, electronic, or administrative verification, either at the initial application or the most recent renewal within the last 12 months prior to the start of the PHE (or no earlier than March 2019);
- Electronic verification is not successful via CalHEERS (income verification is “Pending”) during the continuous coverage unwinding period ex parte renewal process and the county has not received any conflicting income information from other sources in accordance with the [MAGI-Based Eligibility Verification Plan](#); and
- All other non-financial eligibility components are verified.

Zero Income Waiver for the Unsheltered Population

Beneficiaries who report to not having a permanent residence address often do not have countable income when determining eligibility for Medi-Cal. In some instances, the unsheltered population may not be known to the data sources used in the Federal Services Data Hub because of a lack of work history and/or income. The zero income waiver allows a beneficiary with no evidence of self-attested income information whose previously reported zero income was verified electronically or administratively during the last application or renewal to have Medi-Cal renewed without providing additional income verifications. DHCS is expanding the use of the zero income waiver for counties to leverage to allow for the ex parte completion of the annual renewal without the need for the return of the renewal packet for the unsheltered population when:

May 12, 2023

- **A county is able to identify the beneficiary is unsheltered, (such as the beneficiary reported they were unsheltered at application, last renewal, or reported a change in circumstance).**
- **The beneficiary has not provided an update or a change regarding their unsheltered status, and**
- **The beneficiary has met all criteria listed above under the Zero Income Waiver Guidance section.**

Note: The zero income waiver will not allow for the annual renewal packet to be disregarded **for beneficiaries other than the unsheltered population**. Once an annual renewal packet is sent, the packet must be returned through any of the available means; however, no additional verification is required if the beneficiary continues to report zero income and the county has not received conflicting income information.

Zero Income Waiver Flexibility Case Notes

The county shall include the following statement in the case notes in conjunction with standard renewal case notes when applying the zero income waiver:

The 1902(e)(14)(A) Waiver Flexibility for individuals with no income was used to complete the annual renewal.

Zero Income Waiver Flexibility Examples

Please note the dates in these examples pertaining to the continuous coverage unwinding period are for illustrative purposes only. CMS has announced the continuous coverage unwinding period will begin on April 1, 2023.

Example #1 – Single adult applicant with zero income continues to report zero income during continuous coverage unwinding period

- Individual A applied in January 2020 and reported zero income at application.
- Zero income was e-verified via CalHEERS, and Individual A was found eligible for MAGI Medi-Cal.
- Individual A has not reported any changes in income since the application was approved.
- In 2023, the continuous coverage unwinding period begins, and Individual A's annual renewal is due in December 2023.
- During auto ex parte using the original self-attested and previously verified case information, zero income does not e-verify in CalHEERS.
- Individual A is sent the annual renewal forms to redetermine their eligibility.

May 12, 2023

- Individual A completes the annual renewal forms through any of the available means. Individual A continues to attest to zero income.
- The CEW reviews all paperwork and notices that the returned documents did not include a reasonable explanation or verification of zero income.
- The CEW does a manual review and finds no contradictory income information in the case file (such as other information reported for other programs, case narratives, or other documentation) or other available sources.

Outcome: Since there is no other conflicting information on file for the zero income self-attestation, the waiver can be applied. In this case, the CEW can complete the determination using the self-attestation of zero income.

Example #2: Single adult with zero income applied for Medi-Cal during the PHE period and reported earned income later during PHE

- Individual B applied on September 2020 and reported zero income at application.
- Zero income was e-verified via CalHEERS, and Individual B was found eligible for MAGI Medi-Cal.
- In January 2021, Individual B reported a change in circumstance and reported earned income.
- The county did NOT process the Medi-Cal change as it would have led to a negative action for Medi-Cal.
- In 2023, the continuous coverage unwinding period begins, and Individual B's annual renewal is due in August 2023.
- During auto ex parte using the original self-attested and previously verified case information, zero income does not e-verify in CalHEERS.
- Individual B is sent the annual renewal forms to redetermine their eligibility.
- Individual B completes the annual renewal forms through any of the available means. Individual B attests to zero income on the annual renewal forms.
- The CEW reviews all paperwork and notices that the returned documents did not include a reasonable explanation or verification of zero income. The CEW does a manual review and notices the conflicting information from the previously reported earned income.

Outcome: The zero income waiver does NOT apply as there is conflicting information on file from the reported change in circumstance during the PHE. The county would follow normal business processes to verify income.

Example #3: Single adult with zero income applied for Medi-Cal during the PHE period and the county has identified the beneficiary is homeless.

May 12, 2023

- Individual C applied on November 2021 and reported zero income at application and that they were unsheltered.
- Zero income was not e-verified via CalHEERS, a sworn statement of zero income was obtained by the county, and Individual C was found eligible for MAGI Medi-Cal.
- In 2023, the continuous coverage unwinding period begins, and Individual C's annual renewal is due in October 2023.
- During auto ex parte using the original self-attested and previously verified case information, zero income does not e-verify in CalHEERS.
- Individual C is sent the annual renewal forms to redetermine their eligibility.
- The county identifies that individual C is unsheltered and there is no indication that this has changed.
- The CEW does a manual review and finds no contradictory income information in the case file (such as other information reported for other programs, case narratives, or other documentation) or other available sources.

Outcome: The zero income waiver does apply and no annual renewal packet is required to be returned, as the individual is unsheltered and meets the criteria for the county to apply the zero income waiver. The county would follow normal business processes to complete the renewal as an ex parte review (even though the packet was mailed). The county must ensure the steps are taking in the Statewide Automated Welfare System (SAWS) to indicate the renewal is complete.

The temporary flexibilities were effective May 1, 2022, and will continue throughout the 12-month continuous coverage unwinding period.

If you have any questions or if we can provide further information, please contact Candyce Flynn, by phone at (916) 345-8158, or by email at candyce.flynn@dhcs.ca.gov.

Original Signed By,

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