

DATE: May 8, 2023

Medi-Cal Eligibility Division Information Letter No.:I 23-33

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

SUBJECT: Transitional Medi-Cal During the Continuous Coverage Unwinding Period

Purpose

The purpose of this Medi-Cal Eligibility Division Information Letter (MEDIL) is to provide counties with guidance on Transitional Medi-Cal (TMC) policy and procedures during the Continuous Coverage Unwinding Period.

Background

During the federal COVID-19 PHE, DHCS used various program flexibilities to respond to the crisis and provide continuous access to care for millions of Californians. As a result of Governor Gavin Newsom's March 4, 2020 State of Emergency declaration, and the President's subsequent federal declaration on March 13, 2020, DHCS released policy guidance through multiple MEDILs and All County Welfare Director's Letters (ACWDLs) modifying case processing during the federal COVID-19 Public Health Emergency (PHE). Additionally, the Families First Coronavirus Response Act (FFCRA) authorized enhanced federal funding for Medicaid programs ("Medi-Cal" in California) conditioned upon a state's adherence to Maintenance of Eligibility requirements that prohibited states from disenrolling Medicaid beneficiaries in most circumstances during the federal COVID-19 PHE period. Under this "continuous coverage" requirement, states were required to maintain enrollment of nearly all Medicaid enrollees through the end of the month in which the PHE ends.

On December 29, Congress passed the Consolidated Appropriations Act of 2023, which uncoupled the continuous coverage requirement from the federal COVID-19 public health emergency. With the passage of the bill, the continuous coverage requirements ended on March 31, 2023. DHCS released [MEDIL I 23-02](#) announcing the beginning of the continuous coverage unwinding period and return to normal business operations.

As counties begin processing annual renewals, updated guidance is needed on various programs in order to maximize continuity of coverage for Medi-Cal beneficiaries throughout the continuous coverage unwinding period.

TMC provides continued Medi-Cal eligibility for individuals who are discontinued from the MAGI Parent/Caretaker Relative group, CalWORKs, or Mandatory Children's group.

There are two available periods of TMC:

1. An initial six-month extension, and
2. An additional six-month extension period based on an individual meeting certain eligibility requirements

On April 1, 2022, DHCS extended the postpartum period to provide an additional ten months of coverage following the current 60-day postpartum period, for a total of 12 months. Medi-Cal members who are discontinued from the MAGI Pregnancy Coverage group must be assessed for expanded postpartum coverage instead of TMC. For more information, please review [MEDIL I 21-13](#). An errata to ACWDL 21-27 to officially update this policy is forthcoming.

Transitional Medi-Cal During the Unwinding Period

In order to ensure adequate coverage protections are leveraged for Medi-Cal members during the unwinding period, individuals who were never evaluated for TMC during the continuous coverage requirement must be evaluated during the unwinding period, regardless of when an increase in income, loss of earned income disregards, or increased hours of employment occurred that placed them outside of Medi-Cal income limits.

As a result of this clarification, counties shall begin to evaluate cases for TMC at the time of their next normally scheduled annual renewal date.

Counties shall continue to follow guidance issued in All County Welfare Director's Letter 21-27 ([ACWDL 21-27](#)). As a reminder, this includes:

- The use of existing quarterly TMC income reports completed by Medi-Cal members when generated automatically by SAWS, and
- Evaluation for the Initial Extended Eligibility Period of TMC (6 months) and the Second Extended Eligibility Period of TMC (second 6 months).

Individuals must meet all of the requirements to be eligible for the extended eligibility period of TMC. Counties cannot take a negative action on a Medi-Cal member until the unwinding annual renewal is complete. If during the annual renewal, the county eligibility worker determines the Medi-Cal member is not eligible for the second six months of TMC, the county can evaluate the member's eligibility for other programs. As a reminder, the county must screen for all other Medi-Cal eligibility including consumer protection programs and Non-MAGI prior to determining coverage to Covered California ([ACWDL 17-03](#)).

TMC Timeclock

The TMC time clock begins in the month of the renewal date.

For example, counties are processing case actions in April and May 2023 for beneficiaries with a June 2023 renewal date. During this time, if the county determines an individual with a June renewal month is TMC eligible, the TMC clock starts June 2023.

TMC and Soft Pause/Aid Code 38

The Soft Pause mechanism in CalHEERS and/or use of aid code 38 provide system functionality workarounds for holding individuals in TMC until their eligibility is redetermined. For more information on the Soft Pause functionality, please review ACWDL [17-35](#).

Individuals placed into Soft Pause or aid code 38 during the continuous coverage requirement in lieu of a TMC aid code for at least 12 months are considered to be enrolled in their extended eligibility period of TMC. Individuals who have been placed in Soft Pause or aid code 38 in lieu of TMC should not be evaluated for TMC again when the county processes the unwinding annual renewal. In circumstances where the individual still has remaining months of TMC, the county must ensure the individual is assessed for the remaining months prior to lifting the Soft Pause or discontinuing aid code 38.

Because of system limitations, DHCS is not requiring counties to transition individuals into aid codes 39/59. DHCS will defer to the county if system functionality allows for placement into aid code 39/59. As a reminder, counties must assess and apply TMC eligibility when appropriate using Soft Pause or aid code 38 when 39/59 are not functionally possible.

If you have any questions, or if we can provide further information, please contact Bonnie Tran, by phone at (916) 345-8063 or by email at Bonnie.Tran@dhcs.ca.gov.

Sincerely,

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