

DATE: October 3, 2023

Medi-Cal Eligibility Division Information

Letter No.: I 23-48

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

SUBJECT: INCOME BUDGET CALCULATION REMINDER AND INSTRUCTIONS
FOR COVERED CALIFORNIA FINANCIAL ASSISTANCE FOR
INDIVIDUALS ENGAGED IN A STRIKE OR LOCKOUT

The purpose of this Medi-Cal Eligibility Division Information Letter (MEDIL) is to inform counties about a new Covered California (CCA) premium assistance program for individuals who have lost employer-based insurance as a result of a labor dispute and to inform/remind county eligibility workers of income calculation and eligibility determination policies and procedures at intake or report a change for individuals who are engaged in a strike or lockout.

Background

Labor disputes involving strikes or lockouts could impact thousands of California workers in coming months and years, resulting in an increase to the number of persons requesting assistance or needing to report changes to the Medi-Cal program.

In order to support workers that lose their health coverage as a result of strikes and lockouts, Assembly Bill 2530, Statutes of 2022, Chapter 695 ([Government Code 100523](#)), was passed by the California legislature to authorize CCA to provide subsidies to reduce premium costs and allow these consumers access to the most beneficial Cost Sharing Reduction plan, known as the Silver 94 plan.

As a result of the increase to the number of persons requesting assistance or needing to report changes, there may be some individuals who are eligible for Medi-Cal benefits and others that are receiving benefits through CCA. These individuals may be part of mixed households and may contact the county during the strike, looking to apply for coverage or report a change to their income. For these cases, there will be additional steps needed to complete the eligibility determination.

Budget Calculation for Individuals on Strike/Lockout

Counties should leverage existing DHCS income guidance in [ACWDL 21-04](#) to determine the best income budget calculation for individuals whose income has changed due to a strike or lockout. Budget periods offer different ways to utilize reported

October 3, 2023

income over certain time periods. This is particularly important for individuals whose income will likely fluctuate over the next 12 months, which is often the case when individuals are participating in a strike or lockout. Counties are reminded to utilize the budget period that is most beneficial for the Medi-Cal member. Counties should also leverage the [MAGI Income and Deductions Chart](#) when determining household income to understand how potential strike and lockout benefits are treated. As a reminder, counties must follow the change in circumstance guidance outlined in [ACWDL 22-18](#) when conducting eligibility determinations during the continuous coverage unwinding.

Additional Financial Assistance for Covered California

Effective July 1, 2023, individuals who lose employer-sponsored coverage due to an ongoing labor dispute might qualify for CCA with the maximum premium subsidy and cost-sharing reduction amounts regardless of their projected annual income. Eligibility for this program requires that the individual has lost their insurance because of a strike or a lockout by the employer and they meet all eligibility requirements for CCA subsidies as specified in Section 36B of the Internal Revenue Code and Section 18071 of Title 42 of the United States Code aside from the income requirements. Individuals must have had health insurance through the striking union or guild or through the employer that is being struck against. In addition, this benefit does extend to the family members of the striking worker who were included in that health insurance coverage.

Individuals are not eligible for the program if they are determined to be eligible for Medi-Cal, did not have health coverage prior to the strike or lockout, or have an offer of Employer Sponsored Insurance (ESI) through a spouse or someone who can claim them as a dependent.

Updating CalHEERS to Screen for Enhanced Assistance

The county will need to take additional steps in CalHEERS to assess an individual for the enhanced CCA assistance, whether the individual is newly eligible for CCA, or they are in a mixed CCA and Medi-Cal household.

When the counties receive notification, either through the CCA quicksort call transfers or an applicant or existing Medi-Cal member self-reports that a household member has lost their health coverage due to their current strike or lockout participation, the counties will need to log into CalHEERS and complete the steps outlined in [CalHEERS CIT # 0087-23- CalHEERS Updated Job Aids for Priority Release 23.7.1.1 Part 2](#). The Job Aid for "Report a Change" provides details on how to enter the strike/lockout information into the application.

Once the application has been submitted with the strike/lockout information, CalHEERS will continue to determine the consumer's eligibility for financial assistance through CCA as usual. The next day, the consumer's information will be provided to the CCA Service

October 3, 2023

Center to evaluate the amount of additional subsidy the consumer may be able to receive. If the consumer is eligible for financial assistance, they can either contact CCA at the special vanity line (1-800-793-6385) or wait for the team to contact them to discuss their plan options.

Please note that the existing strike/lockout question in SAWS differs from the questions in CalHEERS that are used by CCA to evaluate eligibility for additional subsidies. Further guidance on how to enter the strike information into the SAWS system will be forthcoming.

If you have any questions related to the MAGI income budget calculation for individuals on strike or lockout, please contact Chris White, by phone at (916) 345-8065 or by email at Chris.White@dhcs.ca.gov. For any questions related to CalHEERS, CEWs should follow their county processes to escalate business process issues to the CCA County Liaison Helpline.

Sincerely,

Yingjia Huang
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Health Care and Benefits
Department of Health Care Services