

DATE: November 22, 2024

Medi-Cal Eligibility Division Information

Letter No.: I 24-29

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

SUBJECT: Discontinuance of Verify Current Income (VCI) Service

The purpose of this Medi-Cal Eligibility Division Information Letter (MEDIL) provides guidance to counties on the forthcoming discontinuance of Equifax's Verify Current Income (VCI) Service currently available through the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS).

### Background

The Affordable Care Act introduced the use of electronic sources to verify income when determining Modified Adjusted Gross Income (MAGI) Medi-Cal eligibility, essentially minimizing the need for applicants and members to submit paper documentation ([CFR 42 § 435.949](#)). CalHEERS has the ability to electronically verify income through federal and state agencies, such as the Internal Revenue Service (IRS), Social Security Administration (SSA), Employment Development Department, and the Franchise Tax Board. In February 2022, DHCS received authorization from the Centers for Medicare and Medicaid Services (CMS) to implement Equifax's VCI Service as an additional electronic verification source through the Federal Data Services Hub (FDSH).

Equifax provides two different sources for electronic verification, the online verification source known as the "The Work Number" and the VCI Service available through CalHEERS. The Work Number requires government entities to have a contract for usage in order to verify information. For more information on the use of the commercial income verification service through Equifax's The Work Number for Medi-Cal-only cases, please see [ACWDL 18-21](#).

The VCI Service varies from other FDSH sources in that after the self-attested income is compared against the electronic sources, Equifax provides county eligibility workers (CEWs) near real-time information for any applicant or member found within the VCI Service. Other electronic sources only return a high-level result on whether the income was found reasonably compatible or not, whereas VCI Service sends additional data. Instruction for CEWs regarding the use of VCI data for MAGI verification was provided in All County Welfare Director's Letter (ACWDL) [22-08](#).

November 22, 2024

### **Discontinuance of VCI Service for MAGI Verification**

In April 2024, CMS announced that states will need to reimburse the federal Health and Human Services Agency (HHS) for costs associated with utilization of the VCI service. This guidance was included as a component of the broader HHS Notice of Benefit and Payment Parameters for 2025 Final Rule ([CFR 45 § 155.320 \(C\)](#)). Beginning in July 2024, state Medicaid Agencies have been invoiced monthly for transactions related to the VCI Hub Service and for administrative fees necessary to facilitate use of the data through the FDSH.

Due to the significant cost of maintaining the VCI service at current levels, CalHEERS will implement Change Request (CR) 285944 Configurability Update for VCI Federal Hub Call Process in December 2024. This CR will allow the VCI service through the FDSH to be temporarily discontinued until such time as the State and county partners can implement changes to the service to mitigate the significant cost of VCI Hub calls under the current agreement with CMS.

Effective January 1, 2025 the VCI service will no longer be called through the FDSH or return VCI data for use in MAGI verifications, or when available, for the Aged, Blind, and Disabled (ABD) Federal Poverty Level (FPL) program. Data already retrieved from the FDSH prior to January 1, 2025 will remain available for use in Ex Parte processes as outlined in [ACWDL 22-08](#).

The VCI service will be unavailable for a period of no less than one year following discontinuance on January 1, 2025. DHCS will continue to engage with counties and other business partners during the intervening period to pursue alternative methods to support members who previously may have benefited from VCI data.

### **Reminders for MAGI and Non-MAGI Medi-Cal Income Verification Processes**

Per Title 22 of the California Code of Regulations (C.C.R.) § 50167 and 42 C.F.R. § 435.603(f)(3), all income for Medi-Cal applicants and members must be verified either electronically or administratively. While the VCI service is temporarily unavailable, counties should continue to follow standard procedures for income verification according to the income verification hierarchy below:

- Ex Parte Process,
- Reasonable Explanation,
- Manual Verification, and
- Sworn Statement.

Medi-Cal Eligibility Division Information Letter No.: I 24-29

Page 3

November 22, 2024

If you have any questions, or if we can provide further information, please contact William White by phone at (916) 539-3473 or by email at [William.White@dhcs.ca.gov](mailto:William.White@dhcs.ca.gov).

Sincerely,

Sarah Crow, Chief  
Medi-Cal Eligibility Division