

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



GRAY DAVIS
Governor

JULY 17, 2003

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 03-42
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALIST/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: ANNUAL REDETERMINATION PERFORMANCE STANDARDS

Reference: All County Welfare Directors Letter (ACWDL) No. 02-52

Senate Bill X1 26 (Chapter 9, Statutes of 2003, 1st Extraordinary Session) establishes county performance standards for eligibility determinations and annual redeterminations (RV). The Medi-Cal budget proposed for 2003-04 assumes that costs will be reduced by a total of \$376 million in 2003-04 based upon increased funding for the counties and the requirement that counties timely perform eligibility determinations and annual RVs. In order to ensure this savings and the continuation of full funding of county administrative costs, it is critical that counties ensure that they process initial applications and annual RVs following federal timeliness requirements and meet these performance standards.

Federal law requires that applications for Medi-Cal be processed within 90 days for applicants who apply on the basis of disability and 45 days for all other applicants, except when unusual circumstances are present. (42 CFR 435.911(a)) Examples of unusual circumstances include when the agency cannot reach a decision because the applicant or an examining physician delays or fails to take a required action; or when there is an administrative or other emergency beyond the agency's control. (42 CFR 435.911(c))

Federal law requires that eligibility for Medi-Cal be redetermined at least every twelve months with respect to circumstances that may change. (42 CFR 435.916(a))

Counties are reminded that compliance with these laws is mandatory when delivering Medi-Cal program services and spending federal and state funds. Nothing in this letter should be read as changing these requirements. The standards discussed below are related to performance measures only.



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The Legislature has adopted the following standards under which the State will measure county performance:

Pursuant to Welfare and Institutions Code Section 14154(c)(1), counties must complete eligibility determinations as follows:

- “(A) Ninety percent of the general applications without applicant errors and are complete shall be completed within 45 days.
- (B) Ninety percent of the applications for Medi-Cal based on disability shall be completed within 90 days, excluding delays by the state.”

Pursuant to Welfare and Institutions Code Section 14154(c)(3), counties must perform timely annual RVs, as follows:

- “(A) Ninety percent of the annual redeterminations shall be commenced by the anniversary date.
- (B) Ninety percent of the annual redeterminations shall be completed within 60 days of the recipient's annual redetermination date for those redeterminations based on forms that are complete and have been returned to the county by the recipient in a timely manner.
- (C) Ninety percent of those annual redeterminations where the redetermination form has not been returned to the county by the recipient shall be completed by sending a notice of action to the recipient within 45 days after the date the form was due to the county.”

Under this statute, commencing the annual RV means that the redetermination form must be mailed to the beneficiaries by this timeframe.

Beginning January 1, 2004, each county is required to submit a report to the Department of Health Services (Department) on the county's results in meeting the performance standards and submit a corrective action plan if the Department finds that the county is not in compliance with one or more of the standards. The county may be subject to a reduction in county administration funds by two percent in the next year if the county does not meet the performance standards. The Department is required to develop procedures, in collaboration with counties and stakeholders, in order to implement the performance standards. These procedures will establish county review cycles, sampling methodologies and procedures, and data reporting processes. The Department will convene such a workgroup in the near future.

Regarding the process for conducting annual RVs:

- Federal law requires that redeterminations be conducted at least once every twelve months. In order to meet the requirements of the federal and state law, irrespective of these performance standards, counties should mail the annual RV form to the recipient no later than the last date of the eleventh month from the recipient's initial application date or most recent anniversary date, whichever is later.
- The first step in processing an annual RV is to mail the RV form to the beneficiaries. For purposes of these performance standards only, the counties will be considered to have met the standard if they commence the annual RV by mailing the annual RV forms to recipients no later than the anniversary date. An *ex parte* determination prior to mailing the annual RV forms has never been required in Medi-Cal nor in State or federal law and is not a requirement here.
- If the annual RV form is not returned, the county will send a ten day notice of termination to the recipient. Pursuant to state policy decision, if the annual RV is returned, but is incomplete, the county will implement SB 87 procedures, beginning with an *ex parte* review of the files.
- Counties shall meet the performance standards in Welfare and Institutions Code Section 14154(c)(3) in processing annual RV forms that are either returned or not returned.

If you have questions regarding this ACWDL, please contact Mr. Armando Martinez of my staff at (916) 657-1487 or by email at amartine@dhs.ca.gov.

Original Signed by

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