



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



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Governor

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TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 08-55
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALIST/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: REDUCTION OF THE CONTINUOUS ELIGIBILITY FOR CHILDREN
(CEC) PROGRAM PERIOD FROM TWELVE TO SIX MONTHS PERIOD

The purpose of this letter is to provide instructions to counties on implementation of the new State law reducing the CEC program period from 12 months to 6 months effective January 1, 2009. This letter also includes a section on the questions counties submitted to the Department of Health Care Services (DHCS) for clarification on the new CEC program period.

Background

Assembly Bill 2900, (Chapter 945, Statutes of 2000) established the CEC program for a 12-month period. The 12-month period ends with the earlier of the date of the next eligibility determination or the child's 19th birthday. The CEC program continues an otherwise Medi-Cal eligible child under age 19 on no share-of-cost (SOC) Medi-Cal during the period from their initial or last annual determination of eligibility to the next annual redetermination (RV) by disregarding changes which would otherwise move the child to a SOC category or from no SOC eligibility to ineligibility. Furthermore, except for death or loss of California residency, CEC also protects the child from nonfinancial reasons for discontinuance, even if those changes adversely affect other family members.

New State Law

The CEC provision in Welfare and Institutions (W&I) Code Section 14005.25 is as follows: ...“commencing on the first day of the month following 90 days after the operative date of amendments to this section that added this subdivision, the continuous eligibility time period provided in paragraph (1) of subdivision (a) shall be

reduced to six months.” Additionally, W&I Code Section 14011.16 amends the semi-annual reporting exemption for children under age 19 now requiring children to file the semiannual status report, referred to as the Midyear Status Report (MSR). The Department has issued a separate ACWDL on the change in the MSR requirements to include children.

Rules of CEC Availability

1. The CEC eligibility rules have not changed. The new State law only reduced the CEC period from a 12 to 6-month period effective January 1, 2009. The new CEC period is applicable as follows:
 - All children approved for CEC prior to January 1, 2009, for a 12-month CEC period who have passed their scheduled MSR sending month will continue to receive CEC until their RV or until reporting a change in circumstances resulting in ineligibility under CEC rules. This rule is a one-time exemption and applies only to children who had an eligibility determination or RV due before July 1, 2008.
 - All children approved for CEC prior to January 1, 2009, for a 12-month CEC period who have not reached their 6-month CEC period are required to submit an MSR, at the end of their 6-month CEC period.
2. CEC continues an otherwise Medi-Cal eligible child under age 19 years on no SOC Medi-Cal for up to a six-month period from the initial eligibility determination to the MSR or from the MSR to the RV by disregarding changes which would otherwise result in a SOC Medi-Cal category or take them from no SOC to ineligibility. CEC provides protection for children whose family income fluctuates during the CEC period.
3. Except for death or loss of California residency, CEC also protects the child from non-financial reasons (such as excess resources) for discontinuance, even if those changes adversely affect other family members.
4. Counties must evaluate children under all no-cost Medi-Cal programs such as the federal poverty level (FPL) and Transitional Medi-Cal (TMC) programs before utilizing CEC or assigning a SOC.
5. CEC guarantees no-SOC Medi-Cal coverage during the CEC period once a child has no-cost Medi-Cal, even if changes occur that would otherwise assess a SOC or result in ineligibility.
6. There is no change to how CEC applies to retroactive Medi-Cal coverage eligibility. The CEC period can start in any of the three retroactive months if zero SOC is approved in the retro month. There is a possibility of overlapping CEC periods when the applicant or beneficiary requests retroactive Medi-Cal.

7. A child's CEC will end for the following reasons: loss of California residency, death, voluntary withdrawal, a request for discontinuance, non-cooperation in the eligibility process, or a child turns 19.
8. The parent/caretaker relative's failure to submit an MSR for a non-exempt child (whose parent/caretaker relative must complete an MSR for the child) is a reason to discontinue the non-exempt child from Medi-Cal, but not a reason to discontinue an exempt child.
9. Infants who are deemed eligible (DE) in the birth month with no SOC Medi-Cal will continue to get no SOC Medi-Cal until age one year as long as the infant resides with the mother in California. Similarly, infants who are DE in the birth month with a SOC will continue with that SOC until age one year for each month in which the SOC is met. The SOC for the infant decreases if the family's income decreases, and the SOC cannot increase since DE locks in the infant's birth month SOC for the whole year.
10. DE is different from CEC because DE provides eligibility and protects the infant from increases in the family income and other circumstances until age one year. As for CEC, under the new law, CEC protects a child only for six months.
11. Children determined Medi-Cal eligible in cases where fraud or administrative error occurred will remain CEC eligible until the MSR or the RV determination.
12. Children terminated from public cash assistance programs are eligible for CEC. If the child is an infant who is DE, the DE infant remains eligible until age one year.
13. A child who turns 19 years of age in a month in which she/he has CEC is not eligible for bridging because the Bridging Program is for children who may qualify for the Healthy Families Program (HFP), which provides coverage for children up to 19 years of age.

CEC Aid Codes and Benefits

The aid codes that identify CEC are 7J - Full Scope, no SOC Medi-Cal benefits to qualified children under age 19, and 7K - Limited scope (emergency and pregnancy-related services only) no SOC Medi-Cal benefits to qualified children under age 19 who do not have satisfactory immigration status or who do not meet the DRA citizenship/identity requirements.

When a child's status changes from no SOC to SOC or when ineligible due to excess family resources, the county must follow the Bridging Program instructions. Those instructions are outlined in ACWDLs: 98-09, 98-39, 99-06, 03-01, 07-03, and 07-09 on issuing Notices of Action (NOA) to the family regarding the child's SOC, discontinuance

due to excess resources, Bridging Program eligibility and the Healthy Family Program (HFP).

CEC Time Period with MSR Implementation

Implementation of the new six-month CEC period coincides with the new children's MSR reporting requirements. Counties shall determine eligibility based upon the specific program rules that apply to the individual and issue timely NOAs regarding eligibility and level of benefits. For a list of exempted groups from the MSR reporting, please refer to the MSR ACWDL.

The following examples illustrate the new 6-month CEC period with the MSR implementation. These case scenarios provide an overview on the new CEC time period and show the timelines for mailing the MSR, returning the MSR, and determining when the MSR changes become effective. Counties must review an individual's eligibility based on the applicability of program rules and exemptions. If a child is determined eligible to only a SOC but is income eligible for the HFP, the county shall follow the Bridging program guidelines and place the child under the one-month no-cost Bridging Program before assigning a SOC to the child. Counties shall note when referring a child to the HFP after the one-month no-cost MC under Bridging, the child may still be eligible for SOC Medi-Cal as the child continues to meet the eligibility requirements.

Example 1: Children who already had six months of CEC and are past their scheduled MSR mailing month as of January 1, 2009

As of January 1, 2009, children who are already past their MSR report month period will continue their CEC until their RV is due. In this example, the CEC period begins with the initial application determination in 6/08. An income change gives the family a SOC in 07/08. The family has an MSR prior to January 1, 2009, therefore, the child's CEC coverage continues until RV.

06/08	07/08	08/08	09/08	10/08	11/08	12/08	01/09	02/09	03/09	04/09	05/09
APP. No SOC Initial CEC period begins (1)	SOC CEC (2)	SOC CEC (3)	SOC CEC (4)	SOC CEC (5)	SOC CEC MSR Mailed (6)	SOC CEC MSR Due (7)	SOC CEC (8)	SOC CEC (9)	SOC CEC (10)	SOC CEC (11)	SOC CEC RV Due (12)

Example 2: CEC begins with the initial determination month

The CEC period begins in 11/08 with the initial application determination and will end in month six, 04/09. The family's income changed in 12/08, resulting in a SOC. The child is not eligible for the FPL program but is CEC eligible effective 12/08. The MSR for the family is due in 05/09. The family income remains the same at MSR and it is within the

HFP guidelines (up to 250 percent FPL), the county would bridge the child to HFP. The child can remain SOC eligible until the RV even if the child is already enrolled into HFP.

11/08	12/08	01/09	02/09	03/09	04/09	05/09	06/09	07/09	08/09	09/09	10/09
APP. No SOC Initial CEC period begins (1)	SOC CEC (2)	SOC CEC (3)	SOC CEC (4)	SOC CEC (5)	SOC CEC MSR Mailed (6)	SOC BRIDGE MSR due (7)	SOC MSR effective (8)	SOC (9)	SOC (10)	SOC (11)	SOC RV Due (12)

Example 3: Family income increased results in SOC for the family at MSR with the child bridged to HFP

CEC coverage begins in the first month after application in 11/08. On January 1, 2009, the new law is effective. The CEC period runs continuously for six months (11/08 - 04/09). When a child has no-SOC eligibility in a month prior to a change that would result in a SOC or ineligibility that child has a guaranteed period of no SOC Medi-Cal at any time within those six months. With the new MSR requirement for children, the parent/caretaker must complete an MSR that includes the child.

In this example, the child begins with no SOC and does not have a change in circumstances that result in a SOC until the MSR. The child is determined SOC eligible after the MSR and the child's family income is within the HFP guidelines, the county shall place the child into the Bridging Program aid code 7X and bridge the child to HFP. The child can remain SOC eligible but will not be protected under CEC until there is a change in circumstances that would give the child no-cost Medi-Cal.

11/08	12/08	01/09	02/09	03/09	04/09	05/09	06/09	07/09	08/09	09/09	10/09
New APP No SOC (1)	NO SOC (2)	NO SOC (3)	NO SOC (4)	NO SOC (5)	NO SOC MSR Mailed (6)	NO SOC MSR Due (7)	SOC-F Bridge MSR effective (8)	SOC-F (9)	SOC-F (10)	SOC-F (11)	SOC-F RV Due (12)

Example 4: Fluctuating Income with family determined with SOC after the RV

The family is determined with a SOC in the first month after the RV. Because the family starts with a SOC after RV, the child will not receive the guaranteed no-cost Medi-Cal under CEC until there is a no SOC month. Therefore, if the family income is within the HFP guidelines, the child should be placed into the Bridging Program and referred to HFP. (County shall note that a child can remain SOC eligible even if he has already been referred and enrolled into HFP). The family's income changed from SOC to no SOC in the fourth month and the child is again eligible for no-cost Medi-Cal. After the MSR determination, a new CEC period begins in 05/09. When the family's income changed from no SOC to SOC in 08/09, the child again has CEC protection for the months remaining in the CEC period until the RV.

11/08	12/08	01/09	02/09	03/09	04/09	05/09	06/09	07/09	08/09	09/09	10/09
New 12 month eligibility SOC-F Bridge (1)	SOC-F No CEC (2)	SOC-F Change reported Outside MSR (3)	NO SOC (4)	NO SOC (5)	NO SOC MSR Mailed (6)	NO SOC MSR Due (7)	NO SOC (8)	NO SOC Income changed (9)	SOC CEC (10)	SOC CEC (11)	SOC RV Due CEC (12)

Example 5: Change in family composition before MSR. Family determined SOC before MSR and after MSR

At RV, the family (mother and older child) is determined eligible with no SOC Medi-Cal. The absent parent returns home in March. The family gets a SOC effective 04/09. The child is eligible to receive an initial CEC period from 02/09 until 07/09. The child receives the guaranteed CEC benefits of no SOC from 04/09 to 07/09. At the end of the CEC period, the county places the child in bridging and refers the child to HFP with parental consent as the family continues to have a SOC at MSR. If there is a change in circumstances that result in the child having no SOC and then a SOC in the months before the RV, CEC is available until RV.

2/09	3/09	4/09	5/09	6/09	7/09	8/09	9/09	10/09	11/09	12/09	01/10
New 12-month	NO SOC	SOC	SOC	SOC	SOC	SOC	SOC	SOC	SOC	SOC	SOC RV Due
NO SOC	Father returns home				MSR Mailed	MSR Due					
CEC (1)	CEC (2)	CEC (3)	CEC (4)	CEC (5)	CEC ends (6)	BRIDGE No CEC (7)					

Example 6: Family income changes - children are TMC eligible after MSR

At application month 08/08, the family was only eligible for a SOC and the family's income is over the HFP income guidelines. The county did not refer the children to HFP. In 11/08, the mother reported that the father's work hours were reduced resulting in 1931(b) eligibility for the entire family. At MSR, the family reports the father's earnings have increased again and they now are eligible for TMC. Because the family is now on TMC, they are not required to complete an RV in 07/09, but must comply with the **TMC reporting requirements**. If the family has eligibility for another Medi-Cal program after TMC, CEC will begin with the eligibility month for that program and continue for six months until the MSR.

08/08	09/08	10/08	11/08	12/08	01/09	02/09	03/09	04/09	05/09	06/09	07/09	8/09
APP. SOC-F	SOC-F	SOC-F	1931b	1931b	1931b	1931b	TMC	TMC	TMC	TMC	TMC	TMC
					MSR Mailed	MSR Due	MSR Effective [1]	[2]	[3]	[4]	No RV Due [5]	[6]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	

09/09	10/09	11/09	11/09	12/09	01/10	02/10	03/10	04/10	05/10	06/10	07/10	08/10
TMC	TMC	TMC	TMC	TMC	TMC Ends Apply SB 87	New Medi-Cal Program CEC			MSR Mailed CEC	MSR Due CEC	MSR Effective	
(1)	(2)	(3)	(4)	(5)	(6)	(1)	CEC (3)	CEC (4)	(5)	(6)	(7)	(8)

Example 7: Family eligible under 1931(b) with increase in unearned income

Mom and her child are determined eligible for 1931(b) at application. The mother reports an increase in unearned income in 1/09, which results in the family receiving a SOC in 2/09 and not eligible for TMC. The child is eligible to a CEC period from 11/08–4/09 (six months). In 02/09, the family's circumstances change resulting in a SOC for the family. The child receives guaranteed no-cost Medi-Cal under CEC from 02/09 through 4/09. The child will have that SOC until CEC ends in month 5/09. The county shall bridge the child to HFP if the family income falls within HFP guidelines. The child would remain SOC eligible until RV. If the case has a change from the MSR reported SOC to no SOC and back to a SOC before the RV, the child would be CEC eligible until the RV is due.

11/08	12/08	1/09	2/09	3/09	4/09	5/09	6/09	7/09	8/09	9/09	10/09
APP. 1931b	1931b	1931b	SOC-F Child CEC	SOC-F Child CEC	SOC-F Child CEC ENDS MSR Mailed	SOC-F BRIDGE MSR Due	SOC-F	SOC-F	SOC-F	SOC-F	SOC-F RV due
(CEC) (1)	(CEC) (2)	(CEC) (3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)

Example 8: Child turns age 19 during the CEC period

This example illustrates the child's CEC period beginning with the month of application and ending at the end of the month in which he/she turns age 19, five months into the first six-month CEC period. Mom and her 18-year-old child were determined eligible for 1931(b) Medi-Cal. Family's only income is unearned income from Social Security. The mother reported that social security would increase in 01/09. The increase reported is not due to a cost of living adjustment. CEC protects the child from a SOC in which the family circumstances change (1/09) and continues until the child turns age 19 in 3/09, when he/she is no longer eligible for CEC.

11/08	12/08	01/09	02/09	03/09	04/09	05/09	06/09	07/09	08/09	09/09	10/09
APP. 1931b	1931b	SOC-F	SOC-F	SOC-F	SOC-F	SOC-F	SOC	SOC	SOC	SOC	SOC RV due
(CEC) (1)	(CEC) (2)	CEC (3)	CEC (4)	CEC ends, age 19 (5)	MSR Mailed (6)	MSR due (7)	(8)	(9)	(10)	(11)	(12)

Example 9: Child with own CEC period returns home

Mother has two children with one child living in the home and the other child living with a non-needy grandmother. Child living with grandmother returns home in 5/09 with four months remaining in his six-month CEC period (until 08/09). The family is determined to have a SOC in 08/09 after the MSR. The county bridges child 1 to HFP in 08/09 but child 2 is still under his guaranteed six-month CEC period until 08/09. When the CEC period ends for child 2, child 2 would also get a SOC Medi-Cal starting 09/09 because he/she is a member of the Medi-Cal Family Budget Unit (MFBU). Therefore, the county bridges child 2 to HFP in 9/09.

1/09	2/09	3/09	4/09	5/09	6/09	7/09	8/09	9/09	10/09	11/09	12/09
Family No SOC	Family No SOC	Family No SOC	Family No SOC	Family No SOC	Family No SOC	Family No SOC	Family SOC	Family SOC	Family SOC	Family SOC	Family Annual RV due
Child 1 home	Child 1 home	Child1 Child2 lives with grand mother	Child1 Child2 lives with grand mother	Child1 Child 2 joins family in month 3 of CEC [3]	Child1 Child 2 cont' CEC [4]	Child 1 Child 2 cont' CEC [5]	Child 1 Bridge Child 2 CEC ends [6]	Child 2 Bridge			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)

Example 10: Family determined to have a SOC after MSR; another child with own CEC period returns home after MSR

The family (with children) is determined to have a SOC in 05/09 after the MSR. The county bridges the children already in the home to HFP in 05/09. Another child living with a non-needy caretaker returns home in the last week of 5/09 with his own CEC period. The county recalculates the family budget with the additional child but the family continues with a SOC. The child who returned home has three months left from his six-month CEC period from another case. The child continues no-SOC under his CEC period until 07/09. In 08/09, the county bridges the child to HFP.

10/08	11/08	12/08	01/09	02/09	03/09	04/09	05/09	06/09	07/09	08/09	09/09
App Month Family NO SOC	Family NO SOC	Family NO SOC	Family NO SOC	Family NO SOC	Family NO SOC	Family No SOC	Family SOC Children Bridged Another Child joins family CEC [4]	Family SOC CEC Continues [5]	Family SOC CEC ends [6]	Family SOC Bridge Child	Family SOC Annual RV due
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)

Example 11: Children in the FPL program, family over resource limit and FPL income guideline

Family resources are over the limit for their family size, children are eligible for the FPL program. The parents are ineligible. The mom reports increased unearned income in 11/08 and the family income is over the FPL program. The children are eligible for three months of CEC from 2/09 through 4/09. Because children are not exempt from MSR, the parent must complete the MSR when it is due. If there is no change in the family income or resources, the children are ineligible for Medi-Cal due to excess resources and the county shall bridge to HFP.

11/08	12/08	1/09	2/09	3/09	4/09	5/09	6/09	7/09	8/09	9/09	10/09
APP. No SOC 133%	NO SOC 133%	NO SOC 133%	Not eligible	Not eligible	Not eligible	Bridge					
(CEC) (1)	(CEC) (2)	(CEC) (3)	CEC applied (4)	CEC applied (5)	CEC ends (6)		Ineligible due to resources				

Example 12: Loss of California residency.

CEC does not continue when a child loses California residency. The family starts with no-cost Medi-Cal and mom reports increased unearned income in 1/09. Family is assessed a SOC for 2/09 (not eligible for TMC). The children are CEC eligible from 2/09–04/09. However, in 3/09 Mom reports they are moving to Texas at the end of the month. The county will discontinue the case 3/31/09 for loss of residency and the children are ineligible for CEC in 04/09.

11/08	12/01	1/09	2/09	3/09	4/09	5/09	6/09	7/09	8/02	9/02	10/02
APP. No SOC (MN)	No SOC (MN)	No SOC MN	SOC-F CEC	CEC							
(1)	(2)	(3)	(4)	(5)	Case Disc 3/31/09						

Six-Month CEC and Retroactive Coverage

Beneficiaries are entitled to request and have an evaluation for retroactive eligibility for any or all months within the three-month retroactive period prior to the application month pursuant to Sections 50148 and 50197 of Title 22 of the California Code of Regulations. Therefore, if an individual were determined eligible in one of the three retroactive months with no SOC, that individual can have a CEC period beginning in a retro month.

A family applies for Medi-Cal in 4/09 and determined eligible with a SOC for 4/09. The mother requests retroactive Medi-Cal coverage for her child in one or all of the retro months prior to the application month. Each retroactive month has a separate eligibility determination from the initial application. Each retroactive month will have a CEC period separate from the initial application determination. The first month of a

requested **retroactive month must** begin with no SOC in order to initiate CEC for that retroactive month.

Retroactive Medi-Cal is the only instance in which a child may have more than two simultaneous CEC periods. This will occur only with new Medi-Cal applicants when there is a request for retroactive months of eligibility. With retroactive Medi-Cal, there is a possibility of the retro CEC period overlapping the application CEC period. See examples below:

Example 13: Request for retroactive coverage in “Retro Month One”

The beneficiary requests retroactive Medi-Cal for one month prior to the application month at the time of application. If the retro month began with no SOC and the application month had a reported SOC, the child’s retro CEC eligibility period is 3/09 – 8/09. The county will bridge the child to HFP if the income falls within the income level for HFP at the end of the retro CEC period.

Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10
	App/Initial Eligibility Month SOC (1)	SOC-F (2)	SOC-F (3)	SOC-F (4)	SOC-F (5)	SOC-F MSR Mailed (6)	SOC-F MSR Due (7)	SOC-F MSR Effective (8)	SOC-F (9)	SOC-F (10)
RETRO 1 NO SOC (1)	CEC (2)	CEC (3)	CEC (4)	CEC (5)	RETRO 1 CEC PERIOD ENDS (6)	Bridge				

Example 14: Request for retroactive coverage in “Retro Month Two”

The beneficiary requests retroactive Medi-Cal for the second month prior to the application month. **“Retro Month Two” must begin with no SOC in order to have a CEC period when the initial month of application has a SOC. It does not matter if the individual did not request “Retro Month One,” this is not a break in aid.** In this example, the application month has a SOC; the child’s “Retro Month Two” CEC eligibility period is 2/09 - 07/09.

CEC for the initial application period ends September 09.

Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
		App/Initial Eligibility Month SOC (1)	SOC-F (2)	SOC-F (3)	SOC-F (4)	NO SOC (5)	SOC-F CEC ENDS MSR Mailed (6)	SOC-F MSR Due Month Bridge (7)	SOC-F MSR Effective Month (8)	SOC-F NO CEC (9)
RETRO 2 NO SOC (CEC) (1)	(CEC) (2)	CEC (3)	CEC (4)	CEC (5)	RETRO 2 CEC PERIOD ENDS (6)					

Example 15: Request for retroactive coverage in “Retro Month Three”

The beneficiary requests retroactive Medi-Cal for the third month prior to the application month. **“Retro Month Three” must begin with no SOC before there is a CEC period.** If “Retro Month Three” begins with no SOC and the application month has a SOC, the child’s retro CEC eligibility period covers months 1/09 through 06/09 and overlaps the application CEC period in 06/09.

If the income drops in May of the initial 12-month application period to no SOC and increases again in June 09, the child has one month of CEC eligibility in the retro period and four months of CEC eligibility based on the initial application month of April 09. The last month of CEC coverage from the retro application month overlaps the first month of CEC from the application period. The first six-month CEC period based upon application date ends September 09. At this time if the income falls within the HFP eligibility, the county shall bridge the child to HFP.

Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09
			App/Initial Eligibility Month SOC	NO SOC	SOC-F CEC	SOC-F CEC	SOC-F CEC	SOC-F CEC ENDS MSR Mailed	SOC-F MSR Due BRIDGE	SOC-F
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
RETRO 3 NO SOC (CEC) (1)				NO SOC	END RETRO-3 CEC PERIOD (6)					
	(CEC) (2)	(CEC) (3)	CEC (4)							

CEC and Deemed Eligibility (DE) for Infants

Title 22 CCR § 50262.3(b) and (c) reads as follows:

(b) Infants born to women who are eligible for and receiving Medi-Cal at the time of birth are automatically “deemed” eligible for one year without a separate Medi-Cal application and social security identification number. In addition, these infants shall remain eligible, regardless of any increases in the family's income, as long as the following conditions continue to apply:

- (1) the infant continues to live with his/her mother; and
- (2) the mother remains eligible for Medi-Cal or would have remained eligible if she were still pregnant.

(c) [the infant must]... continue to meet all other eligibility criteria
As long as the infant meets these conditions, the infant is automatically eligible and a separate application form is not required until age one year, even if the mother is no longer receiving Medi-Cal at the end of the 60-day postpartum period and there are no other children in the household receiving Medi-Cal. The infant will remain Medi-Cal

eligible until age one year at zero or the original SOC. If the mother has a SOC for her pregnancy-related care and does not meet or incur her SOC in the birth month, the infant is not “deemed” eligible.

Example 16: Deemed eligible infant with SOC Medi-Cal

A woman who meets or obligates to meet her SOC in the child’s birth month is Medi-Cal eligible in the birth month and her infant meets the “deemed” eligible requirement for Medi-Cal. Because the mother has a SOC in the birth month, the infant also has a SOC in the birth month. If there is a reported change of an increase in income in 5/09, DE will keep that infant at the same SOC until age one year. Counties shall note that if the family’s income is within the HFP guideline (201-250 percent FPL), the infant can be referred to HFP in the birth month.

11/08	12/08	01/09	02/09	03/09	04/09	05/09	06/09	7/09	08/09	09/09	10/09
New App	SOC	Infant born 1/12/09	SOC	SOC	SOC	SOC	SOC	SOC	SOC	SOC	SOC
SOC		Mother Met SOC	Infant Referred to HFP		MSR Mailed	MSR Due					RV due
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)

Example 17: Deemed eligible infant with no SOC in birth month, family income increased at MSR.

When a pregnant woman is eligible with no SOC, the infant is “deemed” Medi-Cal eligible with no SOC. This example shows the mother reports an increase in income on the MSR in 5/09. Because the infant has no SOC eligibility at birth, DE gives the infant the same no SOC eligibility until age one year. Any reported changes by the mother that would otherwise give the family SOC Medi-Cal or make the family “**ineligible**” for Medi-Cal do not affect the infant until age one year because of DE.

11/08	12/08	1/09	2/09	3/09	4/09	5/09	6/09	7/09	8/09	9/09	10/09
New 12 month Eligibility No SOC	No SOC	No SOC	No SOC	No SOC	No SOC	Mother MSR Due reports change	Family SOC	Family SOC	Family SOC	Family SOC	Family SOC RV due
		Infant born 1/12/09 Deemed No SOC			MSR Mailed	Infant NO SOC	Infant NO SOC	Infant NO SOC	Infant NO SOC	Infant NO SOC until age One yr.	
		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)

Example 18: Deemed infant - mother relinquishes custody of the infant

In this example, the mother relinquishes custody of the infant after birth. Therefore, the infant loses deemed eligibility. This change of circumstances makes the infant ineligible for Medi-Cal. Since the month of the change is within the six-month CEC period, the county shall apply the CEC rule. Because the infant is exempt from MSR, as long as the county finds the infant eligible for Medi-Cal on any basis, the infant in this example will continue in no SOC Medi-Cal until age one year. If the county does not find eligibility under any Medi-Cal program, the infant is ineligible for Medi-Cal.

11/08	12/08	01/09	02/09	3/09	4/09	5/09	6/09	7/09	8/09	9/09	10/09	11/09
New APP Eligibility No SOC	No SOC Infant born	No SOC	Mother relinquishes custody of child CEC	CEC	CEC	CEC County applies SB 87 rules	If not eligible for Medi-Cal Term.					
(1)	[1] (2)	[2] (3)	[3] (4)	[4] (5)	[5] (6)	[6] (7)	[7] (8)	[8] (9)	[9] (10)	[10] (11)	[11] (12)	[12] (13)

Foster Care Children

Whenever a child under 19 years of age loses foster care eligibility and does not qualify under the Extended Medi-Cal Eligibility for Former Foster Care Child (FFCC) program (refer to ACWDL 00-41 and 00-61), CEC is applicable. The child is entitled to six months of CEC. Counties should maintain a Medi-Cal case file for each CEC child until:

- they reach the end of the CEC period; or
- otherwise terminate by moving out of state; or
- they notify the county of the desire not to continue in the Medi-Cal program.

The FFCC Program takes priority over CEC. Individuals who were in foster care on their 18th birthday are eligible to receive no-cost Medi-Cal until their 21st birthday. These children do not get CEC as they receive aid under aid code 4M.

Example 19: Children losing foster care eligibility

A 17-year-old child is under a foster care detention order until 3/09 when s/he returns to the home of his/her biological parents and the judge released the order. The last foster care redetermination was in 12/08. Under the new six-month CEC, if the family's income results in the child getting a SOC when he returns home, the child's CEC period is from 01/09 to 06/09. When CEC ends, the county shall apply the SB 87 process to determine the child's eligibility under all Medi-Cal programs.

01/09	02/09	03/09	04/09	05/09	06/09	5/09	6/09	7/09	8/09	9/09	10/09
FC	FC	FC Ends Detention order dismissed	CEC	CEC	CEC ENDS Apply SB 87 process						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)

Inter-County Transfer

Children already in CEC do not lose eligibility for CEC when they change county of residence within the State. Children continue their CEC period in the new county of residence.

Example 20: Inter-County transfer with MSR due in new county of residence

Mother and one child have no SOC effective application month 01/09. The mother reports a change in county of residency effective 3/09 with four months remaining in his six-month CEC period (until 6/09). The family's MSR is due in 07/09 in the new county. The family is only SOC eligible after MSR determination. If child's family income is within the HFP guidelines, the county shall place the child into aid code 7X and bridge to HFP 08/09 and refer the case with parental consent. The child can remain SOC eligible. If there is a change to no SOC after the bridging occurs and again to SOC before RV, CEC is available until the RV is due.

1/09	2/09	3/09	4/09	5/09	6/09	7/09	8/09	9/09	10/09	11/09	12/09
No SOC	No SOC	No SOC	No SOC	No SOC	No SOC	No SOC	SOC	SOC	SOC	SOC	Family
Aided	Aided in	Aided in	Aided in	New	MSR	MSR	MSR				Annual
in other	other	other	other	County	mailed	due	Effective				RV due
County	County	County	County	month 5	CEC						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)

Questions and Answers – CEC Policy Clarification

The following questions were submitted by counties regarding the new six-month CEC period.

1. Is failure to provide an MSR now a reason to discontinue a child?

A. Yes, except under these circumstances. The family's failure to submit an MSR will affect the non-exempt child's eligibility. There are exceptions which will not result in the child losing Medi-Cal because the parent/caretaker failed to submit the MSR.

One exception is when a child with his own CEC period returns home to live with his family and the parents are required to submit an MSR. When the parent failed to submit an MSR, the child would be protected by his own CEC period and remain

eligible until the end of the CEC period. At the end of the child's CEC period, the county must complete the child's eligibility under the SB 87 process.

2. Mother and infant (under age one year) have 1931(b) eligibility. At MSR, the mother failed to return the MSR and the county took action to terminate her from Medi-Cal due to failure to cooperate. Because the infant is exempt from the MSR requirement, the infant remains eligible for Medi-Cal. *Does this rule still apply?*

A. Yes the rule continues to apply. The infant is exempt from the MSR requirement; therefore, the infant remains eligible until age one year.

3. Will determination of continued eligibility based on an MSR trigger a new six-month CEC period or does the CEC period the child is currently in just continue for the remainder of the six-month period? (Example: Family enters Medi-Cal in 1/09, so CEC period for the children is 1/09-6/09. MSR is due during 7/09. The child already would have started a new CEC period in 7/09, running through 12/09 when the RV is due.)

A. The MSR determination will trigger a new CEC period up to the RV due month. In the above scenario, if the child is determined no-SOC eligible at MSR (8/09), any changes in family circumstances after 8/09 that would result in the family getting SOC Medi-Cal or ineligibility would trigger CEC eligibility for the child until the RV. See example #3 above.

4. Aside from the 12 to 6 months reduction, are other CEC rules still the same?

A. CEC rules such as eligibility have not changed. The new State law only reduced the CEC eligibility period from twelve to six months and the county must evaluate children again at MSR.

5. Can CEC still begin in a retro month?

A. Yes. See Examples 13, 14 and 15.

6. Do children still become ineligible for six-month CEC for the same reasons as 12-month CEC?

A. Yes, ineligibility for the six-month CEC period includes, child moves out of State (loss of residency), the child dies, parent/caretaker requests discontinuance, voluntarily withdrawal, failure to cooperate with the eligibility determination process, or the child turns 19 years of age.

7. Does a child's CEC period continue even if fraud or administrative error is discovered after the CEC cycle has begun?

A. Yes, the child's/infant's CEC period continues. According to correspondence with the Centers for Medicare and Medicaid, the failure of a parent(s) to report changes does not affect the Medi-Cal eligibility of children.

8. Can DE (deemed eligibility) and CEC still run concurrently?

A. Yes, DE and CEC still run concurrently. However, the CEC period is six months instead of 12.

9. The state previously told counties that a deemed eligible infant has a CEC guarantee period from birth through age one year (see ACWDL 07-03). Does this change with the new requirement?

A. DE takes precedence over CEC. DE gives infants continuous eligibility until age one year. The infant continues to have DE up to age one year provided the infant meets certain conditions such as the infant must continue to live with the mother; the infant and mother retain CA residency and the mother remains Medi-Cal eligible. See examples 16 and 17.

10. ACWDL 07-03 states the following concerning DE and CEC: An infant *under* age one year does not need the benefits of Bridging because once an infant has no cost Medi-Cal, the infant remains no cost Medi-Cal eligible either under DE for Infants or under CEC until an RV at age one year. *Does the same rule still apply?*

A. Yes, the same DE rule applies when the infant is "deemed" eligible for Medi-Cal. See the section CEC and DE for infants. Generally, if an infant's family is also on Medi-Cal, they will have an Annual RV before the deemed infant reaches age one year. The infant, while unaffected by the redetermination due to DE, is included in the MFBU eligibility at Annual RV. However, when an infant does not meet all of the DE requirements and loses DE, CEC will protect the infant only for six months and requires Bridging, if eligible.

The length of deemed eligibility is complicated because under federal law (Title XIX Section 1902(E)(4)) the statute deems eligibility for one year and then only continues such eligibility within that year if certain conditions are met. Those conditions are: (1) the infant continues to live with his/her mother; and (2) the mother remains eligible for Medi-Cal or would have remained eligible if she were still pregnant. Note that the deemed infant will have no-cost Medi-Cal if his/her mother did in the month of birth or the deemed infant will have the same SOC as the mother did if the mother met her SOC in the birth month. If the mother did not meet her SOC if she had one, she did not "receive" Medi-Cal and the infant is not "deemed". However, if a deemed infant loses DE, there is the federal provision of CEC (Title XIX Section 1902(e)(12)). Where CEC covered an infant up to 12-months, it now continues this infant for only up to six months.

11. In ACWDL 03-49, the DE infant could have a concurrent CEC period that would protect them from a SOC increase in the event that the DE eligibility ended (mom left home.) *How does the new six-month CEC period apply to this scenario?*

A – 1. If the mother left home (meaning she has relinquished custody of the child or the State has taken custody of the infant), the infant is no longer “deemed” eligible. The infant has protection under CEC for the remainder of the six-months, which began in the birth month. If the infant is at or past the six months, because the infant is exempt from the MSR requirement, the county must apply SB 87 rules to determine eligibility for the infant under all Medi-Cal programs.

The following two additional scenarios will show that although CEC runs concurrently, it does not apply because DE covers the infant under each circumstance until age one.

A – 2. If the mother has not relinquished custody but has left the home, the separation may cause the infant to lose no cost Medi-Cal because the infant is separated from the mother. When the Medi-Cal Family Budget Unit’s determination resulted in an increase in income and thereby established SOC Medi-Cal for the family. DE continues to protect the infant at no SOC until age one year.

A – 3. If the mother has not relinquished custody but has left the home; the separation may cause the infant to have an increase in SOC because the infant is separated from the mother. The Medi-Cal Family Budget Unit’s redetermination resulted in an increase in income and thereby established a higher SOC for the family. DE continues to protect the infant at the initial SOC until age one year.

12. How will the CEC period be set for the DE infant? Is the six-month CEC Period established from the infant's date of birth or up to six months based on the last RV?

A. CEC for any infant is set from the infant's birth month.

13. Are children still eligible for CEC when going from CalWORKs, Foster Care, AAP, SSI, etc., to Medi-Cal Only?

A. Yes, eligibility for CEC has not changed, only the period of eligibility. Please reference the MSR ACWDL transitioning beneficiaries to Medi-Cal.

14. If the original CEC period is 7-09 to 12-09 and the child goes from SOC in 7-09 to zero SOC in 9-09 and back to SOC in 10-09, does the CEC period change or does it just finish out in 12-09?

A. The CEC no-SOC Medi-Cal period is from 10/09 and ends 12/09. The CEC period does not change. CEC is available for up to six months from the date of initial eligibility, MSR, or RV. It is used to protect a child going from no SOC to SOC, if that occurs, during the six-month period when CEC is available.

15. The child is now in his sixth month of the current CEC period and receiving Medi-Cal under aid code 7J, how would this change affect children who are already in the current 12- month CEC period? For example: Redetermination was in 2/08 so CEC period is 3/08 to 2/09. The family reports SSA survivor benefits that render the family ineligible for 1931(b) but the child was continued with no SOC due to CEC. The next RV is not until 2/09. Does the child continue with no SOC eligibility under CEC until 2/09 as we had previously allowed?

A. Yes. The county should continue the child's CEC coverage pending the RV in February 2009. The county, should not mail an MSR to the family in December followed by an RV packet in January. Some counties are sending out the RV packets to the families earlier than the eleventh month. It would be confusing for the family to complete an MSR and a RV packet on the following month.

16. A family is approved for 1931(b) at intake and after one month, they report an increase in income that causes the case to go to initial TMC. After the initial TMC ends, the family is found to be over income for additional TMC. *Can the children get CEC until the next annual redetermination?*

A. Yes. After the redetermination and before the next RV, the child may be eligible for CEC if the family would get no SOC Medi-Cal followed by a SOC month before the RV is due.

17. If a child is CEC and must now provide an MSR due to the new MSR rule change, and that child has gone to live with Uncle John but is aided in mom's case through the end of the CEC period, who gets the MSR?

A. When the child leaves home, the child takes his CEC period with him. The county must set up a separate case for the child with his uncle as the caretaker relative and the child is not exempt from the MSR requirement.

If the mother has other children in the home with Medi-Cal eligibility, she is under the MSR reporting requirement to continue coverage for other children. If she has no eligible child in the home, the county would complete an SB 87 determination for the mother under all other Medi-Cal programs. If the mother has no linkage to Medi-Cal, the county terminates her from Medi-Cal.

18. How does income fluctuation affect the CEC period? Example: Child's income goes up, the child goes into CEC coverage, and then the family's income drops after two months, and the child goes back into regular no-cost Medi-Cal. Does this trigger a new six-month CEC period?

A. No, The family's income changes do not trigger a new six-month CEC period. CEC begins at application, MSR determination, and annual RV. Example 4 illustrates how CEC applies when family income fluctuates within a CEC time period.

CEC is available when a child would have no SOC month followed by a month with SOC Medi-Cal.

19. What if the six-month period spans to the month in which the RV is due? The current CEC period is driven by the RV date. Does that still govern the six-month periods?

A. Yes, either initial determination or RV drives the CEC period. After the MSR, the CEC period ends in the month of RV. The first CEC period occurred at initial determination and ended with receipt of the MSR. Again, after the MSR determination, the child can get CEC coverage again until the end of the month the RV is due.

20. The child moves in with a caretaker relative at the end of the six-month CEC period, can CEC start all over again?

A. Yes, it can. The child, at the end of the six-month period must complete an MSR. After the MSR determination, there is a new CEC period until the month the RV is due. The child can also have a break-in-aid with the caretaker relative reapplying for the child in which the new application would also give the child a new CEC period.

21. When a CEC child comes into a case from another case, is his CEC period based on the new rules? In other words, if he was already getting CEC on the old regulations (maybe he's in month 7 or 8 of the old 12-month cycle) or his CEC started in the month after his old household did their MSR, would he no longer get CEC?

A. When a child returns to his parent's home and he is already in his 7 or 8 month of his 12-month CEC period, the child would stay in CEC until he completes his 12-month cycle. At the end of his 12-month CEC period, the county shall redetermine his eligibility using the SB 87 process. If the family is determined SOC eligible and the child is eligible for HFP, the county shall bridge the child to HFP for one month under no-cost Medi-Cal. In addition, the child can remain SOC Medi-Cal until the family's RV is due.

22. The county discontinues a case for failure to comply with MSR. The county determined there was no good cause for failure to comply. The family reapplies for Medi-Cal. Is the CEC period established at the initial application if the previous application was completed within a 12-month period?

A. When the family reapplies, it establishes a new 6-month eligibility period. CEC establishes with the new application.

If you have any questions concerning this letter or require additional information concerning the reduction of time coverage for CEC, please contact Sherilyn Walden at Sherilyn.Walden@dhcs.ca.gov or call 916-552-9502.

For questions pertaining to Bridging, please contact Coleen Keelan at Coleen.Keelan@dhcs.ca.gov or call 916-445-4062.

For questions pertaining to Foster Care and Adoption Assistance Program, please contact Helen Cahueque at Helen.Cahueque@dhcs.ca.gov or call 916-552-9482.

For questions pertaining to ICT/RV, please contact Debora Wong-Kochi at Debora.Wong-Kochi@dhcs.ca.gov or call 916-552-9490.

For questions pertaining to the MSR, please contact Braden Oparowski at Braden.Oparowski@dhcs.ca.gov or call 916-552-9520.

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Original Signed By:

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