



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



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Director

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Governor

December 3, 2008

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 08-56
ALL COUNTY WELFARE ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS
ALL COUNTY MEDS LIAISONS

SUBJECT: CHANGES TO THE MEDI-CAL MIDYEAR STATUS REPORT (MSR)
REQUIREMENTS

Reference: ACWDL Nos. 01-36, 01-39, 02-59, 03-12, 04-14, 07-03 and 07-24.

This All County Welfare Directors Letter (ACWDL) supersedes and obsoletes MSR directions provided in ACWDL Nos. 03-41, 04-06, 04-26 and 04-34.

MEDI-CAL MIDYEAR STATUS REPORT (MSR)

The purpose of this ACWDL is to provide counties with the instructions for implementing the changes to the Medi-Cal status reporting requirements contained in Assembly Bill (AB) 1183, Chapter 758, Statutes of 2008. As a result of this statute, Section 14011.16 of the Welfare and Institutions (W&I) Code was amended to require children under age 19 to file a MSR and Section 14011.17 of the W&I Code was added to exempt certain groups from the reporting requirements. In addition, Section 14011.18 was added to require data collection and analysis to be conducted. Coinciding with the MSR requirement for children, W&I Code Section 14005.25 was amended to reduce Continuous Eligibility for Children (CEC) from 12 months to 6 months, effective upon the first day of the month following 90 days of the operative date of the amendments, which is January 1, 2009. The new MSR requirements are in effect for the same time period in which there is a reduction in CEC from 12 to 6 months, requiring a January 1, 2009 implementation. A separate ACWDL has been issued to provide counties with instructions on the reduced time period for CEC, from 12 months to 6 months effective January 1, 2009.

As a result of the reduced CEC time period, non-exempt children will be terminated from Medi-Cal whenever a parent/caregiver fails to submit a MSR.

This ACWDL consolidates all previous MSR instructions provided to counties and incorporates the new mandates.

BACKGROUND

Effective January 1, 2001, AB 2877 (Chapter 93, Statutes of 2000) eliminated the mandatory quarterly status report previously required by Title 22 California Code of Regulations Section 50191. The Department of Health Care Services (DHCS) issued ACWDL 00-64 on December 8, 2000, instructing counties on the elimination of the mandatory Medi-Cal quarterly status report requirement. Senate Bill (SB) X1 26 added Section 14011.16 of the W&I Code, which mandates the semi-annual reporting requirements, effective August 1, 2003, for certain non-exempt beneficiaries.

This letter contains the following sections:

Section I:	Beneficiaries Exempt from MSR Requirements
Section II:	Pregnancy and Postpartum Exemption
Section III:	Revised MSR Form (MC 176 S)
Section IV:	Implementation
Section V:	MSR Processing
Section VI:	Revised Notice of Action (NOA)
Section VII:	Data Collection
Section VIII:	Enclosures

Enclosures:

Enclosure I:	Examples of Case Situations
Enclosure II:	Frequently Asked Questions
Enclosure III:	Revised MSR Form
Enclosure IV:	Revised NOA
Enclosure V:	CBO Flyer / County Insert Flyer

SECTION I: BENEFICIARIES EXEMPT FROM MSR REQUIREMENTS

Section 14011.16 of the W&I Code exempts MSR requirements for:

- Beneficiaries whose eligibility is based on aged, blindness, and disability.

AB 1183 added Section 14011.17 to the W&I Code that exempts the following beneficiaries:

- Pregnant women whose eligibility is based on pregnancy; (exemption for all pregnant women clarified below);
- Beneficiaries receiving Medi-Cal through the Adoptions Assistance Program;
- Beneficiaries who have a public guardian;
- Medically Indigent children not living with a parent or relative and who have a public agency assuming their financial responsibility (including foster children);
- Individuals receiving minor consent services;
- Beneficiaries in the State administered Breast and Cervical Cancer Treatment Program (BCCTP);
- Beneficiaries who are California Work Opportunity for Kids (CalWORKs) recipients and custodial parents whose children are CalWORKs recipients.

Section 14011.16 of the W&I Code permits DHCS to exempt other groups as necessary from the MSR requirements for simplicity of administration. In addition to the mandated group of exempt beneficiaries listed above, DHCS shall exempt:

- All pregnant and postpartum women who have reported their pregnancy to the county;
- All infants less than one year of age (including deemed infants (DE) and non-DE children);
- Former Foster Care Children;
- Children who have a disability that is verified in the case record;
- Beneficiaries receiving Transitional Medi-Cal (TMC).

In 2003, for simplicity of the administration of the program, DHCS had exempted all children under age 21 from MSR requirements. As a result of the recent mandate, children under the age 19 must comply with MSR requirements. Therefore, DHCS now requires that counties send the MSR to all non-exempt children up to age 21.

The fact that a beneficiary is exempt from MSR does not affect any other reporting obligations. Medi-Cal beneficiaries are required to report changes in circumstances within ten (10) days as explained in the Rights and Responsibilities form MC 219 and to complete a timely annual redetermination. Counties shall follow current policy whenever an exempt beneficiary reports a change in circumstances.

SECTION II: PREGNANCY AND POSTPARTUM EXEMPTION

To qualify for exemption from the MSR requirements based on pregnancy, a non-exempt beneficiary must notify a county eligibility worker that she is pregnant prior to the county sending the MSR or during the MSR process. Contact would include, but not be limited to, telephone contact, submission of the annual redetermination (RV) form MC 210 RV or the MSR form MC 176 S on which pregnancy is reported.

Once the county is notified, the pregnant woman will be determined exempt from the MSR reporting requirement for the duration of her pregnancy and the 60-day postpartum period. The mandatory MSR requirements will resume at the next regular interval after the 60-day postpartum period ends, unless the beneficiary qualifies for another MSR exemption. The MSR should be due six months after the last RV or initial eligibility month, according to the same schedule prior to her pregnancy exemption. When a beneficiary reports her pregnancy after 30 days of discontinuance, counties must review good cause regulation, Title 22, California Code of Regulations (CCR) Section 50175(c) and, if good cause exists, rescind any prior termination based on failure to return the MSR that was due during the time the beneficiary was pregnant or in the 60-day postpartum period.

SECTION III: REVISED MSR FORM (MC 176 S)

DHCS developed a simplified MSR form that is to be completed by non-exempt beneficiaries midway through the eligibility year, as described below. Counties and consortia should take all measures to not send the MSR form to households that are identified as containing only exempt beneficiaries. This form has been updated to comply with the new reporting requirement changes. DHCS will translate the MSR form in threshold languages. During the month of December 2008, the translated forms will be posted on the DHCS website on a flow basis and counties will be advised as soon as they are available. Also, supplies of the MSR form printed in English and Spanish will be available in the DHCS warehouse. Counties are required to forward the revised MC 176 S form to non-exempt beneficiaries.

DHCS does not require beneficiaries to submit documentation at the initial stage of the MSR process. Although documentation is not required with submission of the MSR, if reported circumstances have changed, counties must request documentation when Medi-Cal eligibility cannot be redetermined from the explanation provided by the beneficiary.

Counties will now be required to Bridge children to the Healthy Families Program (HFP) when the MSR documents an income increase that would result in a child no longer

being eligible for no-cost Medi-Cal. Therefore, DHCS has added the standardized consent statement to Page 2 of the MSR form. The statement reads as follows: "I do not want Medi-Cal to share my child's information with the low-cost Healthy Families Program". If the box is checked, counties shall Bridge the child for one month, but will not forward the case information to the HFP. Counties are reminded that they are to follow the instructions given in ACWDL 07-03 to confirm that the beneficiary does not want their information to be sent to the HFP if the box is checked. If the box is left unchecked, counties shall Bridge the child and follow current procedures for sending case information to HFP. The direction regarding sending information to HFP provided by the parent or guardian on the MSR supersedes any prior direction provided on the application or RV forms previously submitted to the county office.

SECTION IV: IMPLEMENTATION

Medi-Cal only cases

Using the non-exempt beneficiary's current reporting schedule, counties must implement the new MSR requirements of the W&I Code, Sections 14011.16, 14011.17 and 14011.18 effective January 1, 2009, in accordance with the changes to the children's eligibility resulting from the reduced CEC time period. All non-exempt Medi-Cal beneficiaries shall be required to complete and file an MSR form six months after the initial eligibility month or the month in which the most recent RV was due, whichever is later. Counties shall mail the MSR in sufficient time to be received by non-exempt beneficiary by the 10th of the month. The MSR form must be returned to counties by the 5th of the following month.

CalWORKs Cases Transitioning to Medi-Cal Only

A CalWORKs beneficiary who is discontinued from CalWORKs for failure to submit a status report (QR7) is transitioned to Medi-Cal only (aid code 3N or 38). As such the former CalWORKs beneficiary is no longer exempt from the MSR requirements unless the beneficiary is transitioned to another non-exempt category. The county shall require these non-exempt beneficiaries to complete a MSR six months after their initial CalWORKs eligibility month or the most recent RV.

However, if a CalWORKs beneficiary is discontinued from CalWORKs for failure to submit a CalWORKs status report (QR7) and is transitioned to Medi-Cal only in the same time period as the month the MSR would be mailed, the beneficiary is no longer considered exempt and must immediately comply with the MSR requirements. The county shall require these non-exempt Medi-Cal only beneficiaries to complete a MSR in the next possible month, allowing for the MSR to be mailed in month one and due in

month two. The time frame for the MSR submission in this case is independent of the annual redetermination date and is not to change the annual redetermination date.

For example, if a CalWORKs beneficiary fails to submit a QR7 in CalWORKs quarter one, and the beneficiary is subsequently transitioned to Medi-Cal only, the beneficiary will be required to submit a MSR six months after their CalWORKs initial eligibility month or most recent RV, whichever is sooner.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
One	Two	Three	Four	Five	Six	Seven	Eight	Nine	Ten	Eleven	Twelve
Initial Eligibility Month		QR7 not returned in quarter 1			MSR Mail Month Mail to be received by the 10 th	MSR Due Month Due by 5 th				Mail Annual Packet by End of Month	Annual Packet Due

If a CalWORKs beneficiary fails to submit a QR7 in CalWORKs quarter two, and the beneficiary is subsequently transitioned to Medi-Cal only, the beneficiary will be required to submit a MSR, and the county will mail it in the next possible month.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
One	Two	Three	Four	Five	Six	Seven	Eight	Nine	Ten	Eleven	Twelve
Initial Eligibility Month					QR7 not returned in quarter 2	MSR Mail Month Mail to be received by the 10 th	MSR Due Month Due by 5 th			Mail Annual Packet by End of Month	Annual Packet Due

If the CalWORKs beneficiary fails to submit the QR7 in quarter three, and the beneficiary is subsequently transitioned to Medi-Cal, the beneficiary does not report to Medi-Cal until their RV.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
One	Two	Three	Four	Five	Six	Seven	Eight	Nine	Ten	Eleven	Twelve
Initial Eligibility Month								QR7 not returned in quarter 3		Mail Annual Packet by End of Month	Annual Packet Due

Counties shall follow the MSR processing instructions outlined in Section V of this ACWDL. Counties, after receiving a complete or incomplete MSR, shall request more recent documentation, if needed, to make a Medi-Cal determination.

Reporting Schedule

Counties shall continue the current policy to mail the MSR to the non-exempt beneficiary in the sixth month (MSR mail month) beginning the first month of eligibility which is usually the month of application or the month in which the most recent RV was due. The non-exempt beneficiary is to complete and return the MSR in the seventh month (MSR due month). The non-exempt beneficiary is to receive the MSR no later than the tenth day of the MSR mail month to be completed and returned by the fifth day of the MSR due month. When the fifth or tenth days of the month fall on a holiday or weekend, the county shall extend the deadline to the next business day. For quality assurance purposes, counties are instructed to retain evidence in the case file of the date-stamp indicating receipt of the returned MSR.

Sample MSR Reporting Cycle: Initial 12-Month Period

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
One	Two	Three	Four	Five	Six	Seven	Eight	Nine	Ten	Eleven	Twelve
Initial Eligibility Month					MSR Mail Month Mail to be received by the 10 th	MSR Due Month Due by 5 th				Mail Annual Packet by End of Month	Annual Packet Due

Sample MSR Reporting Cycle: New 12-Month Period

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
One	Two	Three	Four	Five	Six	Seven	Eight	Nine	Ten	Eleven	Twelve	
New 12-Month Period Begins					MSR Mail Month Mail to be received by the 10 th	MSR Due Month Due by 5 th					Mail Annual Packet by End of Month	Annual Packet Due

County automated systems have been programmed to notify eligibility staff, in advance, when a beneficiary’s MSR is due so that the beneficiary receives the necessary paperwork in a timely manner. Counties must update their current MSR process to expand the non-exempt beneficiaries scheduled to receive the MSR.

SECTION V: MSR PROCESSING

The new reporting requirements do not change the way the counties are to process MSRs. The counties are required to redetermine Medi-Cal eligibility for each MSR received that indicates a change in circumstances.

Non-exempt beneficiaries failing to submit the MSR become an ineligible (IE) member of the Medi-Cal household. Counties should continue to follow Procedures Manual Article 8 – Responsible Relatives and Unit Determination in this situation.

The following sub-sections will provide counties with instructions on how to process the MSR:

Complete MSR Received

The MSR is considered complete when:

- The box in Section 1 is checked and the MSR is signed and dated. (In a two-parent household, only one parent is required to sign) OR
- The box in Section 1 is not checked but Section 2 is completed and the MSR is signed and dated in Section 3.

The beneficiary may sign and date the MSR anytime after the receipt. When the beneficiary submits the completed MSR by the 5th of the MSR Due Month, the beneficiary has met the state reporting requirements. The county will evaluate the MSR for continued eligibility.

When a completed MSR reflects a change in circumstances that may affect eligibility, counties must conduct a redetermination using the SB 87 redetermination process described below.

Income Documentation Needed

When the beneficiary indicates an income change and provides the county with complete information to determine continued eligibility, the beneficiary is not required to submit any documentation with the MSR. However, when the beneficiary does not provide sufficient information in response to the questions on the MSR about the change in income for the county to determine continued eligibility, or the ex parte review does not locate this information, the county must contact the beneficiary to obtain additional information and, where necessary, documentation.

Incomplete MSR Received

The MSR is considered incomplete when:

- The box in Section 1 is checked but the MSR is not signed and dated in Section 3; OR
- The box in Section 1 is not checked but a box in Section 2 is checked “yes” and no explanation is given if an explanation is required; OR
- The box in Section 1 is not checked and Section 2 is completed; however, the MSR is not signed and dated in Section 3.

When the beneficiary submits an incomplete MSR, the county must follow the SB 87 process before initiating any discontinuance action:

1. Conduct the ex parte review – an evaluation of all sources of information available to the county (all case files used should be open and current or not closed for more than 45 days);
2. Attempt telephone contact with the beneficiary;
3. Mail out the MC 355 (request for information form).

The county must send the MC 239 I, Notice of Action (NOA) only after the SB 87 process has failed to establish continued eligibility. Counties must allow the appropriate

SB 87 timeframes for the return of the MC 355 when forwarded to the beneficiary (20 days for the initial MC 355 and 10 days for a subsequent MC 355 when more information is needed). If the only item lacking is a signature, it is not necessary to conduct an ex parte review. The county may make a telephone call to alert the beneficiary prior to mailing the incomplete MSR back to the beneficiary with instructions to sign and return the form to the county within the appropriate SB 87 timeframe. In the meantime, counties should continue to work the case while awaiting the signed form. Each step the county took in attempting to resolve the incomplete MSR must be annotated on the MC 239 I, as well as the name of each beneficiary being terminated. If counties require further clarification on the SB 87 process, they are reminded to refer to ACWDL 07-24.

MSR Not Received Timely

When the beneficiary fails to submit the completed MSR by the 5th of the MSR Due Month, the county shall send the MC 239 I (Discontinuance of Benefits Status Report Not Received or Not Completed) NOA. The name of each beneficiary whose Medi-Cal benefits are being terminated and the effective date must be written on the MC 239 I NOA. The discontinuance action will be effective beginning the first month after the MSR Due Month. However, in cases that the county determines that the date the family has returned the MSR is too late to send a 10-day discontinuance NOA that complies with all due process requirements, the discontinuance action shall be effective the first calendar month when this is possible.

MSR Received After Discontinuance Date

When the beneficiary submits the completed MSR after the 5th of the MSR Due Month and before the effective discontinuance date, the county must evaluate the MSR for continued eligibility. If the MSR is completed and continued eligibility exists, the county must rescind the impending discontinuance action and notify the beneficiary.

When the beneficiary submits the completed MSR within 30 days after the discontinuance date, the county must evaluate the MSR for continued eligibility and rescind the discontinuance action if continued eligibility exists. Since Medi-Cal is based on whole month of eligibility, (if eligible in any day of the month, eligible for the entire month), the county may evaluate the MSR for continued eligibility and rescind the discontinuance action for beneficiaries who submit a complete MSR on the 31st day of the month after the discontinuance date. For example the discontinuance date is April 30 and the MSR is received at the county on May 31.

When the beneficiary submits the MSR within 30 days after the discontinuance date and the form is incomplete, the county must follow the steps described above for incomplete MSRs. If the beneficiary provides the necessary information within the timelines described and continued eligibility is established, the county shall rescind the discontinuance action. A notice of action shall be sent to the beneficiary.

When the non-exempt beneficiary submits the completed MSR after the last day of the month following the discontinuance date, counties should review the case to determine whether good cause regulations Title 22, CCR Section 50175 (c) apply to the situation. If good cause is determined, counties shall accept the completed MSR and process it as if it were submitted timely. If no good cause is determined, the county shall notify the beneficiary that there is no change to the discontinuance action taken and if the beneficiary wishes to receive Medi-Cal benefits again, he/she shall complete a new Medi-Cal application to determine eligibility.

MSR Returned Undeliverable

Any time the MSR, or other mail, is returned to the county as undeliverable, the county is required to follow the three-step SB 87 process to redetermine eligibility. The county must not terminate eligibility for loss of contact before following these three steps. After following this process and the beneficiary's whereabouts remain unknown, the county can terminate the case.

Intercounty Transfers (ICTs)

If the non-exempt beneficiary is required to submit a MSR when a change of county residence is reported, and the Sending County has already sent the beneficiary a MSR in the mail, the beneficiary has the responsibility to submit the MSR. During the transition between counties, the Sending County continues to be the county of responsibility to ensure the beneficiary completes the MSR. Upon notification of the change in county residence, the Sending County shall promptly change the beneficiary's address and residence county on MEDS to facilitate health care access pending the initiation of the ICT.

The Sending County shall complete the MC 360 and include a copy of the MSR, if available, and forward the ICT packet to the Receiving County. After the completion of the ICT, the Receiving County shall be responsible for the changes reported.

- Complete MSR

If the non-exempt beneficiary submits a complete MSR and reports a change on

the MSR such as household composition, income or assets, etc., the Sending County shall complete the MC 360 and forward a copy of the complete MSR to the Receiving County. After the ICT has been completed, the Receiving County will complete the eligibility review.

- Incomplete MSR

If the non-exempt beneficiary submits an incomplete MSR to the Sending County, the Sending County shall complete the MC 360 and forward the incomplete MSR to the Receiving County. The Receiving County is responsible for processing the incomplete MSR submitted by the beneficiary during the ICT. After the ICT, the Receiving County shall complete the processing of the MSR.

- MSR Not Received Timely

If the non-exempt beneficiary fails to submit a MSR by the due date, the Sending County may initiate action to discontinue benefits with a 10-day NOA if the non-exempt beneficiary is the only member of the Medi-Cal Family Budget Unit (MFBU). The Sending County shall not initiate an ICT because the beneficiary will not be eligible for Medi-Cal.

If the MFBU contains exempt and non-exempt beneficiaries, the Sending County shall initiate action to terminate benefits with a 10-day NOA for those non-exempt members of the MFBU. The Sending County is still required to complete an ICT to the Receiving County for the exempt beneficiaries in the MFBU. The Sending County must complete the MC 360 and identify those ineligible members of the MFBU.

See ACWDL 03-12 and ACWDL 04-14 for additional information regarding ICT at the time of the MSR.

SECTION VI: REVISED NOTICE OF ACTION

The revised MC 239 I NOA (Discontinuance of Benefits Status Report Not Received or Not Completed) in the appropriate threshold languages shall be provided to the non-exempt beneficiary when:

- The MSR is not submitted timely or
- Incomplete information has not been resolved through the SB 87 process.

The county must annotate the name of each beneficiary whose Medi-Cal benefits are being terminated and, when appropriate, indicate each action attempted by the county to resolve the incomplete MSR on the MC 239 I.

SECTION VII: DATA COLLECTION

Section 14011.18 was added to the W&I Code which requires DHCS to provide the Legislature with a report of the impact of imposing the MSR requirements on children. The report shall be funded in its entirety by non-profit organizations and universities. It is expected that the data for this report will be primarily extracted from the Medi-Cal Eligibility Data System (MEDS).

The Department shall collect data, conduct research, and report to the Legislature on the following:

1. The number of children enrolled in Medi-Cal by eligibility category (aid code) prior to the imposition of semiannual status reporting and on a quarterly basis after the imposition of semiannual reporting. Within each eligibility category, the report also must identify the number of enrolled children in Medi-Cal managed care and in fee-for-service Medi-Cal.
2. The annual cost per child enrollee in managed care and by cost category in fee-for-service prior to the imposition of semiannual reporting and for the 2009-2010 fiscal year.
3. An analysis of enrollment interruptions and reinstatements for children prior to the imposition of semiannual reporting for the 2009-2010 fiscal year. The analysis shall include:
 - Data on the number of children disenrolled as a result of the semiannual reporting requirement;
 - The number of those children who were subsequently reenrolled in Medi-Cal by duration of their enrollment gap;
 - An analysis, to the extent feasible, of the extent to which enrollment gaps resulted from failure of families to file a complete semiannual report versus a change in family circumstances that resulted in a child no longer being eligible for no-cost Medi-Cal coverage;
 - The number of children that transitioned to the Healthy Families program as a result of semiannual reporting.

4. An estimate of the additional annual county eligibility administration costs or savings resulting from the processing of semiannual reports for children, disenrollment processing, reinstatement, reenrollment and caseload reductions.

County Action Required:

It is essential that MEDS transactions be accurate in order for DHCS to report on this data. Counties and consortia are instructed to use term code 64 (Failure to submit a Medi-Cal Mid-Year Status Report) as the term reason that should be submitted to MEDS when a beneficiary is discontinued for failure to submit the MSR. Term code 65 (Failure to submit a Medi-Cal RV) has also been established. Information pertaining to term code 65 will be provided in a future ACWDL. Term codes 64 and 65 will be available on MEDS beginning January 1, 2009. At this time it is unknown the extent that counties may be requested to participate in the other types of data collection for the evaluation report.

SECTION VIII: ENCLOSURES

This ACWDL contains five enclosures intended to assist counties when implementing these new MSR requirements:

- Enclosure I provides counties with examples of processing the MSR using different family situations
- Enclosure II provides answers to frequently asked questions that arose during the 2003 implementation as well as anticipated questions for the new requirements.
- Enclosure III is the revised MSR form.
- Enclosure IV is the revised NOA as described above.
- Enclosure V offers two samples of outreach materials counties can use to inform beneficiaries of changes to Medi-Cal reporting requirements.

The County Insert Flyer will be translated for all threshold languages. This flyer is to be distributed by counties to beneficiaries when they receive their first MSR packet. The CBO Flyer is to be used by Community Based Organizations and posted throughout county offices so that beneficiaries visiting a county office will be informed of the changes to the mid-year status reporting process.

All County Welfare Directors Letter No: 08-56
Page 15

If you have any questions concerning this ACWDL you may contact Mr. Braden Oparowski at (916) 552-9520 or via email at Braden.Oparowski@dhcs.ca.gov.

ORIGINAL SIGNED BY

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ENCLOSURE I EXAMPLE CASE SITUATIONS

Scenario 1: Using the same case information, six different situations are presented to illustrate county action based on the beneficiary's submission of the MSR change of circumstances. The counties followed the eligibility hierarchy in making the determinations in these examples.

Case Information:

1931(b) Medi-Cal only, single parent with one child
MFBU: Father and one child age 8
Deprivation: Absent parent
Aid Code: 3N
MSR Non-Exempt Beneficiary: Father and 8-year-old child
MSR Exempt Beneficiary: None
MSR sent to non-exempt beneficiary by June 10, 2009

Situation 1 – Beneficiary fails to submit MSR

Client Action:

- Fails to submit the MSR by July 5, 2009, the due date of the MSR.

County Action:

- Terminates the father's and the child's Medi-Cal benefits under aid code 3N effective August 1, 2009, the first month following the status report due month.
- Sends timely MC 239 I Discontinuance Notice of Action to the father notifying him of termination.

Situation 2 – Beneficiary submits complete MSR with no changes, 25 days after termination

Client Action:

- On August 25, 2009, submits the completed MSR 25 days after the termination date.
- States he has no changes in Section 1 and completes Section 3.

County Action:

- Evaluates MSR for completeness.
- Determines father and child are currently eligible for Medi-Cal under Section 1931(b).
- Rescinds the father's and child's discontinuance action and reinstates the father and child's benefits under aid code 3N effective August 1, 2009.

- Sends appropriate NOA informing the father and child that the discontinuance is rescinded and Medi-Cal benefits are reinstated under aid code 3N effective August 1, 2009.

Situation 3 – Beneficiary submits complete MSR with changes, 25 days after termination

Client Action:

- On August 25, 2009, submits the completed MSR 25 days after the termination date.
- States he has changes. In Section 2 the Income Box is checked and the father states he is now disabled and receives \$1800 a month in Social Security benefits.

County Action:

- Evaluates the MSR for completeness.
- Determines the father is now eligible for Medi-Cal under the Aged, Blind or Disabled Medically Needy Share of Cost program from the information reported on the completed MSR. The child is also determined to have a share of cost under the Aid to Families with Dependent Children – Medically Needy (AFDC-MN) program.
- Because the father provided the MSR within 30 days, the county rescinds the father and child's discontinuance action and reinstates their Medi-Cal benefits under aid code 3N until they are properly notified on their SOC.
- Sends appropriate NOA informing the father and child that their discontinuance is rescinded effective August 1, 2009.
- Sends appropriate 10-day NOA informing father and child that they now have Medi-Cal with a SOC effective October 2009 (because there wasn't adequate time for the 10-day NOA in September, the SOC would not come into effect until October).
- For October month of eligibility, changes the father's aid code to 67 and the child's aid code to 37.
- Determines the father is now an exempt beneficiary from MSR reporting due to his disability status.
- If consent is given, the child should be Bridged to the Health Families Program.

Situation 4 – Beneficiary submits incomplete MSR with changes, 12 days after termination

Client Action:

- On August 12, 2009, submits the MSR 12 days after the termination date.
- Reports in Section 2 the start of a new job, but does not provide any other information.

County Action:

- Evaluates MSR for completeness and determines it is incomplete.
- Begins the SB 87 process. Conducts an ex parte review and it results in insufficient information to redetermine eligibility.
- Attempts to make telephone contact with the beneficiary, but contact cannot be established.
- Forwards the MC 355 (request for information) requesting needed information about the reported change in circumstances.
- Receives the MC 355 and MSR back within the SB 87 timeframe.
- Determines income received from the father's new job; changes the father's and his son's Medi-Cal benefits from 1931(b) to Transitional Medi-Cal (TMC) aid code 39 effective August 1, 2009.
- Rescinds the father and the child's discontinuance action.
- Sends appropriate NOA informing the beneficiary about change in Medi-Cal benefits from 1931(b) program to the TMC program.
- Determines the MSR reporting requirement is no longer required as the beneficiaries will now report according to TMC regulations.

Situation 5 – Beneficiary submits complete MSR 29 days after termination and there is no eligibility

Client Action:

- On August 29, 2009, submits MSR 29 days after the effective date of the termination notice.
- States he has changes. In Section 2 the Income and Living Situation boxes are checked. The father states he started a new job and is working full-time. He also states that the 8-year-old child moved out of state to live with his mother.

County Action:

- Evaluates MSR for completeness.
- Determines father is ineligible for Medi-Cal under any program.
- Determines the 8-year-old child is ineligible due to loss of residence.
- Calls the father or sends the father a notice informing him that he and his child's Medi-Cal continues to be discontinued because he has no linkage to the program and the child is no longer a resident of California. He would need to reapply for Medi-Cal if he wishes to receive Medi-Cal in the future.

Situation 6 – Beneficiary submits MSR 45 days after termination

Client Action:

- On September 14, 2009, submits the MSR 45 days after the termination date.
- Reports no changes.

County Action:

- County contacts beneficiary to determine whether good cause regulations Title 22, CCR Section 50175 (c) apply and county finds no good cause.
- Notifies the father through telephone or written correspondence that he must re-apply for benefits.
- Reapplication requires completion of appropriate application forms, including the MC 321 or MC 210.

Scenario 2: Using the same case information, two different situations are presented to illustrate county action based on the beneficiary's submission of the MSR and change of circumstances.

Case Information:

Medically Needy (MN) with a SOC, single parent with two children

MFBU: Mother and two children, ages 10 and 13

Deprivation: Absent Parent. Mother works full time; grosses \$2,000 per month

Aid Code: 37

MSR Non-Exempt Beneficiary: Mother, two children

MSR Exempt Beneficiary: None

MSR sent to non-exempt beneficiary by June 10, 2009

Situation 1 – Beneficiary's income decreases

Client Action:

- MSR is completed and returned by July 5, 2009, the due date of the MSR.
- States she has changes. In Section 2 the Income box is checked. The mother states she has been laid off and is now receiving \$50.00 per week in unemployment benefits.

County Action:

- Review the MSR for completeness.
- Redetermines Medi-Cal eligibility for the month of August 2009 based on the information reported in the MSR.
- Due to the reported income change, mother and children are eligible for no-SOC Medi-Cal.
- Send appropriate NOA informing the mother and children about the change from SOC to no-SOC Medi-Cal.

Situation 2 – Beneficiary reports Absent Parent returns to the home

Client Action:

- MSR is completed and returned by July 5, 2009, the due date of the MSR.
- States she has changes. In Section 2 the Income and Living Situation boxes are checked. The mother states her husband has returned to the home and does not want Medi-Cal. He works full-time and she provides all the necessary information about this job.

County Action:

- Reviews MSR for completeness.
- Redetermines Medi-Cal eligibility for the month of August 2009 for mother and children based on the changes reported in the MSR.

- Required the father to submit the MC 321 AP and adds father as an ineligible member of the MFBU.
- Determines the father is the Primary Wage Earner and is working over 100% federal poverty level limit.
- Discontinues mother due to no deprivation since Absent Parent has returned to the home and no other deprivation exists.
- Discontinues children from MN due to no deprivation and re-evaluates them for MI.
- Determines SOC for children increases due to the reported changes in the MSR.
- Send appropriate NOA informing the mother about her discontinuance and the increase to the children's SOC.
- If consent is given, the child will be Bridged to HFP for one month and the case file will be referred to HFP.

Scenario 3: Using the same case information, two different situations are presented to illustrate county action based on the beneficiary's submission of the MSR and change of circumstances.

Case Information:

Married couple with three children

MFBU: Father, mother and three children; 20, 18 and 15

Deprivation: Unemployed Parent. Father is the Primary Wage Earner

Aid Code: Father, mother and 15-year-old child in aid code 3N, 20-year-old child and 18-year-old child in aid code 34. The 18-year-old is not expected to graduate by age 19 so is therefore ineligible for 1931(b) Med-Cal.

MSR Non-Exempt Beneficiaries: Father, mother and children

MSR Exempt Beneficiaries: None

MSR sent out to non-exempt beneficiary by June 10, 2009

Situation 1 – Beneficiary submits timely MSR with changes

Client Action:

- The MSR is completed and returned by July 5, 2009, the due date of the MSR.
- States he has changes. In Section 2 the Income box is checked. The father states he started a new job and provides the name of the employer, gross income, how often paid, etc.

County Action:

- Redetermines Medi-Cal eligibility for the month of August 2009 based on the information provided in Section 2 in the MSR. The new reported net non-exempt income is over the Section 1931(b) MFBU limit for a household of three.
- Transfers the father, mother and 15 year-old-child into TMC aid code 39. The household received Section 1931(b) for at least three months out of the last six months.
- 20-year-old child and 18-year-old child are changed to aid code 83.
- Sends TMC NOA to father, mother and 15-year-old child. Sends appropriate NOA to 20-year-old child and 18-year-old child informing them of their change to aid code 83.
- Father, mother and 15-year-old child are no longer required to complete an MSR due to TMC reporting requirements.
- 20-year-old child and 18-year-old child are required to submit the MSR six months after their annual redetermination date due to their eligibility under aid code 83.

Situation 2 – Beneficiary fails to submit MSR

Client Action:

- Fails to submit the MSR by July 5, 2009, or next business day if the 5th falls on a weekend or holiday.

County Action:

- Sends timely MC 239I Discontinuance NOA informing father and mother about termination of Medi-Cal benefits for themselves and their 15-year-old child, 18-year-old child and 20-year-old child effective August 1, 2009.

Scenario 4: MSR Processing for Pregnant Women.

Case Information: Incapacitated-Parent Deprivation. Mother, father and two children; ages 10 and 13. MSR mail month is June 2009.

- The father is incapacitated.
- The father, mother and children are non-exempt MSR beneficiaries.
- On May 10, 2009, the mother verifies to the county that she is three months pregnant.
- The county changes the mother's MSR status to exempt since she has reported her pregnancy.
- The county sets the tickler for November 2009 to review the mother's pregnancy status.
- The MSR is mailed to the household in June 2009.
- Since the mother has already reported her pregnancy and there are no other changes to report, the father completes the MSR for himself and his children and checks the box in Section 1; No Changes to Report.
- The mother reports the birth of her child to the county on November 22, 2009.
- The mother remains exempt from MSR reporting through the 60-day postpartum period (December 2009-January 2010).
- The infant will be an exempt beneficiary until reaching one year of age.
- In January 2010, the household is required to complete the annual RV.
- The county changes the mother's MSR status to nonexempt effective February 2010.

Case Information: Absent-Parent Deprivation. Mother and one child age 6. MSR mail month is July 2009.

- The mother and child are non-exempt MSR beneficiaries.
- The MSR is mailed to the mother in July 2009.
- On July 12, 2009, the mother contacts the county to report that she is pregnant and her expected due date is January 11, 2010.
- The mother is an exempt beneficiary but must complete the MSR for her 6 year old child.
- The county changes the mother's MSR status to exempt and sets tickler for January 2010 to review her pregnancy status.

Case Information: Absent-Parent Deprivation. Mother and one child age 6. MSR mail month is July 2009.

- Mother and child are non-exempt MSR beneficiaries.
- The MSR is mailed to the mother in July 2009.
- The mother fails to submit the MSR.

- The mother's and child's Medi-Cal benefits are discontinued effective September 1, 2009.
- On September 25, the mother contacts the county to report she is pregnant and her expected due date is January 11, 2010.
- The county rescinds the mother's discontinuance and changes the mother's status to an exempt MSR beneficiary. The county also sets a tickler for January 2010 to review the mother's pregnancy status.
- The county explains to the mother that she needs to submit the MSR for her child by the end of the 30 day period or she will have to complete a new Medi-Cal application in order to restore her child's benefits.

Case Information: Absent-Parent Deprivation. Mother and one child age 6. MSR mail month is July 2009.

- The mother and child are non-exempt MSR beneficiaries.
- The mother becomes pregnant, but does not report her pregnancy to the county.
- The MSR is mailed to the mother in July 2009.
- The mother fails to complete and submit the MSR.
- The mother's and child's Medi-Cal benefits are discontinued effective September 1, 2009.
- On September 6, 2009, the mother submits the MSR and reports to the county that she is pregnant, with an expected due date of January 2010.
- The county redetermines eligibility and rescinds the mother's and child's discontinuance action.
- The mother's MSR status is changed to exempt.
- The county sets tickler for January 2010 to review the mother's pregnancy status.
- In February 2010, the mother is required to complete the annual RV and reports birth of her child.
- The county changes the mother's MSR to nonexempt effective March 2010.
- The infant will be an exempt beneficiary until reaching one year of age.

Case Information: Unemployed-Parent Deprivation. Mother (pregnant), father and one child age 15. MSR mail month is July 2009.

- The father and child are non-exempt MSR beneficiary and the pregnant mother is an exempt MSR beneficiary.
- The mother's estimated due date is August 15, 2009.
- On August 2, 2009, the father completes and submits the MSR with no changes annotated.
- On August 17, 2009, via telephone contact to the county, the mother reports the birth of her child and that she has been determined disabled by the Social Security Administration.

- The county continues the mother as an exempt MSR beneficiary, effective September 2009.
- The father and 15-year-old child have MSR reporting requirements. The infant is exempt for one year.

Scenario 5: Using the same case information, three different situations are presented to illustrate county action based on a child under the age of one living in the home.

Case Information:

1931(b) Medi-Cal only, single parent with two children, ages 8 and 6 months

MFBU: Father and two children

Deprivation: Absent parent

Aid Code: 3N

MSR Non-Exempt Beneficiary: Father and 8-year-old child

MSR Exempt Beneficiary: 6-month-old child

MSR sent to non-exempt beneficiaries by June 10, 2009

Situation 1 – Beneficiary fails to submit MSR

Client Action:

- Fails to submit the MSR by July 5, 2009, the due date of the MSR.

County Action:

- Terminates the father and 8-year-old child's Medi-Cal benefits under aid code 3N effective August 1, 2009, the first month following the MSR due month.
- Sends a timely MC 239 I Discontinuance Notice of Action to the father and 8-year-old child notifying them of termination.
- The infant shall remain on aid code 3N until annual redetermination.

Situation 2 – Beneficiary submits complete MSR with changes, 25 days after termination

Client Action:

- On August 25, 2009, submits the completed MSR 25 days after the termination date.
- States he has changes. In Section 2 the Income Box is checked and the father states he is now disabled and receives \$1800 a month in Social Security benefits.

County Action:

- Evaluates MSR for completeness.
- Determines the father is now Medi-Cal eligible under the Aged, Blind or Disabled Medically Needy Share of Cost program from the information reported on the completed MSR.
- Because the father provided the MSR within 30 days, the county rescinds the father's and 8-year-old child's discontinuance action and reinstates their Medi-Cal benefits under aid code 3N until they are properly notified on their SOC.

- Sends appropriate NOA information to father and 8-year-old child that their discontinuance is rescinded effective August 1, 2009.
- Sends appropriate 10-day NOA informing father and 8-year-old child that they now have Medi-Cal with a SOC effective October 2009 (because there wasn't adequate time for 10-day NOA for September, the SOC would not come into effect until October.)
- For October month of eligibility, changes the father's aid code to 67 and the 8-year-old child's aid code to 37.
- Determines the father is now an exempt beneficiary from MSR reporting due to his disability status.
- Determines MSR reporting requirements will now only be in effect for the 8-year-old child.
- Because children under the age of 1 are exempt from any changes resulting from the MSR, the 6-month-old child continues uninterrupted on aid code 3N.

Situation 3 – Beneficiary submits complete MSR 29 days after termination and there is no eligibility

Client Action:

- On August 29, 2009, submits MSR 29 days after the effective date of the termination notice.
- States he has changes. In Section 2 the Income and Living Situation boxes are checked. The father states he started a new job and is working full-time. He also states that the two children moved out of state to live with their mother.

County Action:

- Evaluates MSR for completeness.
- Determines the father continues to be ineligible for Medi-Cal under any program.
- Determines the two children continue to be ineligible due to loss of residence effective August 1, 2009.
- Calls the father or sends the father a notice informing him that he and his children's Medi-Cal continues to be discontinued because he has no linkage to the program and the children are no longer residents of California. He would need to reapply for Medi-Cal if he wishes to receive Medi-Cal in the future.

Scenario 6: Using the same case information, four different situations are presented to illustrate county action based on a child-only Medi-Cal case.

Case Information:

Mother with one child, age 4; child is the only Medi-Cal beneficiary

MFBU: Mother and 4-year-old child

Aid Code: 8P

MSR Non-Exempt Beneficiary: 4-year-old child

MSR Exempt Beneficiary: None

MSR sent to Non-Exempt Beneficiary by June 10, 2009

Situation 1 – Beneficiary fails to submit MSR

Client Action:

- Fails to submit the MSR by July 5, 2009, the due date of the MSR.

County Action:

- Terminates the child's Medi-Cal benefits under aid code 8P effective August 1, 2009, the first month following the status report due month.
- Sends timely MC 239 I Discontinuance Notice of Action to the mother notifying her of her child's termination.

Situation 2 – Beneficiary submits complete MSR with no changes, 25 days after termination

Client Action:

- On July 25, 2009, submits the completed MSR 25 days after the termination date.
- States there are no changes in Section 1 and completes Section 3.

County Action:

- Evaluates MSR for completeness.
- Determines 4-year-old child is still eligible for Medi-Cal under aid code 8P.
- Rescinds the child's discontinuance action and reinstates the child's benefits under aid code 8P effective August 1, 2009.
- Sends appropriate NOA informing the mother that the child's discontinuance is rescinded and the child's Medi-Cal benefits are reinstated effective August 1, 2009.

Situation 3 – Beneficiary submits complete MSR with changes, 25 days after termination

Client Action:

- On July 25, 2009, submits completed MSR 25 days after the termination date.
- States there are changes. In Section 2 the Income Box is checked and the mother states she is now disabled and receives \$1500 a month in Social Security benefits.

County Action:

- Evaluates MSR for completeness.
- Determines the child is now eligible for Med-Cal under 8P.
- Rescinds the child's discontinuance action and reinstates the child's Medi-Cal benefits under aid code 8P.
- Sends appropriate NOA informing the mother that the child's discontinuance is rescinded and Medi-Cal benefits for her child are reinstated under aid code 8P effective August 1, 2009.

Situation 4 – Beneficiary submits incomplete MSR with no changes, 25 days after termination

Client Action:

- On July 25, 2009, submits the MSR 25 days after termination date.
- States there are no changes but fails to sign Section 3.

County Action:

- Evaluates MSR for completeness and determines it is incomplete.
- Returns the MSR to the beneficiary stating the MSR is incomplete without Section 3 being complete.
- The beneficiary completes Section 3 and returns the MSR.
- Evaluates the MSR for completeness.
- Determines the child is still eligible for Medi-Cal under aid code 8P.
- Rescinds the child's discontinuance action and reinstates the child's benefits under aid code 8P effective August 1, 2009.
- Sends appropriate NOA informing the mother that the child's discontinuance is rescinded and Medi-Cal benefits for her child are reinstated under aid code 8P effective August 1, 2009.

ENCLOSURE II FREQUENTLY ASKED QUESTIONS

The frequently asked questions contained in this enclosure are organized into the following sections:

- Section I: MSR Forms
- Section II: Automation
- Section III: Exempt/Non-Exempt Beneficiary
- Section IV: MSR Processing

SECTION I: MSR FORMS

1. **Are counties required to send a self-addressed postage-paid return envelope with the MSR?**

Yes.

2. **In a two-parent household, are both parents required to sign the MSR if both are non-exempt beneficiaries?**

No. Only one parent's signature is required on the MSR. An exempt parent may sign the MSR.

3. **Does the MC 239 I NOA require a NA back 9?**

Yes.

4. **On the MC 239 I NOA, what date is entered in the blank for the following statements:**

- **If you send us this information we requested by _____, your Medi-Cal eligibility may be restored.**

Is the date to be the end of the discontinuance month or 30 days after the end of the discontinuance month? (Example: When the MSR due month is December, is the date to be entered 12/31/09 or 1/31/10?)

The date to be entered will be 30 days after the end of the discontinuance month. In this example, the date would be 1/30/10; however, due to full month of eligibility, an MSR received on 1/31/10 would be reviewed as being timely.

SECTION II: AUTOMATION

1. **Are counties permitted to program the MC 239 I NOA into two separate NOAs, one for failure to submit the MSR and the other for incomplete MSR?**

Yes. This is a county option.

2. **When automating the MSR, are counties permitted to modify the form; specifically SECTION 2, allowing a choice to answer YES or NO?**

No. Counties are not permitted to alter the MSR.

3. **If the automated system sends up a term code of 60 or 61 and then an EW sends up an online term code of 64 after the automated system's code, will that overlay the 60 or 61 term code so that the State can draw their stats?**

Yes.

4. **Will TMC use the new term code reason 64 for no status report or continue to use term code 60?**

TMC will continue to use term code 60.

SECTION III: EXEMPT/NON-EXEMPT BENEFICIARY

1. Please clarify the exemption of individuals over the age of 65.

Non-exempt individuals turning 65 years of age become exempt beneficiaries the first day of the month they become 65 years of age. (Example: Non-exempt beneficiary turns 65 years of age in the MSR mail month. The beneficiary's status changes to exempt in the MSR due month.)

2. In a two-parent household, if one parent is in an exempt category, does the household have to report?

In a split household of exempt and non-exempt members, only the non-exempt members are required to complete the MSR. Counties are reminded that exempt members cannot be terminated for failure to return the MSR.

3. Are non-exempt beneficiaries receiving federal Transitional Medi-Cal (TMC) required to submit both the TMC Quarterly Status Report and the MSR?

No. Since federal TMC beneficiaries are required to complete the TMC Quarterly Status Report, they are considered exempt beneficiaries for MSR purposes.

4. Are beneficiaries in a skilled nursing facility or intermediate care facility under aid code 53 (not aged or disabled) considered exempt from MSR reporting?

No. Beneficiaries in aid code 53 are not exempt from MSR reporting since they have not been determined disabled.

5. What is to happen to a deemed infant if the family is discontinued from Medi-Cal for failure to report?

DHCS has exempted children under the age of one from the Medi-Cal MSR requirements. If a family is discontinued from Medi-Cal for failure to report, the infant under one year of age shall remain on Medi-Cal under the same aid code until the next scheduled RV or the child turns one, whichever is later.

Example: Family applies for Medi-Cal in 1/09. Child is born 4/09. Family gets MSR mailed in 6/09 and fails to return it. Deemed infant would stay in the same aid code until 4/10, the month she turns one.

SECTION IV: MSR PROCESSING

1. **Are counties permitted to process the MSR if it is completed and submitted prior to the end of the MSR month?**

Yes, the report is the beneficiary's statement of changes in circumstance and must be acted upon promptly.

2. **Is the beneficiary required to receive the MSR by the 10th of the month or is the county required to mail it out by the 10th of the month?**

Beneficiaries are to receive the MSR by the 10th of the month.

3. **If a discontinued beneficiary submits a complete MSR on May 31 but was discontinued on April 30 because he/she failed to submit the MSR timely, does the county rescind the discontinuance even though it's been more than 30 days?**

Yes. Since Medi-Cal is based on whole months of eligibility (if eligible in the month, eligible for the entire month), the county must rescind the discontinuance.

4. **What is the county responsibility when a Medi-Cal non-exempt beneficiary receiving Non-Assistance Food Stamps fails to return his/her MSR but has returned a Food Stamps Quarterly Status Report, due the same month as the MSR with sufficient information about changes in circumstances? Is the SB 87 process followed in this situation?**

No. The SB 87 process is not followed in this situation because failure by the beneficiary to submit his/her MSR constitutes a failure to cooperate and not a change in circumstances. When a non-exempt beneficiary fails to submit a MSR, counties are instructed to generate the MC 239 I NOA informing the beneficiary that his/her Medi-Cal benefits will be discontinued effective the last day of the MSR due month.

5. **Can the MC 321 HFP-AP (Additional Persons) form be used to add discontinued non-exempt beneficiaries back to an existing case instead of the MC 210 or MC 321?**

Yes. The MC 321 HFP-AP form can be used to add discontinued beneficiaries back to the existing case.

6. **Are good cause regulations, Title 22, California Code of Regulations (CCR) Section 50175(c), applicable to non-exempt beneficiaries who submit the MSR after the last day of the month following the discontinuance date?**

Yes. The good cause regulations, Title 22, CCR, Section 50175(c), apply to the MSR.

7. Are exempt beneficiaries remaining on the existing case required to receive a 10-day NOA before increasing their share-of-cost?

Yes. All exempt beneficiaries must be notified timely and adequately. Counties are also reminded that any beneficiary whose discontinuance action is rescinded shall be notified about the action and any change in Medi-Cal benefits.

8. If the beneficiary reports a change in circumstances during the six-month MSR report period and the worker completes the case action based upon this change, does the beneficiary have to report this change on the MSR?

No. The beneficiary does not have to re-report the change in circumstances on the MSR form.

9. A non-exempt beneficiary reports an income change on the MSR but doesn't provide documentation. The MSR is dated and signed. Does the county accept the information at face value?

Yes. If the MSR form contains sufficient information to make an eligibility determination, the county should accept the beneficiary's report at face value and not follow-up with the beneficiary to verify the content of the form. The county must only follow-up with the beneficiary if the form is incomplete (resulting in insufficient information to determine eligibility) and then must only do so by following the three-step SB 87 redetermination process.

10. Can the discontinued non-exempt beneficiary apply for retroactive benefits when requesting to be added back to the existing case?

Yes. Since this is considered a reapplication, the beneficiary may apply for retroactive benefits for three months prior to the reapplication. The beneficiary must meet the retroactive regulation requirements before eligibility is established for any retro month. To be added back to this existing case, the beneficiary must complete the MC 210 A requesting retroactive eligibility and the MC 321 AP form.

11. What date begins the MSR period? Is it the application date or the date eligibility is granted?

The MSR period is established in the first month of eligibility, which most often is the month of application. The exception for not establishing the MSR period in the month of application is when an applicant is not eligible in the month of application. For example, the applicant has excess property in the month of application and needs to spend down before Medi-Cal eligibility is established. In

this situation, the MSR period begins in the first month of eligibility is granted. Retroactive Medi-Cal months are not included in the MSR period.

MSR Period When Eligibility is Granted in the Month of Application

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
One	Two	Three	Four	Five	Six	Seven	Eight	Nine	Ten	Eleven	Twelve
Application Month Eligibility Granted					MSR Mail Month Mail to be received by the 10 th	MSR Due Month Due by 5th				Mail Annual Packet by End of Month	Annual Packet Due

MSR Period When Eligibility is Granted After the Month of Application

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
One	Two	Three	Four	Five	Six	Seven	Eight	Nine	Ten	Eleven	Twelve
Application Month Over Property	Over Property	First Month Eligible					MSR Mail Month Mail to be received by the 10 th	MSR Due Month Due by 5th			

12. Do counties follow the two-contact rule prior to termination based upon non-return of the MSR?

No. The two-contact rule only applies to Medi-Cal applications that are received and more information is required. The MSR follows the SB 87 process; however, the SB 87 process only applies when the MSR is received but is incomplete. If the MSR is not returned, the beneficiary is discontinued.

13. Are counties required to bridge children to the local health insurance programs (such as Healthy Kids)?

No. Counties do not bridge to local health insurance programs, however there is a referral process that may be used when the county has a Memorandum of Understanding with the local health insurance program such as Healthy Kids.

Counties are encouraged to work with their local Children's Health Initiative (CHI) to establish procedures for sharing a child's information with their local health insurance program if a child is not eligible for full-scope Medi-Cal or HFP, as determined by the MSR. At MSR, counties should follow the same instructions provided in ACWDL 08-14 for use of the consent form to obtain permission to forward the case information and the referral process at application or annual redetermination.

MEDI-CAL STATUS REPORT

ATTENTION: STATE LAW REQUIRES YOU TO COMPLETE A MID-YEAR STATUS REPORT

**YOU MUST RETURN THIS FORM BY _____ TO KEEP YOUR MEDI-CAL.
PLEASE PRINT AND USE INK.**

Notice Date:	_____
Case Number:	_____
Worker Name:	_____
Worker Number:	_____
Worker Telephone Number:	_____
Office Hours:	_____

Do not fill out this form if the only persons in your family receiving Medi-Cal are aged 65 or older, blind, an infant under the age of one, foster children under the age of 21, CalWORKs recipients or someone who has already reported their pregnancy or disability to their Medi-Cal worker.

To keep your Medi-Cal, you are required to fill out this form if you are a parent who receives Medi-Cal or if your child receives Medi-Cal. Tell us about changes you have had in the last 6 months. If you need help filling out this form, call your worker. Your worker’s name and telephone number are listed above.

Section 1: If you have no changes to report in the last 6 months:

- Review items listed in Section 2 (go to back side).
- If no changes to report, check this box No Changes
- Do NOT fill out Section 2.
- Go to Section 3 on back side. You must sign and date this form.
- Return the completed form to the county by the date on the top of this page.
- Use the enclosed pre-addressed envelope. No stamps are needed.

If you DO have changes to report in the last 6 months

- Go to the back side. Fill out Section 2.
- Go to Section 3. You must sign and date this form.
- Return the completed form to the county by the date on the top of this page.
- Do not send any documents.
- Use the enclosed pre-addressed envelope. No stamps are needed.

REMEMBER: YOU MUST SIGN THE BACK OF THIS FORM



DO NOT SEND ANY DOCUMENTS WITH THIS FORM

Section 2: Check "Yes" for all changes in the last 6 months and explain

Income Changes

Yes

Did you or a family member in the home get more or less money from a job, child support or alimony, social security, veteran benefits, unemployment or disability benefits, retirement, gifts or interest or dividends?

Please Explain:

Expenses Paid Changes

Yes

Have you or any family member in the home changed the amount paid for child or adult care, health insurance, court-ordered child support, alimony or educational expenses? **Please Explain:**

Living Situation Changes

Yes

Did anyone move into or out of your home, move in with someone else, get married, or have a baby? **Please Explain:**

If yes, do they want Medi-Cal? [] Yes [] No

Other Changes

Yes

Did someone in your household have a change in the amount of property they have (for example; money in bank accounts, vehicles, real estate, etc.), their immigration status or other health insurance benefits? **Please Explain:**

Disabled

Yes

Has anyone in your household become mentally or physically disabled? If yes, who?

Pregnant

Yes

Has anyone in your household become pregnant? If yes, who?

What is the expected due date?

How many babies are expected?

Section 3: Signature and Certification

I understand that my child's information will be shared with the low-cost Healthy Families Program if my child is no longer eligible for no-cost Medi-Cal, **UNLESS** I check the box below.

[] I do NOT want Medi-Cal to share my child's information with the low-cost Healthy Families Program.

I understand that I must report all changes in income, property, and/or other changes to the county. I declare under penalty of perjury that all information provided above is true and correct.

Signature: _____ Phone: () _____ Date: _____

Witness Signature: _____ Phone: () _____ Date: _____
(If person signed with a mark)

Signature of person
Acting for Beneficiary: _____ Relationship to Beneficiary _____ Date: _____

NOTICE OF ACTION
DISCONTINUANCE OF BENEFITS
STATUS REPORT NOT RECEIVED OR NOT COMPLETED



Notice Date: _____
Case Number: _____
Worker Name: _____
Worker Number: _____
Worker Telephone Number: _____
Office Hours: _____

DISCONTINUANCE OF BENEFITS NOTICE FOR:
Insert Name(s) Here

We have looked at all information available to us about your circumstances and we find that:

Your Medi-Cal benefits will be discontinued effective _____.

The reason for this discontinuance is you did not give us the information necessary to continue your eligibility when it was needed. Your completed Medi-Cal Status Report was not received by the date it was due.

Your Medi-Cal Status Report has been received. It was not complete. You will no longer receive Medi-Cal benefits effective _____.

We attempted to contact you by telephone on _____.

We contacted you by telephone and asked you to provide us with _____ by _____ and you did not provide it.

We sent you a notice that asked you to provide us with _____ by _____ and you did not provide it.

If you send us the information we requested by _____ your Medi-Cal eligibility may be restored.

Please Note: Other family members with different eligibility status will receive a separate notice. Please call your worker if you need additional information about this notice.

DO NOT THROW AWAY YOUR BENEFITS IDENTIFICATION CARD (BIC) Make sure to keep your Benefits Identification Card (BIC) in case you become eligible for Medi-Cal again in the future. The BIC is good as long as you are eligible for Medi-Cal.

RULES: The regulation that requires this action is California Code of Regulations, Title 22, Section 50175, 50189 and 50191. If you think this action is incorrect, you can request a hearing. The back of this page explains how to request a hearing.

Do not lose your Medi-Cal and Health Plan Benefits!

The Medi-Cal midyear status reporting law has changed!

The new law requires that parents fill out and send in a midyear status report form to keep their Medi-Cal benefits for their children.



This is not a change in law for parents who have Medi-Cal benefits. Many parents who have Medi-Cal benefits already send in the Medi-Cal midyear status report to keep their benefits.

To keep Medi-Cal benefits, be sure to follow these steps when the Medi-Cal office sends the form to you:

- Fill out the form – it only takes a few minutes
- Do not send any documents (such as proof of income) with the form
- Sign and mail the form in the pre-paid envelope by the due date listed on the form.

If you do not return the form, you and/or your child will lose your health coverage benefits.

You do **not** have to fill out the form if the **only** persons receiving Medi-Cal in your family are:

- ◆ Over age 65 or blind
- ◆ Pregnant, postpartum or disabled and already reported your status to your county worker
- ◆ An infant under the age of one
- ◆ Receiving CalWORKs

If you have questions or need help filling out the form, contact your county worker.



Remember: Please tell your county worker within 10 days when you move or have other changes to report.

The following will be translated in all threshold languages:

IMPORTANT NEWS for PARENTS: The midyear Medi-Cal status reporting law has changed!

The law now requires that parents fill out the midyear Medi-Cal Status Report form to keep Medi-Cal benefits for their children. This is not a change in law for parents who already send in the midyear Medi-Cal Status Report form to keep their Medi-Cal benefits.

To keep Medi-Cal benefits, be sure to follow these steps:

- Fill out the enclosed form – it only takes a few minutes
- Do not send any documents (such as proof of income) with the form
- Sign and mail the form in the pre-paid envelope by the due date listed on the form.

If you have questions or need help filling out the form, contact your eligibility worker by the number listed on the form.

Reminder: All beneficiaries must report changes to their eligibility worker within 10 days.