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Director

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



ARNOLD SCHWARZENEGGER
Governor

March 27, 2009

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 09-15
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: SUSPENSION OF CONTINUOUS ELIGIBILITY FOR CHILDREN (CEC)
REDUCTION AND MEDI-CAL MIDYEAR STATUS REPORTING (MSR)
REQUIREMENTS FOR CHILDREN
Reference: ACWDL Nos. 08-55 and 08-56.

BACKGROUND

The federal American Recovery and Reinvestment Act of 2009 (ARRA) increased the Federal Medical Assistance Percentage (FMAP) during the recession adjustment period of October 2008 through December 31, 2010, but states cannot have more restrictive policies, procedures or methodologies than were in effect on July 1, 2008 in order to receive the increased FMAP. The reduction of the CEC program from 12 to 6 months is considered more restrictive.

On March 27, 2009, Governor Arnold Schwarzenegger signed Senate Bill (SB) X3 24 into state law, which amended Section 14005.25 of the Welfare & Institutions (W&I) Code concerning CEC and repealed Section 14011.18 of the W&I Code concerning reporting requirements for MSR. The amendment to Section 14005.25 suspends the reduction of CEC from 12 months to 6 months during the time period that the increased FMAP is available. Existing statute for MSR provides that the child reporting requirement is only in effect for those periods when the CEC is reduced to six months, so the suspension of the CEC change to six months also means the suspension of the MSR requirement for children. The repeal of Section 14011.18

deletes the requirement that the Department of Health Care Services (DHCS) study the impact of the MSR on children and report to the Legislature December 15, 2010.

The provisions of SB X3 24 will take effect immediately and will continue until the Director of DHCS issues a declaration specifying that the increased FMAP is no longer available through the ARRA. Upon such a declaration, the CEC time period will be restored to six months and MSR requirements for children will be required.

Counties must immediately:

- Restore CEC for any child who was discontinued for failure to submit the MSR or had their CEC reduced to six months;
- Discontinue of sending the MSR to child-only cases immediately;
- Exempt certain beneficiaries from MSR requirements; and
- Use a revised MC 176S (rev 3/09) for the MSR which has deleted the child reporting requirement.

DHCS will issue follow up ACWDLs to provide more guidance regarding these required actions.

REVISED MEDI-CAL MIDYEAR STATUS REPORT MC 176 S (REV 3/09)

In preparation for the changes to the MSR that will be addressed in the future ACWDL, counties may locate a revised MSR form at the DHCS website at <http://www.dhcs.ca.gov/formsandpubs/forms/Pages/MCEBbyNumber.aspx>. Counties are instructed to stop sending the current Medi-Cal MSR form (MC 176 S rev 12/08) included in ACWDL 08-56. In its place, counties are instructed to immediately begin using Medi-Cal MSR form (MC 176 S rev 3/09).

More detailed instructions regarding these changes to the CEC program and midyear status reporting will follow shortly via ACWDLs. If you have any questions concerning this ACWDL, you may contact Mr. Braden Oparowski at (916) 552-5020 or via email at Braden.Oparowski@dhcs.ca.gov.

Original Signed By

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