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Department of Health Care Services



ARNOLD SCHWARZENEGGER
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April 13, 2009

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 09-17
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALIST/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: AMENDMENT OF THE FEDERAL PROVISION OF “DEEMED”
ELIGIBILITY FOR INFANTS
(REFERENCE ALL COUNTY WELFARE DIRECTORS LETTERS 91-66,
91-79, 98-32, and 03-49)

The purpose of this letter is to inform counties of a change in federal law that provides automatic Medi-Cal eligibility for a child born to a mother eligible for and receiving Medi-Cal on the date of the child's birth. This provision is known as “deemed” eligibility (DE) for newborns and infants. Effective April 1, 2009, a child born to a mother eligible for and receiving Medi-Cal on the date of the birth will remain eligible until age one **without further consideration of the infant's living arrangements or the mother's eligibility status.**

Background

On January 1, 1991, Section 4603 of the federal Omnibus Budget Reconciliation Act of 1990 required states to adopt Section 1902 (e)(6) of Title XIX of the Social Security Act (The Act), which continued eligibility for pregnant women when there was a change in income of the family of which she is a member. In addition, the Department of Health Care Services (DHCS) included Section 1902 (e)(4) which provides, without an application, automatic Medi-Cal eligibility to infants born to Medi-Cal eligible women, providing that the infant continues to live with his/her mother and that the mother remain eligible for Medi-Cal or would remain eligible if still pregnant.

**Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA)
Amended Deemed Eligibility Requirement**

On February 4, 2009, the President signed the CHIPRA. CHIPRA reauthorized the State Children's Health Insurance Program, expanded coverage to children, and referenced changes in Title XIX of the Act. The changes in Title XIX affect the provision of "deemed" eligibility found in section 1902(e) (4) of the Act. The change deleted the following deemed eligibility requirements: (1) **the infant must be a member of the mother's household** and (2) **the mother remains eligible for Medi-Cal or would have remained eligible if she were still pregnant.**

Section 113(b) of CHIPRA amends the automatic enrollment for children born to women receiving pregnancy-related assistance under Title XIX, Section 1902 (e)(4) of the Social Security Act [42 U.S.C. 1396a (e)(4)] as follows:

A child born to a woman eligible for and receiving medical assistance under a State plan on the date of the child's birth shall be deemed to have applied for medical assistance and to have been found eligible for such assistance under such plan on the date of such birth and to remain eligible for such assistance for a period of one year...

CHIPRA requires states to implement the federal policy changes on deemed infants on April 1, 2009. **This ACWDL serves as notification to counties to make necessary system changes and to provide training regarding the change to DE for infants enacted under CHIPRA. Counties must make these system changes immediately.**

Until counties complete the systems changes, counties must take necessary measures to identify and ensure that the infants, who are "deemed" eligible under the revised provision, continue to receive Medi-Cal until age one year as long as he/she resides in California. The necessary measures include but are not limited to the following:

- (1) When the county receives the Newborn Referral form (MC 330), the county shall not deny DE to infants who were born to mothers eligible for Medi-Cal on the date of the infant's birth when the MC 330 form reports the infant is not living with the mother or that the mother has relinquished custody of the infant. The county shall review the deemed infant's current circumstances under SB 87 and suppress any system generated termination notice.
- (2) When the county receives information that the deemed infant is no longer living with the mother or the mother has relinquished custody of the deemed infant, the county shall review the deemed infant's current circumstances under SB 87 and

suppress any system generated notice of action to terminate the deemed infant's benefits.

- (3) Counties shall update their DE procedures for infants to ensure eligibility staff comply with the new changes, including procedures for the Foster Care program staff who oversee foster care placements of deemed infants.

DHCS will follow up with regulation changes to amend Title 22, California Code of Regulations, Section 50262.9 (b), to delete the portion that includes "as long as the infant continues to live with his/her mother and the mother remains eligible for Medi-Cal or would have remained eligible if she were still pregnant." In addition, there will be revisions to Section 5H of the Medi-Cal Eligibility Procedures Manual and the MC 330 form (English and Spanish).

The Medi-Cal Eligibility Division will review the Child Health and Disability Prevention Program (CHDP) enrollment process. If CHDP Gateway system modifications are necessary, changes would be made to ensure deemed infants are correctly identified at CHDP enrollment and placed into the appropriate CHDP Gateway deemed infant aid codes.

If you have any questions concerning this letter or require additional information pertaining to deemed eligibility of children, please contact Ms. Sherilyn Walden at Sherilyn.Walden@dhcs.ca.gov or call (916) 552-9502.

Original Signed By:

Vivian Auble, Chief
Medi-Cal Eligibility Division