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Director

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



ARNOLD SCHWARZENEGGER
Governor

July 8, 2009

TO: ALL COUNTY WELFARE DIRECTORS Letter No: 09-31
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALIST/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: SUSPENSION OF THE SIX-MONTH CONTINUOUS ELIGIBILITY FOR
CHILDREN (CEC) PROGRAM PERIOD AND RESTORATION OF
12-MONTH CEC
(REFERENCE: ALL COUNTY WELFARE DIRECTORS LETTERS 08-55
AND 09-15)

The purpose of this All County Welfare Directors Letter (ACWDL) is to provide clarifications to counties regarding the policy instructions issued in ACWDL 09-15, which suspended the change for CEC program from 12 to 6 months and required children to submit Midyear Status Reports (MSRs).

This ACWDL supersedes CEC policy instructions provided in ACWDL 08-55 and provides clarifications to the 12-month CEC period. Counties shall refer to ACWDL 09-32 for MSR instructions.

Background

As part of the State's efforts to solve the budget deficit for Fiscal Year 2008/2009, Assembly Bill (AB) 1183 enacted on September 30, 2008, and effective January 1, 2009, reduced the provision of CEC from a 12-month period to 6 months.

On February 19, 2009, the President signed the American Recovery and Reinvestment Act of 2009 (ARRA) providing temporary enhanced Federal Medical Assistance Percentage (FMAP) to states for their medical assistance programs until

December 31, 2010, if the State does not have more restrictive policies, procedures or methodologies than those in effect on July 1, 2008. The reduction of CEC from 12 to 6 months would have been more restrictive. As a result, Senate Bill (SB) X3 24 was introduced and signed into law on March 27, 2009, to suspend the requirements mandated in AB 1183 during the period that increased FMAP is available to California through ARRA. Counties received notification of the suspension via ACWDL 09-15. The suspension of the 6-month CEC and the return to 12-month CEC will continue until the Director of the Department of Health Care Services certifies that the increased FMAP is no longer available. SB X3 24 states that the CEC period will be set at six months upon the Director's certification and continue until July 1, 2012. The return to the 12-month CEC period is State policy until further notice from the Director.

SECTION I. County Action

Counties must review all cases where the reduced 6-month CEC period affected the eligibility of children and reinstate the 12-month eligibility to those children as follows:

- (1) Where the county applied the 6-month CEC period reduction (because of the information reported on the MSR), the county shall restore the 12-month CEC period starting from the date that the original CEC period was established, at initial application or annual redetermination.

Example: CEC begins in August 2008 (either at the initial application or at annual redetermination). The MSR returned in February 2009 showed an increase in income and the child's CEC period was reduced to 6 months. Under the process in this letter, the county shall rescind the 6-month CEC period and reinstate the 12-month CEC period beginning August 01, 2008, and ending July 31, 2009.

- (2) Where the parent/caretaker failed to return the MSR at 6 months and the county terminated the children from Medi-Cal due to failure to return the MSR, the county shall restore 12 months of CEC starting from the date that the original CEC period was established.

Example: Same as above, except the family failed to return the MSR. The children's 6-month CEC period ended and the county discontinued Medi-Cal effective February 28, 2009. Under the process in this letter, the county shall rescind the 6-month CEC period and the Medi-Cal termination; then reinstate the children's 12-month CEC period beginning August 01, 2008, and ending July 31, 2009.

- (3) Where the parent/caretaker returned the MSR and, based upon information given on the MSR, the county determined that the family was no longer Medi-Cal eligible, the county shall terminate Medi-Cal for the ineligible non-exempt persons, but not for the exempt children. Although the family reported information on the MSR that would have otherwise supported termination of the children, the suspension of the 6-month CEC period and restoration to the 12-month CEC period established from the Annual Redetermination (RV) or initial eligibility prevents the termination for the exempt child.

Example: CEC originally established in August 2008, the family had to complete the MSR in February 2009. The information provided on the returned MSR caused the termination of the exempt children on February 28, 2009. Under the 6-month CEC suspension, the county shall restore CEC eligibility to the exempt children back to the 12-month CEC period until their Annual RV in July 2009.

- (4) Where the parent/caretaker returned the MSR and the information on the MSR indicated that the family had a share-of-cost (SOC), if the child had no SOC before the MSR and the county applied a SOC after the MSR determination the county rescinds the SOC. The county restores the child back to no SOC under the 12-month CEC rule to end at the Annual RV.

Example: Same example, except the child has a SOC beginning March 2009. Under the process of this letter, the county reinstates a 12-month CEC period beginning August 2008, set to end July 2009 at the scheduled Annual RV.

SECTION II. Notices of Action (NOAs)

Counties must issue a Notice of Action (NOA) to any child adversely impacted by the implementation of the 6-month CEC period to inform them of the change in their benefits. Counties may add the following language to the restoration or rescission NOA explaining the change:

*Due to a recent change in Medi-Cal program rules for children, the following child(ren)'s no-cost Medi-Cal benefits have been restored from
_____(Date)_____ to _____(Date)_____. List name(s) of child(ren):*

The above named child(ren) is/are eligible for no-cost Medi-Cal benefits. If your child had a share-of-cost in this period and you already paid your bill, ask your provider to pay you back and bill Medi-Cal. If your child was

ineligible for Medi-Cal due to the implementation of the 6-month CEC period and you have unpaid bills for Medi-Cal covered services during the months above, ask your provider to bill Medi-Cal.

If the beneficiary contacts the county because their provider has not reimbursed them for out-of-pocket medical expenses covered by Medi-Cal during specific periods of a beneficiary's Medi-Cal eligibility, Counties shall reference the procedures outlined in ACWDL 07-01, Conlan v. Bontá and Conlan v. Shewry.

The Conlan periods include 1) the retroactive eligibility period (up to 3 months prior to the month of application to the Medi-Cal Program); 2) the evaluation period (from the time of application to the Medi-Cal Program until eligibility is established); and 3) the post-approval period (the time period after eligibility is established).

SECTION III. Rules of CEC Availability

1. CEC continues an otherwise Medi-Cal eligible child under age 19 on no SOC Medi-Cal for the time period between the initial eligibility determination until the next scheduled Annual RV by disregarding changes which would otherwise result in a SOC Medi-Cal category. This is considered the CEC period. CEC provides protection for children whose family income fluctuates during the CEC period.
2. CEC guarantees no SOC Medi-Cal coverage during the CEC period until the next scheduled Annual RV by disregarding changes, which would otherwise move the child to a SOC category or from no SOC eligibility to ineligibility.
3. Except for death, request for termination, 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 and Transitional Medi-Cal programs before utilizing CEC or assigning a SOC.
5. There is no change in the application of the CEC period to retroactive Medi-Cal coverage eligibility. The CEC period can start in any of the three retroactive months if approved zero SOC is in the retro month. There is a possibility of overlapping CEC periods when the applicant or beneficiary requests retroactive Medi-Cal.

6. A child's CEC period will end for the following reasons: loss of California residency, death, voluntary withdrawal, a request for discontinuance, whereabouts unknown, incarceration, or a child turns age 19.
7. Failure of the parent/caretaker relative to submit an MSR is not a reason to discontinue a child prior to Annual RV, but other family members are subject to discontinuance.
8. CEC does not have priority over deemed eligibility (DE). Infants "deemed" eligible in the birth month with no SOC Medi-Cal will continue to get no SOC Medi-Cal until at least age one when their eligibility is redetermined. Infants who are "deemed" in the birth month with a SOC will continue with that SOC until age one for each month in which the family meets the SOC. The SOC for the infant will decrease if the family's income decreases and the infant remains at the decreased SOC until age one unless another change results in no SOC prior to age one. The SOC cannot increase since DE locks in the SOC amount as a ceiling until age one.
9. Children terminated from public cash assistance programs are eligible for CEC.
10. Children determined Medi-Cal eligible in cases where fraud of the parent or administrative error occurred **remain CEC eligible until the Annual RV**. In the case of fraud, the county may follow their regular procedures for the other family members, but continue the children as CEC eligible until the Annual RV date.
11. CEC ends in the month a child turns 19 years of age. He/she is not eligible for bridging because the Bridging Program is for children who may qualify for the Healthy Families Program, which provides coverage for children up to 19 years of age. Once the child turns 19, the county must evaluate for all other Medi-Cal programs.

If you have questions regarding this letter or need additional information on CEC, please contact Ms. Sherilyn Walden at Sherilyn.Walden@dhcs.ca.gov or (916) 552-9502.

For questions pertaining to Annual RV, please contact Ms. Debora Wong-Kochi at Debora.Wong-Kochi@dhcs.ca.gov or (916) 552-9490.

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

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For questions pertaining to the Conlan v. Bontá/Conlan v. Shewry lawsuit, please contact Mr. Craig Yagi at Craig.Yagi@dhcs.ca.gov or (916) 445-4062.

Original Signed By:

Vivian Auble, Chief
Medi-Cal Eligibility Division