



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



**EDMUND G. BROWN JR.**  
*Governor*

Date: November 21, 2013

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 13-21  
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: Aid Code Assignments

## **PURPOSE AND BACKGROUND**

The purpose of this All County Welfare Directors Letter (ACWDL) is to remind counties of the importance of proper aid code assignments. A single audit was performed by Klynveld, Peat, Marwick, Goerdeler (KPMG) in 2012 in accordance with section 7502 of title 31 of the United States Code for non-federal entities that expend federal awards under more than one federal program. One facet of the single audit included an independent audit of 100 selected county eligibility case files to identify any eligibility-related errors made by the counties.

The KPMG audit found that counties did not consistently assign aid codes appropriately or failed to proof work to assure aid code assignments were accurate and correct. As a result of the findings and recommendations contained in KPMG's Independent Auditor's Report, we are issuing this ACWDL to remind counties of the importance of proper aid code assignments.

The KPMG audit found aid code assignment errors in the following situations:

Scenario 1: The case consisted of a married couple with four children. Three of the children were properly aided under aid code 34 (Medically Needy). However, the fourth child, an infant, was aided under 8R (100% Excess Property Child) when he should have been aided under aid code 47 (200% FPL Infant).

Scenario 2: This case consisted of a married couple with undocumented citizenship status and two children who are citizens. The undocumented father was incorrectly aided under aid code 3N (1931b). A review of the father's Statement of Citizenship, Alienage, and Immigration Status verified the father's undocumented status, which would have made him eligible to be aided under restricted aid code 3V.

Scenario 3: This case was a CALWORKs/Medi-Cal case, with two married parents and five children. The Medi-Cal Eligibility Determination System (MEDS) incorrectly indicated the father's aid code as 3N, yet the aid code correctly showed as 35 in the county's consortium system. Although a MEDS alert would have been generated at MEDS reconciliation for the county to reconcile the discrepancy, the county eligibility worker did not take any action on the MEDS alert.

Scenario 4: The case consisted of a married couple with a pregnant mother and the unborn child had been properly counted in the Medi-Cal Family Budget Unit (FBU) size. KPMG noted the county incorrectly had the parents coded as "not married," which caused the budget to Snee and put the mother into a Medically Needy aid code and caused the father to be determined ineligible. Because the mother was in her third trimester, she could have been eligible for 3N (1931b) and the father may have been eligible for the Medically Needy program.

Please ensure county eligibility workers are placing applicants and beneficiaries into appropriate program aid code assignments.

If you have questions about this letter, please contact Linda Torn, Chief, Los Angeles Unit, Program Review Branch, Medi-Cal Eligibility Division, at 213-897-0980 or [linda.torn@dhcs.ca.gov](mailto:linda.torn@dhcs.ca.gov).

**Original Signed By**

Tara Naisbitt, Chief  
Medi-Cal Eligibility Division