



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



EDMUND G. BROWN JR.  
Governor

March 12, 2015

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 15-15  
ALL COUNTY ADMINISTRATIVE OFFICERS  
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS  
ALL COUNTY HEALTH EXECUTIVES  
ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: Reminder to Eligibility Workers Working With Medi-Cal Applicants and Beneficiaries Who Are Determining Their Modified Adjusted Gross Income

The purpose of this letter is to remind counties not to provide tax information when assisting applicants and beneficiaries with Medi-Cal eligibility determinations. With the implementation of the Affordable Care Act, County Eligibility Workers (EWs) are now required to collect taxable income information for Modified Adjusted Gross Income (MAGI) eligibility determinations. Pursuant to Welfare and Institutions Code, Sections 14005 and 14005.60, income shall be determined, defined, counted and valued in accordance with federal law. Title 42, Code of Federal Regulations, Section 435.603, income is based upon the Internal Revenue Service (IRS) rules for Adjusted Gross Income with the addition of untaxed Social Security, untaxed interest income and untaxed foreign earned income, the sum of which is referred to as MAGI for Medi-Cal eligibility determination purposes.

County EWs are not authorized to interpret tax rules or inform individuals about what constitutes taxable income, deductions or expenses. The Department of Health Care Services (DHCS) strongly urges counties to remind their staff to refrain from providing tax information. If EWs provide information about how MAGI is determined, the client must be informed that any information provided is for Medi-Cal eligibility purposes only and cannot be relied upon for tax filing purposes.

DHCS recommends informing individuals to determine the income amounts to be reported on the Single Streamlined Application (SSApp) for Insurance Affordability Programs. When information is submitted verbally, counties should ask the client what their taxable income types and amounts are, or adjusted gross income amounts, including untaxed Social Security, untaxed interest income and untaxed foreign earned income, and then submit those amounts to California Healthcare Eligibility, Enrollment and Retention

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System (CalHEERS). CalHEERS will verify the information provided through the federal hub. CalHEERS will then inform the county of whether the reported income is or is not reasonably compatible.

To assist individuals in determining what income should be reported, counties should refer individuals to the portion of the SSApp entitled, "Step 2 References". If the applicant or beneficiary has a question regarding a specific type of income, the EW may also advise the applicant to consult with their accountant, tax advisor, or the IRS at 1-800-829-1040 or on-line at [www.irs.gov](http://www.irs.gov). DHCS will also continue to provide references and resources on the County Ops website as they become available.

If you have any questions on this letter, please contact Sharyl Shanen-Raya at (916) 552-9449, or by email at [Sharyl.Shanen-Raya@dhcs.ca.gov](mailto:Sharyl.Shanen-Raya@dhcs.ca.gov).

Original Signed By:

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Medi-Cal Eligibility Division