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Director

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



EDMUND G. BROWN JR.
Governor

July 5, 2016

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 16-16
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: Individual Level Eligibility Determinations

Purpose

The purpose of this letter is to inform counties that, in accordance with Welfare and Institutions Code, Section 14015.5, individuals who are determined Medi-Cal eligible by the California Healthcare Eligibility, Enrollment and Retention System (CalHEERS) are to be considered as eligible, even if other members of the household are pending Medi-Cal eligibility. Historically, counties have determined Medi-Cal eligibility on a household basis. Additionally, it is also the Department of Health Care Services (DHCS) policy that individuals who are determined conditionally eligible by CalHEERS are to be considered as eligible awaiting appropriate verification to move to an eligible status. This letter reiterates what actions counties should take when an individual has been determined eligible or conditionally eligible for Medi-Cal by CalHEERS when there are pending eligible member in the household.

Individual Eligibility

Modified Adjusted Gross Income (MAGI) Medi-Cal eligibility determinations are made on the individual level, and CalHEERS provides eligibility determinations on the individual level. This means that certain individuals within a case household may be provided with eligibility or conditional eligibility while other members remain in a pending eligibility status.

When income is verified through CalHEERS, CalHEERS will first attempt to determine eligibility for an individual based on the lowest potential eligibility group. For example, a parent will be evaluated for the parent caretaker relative group if reported income is below 109 percent or the new adult group if reported income is below 138 percent. Based on the

reported income, CalHEERS will attempt to electronically verify eligibility for the appropriate group through the federal data hub. If reported income is below 138 percent, CalHEERS will attempt to electronically verify eligibility for the new adult group. If the electronic verification is also below 138 percent, the parent will be eligible or conditionally eligible to the new adult group. If the electronic verification is above 138 percent, the parent will be pending eligible to the new adult group and the county will need to request administrative (admin) verification of income. If admin verification shows the parent is eligible to the new adult group, then the admin verification will be applied and the parent will become eligible or conditionally eligible to MAGI Medi-Cal. If the admin verification shows the parent to be over 138 percent, or if the parent initially reported income that is above 138 percent, then the parent will be evaluated for Advanced Premium Tax Credits or cost-sharing reductions (CSRs).

Example 1: Household consists of husband, wife and two children under the age of 19. Reported household monthly income from husband and wife is \$2,300. Household income e-verifies at \$3,000. Child #1 and Child #2 have eligibility established because reported and e-verified household income is under the threshold for the Optional Targeted Low-Income Program for four individuals (\$5,387 in 2016) and is, therefore, reasonably compatible for the children. Husband and wife have pending Medi-Cal eligibility because reported household income is under the MAGI Medi-Cal limit for the new adult group for four individuals (\$2,795 in 2016) but the verified household income is over the threshold for the new adult group and is not reasonably compatible for the parents.

As eligibility is determined on the individual basis, counties must ensure that the individuals determined eligible or conditionally eligible by CalHEERS are authorized in the Statewide Automated Welfare System (SAWS) and dispositioned in CalHEERS without delay. Counties must also ensure that the appropriate Notice of Action (NOA) is sent to the eligible individual(s), and that the appropriate transactions have been sent to the Medi-Cal Eligibility Data System (MEDS) to provide access to appropriate care. Counties must not hold the eligible or conditionally eligible individuals in a pending status while waiting to finalize eligibility for the pending individuals in the case household.

DHCS understands that SAWS may need to make programming changes to enable counties to finalize eligibility on an individual basis. DHCS is requesting that SAWS make the necessary programming changes effective immediately, through the next available SAWS release, or notify DHCS of the proposed timeline for implementation if a delay occurs. Counties should work directly with their SAWS representatives to determine when the ability to finalize eligibility on an individual basis will be available. Counties are reminded that Medi-Cal applications must be processed within 45 days, or 90 days for those that are based on disability, as required by 42 C.F.R. Section 435.912. Counties will not be held responsible for any MAGI eligibility determinations that are made by CalHEERS, should those determinations be found to be incorrect.

Please Note: Children granted presumptive eligibility through Accelerated Enrollment (AE) in aid code 8E are described by CalHEERS as conditionally eligible and are provided the AE eligibility immediately. However, for purposes of the final eligibility determination and appropriate NOA, children in AE are considered to be in a pending status until the county makes a final determination of eligibility. AE policy has not changed and if children in AE are determined to be ineligible, they are to be denied and not discontinued. The denial will result in a termination of the AE in MEDS at the end of the current month. Children who are initially granted AE and later found to be eligible shall be approved effective the application month.

Continuous Eligibility for Children

In accordance with All County Welfare Directors Letter (ACWDL) 14-05, Continuous Eligibility for Children (CEC), children under age 19 who are approved for MAGI Medi-Cal are eligible to receive CEC when there is a change that would disadvantage the child or when there is a loss of contact with the family.

In the situation where certain individuals in a case household are found eligible or conditionally eligible while others remain in a pending eligibility status, when the family provides verification of income, counties must submit the information to CalHEERS to update eligibility for the whole case. If the verification provided would disadvantage the eligible or conditionally eligible child (other than a child in AE), per ACWDL 14-05, the county will place the child in the appropriate CEC aid code until their upcoming annual redetermination date, or the county shall follow the soft pause procedures outlined in ACWDL 14-18 and ACWDL 14-32, at which time he or she would be reassessed for ongoing eligibility. If no verification of income is provided after due process and there is a loss of contact with the family, the county shall place the child in the appropriate CEC aid code until their upcoming annual redetermination date and the pending adults shall be denied, as per current policy. At the time of the annual redetermination for the child, if loss of contact remains, then the child shall be discontinued as per current policy.

Administrative Error

Should the county recognize that a data entry error has occurred by the consumer, a certified insurance agent (CIA), a certified enrollment counselor, a Covered California Service Center Representative or the county, the county should immediately correct the information and re-run eligibility through CalHEERS.

For example, if a consumer contacts the county stating they meant to report \$1300 in monthly income, but accidentally reported \$130, that would be considered a data entry error. A person who reports his income at one level but has it admin verified at a different level would not be considered to have made a data entry error.

Consumer protection programs such as CEC and Transitional Medical Care, do not apply to data entry errors. In some cases, this means the individuals may be moved into less advantageous Medi-Cal program or coverage through Covered California or may be discontinued once timely notice can be provided. Additionally, these individuals may be moved into a more advantageous program immediately. If necessary, counties may be required to complete an online MEDS transaction to provide the more advantageous eligibility until CalHEERS is able to move the person into the new aid code and the necessary transactions can be sent. For performance measure purposes, counties will not be held responsible for data entry errors made by consumers, CIAs, certified enrollment counselors, or CSRs.

Duplicate Eligibility

Historically, CalHEERS has not reviewed whether an individual already has Minimum Essential Coverage prior to granting MAGI eligibility, if otherwise eligible. In some circumstances, an individual who already had eligibility in MEDS was granted “new” MAGI eligibility through CalHEERS. For example, a child receiving Supplemental Security Income (SSI) and already eligible to full-scope Medi-Cal may have been included on an application made through CalHEERS and may have been determined eligible for MAGI Medi-Cal. If a county determines that an individual is already receiving full-scope Medi-Cal, the county may use the long-term negative action (LTNA) or short-term negative action (STNA) process to discontinue the new MAGI eligibility, using the appropriate reason (i.e. “On Aid Another Case”), as long as the existing eligibility remains in MEDS. Additionally, DHCS established a Medi-Cal eligibility check prior to granting eligibility in CalHEERS in May 2016, to reduce the instances of duplicate eligibility.

Impact to Negative Action Functionality

The ability to provide the eligibility determinations on an individual level is important for the LTNA functionality that was released in July 2015. In order for LTNA to function properly, counties must ensure that individuals determined eligible or conditionally eligible by CalHEERS have that eligibility authorized in SAWS and MEDS and the negative actions are dispositioned in all three systems. Please see Medi-Cal Eligibility Division Information Letter No.: 15-19, *Overview of the California Healthcare Eligibility, Enrollment, and Retention System Release 15.7 Medi-Cal Program-Related Functionalities*, for more information about the LTNA process.

Please Note: Previous guidance provided on ACWDL 15-27 instructed counties not to use any reason codes or actions in their SAWS that would generate a failure to respond discontinuance NOA in CalHEERS through the LTNA process, until further notice. Additionally, previous guidance required that counties generate the adequate failure to respond NOAs and utilize the STNA process to take the discontinuance action.

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As a result of the implementation of Senate Bill 1341, CalHEERS is no longer generating discontinuance NOAs for individuals discontinued from MAGI Medi-Cal. **Therefore, counties may begin using LTNA to discontinue MAGI individuals for failure to respond on an individual basis.** Utilizing LTNA will allow counties to discontinue any MAGI individual for failure to respond, as appropriate. STNA only allowed counties to discontinue on a whole case basis.

DHCS understands that SAWS will need to make, or may have already made, programming changes to allow counties to utilize the LTNA process for failure to respond. Counties shall work with their SAWS representatives for guidance on how to utilize LTNA for failure to respond.

If you have any questions or require additional information, please contact Alison Brown at (916) 319-9565 or by email at Alison.Brown@dhcs.ca.gov.

Original Signed by Robert Sugawara for

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