



JENNIFER KENT  
Director

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



EDMUND G. BROWN JR.  
Governor

Date: October 24, 2016

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 16-23  
ALL COUNTY ADMINISTRATIVE OFFICERS  
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS  
ALL COUNTY HEALTH EXECUTIVES  
ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: County Process Prior to Discontinuance When Mail is Returned  
Undeliverable

The purpose of this All County Welfare Directors Letter (ACWDL) is to provide guidance to counties regarding how to process beneficiary mail that is returned as undeliverable. Counties have asked for updated guidance to ensure compliance with Welfare and Institutions Code (WIC) Section 14005.37.

WIC Section 14005.37 requires that counties take certain steps when mail sent to a beneficiary is returned as undeliverable. As a result of these requirements, when mail is returned as undeliverable counties shall:

1. Note the undeliverable mail in the case record

The county shall note in the case record:

- That mail was returned as undeliverable,
- The date the mail was sent,
- The date it was returned as undeliverable,
- The form, letter or notice mailed to the beneficiary that was returned, and
- What address was used.

Additionally, the county shall store either a hard copy or an image of the mail that was returned as undeliverable, including both the envelope and its contents, in the case record.

2. Conduct an ex parte review (WIC Section 14005.37 (e) and (g))

The county shall conduct an ex parte review prior to contacting the beneficiary when there is undeliverable mail. Sources for these efforts shall include information contained in the beneficiary's file or more recent information available to the county including, but not limited to:

- California Work Opportunity and Responsibility to Kids (CalWORKs) and CalFresh case files of the beneficiary or of any of his or her immediate family members which are open or were closed within the last 90 days.
- Information accessed through any available electronic databases or electronic verification services.
- Wherever feasible, other sources of relevant information reasonably available to the county that is in accordance with law and Department of Health Care Services (DHCS) policy.

Due to concerns regarding confidentiality of beneficiary information, counties must ensure that an address that is identified in a CalWORKs or CalFresh case file is a more recent update than the address the county had on file in the Medi-Cal case. Additionally, counties may not use a forwarding address provided by the Post Office or hand written on the envelope unless the address has been confirmed by the beneficiary.

If the county locates a more recent address, the county shall update the Medi-Cal case with the new address, note in the case record where the updated address information was located, and attempt to send the previously undeliverable mail to the beneficiary at the new address.

For purposes of obtaining a new address, DHCS defines "immediate family members" as any of the individuals who make up the Medi-Cal household of the applicant/beneficiary for purposes of the eligibility determination. In order to use an address that has been provided for an immediate family member, the address must be a more recent update than the address the county had on file in the Medi-Cal case. Additionally, the most recent information available to the county must indicate that the immediate family member lives with the applicant/beneficiary. Counties must continue to follow guidance from ACWDL 14-34 regarding the Safe at Home program, which helps victims or survivors of domestic violence or stalking to remain safe from an abusive situation.

**NOTE:** Loss of contact, including mail returned as undeliverable, is not a basis for discontinuing benefits for the following programs:

- Former Foster Youth (FFY). See ACWDL 14-41, Page 5.
- Children eligible for Continuous Eligibility for Children (CEC). See ACWDL 14-05.
- Categories where the county does not control the record, such as individuals eligible through Supplemental Security Income/State Supplementary Payment, KinGAP, or Adoption Assistance.

3. Send the MC 355 (WIC Section 14005.37 (g))

If the county is unable to locate a more recent address through the ex parte review, the county must send the MC 355, with a 30-day deadline to return the information to the county and requesting only the current address and any other information that is necessary to redetermine eligibility, to the last known address of the beneficiary. During the 30-day period after the MC 355 was sent, the county shall attempt to contact the beneficiary by telephone, in writing, or by other commonly available electronic means, to request the necessary information if the beneficiary has not responded to the request for additional information or has provided an incomplete response.

As a reminder, if there is a child-only CEC case, the county shall not send the child an MC 355 as a result of undeliverable mail. If the CEC child has other family members on her case that are CEC-ineligible, then the county may send the MC 355 to request the current address of the CEC-ineligible family members. See ACWDL 14-05 for further guidance.

Additionally, ACWDL 15-32 provides guidance related to the circumstances for which a FFY may be sent the MC 355 and ACWDL 11-33 provides guidance related to reinstating a deemed infant if the family was previously discontinued for loss of contact and later reestablishes contact.

4. If MC 355 is Undeliverable or Not Returned by the Beneficiary, send the discontinuance Notice of Action (NOA) (WIC 14005.37 Section (g) and (i); ACWDL 15-27)

For beneficiaries, other than those identified in this letter as being exempt from discontinuance, if the MC 355 is returned to the county as undeliverable, the county must note it in the case record and take immediate action to discontinue the

beneficiary. Counties shall send a discontinuance NOA which lists the missing information that is needed to determine eligibility, including that the address is not current, in accordance with guidance outlined in ACWDL 15-27. In this scenario, where the discontinuance results from an MC 355 being returned as undeliverable, the NOA is not required to be mailed at least 10-days prior to the date of discontinuance, however the NOA must include the 90-day cure period language.

For beneficiaries, other than those identified in this letter as being exempt from discontinuance, if the MC 355 is not returned to the county as undeliverable and is not returned by the beneficiary within the 30 day deadline, counties shall discontinue with a timely 10-day NOA which lists the missing information that is needed to determine eligibility in accordance with guidance outlined in ACWDL 15-27 and which includes the 90-day cure period language.

5. 90-Day Cure Period (WIC Section 14005.37(i))

If, within 90 days of the discontinuance date, the beneficiary provides updated address information and all other information that was requested, the county shall immediately redetermine eligibility. If the beneficiary is found eligible, the discontinuance shall be rescinded as though the information were submitted in a timely manner. Previous reminders related to the 90-Day Cure Period were released through Medi-Cal Eligibility Division Information Letter I 15-22E and additional guidance will be released through an upcoming ACWDL.

If you have questions regarding this letter, please contact Alison Brown at (916) 319-9565 or by email at [Alison.Brown@dhcs.ca.gov](mailto:Alison.Brown@dhcs.ca.gov).

**Original Signed By**

Sandra Williams, Chief  
Medi-Cal Eligibility Division