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



EDMUND G. BROWN JR.
Governor

July 20, 2017

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 17-26
ALL COUNTY WELFARE ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS
ALL COUNTY MEDS LIASONS

SUBJECT: Supplemental Forms Required for Applicants Requesting a
Non-Modified Adjusted Gross Income Eligibility Determination
(Reference: All County Welfare Directors Letters 08-07, 14-18, 16-12,
17-03 and Medi-Cal Eligibility Division Information Letters I 13-12)

The purpose of this letter is to provide counties with guidance on the supplemental forms required for Non-Modified Adjusted Gross Income (MAGI) eligibility determinations. These forms include a Non-MAGI application cover letter and Non-MAGI Brochure to be used in Non-MAGI application packets, as well as, a Flow Chart for county eligibility workers (CEWs) to use to evaluate cases for Non-MAGI programs.

Background

As required by Welfare and Institutions Code, §15926 and 42 Code of Federal Regulations §435.911(c)(3), a Non-MAGI Medi-Cal eligibility determination must be performed when an applicant requests a Non-MAGI or full eligibility determination, or when:

- 1) The individual is excepted from MAGI methodology; or
- 2) The individual is income eligible for Advanced Premium Tax Credits, is not income eligible for MAGI-based Medi-Cal, and indicated on the single streamlined application potential eligibility for Medi-Cal on a basis other than MAGI.

Linkage to Non-MAGI Medi-Cal

The enclosed Non-MAGI Flow Chart will assist CEWs in determining when to conduct a Non-MAGI eligibility determination. Counties are reminded that if an applicant is determined MAGI eligible, a Non-MAGI Medi-Cal evaluation is not required unless requested by the applicant. Applicants ineligible for MAGI Medi-Cal must be evaluated for Non-MAGI Medi-Cal if they meet any of the following criteria:

- Aged, Blind, or Disabled,
- Seeking Long Term Care,
- Seeking services under Home and Community Based Services Waiver,
- Potentially eligible as Medically Needy, or
- Applicant requested a Non-MAGI or full evaluation

Counties are reminded that an applicant/beneficiary eligible to MAGI Medi-Cal can request to have a full Non-MAGI determination under the Medically Needy or Optional Categorical Medi-Cal programs. If found eligible for a Non-MAGI program, the beneficiary must be given to option to select from MAGI eligibility or Non-MAGI eligibility. Please reference [ACWDL 17-03](#) for more guidance.

Non-MAGI Application Processing

If the ex parte review for Non-MAGI does not provide the required information to make a Non-MAGI determination, the following supplemental forms must be provided to applicants for completion or the information requested on these forms must be collected by the CEW and documented in the case file as part of the eligibility determination process.

The required supplemental forms are:

- 1) [Additional Income and Property Information Needed for Medi-Cal MC 604 IPS](#)
- 2) [MC Information Notice 007](#)
- 3) [Notice Regarding Standards for Medi-Cal Eligibility DHCS 7077](#)
- 4) [Notice Regarding Transfer of a Home for both a Married and an Unmarried Applicant/Beneficiary \(Eng/Sp\) DHCS 7077A](#)
- 5) [PUB 10](#)-The Non-MAGI Medi-Cal Brochure: entitled "Non-MAGI Medi-Cal Programs," which provides the applicant with detailed information about the Non-MAGI program, including how Non-MAGI eligibility is determined and what information the applicant will need to provide in order to qualify.

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Counties should follow the two contact requirements in [All County Welfare Directors Letter 08-07](#) when requesting completion of the supplemental forms as part of the intake or new application process. In addition, submission of the supplemental forms by the applicant is not required if the person, otherwise, provides the information needed.

If you have any questions or if we can provide further information, please contact Silvia Salazar at (916) 552-8429 or by email at silvia.salazar@dhcs.ca.gov.

Original Signed By Robert Sugawara for

Sandra Williams, Chief
Medi-Cal Eligibility Division

Enclosures

Dear [insert name],

This letter includes important information about your application for Medi-Cal. We are sending you this letter because you requested an evaluation for all Medi-Cal programs.

We use the information on your application, and state and federal data, to see what health coverage you and each member of your family can get, including:

- **Medi-Cal** programs that use modified adjusted gross income (MAGI) tax rules;
- **Non-MAGI Medi-Cal** programs that use other rules for counting income and property. Non-MAGI programs are for people over age 65, those who have a disability, or those who are blind but do not qualify for MAGI Medi-Cal; and
- **Covered California** private health insurance with help paying the costs through tax credits.

Please fill out and send us the MC604 IPS form that came with this letter.

We need you to complete the “Additional Income and Property Information Needed for Medi-Cal” form MC 604 IPS. The MC604 IPS form will tell us more about your income, possible deductions, and property to see if you or a family member qualifies for Non-MAGI Medi-Cal programs.

You must provide a completed MC 604 IPS and verifications by _____.

Differences between Non-MAGI Medi-Cal and MAGI Medi-Cal programs

Non-MAGI Medi-Cal programs use different rules when counting income and household size. Under Non-MAGI Medi-Cal programs, there is a limit on how much property (assets) you can have. There is no limit on property or assets in MAGI Medi-Cal.

Even if you cannot get free Medi-Cal through a Non-MAGI Medi-Cal program, you may still be eligible for Non-MAGI Medi-Cal with a Share of Cost (SOC). See the enclosed “Non-MAGI Medi-Cal Programs Brochure” for more information.

Minimum Essential Coverage (MEC)

The Affordable Care Act requires most persons to have health coverage that meets MEC rules. Persons who do not have health coverage that meets MEC rules may have to pay a tax penalty. You can learn more about MEC from your county worker.

These are some Medi-Cal programs that do not meet MEC rules:

- Medi-Cal with an unmet SOC,
- Restricted Medi-Cal that covers only emergency services, or breast and cervical cancer treatment only,
- Family Planning, Access, Care, and Treatment,
- Special Treatment programs such as treatment for tuberculosis, dialysis, and parenteral hyper-alimentation.

Covered California and tax credits

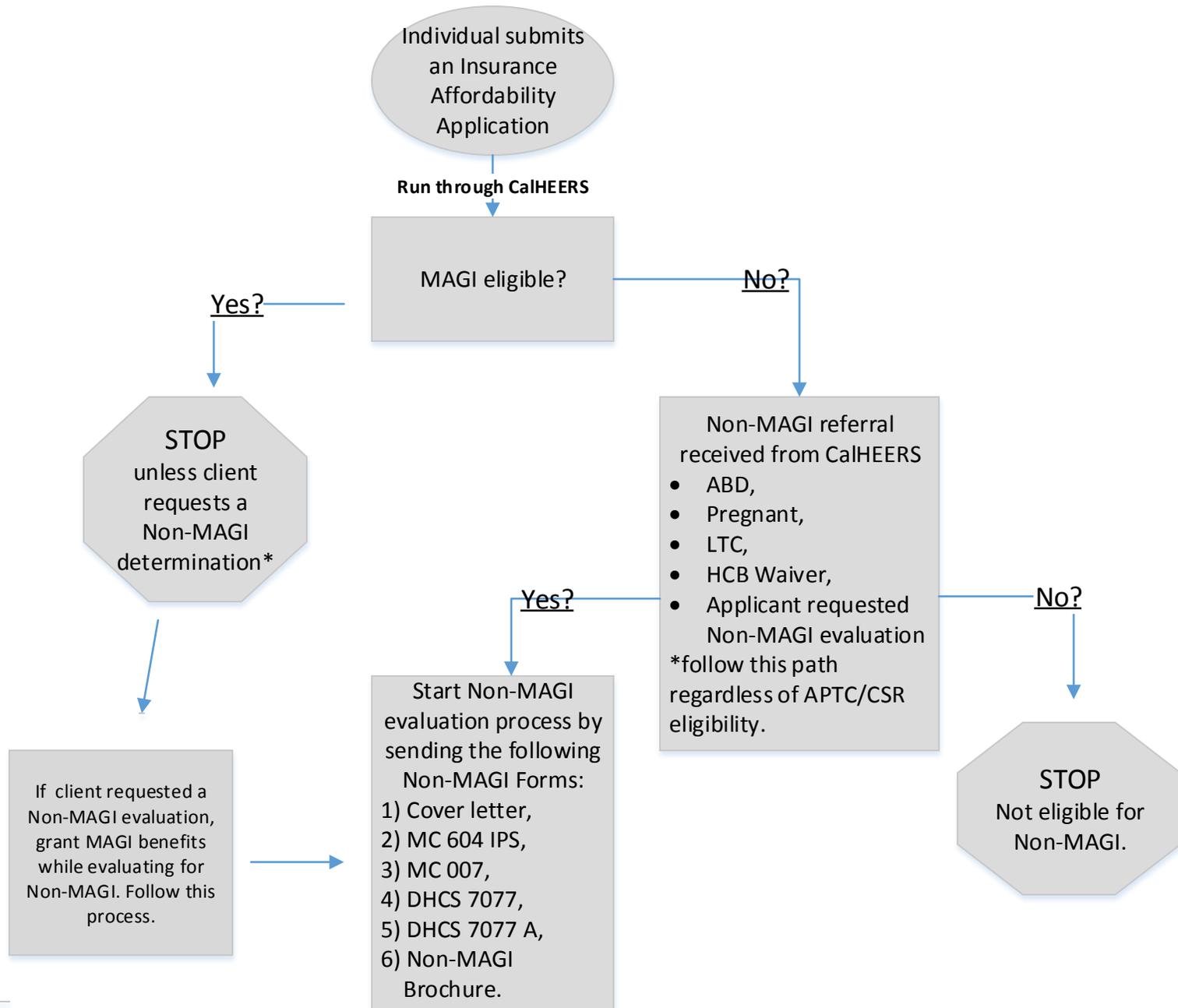
If you qualify, Covered California offers tax credits based upon your taxable income and household size to help you pay the cost of private health insurance. Covered California offers several health plan choices.

If you have questions, call Covered California at **1-800-300-1506** (TTY: 1-888-889-4500). The call is free. You can call Monday to Friday, 8 a.m. to 6 p.m. or visit **CoveredCA.com**.

Non-MAGI Medi-Cal and Covered California coverage

In general, only persons who qualify for Non-MAGI Medi-Cal *with* a SOC can qualify for insurance through Covered California and get tax credits. You cannot get tax credits through Covered California if you qualify for full-scope, no-cost Medi-Cal.

Non-MAGI Determination Flow Chart



*Persons eligible to MAGI and Non-MAGI Medi-Cal must be given the option to select from the two programs.

Non-MAGI Determination Flow Chart (text version)

Individual submits an Insurance Affordability Application >
Run through CalHEERS >

MAGI eligible? IF yes,
STOP: unless client requests a Non-MAGI determination* >

If client requested a Non-MAGI evaluation, grant MAGI benefits while evaluating for Non-MAGI. Follow this process. >

Start: Non-MAGI evaluation process by sending the following Non-MAGI Forms: 1) Cover letter, 2) MC 604 IPS, 3) MC 007, 4) DHCS 7077, 5) DHCS 7077 A, 6) Non-MAGI Brochure.

MAGI eligible? If no,
Non-MAGI referral received from CalHEERS Ⓞ ABD, Ⓞ Pregnant, Ⓞ LTC, Ⓞ HCB Waiver, Ⓞ Applicant requested Non-MAGI evaluation* follow this path regardless of APTC/CSR eligibility. >

If yes,
Start: Non-MAGI evaluation process by sending the following Non-MAGI Forms: 1) Cover letter, 2) MC 604 IPS, 3) MC 007, 4) DHCS 7077, 5) DHCS 7077 A, 6) Non-MAGI Brochure.

If no,
STOP: Not eligible for Non-MAGI.

*Persons eligible to MAGI and Non-MAGI Medi-Cal must be given the option to select from the two programs.