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



EDMUND G. BROWN JR.
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January 8, 2018

To: ALL COUNTY WELFARE DIRECTORS Letter No: 18-01
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY MENTAL HEALTH DIRECTORS
ALL CONSORTIA/SAWS PROJECT MANAGERS

SUBJECT: Notice of Action Requirements for Denials and Discontinuances of the
New Adult Group When a Child(ren) Under the Age of 19 in the Home
Does Not Have Minimal Essential Coverage
(Reference: All County Welfare Directors' Letters 15-27 and 15-27E)

Purpose

The purpose of this letter is to provide counties with updated guidance concerning denial and discontinuance Notices of Action (NOAs) when a parent or other caretaker relative in the Modified Adjusted Gross Income (MAGI) New Adult Group has a dependent child under the age of 19 that lives in the home and the child does not have Minimal Essential Coverage (MEC). This guidance does not apply to New Adult Group beneficiaries with no dependent child(ren) under the age of 19 in the home.

Policy Regulation, Definition and Guidance

In accordance with Welfare and Institutions Code (WIC), Section 14005.60(a) and 42 Code of Federal Regulations (C.F.R.) Section 435.119(c)(1), when a parent or other caretaker relative in the MAGI New Adult Group (Aid Code M1 or M2) has a dependent child who is under the age of 19 that lives in the home and the child does not have MEC, the parent or other caretaker relative does not qualify for MAGI Medi-Cal under the New Adult Group. If there is more than one dependent child living in the home, the parent or other caretaker relative in the New Adult Group shall remain qualified for MAGI Medi-Cal only so long as all of the dependent children have MEC.

In general, MEC means coverage under a government-sponsored program, an eligible employer-sponsored program, a plan in the individual market, a grandfathered health plan, or other health benefits coverage (26 C.F.R 1.5000A-2). MEC consists of a comprehensive scope of benefits including doctors' services, inpatient and outpatient

hospital care, prescription drug coverage, pregnancy and childbirth, mental health services, preventive services, and more.

A dependent child is defined as any child under 19 that lives in the home where the parent or other caretaker relative assumes primary responsibility for the child's care. The dependent child can be a tax dependent or a non-filer child.

A parent/other caretaker relative is a relative of a dependent child by blood, adoption, or marriage with whom the child is living. Caretaker relatives can be, among others, parents, grandparents, great-grandparents, stepparents, siblings, stepsiblings, uncles and aunts, cousins, or spouses or registered domestic partners of one of these relatives (WIC 14055(a)(1) and (2)).

NOTE: Per 42 C.F.R. Section 435.110, MEC coverage for a child under 19 is not a requirement when an adult qualifies for MAGI Medi-Cal under the Parent/Other Caretaker Relative Group (Aid Code M3 or M4).

Counties shall accept self-attestation via telephonic documentation or written submission regarding a dependent child having MEC at the time of application, renewal, and reported changes in circumstance unless the county has information indicating that a child does not have MEC.

As a reminder, prior to discontinuing a parent or other caretaker relative from the MAGI New Adult Group upon learning that a dependent child does not have MEC, the County Eligibility Worker should conduct an ex parte review (up to and including sending the MC 355) to confirm the MEC status of the dependent child and determine if the parent or other caretaker relative qualifies for any other MAGI or Non-MAGI program. If the child does not have MEC, then the county should ask if the parent or other caretaker relative wants Medi-Cal eligibility established for the child. If the child is ineligible, or eligible for Non-MEC coverage only such as Share-of-Cost Medi-Cal, the county should then determine if the parent or other caretaker relative qualifies for any other MAGI or Non-MAGI program. Please refer to [All County Welfare Directors Letter 14-18](#) for guidance on discontinuing a Medi-Cal beneficiary at annual or change in circumstance redetermination.

Noticing Requirement

The following provides guidance on language that should be included in the denial or discontinuance NOA that must be sent when a parent or other caretaker relative in the MAGI New Adult Group is determined ineligible for MAGI Medi-Cal due to a dependent child not having MEC during application, renewal or reported changes in circumstance.

**Required Denial/Discontinuance NOA Language –
Parent or Other Caretaker Relative in the New Adult Group Not Eligible due to
Child Not Having MEC**

When a parent or other caretaker relative in the MAGI New Adult Group has at least one dependent child under the age of 19 that lives in the home and the child does not have MEC, the denial or discontinuance NOA must provide the following reason language for such denial or discontinuance:

For a Denial: Your application dated <Month Day, Year> has been denied. You do not qualify for Medi-Cal because:

-Or-

For a Discontinuance: Your Medi-Cal will end the last day of <month & year>. You no longer qualify for Medi-Cal because:

You are a Parent or Other Caretaker Relative who is responsible for at least one child who is under 19 years of age and that lives in your home. Our records indicate one or more children in your home do not have the required amount of health coverage. In order for you to be eligible, all children in your home under the age of 19 must have health coverage that is considered minimum essential coverage. Minimum essential coverage includes Medi-Cal, the Children's Health Insurance Program, and many other kinds of health insurance.

If you would like to apply for Medi-Cal health coverage for your child, you can call the Medi-Cal county office at the number listed above. If your child already has health coverage, you should report this information to the same Medi-Cal office at the number listed above.

We used the information you gave us, and our records, to make our decision. If you have questions, or think we made a mistake, or if you have more information to give us, call or write to your Medi-Cal county worker right away.

W&I Code, Section 14005.60 and 42 C.F.R. Section 435.119(c) is the regulation or law we relied on for this decision. If you think we made a mistake, you can appeal. See 'Your Hearing Rights' on the last page to learn how to appeal. You have only 90 days to ask for a hearing. The 90 days started the day after the county sent you this notice.

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Implementation Timeline

The Statewide Automated Welfare System (SAWS) must program and implement the MAGI denial and discontinuance NOA language, shown above, in English by the next available SAWS release. A Medi-Cal Eligibility Division Information Letter will be issued later, with the same language shown above, in each of the counties' threshold languages.

Effective immediately, and until SAWS implements this new NOA language, counties should generate manual NOAs, using the enclosed English and translated NOA snippets, when denying or discontinuing a parent or other caretaker relative in the New Adult Group because a dependent child in the home does not have MEC.

If you have questions regarding this letter, please contact Sara McDonald at (916) 327-0422 or by email at sara.mcdonald@dhcs.ca.gov.

Original Signed By

Sandra Williams, Chief
Medi-Cal Eligibility Division