



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



EDMUND G. BROWN JR.  
Governor

May 11, 2018

TO: ALL COUNTY WELFARE DIRECTORS Letter No: 18-06  
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: LOW INCOME HEALTH PROGRAM TRANSITION TO MEDI-CAL  
PROCESSING OF L1 CASES. (Reference All County Welfare  
Directors Letters No: 14-01; Medi-Cal Eligibility Division Information  
Letter No: 14-32 and 15-08)

The purpose of this letter is to provide counties with guidance related to the processing of Low Income Health Program (LIHP) beneficiaries that are still in the L1 aid code in the Medi-Cal Eligibility Data System (MEDS). The LIHP ended on December 31, 2013. Effective January 1, 2014, the Department of Health Care Services (DHCS) administratively moved this population from LIHP to Medi-Cal under the Medicaid expansion. DHCS provided counties with guidance and reports to assist with the transition of LIHP beneficiaries to Medi-Cal in All County Welfare Directors Letter (ACWDL) 14-01.

This ACWDL focuses on the remaining beneficiaries in the LIHP transition aid code L1 and provides instructions to counties on the proper adjudication of L1 beneficiaries, and the process to transition those who are found eligible to appropriate Medi-Cal aid codes, and/or termination for those found ineligible to Medi-Cal.

DHCS will be providing new lists to the counties that will identify beneficiaries who currently show L1 eligibility in MEDS. Once the list is received, the county shall review each L1 record and follow the instructions below:

- County will conduct a full ex parte review of each L1 beneficiary to attempt to redetermine eligibility. Counties are reminded to complete an eligibility review under all Medi-Cal programs, including the Medicare Savings Programs.

- If unable to redetermine Medi-Cal eligibility through ex parte, county will follow the Modified Adjusted Gross Income (MAGI) Medi-Cal renewal process (ACWDL 14-11) and, if necessary, the Non-MAGI and Non-MAGI/MAGI Mixed renewal (ACWDL 14-35). Counties must also follow the Notice of Action (NOA) guidance provided in ACWDL 15-27, 15-27E, 17-17, 17-32.
- County will need to register a new application in the Statewide Automated Welfare System (SAWS), enter all applicable data, and run a MAGI or Non-MAGI eligibility determination once all information and verifications have been received. The application date will be the date the county eligibility worker enters the information into the application. County shall send a timely and appropriate NOA to the beneficiary, depending on the eligibility results:
  - If found eligible, the beneficiary's new Medi-Cal eligibility will be effective going forward. It is not necessary for the county to grant retroactive eligibility because the L1 aid code in MEDS has been providing full scope Medi-Cal for those past months. Once the county reports the new Medi-Cal aid code to MEDS through the SAWS, the L1 aid code should automatically discontinue in MEDS.
  - If found ineligible, the county must send a discontinuance NOA. DHCS will not be providing a specific discontinuance NOA for the L1 beneficiaries. County will use the appropriate discontinuance reason and issue a NOA from SAWS. (This could be a manual NOA, or a reissuance of a previously issued NOA with an updated discontinuance date, if the reason remains the same.)
- Generally speaking, the county that originally was assigned the L1 aid code will be responsible for resolving the status of the L1 record. The county activity includes, but is not limited to reviewing MEDS alerts, examining the data in MEDS and SAWS, conducting MEDS file clearance, and properly adjudicating the case (approving/discontinuing) in SAWS. Also, if it is found that the L1 beneficiary has moved to another county, the county that was assigned the L1 aid code will process the Intercounty Transfer (ICT).
  - For example, the L1 beneficiary may have moved to another county and is receiving other public benefits such as CalFresh in the new county; however, the L1 aid code is showing eligibility under the original county of

responsibility. In this instance, the original county of responsibility will adjudicate the L1 case, and if found eligible for continued Medi-Cal will process a Medi-Cal ICT to the new county of residence.

- The county must document in the case file the actions taken on each L1 record. To ensure that the remaining L1 records transition timely, DHCS will be providing updated L1 lists to the counties per the following schedule:
  1. During mid-March 2018, DHCS will send the L1 list to the county per Secure File Transfer Protocol portal.
  2. DHCS will send an update of the remaining L1 from the March list to the counties approximately every two months after MEDS renewal has occurred: May, July, and September 2018.

DHCS will lead the MEDS cleanup efforts for the following L1 records:

1. L1 that shows dual coverage (another full scope Medi-Cal aid code with or without a Share of Cost in addition to L1 eligibility);
2. L1 that shows an out of state address.

Note: DHCS will not be sending NOAs related to the termination of the L1 aid code for the above L1 beneficiaries found eligible on another basis or showing an out of state address.

If the county experiences problems with the MEDS transactions (i.e. L1 record will not terminate), send a secure e-mail detailing the nature of the problem to [Debora.Wong-Kochi@dhcs.ca.gov](mailto:Debora.Wong-Kochi@dhcs.ca.gov). Do not submit Remedy Tickets. Problems related to this population will be handled by Debora Wong-Kochi. In order to ensure the privacy and security of Medi-Cal Personally Identifiable Information (PII), the county shall utilize appropriate encryption measures. If the county needs assistance with sending a secure e-mail, please contact Debora Wong-Kochi.

The counties will follow the above guidance and adjudicate all L1 records by November 2018.

All County Welfare Directors Letter No.: 18-06  
Page 4  
May 11, 2018

If you have questions, please contact Ms. Debora Wong-Kochi at (916) 327-6690 or by e-mail at [Debora.Wong-Kochi@dhcs.ca.gov](mailto:Debora.Wong-Kochi@dhcs.ca.gov).

Sincerely,

**Original Signed by**

Sandra Williams Chief  
Medi-Cal Eligibility Division