DHCS
CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES
Michelle Baass | Director

DATE: June 25, 2024

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 24-08 E
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: 2024 Medi-Cal Privacy and Security Agreement (PSA)

The purpose of this All County Welfare Directors Letter (ACWDL) errata is for Department of Health Care Services (DHCS) to provide updated clarification and guidance to counties regarding language from the Required Compliance and Ongoing Risk Management section of ACWDL 24-08 and to provide counties clarification on the termination date of the 2024 Medi-Cal PSA template, an enclosure of the ACWDL 24-08.

2024 MEDI-CAL PSA TERMINATION DATE

When published by DHCS, the 2024 Medi-Cal PSA template included a typo within the year of the termination date listed, referencing "September 1, 202" rather than the correct date of "September 1, 2028" on page 44 of the PSA. The enclosure within ACWDL 24-08 has since been updated by DHCS. Prior to signing the 2024 Medi-Cal PSA, counties should ensure the PSA being signed reflects the correct termination date. Any 2024 Medi-Cal PSA submitted to DHCS without the accurate termination will not be accepted and the county will be requested to resubmit.

Corrections to ACWDL 24-08 are recorded using the following:

- ~~strike-through~~ for deleted language
- **underline and bolding** for adding new language

Below is the language from ACWDL 24-08, with the revisions located on page 5.

REQUIRED COMPLIANCE AND ONGOING RISK MANAGEMENT

Upon execution, all 58 counties are required to comply with the terms of the Agreement to ensure the continued transmission of PII between the counties and DHCS. Since the previous PSA was developed, there have been substantial changes to the information security environment in which our organizations operate. As a result, the State of California Office of Information Security, DHCS, and SSA have adopted the National Institute of Standards and Technology (NIST) Security and Privacy controls for Information Systems and Organizations, and the associated Risk Management Framework for Information Systems and Organizations. A subset of applicable NIST

controls are outlined in a new Systems Security Standards and Requirements section of the Agreement.

The NIST framework is a widely recognized set of guidelines and best practices designed to help organizations manage and improve their cybersecurity posture. It is a toolbox that businesses and other entities can use to better understand, manage, and reduce cybersecurity risks. It provides a structured approach to assessing and improving cybersecurity, regardless of an organization's size, industry, or level of technical expertise. The framework is designed to be flexible and scalable, so organizations can tailor it to their specific needs and circumstances. It's also meant to be a living document that evolves over time as new threats emerge and technologies change. Overall, the NIST framework provides a structured approach to cybersecurity management that can help organizations better understand, manage, and reduce their cybersecurity risks.

County Departments/Agencies will need to assess and update their policies, processes, and systems to align with the terms of the Agreement. DHCS also acknowledges this effort may take time and funding to accomplish within each county. For changes that require counties to increase the retention period for certain employee records, such as employee trainings, DHCS recognizes this requirement is only applicable to records maintained after the execution of the new Agreement. DHCS is committed to assisting the counties with funding required for implementing the terms of this Agreement as needed or appropriate. ~~Counties should follow existing county administration funding processes to request funding via a County Welfare Directors Association of California (CWDA) budget request.~~ **DHCS provides funding to counties to support information technology and infrastructure-related costs associated with administering Medi-Cal via existing county administrative processes. DHCS is proposing for counties to use those existing processes to request additional funding to support counties with information technology and infrastructure costs associated with implementing the new technical controls of the PSA.**

To help counties identify what those resource needs are, DHCS and CDSS will be facilitating a Security Compliance Review of the counties against the new controls. Any gaps would be documented in a Plan of Action and Milestones (POA&M) and the county could use the results from the assessment and any required POAM to demonstrate/justify their funding needs.

Any County Department/Agency that has identified compliance gaps concerning these standards within their organizations should notify DHCS immediately. The county will be asked to develop a ~~Plan of Action and Milestones (~~POA&M~~)~~ detailing a concrete roadmap to become fully compliant with the Agreement's standards. The POA&M must be provided to DHCS for review and approval. Any county that is under a POA&M will

be required to provide quarterly updates to DHCS until the county becomes fully compliant.

If you need to contact DHCS regarding any of the information in this letter or additional privacy and information security concerns, please submit inquiries via email to the PSA inbox at CountyPSA@dhcs.ca.gov.

Sincerely,

Sarah Crow
Division Chief, Medi-Cal Eligibility Division