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Medi-Cal Eligibility Division Information Letter No.: I 20-08

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY WELFARE ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS

SUBJECT: FOLLOW-UP GUIDANCE TO MEDIL I 20-07

The purpose of this Medi-Cal Eligibility Division Information Letter (MEDIL) is to provide additional information and clarification for counties and the Statewide Automated Welfare System (SAWS) regarding the instructions found in [MEDIL I 20-07](#). MEDIL I 20-07 directs counties to delay processing of Medi-Cal annual renewals, and defer discontinuances and negative actions based on the declared State and National Emergency due to the COVID-19 public health crisis.

In an effort to ensure that Californians continue to receive coverage during the COVID-19 public health crisis per Executive Order N-29-20, the Department of Health Care Services (DHCS) issued MEDIL I 20-07 instructing the counties and SAWS to make the following operational and automation changes with respect to the processing of Medi-Cal cases effective March 16, 2020:

- Delay processing of annual renewals and reported changes in circumstance through the duration of the Executive Order, unless the processing of the information would allow individuals to gain access to health care coverage or resolve barriers related to access to care such as, intercounty transfers, adding a household member, or a decrease in income.
- Delay discontinuance and negative actions as a result of annual renewals and reported change in circumstances, including verifications requested as part of the annual renewal and change in circumstance processing, to ensure individuals have access to medical care through the duration of the Executive Order.

SAWS, in collaboration with DHCS, made immediate changes to the systems to ensure the intent of Executive Order N-29-20 and MEDIL I 20-7 were executed timely. This included the following:

- Preventing Medi-Cal cases from discontinuing automatically via pre-scheduled batch jobs for the duration of Executive Order N-29-20; and
- Maintaining normal automated renewal functions including executing the auto ex-parte process for Modified Adjusted Gross Income (MAGI) Medi-Cal cases and sending out the redetermination packets for both MAGI and Non-MAGI Medi-Cal cases, if ex parte did not result in continued eligibility.

SAWS has informed counties and DHCS that the measures that were taken would prevent the cases from discontinuing automatically through their respective automated processes for the duration of the Executive Order.

County Expectations for Continuous Coverage

During this time, individual county eligibility workers still have the ability to discontinue cases through the Eligibility Determination and Benefits Calculation (EDBC) functionality within their respective SAWS and/or through an online Medi-Cal Eligibility Data System (MEDS) transaction, as needed. County offices may need to adjust their business processes at this time to ensure that individuals neither get discontinued manually, nor are negatively impacted during the duration of the Executive Order, with a few exceptions. The following “terminations” are allowable during this time:

- Individuals who are reported to be deceased,
- Individuals who are no longer a resident of the state,
- Individuals who request voluntary discontinuance from Medi-Cal, and
- Non-MAGI Medi-Cal individuals moving from a non-Long Term Care (LTC) aid code into a LTC aid code.

The requirement to maintain continuous coverage applies to beneficiaries who fail to return documents and/or verifications necessary to determination ongoing eligibility, including renewal documents, and verifications requested upon the report of a change in circumstances. Individuals who fail to provide these necessary documents and verifications shall remain Medi-Cal eligible through the duration of the Executive Order.

This requirement to maintain continuous coverage also applies to individuals who might otherwise have coverage terminated or benefits negatively affected after a change in circumstances, including:

- individuals who age out of a Medi-Cal eligibility group during the emergency period,
- individuals who lose receipt of benefits that would otherwise affect their Medi-Cal eligibility (e.g., Supplemental Security Income (SSI), foster care assistance payments),
- individuals whose whereabouts become unknown,

- children aided in the Optional Targeted Low Income Children Program (OTLICP), who would otherwise move from a non-premium aid code to a premium aid code,
- increases in Share of Cost (SOC)—including those individuals who would otherwise move from a zero SOC to a SOC, and
- individuals who would otherwise move from full scope benefits to restricted scope coverage.

Pursuant to Centers for Medicare & Medicaid Services (CMS) guidance, counties will need to track these cases and apply the appropriate negative action once the public health emergency ends.

DHCS understands that during this period Medi-Cal eligibility in SAWS and MEDS may be out of sync with the eligibility information contained in the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS) as a result of delaying Medi-Cal negative actions and discontinuances.

County Action

In order to assist individuals in gaining access to health care coverage and resolving barriers related to access to care, counties shall prioritize their workload as follows:

- Eligibility determinations for new applications
- Immediate need requests for restoration of Medi-Cal eligibility—including those individuals that provided information during their 90 day cure period
- Redeterminations for reported change in circumstances that would provide access to care
- Eligibility determinations for transitioning cases in Carry Forward Status to prevent gaps in coverage

Discontinued Cases

County Expectation for Individuals Discontinued Effective April 1, 2020

DHCS understands that as early as February 20th, 2020, normal county business processes prompted the discontinuance of Medi-Cal eligibility for individuals who failed to provide and/or respond, effective April 1, 2020. Counties must prioritize requests for Medi-Cal reinstatement from these individuals who were discontinued prior to the issuance of MEDIL I 20-07, effective April 1, 2020. Further, counties are to reinstate Medi-Cal eligibility for these individuals without requiring additional documents, verifications and/or information from the individual. These cases should be identified for future processing once the suspension of negative action activities is lifted.

County Expectation for Discontinued Individuals in the 90-Day Cure Period

Individuals discontinued prior to March 17, 2020 (effective January 2020 and February 2020) are within their 90-day cure period. As in the current 90-Day Cure Period policy, these individuals must work with the county, providing information and/or documentation required to resolve any outstanding eligibility issues, prior to the county restoring Medi-Cal eligibility.

For example: Individuals discontinued January 2020 for failure to provide verifications have until April 30, 2020 to provide the needed verifications in order for the county to restore Medi-Cal benefits back to the date of discontinuance.

Counties are to prioritize completion of these redeterminations to provide timely access to Medi-Cal coverage.

Fair Hearings

DHCS received federal approval from CMS, granting temporary flexibilities related to the Fee-for-Service (FFS) Medi-Cal State Fair Hearing process during the COVID-19 emergency period. This includes flexibility to delay scheduling Medi-Cal fair hearings and issuing fair hearing decisions. The timeframes in 42 CFR §431.221(d) provides that states can choose a reasonable timeframe for individuals to request a fair hearing not to exceed 90 days for eligibility or FFS issues. This approval extends those timeframes and allows beneficiaries up to an additional 120 days, for a total of up to 210 days, to request a fair hearing for Medi-Cal eligibility or a FFS appeal.

Individuals who have a pending hearing decision during the Executive Order period and continue to receive Medi-Cal services through Aid Paid Pending (APP) are considered enrolled for benefits and shall remain eligible for the duration of the appeal. If the hearing decision results in a negative action, the individual shall remain eligible until the Executive Order is lifted.

Counties shall delay the processing of any negative actions on a case, as a result of a fair hearing decision, through the duration of the Executive Order. Counties shall document the delay in the case file and apply the appropriate change once the Executive Order has been lifted.

Office Visits and Telephonic Signatures

Counties shall follow guidance provided in [ACWDL 19-17](#) to conduct telephonic interviews/appointments in situations that usually require an applicant or beneficiary to visit the county office for services, including programs outlined in Article 4V of the Medi-

Cal Eligibility Procedures Manual. Additionally, forms that usually require a wet signature to be valid, can be completed and signed via telephonic signature during the Executive Order.

Written Affidavits

Due to the Federal and State Emergency, counties shall also accept written affidavits telephonically signed by the applicant or beneficiary. Counties shall follow the process below to accept an affidavit telephonically:

- Utilize the county's existing affidavit template and complete the affidavit with the information provided by the applicant/beneficiary;
- Inform the applicant/beneficiary that their telephonic signature carries the same weight as a handwritten signature;
- Ask the applicant/beneficiary to confirm that the information they have provided is "true and correct under penalty of perjury under the laws of the State of California";
- Include "Telephonic Signature Due to Public Health Crisis/Disaster" and the date in the signature line;
- Retain a copy of the signed affidavit in the case record (according to county business process);
- Note in the case record that an affidavit was accepted over the phone, what information was included in the affidavit, and the date the affidavit was accepted;
- Mail a copy of the affidavit to the applicant/beneficiary.

Continuous Coverage for Medi-Cal Beneficiaries who Become Incarcerated

Counties are to continue to take action and process transactions for individuals Released from incarceration, by reporting the Release Date, as this is a positive action and addresses a barrier to care that the inmate would otherwise experience. In addition, the termination of the Medi-Cal Inmate Eligibility Program (MCIEP) aid code, if needed, would be appropriate to ensure the Medi-Cal (non-MCIEP) eligibility displays accurately in MEDS for released inmates.

MEDS Generated Holds

According to [ACWDL 96-06](#) and [MEDIL I 15-34](#), MEDS generated holds will not impact Medi-Cal eligibility. Eligibility will continue until the county resolves the hold or terminates the eligibility with proper notification. A Burman hold status is not reflected in the MEDS Online Provider Inquiry (MOPI) screen or provider Point of Service (POS) devices. There should not be a barrier to care for individuals in Burman hold status and they should be able to access care from their provider.

Health Plan Holds

Medi-Cal beneficiaries who have active eligibility, but are in a Managed Care Plan (MCP) HOLD status in MEDS are not without coverage; these individuals will simply need to obtain services through the Fee for Services (FFS) delivery model.

Next Steps

For the duration of Executive Order N-29-20, DHCS will continue to work in collaboration with SAWS and counties on the next steps to develop a process for the resumption of regular business operations. This may include sending out an additional reminder to individuals who have not yet returned their renewal packet, preparing a schedule for reinstating the discontinuance batches within SAWS so that individuals who have not returned a packet (or verification) will be discontinued allowing for ten-day noticing requirements, and addressing the backlog of cases that were not processed during this delay and/or cases that are out of sync with CalHEERS due to MEDIL I 20-07 guidance.

Additionally, DHCS will be distributing a Question and Answer (Q&A) document to answer county questions and concerns regarding MEDIL I 20-07. Details about the distribution of the Q & A document will be forthcoming.

Please continue to reference the ACWDLs and MEDILs regarding public health crisis or disasters:

- MEDIL I [20-06](#) – Public Health Crisis or Disaster Reminders for Medi-Cal,
- ACWDL [19-01](#) – Exceptions due to Public Health Crisis or Disaster,
- MEDIL I [17-16](#) – Processing Applications from Individuals Affected by Disasters, and
- ACWDL [15-36](#) – Guidance to Counties on Treatment of Applications/Redeterminations in Disaster Areas and Treatment of Disaster

If you have any questions, or if we can provide clarification, please contact Katherine Mead by phone at (916) 345-8043, or email DHCScaSAWS@dhcs.ca.gov.

Original Signed by

Sandra Williams, Chief
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