

CalSAWS

California Statewide Automated Welfare System

Design Document

CA-207940

Automate Annual Re-Evaluations for Bounce
Back Individuals

CalSAWS	DOCUMENT APPROVAL HISTORY	
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DATE	DOCUMENT VERSION	REVISION DESCRIPTION	AUTHOR
05/10/2022	.01	Created Document	Cynthia Ridley
07/15/2022	.02	Reviewed Design with Build/Test teams	Cynthia Ridley
07/19/2022	.03	Reviewed Design with Consortium Analysts	Cynthia Ridley
04/03/2023	.04	Updated Design to add additional criteria for Batch EDBC and Batch EDBC skips	Cynthia Ridley
04/03/2023	.05	Reviewed updated Design with Consortium Analysts	Cynthia Ridley
04/06/2023	1.0	Submitted for Committee Review	Cynthia Ridley
04/25/2023	1.1	Updated Design (Recommendation 2.1.2.2) from Committee Feedback and submitted for Committee Review	Cynthia Ridley
07/11/2023	1.2	Content Clarifications: <ul style="list-style-type: none"> Updated the Execution Frequency for section 2.1.3 Updated verbiage for recommendation 2.3.4.b 	Cynthia Ridley
08/07/2023	1.3	Content Revision: <ul style="list-style-type: none"> Removed 2.1.2.2.a.iii from recommendation. Added Run Reason Code to Recommendation 2.1.2.2.b Added additional criteria for the DER to be received between last success date and batch date to recommendation 2.2.2.2.iii. 	Cynthia Ridley
08/24/2023	1.4	Content Revision: <ul style="list-style-type: none"> Updated to disable Batch jobs due to CCU 	Cynthia Ridley

Table of Contents

1	Overview	5
	1.1 Current Design.....	5
	1.2 Requests	6
	1.3 Overview of Recommendations	6
	1.4 Assumptions	6
2	Recommendations	7
	2.1 Bounce Back Rule Batch Sweep for MAGI Medi-Cal	7
	2.1.1 Overview.....	7
	2.1.2 Description of Change	7
	2.1.3 Execution Frequency.....	8
	2.1.4 Key Scheduling Dependencies.....	8
	2.1.5 Counties Impacted.....	8
	2.1.6 Category.....	8
	2.1.7 Data Volume/Performance.....	8
	2.1.8 Failure Procedure/Operational Instructions.....	8
	2.2 Bounce Back Rule Batch EDBC Sweep Job for MAGI Medi-Cal.....	9
	2.2.1 Overview.....	9
	2.2.2 Description of Change	9
	2.2.3 Execution Frequency.....	10
	2.2.4 Key Scheduling Dependencies.....	10
	2.2.5 Counties Impacted.....	10
	2.2.6 Category.....	11
	2.2.7 Data Volume/Performance.....	11
	2.2.8 Failure Procedure/Operational Instructions.....	11
	2.3 Batch EDBC	11
	2.3.1 Overview.....	11
	2.3.2 Description of Change	11
	2.3.3 Execution Frequency.....	12
	2.3.4 Key Scheduling Dependencies.....	12
	2.3.5 Counties Impacted.....	12
	2.3.6 Data Volume/Performance.....	12
	2.3.7 Failure Procedure/Operational Instructions.....	13

3	Supporting Documents	13
4	Appendix.....	15

1 OVERVIEW

All County Welfare Directors Letter (ACWDL) 19-18 provides counties with guidance on the application of 42 Code of Regulations (CFR) section 435.603(i), commonly referred to in California as the “Bounce Back Rule”. The “Bounce Back Rule” is a component of the Modified Adjusted Gross Income (MAGI) based financial methodology and is used to determine eligibility for MAGI Medi-Cal based on the Advanced Premium Tax Credit (APTC) income and household composition rules.

With the introduction of the Affordable Care Act (ACA), when an individual applies for healthcare coverage, the individual is first evaluated for MAGI Medi-Cal using the MAGI methodology. If the individual is determined ineligible for the MAGI Medi-Cal program, the individual is then evaluated for the APTC programs.

MAGI Medi-Cal income methodologies require an individual's income calculation to be at or below the Federal Poverty Level (FPL) for the MAGI Medi-Cal category applicable to the individual. APTC income methodologies require an individual to have annual income above 100 percent of the FPL to be eligible for APTC programs. When an individual's income is below the annual 100 percent FPL limit for APTC, but higher than the respective MAGI Medi-Cal income limits, CalHEERS applies the “Bounce Back Rule” using the APTC income and household composition methodology instead of the MAGI Medi-Cal income and household methodology, and grants MAGI Medi-Cal eligibility.

Individuals found eligible for MAGI Medi-Cal based on the “Bounce Back Rule” shall have their eligibility re-determined at the end of the calendar year for the next year's January benefit month.

This SCR will create two new yearly batches to re-evaluate individuals on MAGI Medi-Cal based on the “Bounce Back Rule” for the following calendar year.

1.1 Current Design

CalHEERS is the system that determines eligibility for MAGI Medi-Cal. CalHEERS communicates MAGI Medi-Cal eligibility to CalSAWS via a Determination Eligibility Response (DER). When an individual is eligible for MAGI Medi-Cal due to the “Bounce Back Rule,” CalHEERS sends an indicator in the DER informing the individual meets the criteria to be eligible to MAGI Medi-Cal based on the “Bounce Back Rule.”

CalSAWS does not have an automated process to send re-evaluation Eligibility Determination Requests (EDR) to CalHEERS at the end of the calendar year for these individuals to have their eligibility re-determined for January of the following year.

CalSAWS EDBC rules allow Medi-Cal Members to Discontinue from the Medi-Cal program in Batch EDBC when an Active MAGI member returns as MAGI Discontinued on a DER.

1.2 Requests

Automate the re-evaluation of MAGI Medi-Cal for January of the following year in which an individual is placed in MAGI Medi-Cal due to the "Bounce Back Rule."

Allow Medi-Cal programs to skip out of Batch EDBC processing when an Active MAGI Medi-Cal individuals eligibility is MAGI Discontinued on the 'Bounce Back Rule' DER, or MAGI income is 'Pending'.

Due to the Continuous Coverage Unwinding, these batches will be disabled until DHCS informs CalSAWS when to enable in a future SCR.

1.3 Overview of Recommendations

1. Create a Bounce Back Rule Sweep batch job to send EDRs for individuals who are eligible on MAGI Medi-Cal due to the "Bounce Back Rule."
2. Create a new 'Bounce Back Rule' Batch EDBC Sweep job to process EDBC for programs where the 'Bounce Back Rule' DER returned.
3. Add a new batch EDBC skip reason to skip Medi-Cal programs from processing EDBC when the DER from 'Bounce Back Rule Re-evaluation' has income verification pending, or an Active Medi-Cal Member is MAGI Discontinued.

1.4 Assumptions

1. There are no changes to Automated Action functionality with this SCR.

2 RECOMMENDATIONS

2.1 Bounce Back Rule Batch Sweep for MAGI Medi-Cal

2.1.1 Overview

Create a Bounce Back Rule Sweep batch job to send EDRs for individuals who are eligible on MAGI Medi-Cal due to the “Bounce Back Rule.”

2.1.2 Description of Change

1. Add a Batch EDR Run Reason Code for Bounce Back Rule EDR Sweep (CT_2813)

Code	Short Description	Long Description	Reporting Indicator
TBD	Bounce Back Rule Re-evaluation	Bounce Back Re-evaluation Eligibility Determination Request	Yes

Note: The following reports include Batch EDR Run Reason:

- a. Outstanding Eligibility Determination Request Report
 - b. E-HIT Exception Report No Response from CalHEERS
 - c. E-HIT Exception Report Error Message Received from CalHEERS
 - d. E-HIT Exception Report MAGI Ineligibles from CalHEERS Need Case Authorization
 - e. MAGI Error Report
 - f. Batch MAGI Skip Report
 - g. MAGI Discontinuance Report
2. Create a new Batch MAGI Bounce Back Rule Sweep job to send EDRs when a MAGI Medi-Cal individual is eligible for MAGI based on the Bounce Back Rule.
 - a. Identify the target population that meet all the following conditions:
 - i. Individual is Active MEM on MAGI Medi-Cal in the come-up month.
 - ii. The Valid DER has the 'Meets603(i)' flag set to 'Yes'.
 - iii. ~~The Latest DER is not in 'In Process' status.~~
 - iv. The Renewal Due date is for February of the following year or later.

- b. Send an EDR for the identified population for January of the following year (come-up month) based on the Medi-Cal program assigned to the most recent EDR. If there is no prior EDR, then assign the Medi-Cal program for the EDR based on the Medi-Cal program assigned to the most recent DER. Include the new Batch EDR Run Reason Code from Recommendation 2.1.2.1 and set the Run Reason Code to 'CO'.

2.1.3 Execution Frequency

Annually, 9 calendar days prior to the end of November.

This batch will be disabled until SCR CA-266987 turns it on.

2.1.4 Key Scheduling Dependencies

Run prior to the Batch MAGI processing jobs (PB00CH100), and after Batch EDBC processing job.

2.1.5 Counties Impacted

All Counties

2.1.6 Category

Core

2.1.7 Data Volume/Performance

No measurable amount of data volume or performance change.

2.1.8 Failure Procedure/Operational Instructions

Batch Support Operations staff will evaluate transmission errors and failures and determine the appropriate resolution (i.e., manually retrieving the file from the directory and contacting the external partner if there is an account or password issue, etc....)

2.2 Bounce Back Rule Batch EDBC Sweep Job for MAGI Medi-Cal

2.2.1 Overview

Create a new 'Bounce Back Rule' Batch EDBC Sweep job to process EDBC for programs where the 'Bounce Back Rule' DER returned.

2.2.2 Description of Change

1. Add a Batch Eligibility Sweep code for the re-evaluation of a Bounce Back Rule Individual (CT_942)

Short Decode Name	Long Decode Name
MAGI Medi-Cal Individual annual re-evaluation due to the Bounce Back Rule.	MAGI Medi-Cal Individual annual re-evaluation due to the Bounce Back Rule

This will allow CalSAWS to generate an auto-journal with the following information for each case processed successfully through Batch EDBC from Recommendation 2.2.2.2

Journal Category: Eligibility

Journal Type: Batch EDBC

Short Description: Batch EDBC ran for XX/XXXX

Long Description: Batch EDBC ran for XX/XXXX. Batch EDBC processed for the Medi-Cal program for the following Reason: MAGI Medi-Cal Individual annual re-evaluation due to the Bounce Back Rule.

2. Create a new Batch EDBC Sweep job to process Batch EDBC for MAGI or mixed MAGI/Non-MAGI cases where a DER initiated by 'Bounce Back Re-evaluation' was received as follows:
 - a. Identify the population for which to run Batch EDBC:
 - i. A DER for benefit month January of next year was received from the EDR initiated by 'Bounce Back Re-evaluation', and the DER status is 'Reviewed'.
 - ii. At least one individual on the Medi-Cal program is an Active MEM effective for January of next year.
 - iii. The DER was received between last success date and batch date.
 - b. Insert a SYS_TRANSACT record for the Medi-Cal program identified above to the processed by Batch EDBC with RE Run Reason. Trigger Batch EDBC with the following details:
 - i. Run_Type_Code = Single Program Mode
 - ii. SUB_TYPE_CODE = The code value from Recommendation 2.2.2.1

- iii. RUN_RSN_CODE = 'RE'
- iv. EFF_DATE = January of next year

2.2.3 Execution Frequency

Daily, 8 calendar days prior to the end of November until Batch 10 day cut off of December.

This batch will be disabled until CA-266987 SCR turns it on.

For Example: Bounce Back Re-Evaluation for **January 2024**

- On 11/21/2023, Batch MAGI Bounce Back Rule Sweep job identifies Medi-Cal Programs and sends EDRs to CalHEERS for benefit month January 2024.
- On 11/21/2023 10:35 PM, the 'Bounce Back Rule' DER is received from CalHEERS for the MC Program. The DER has all MAGI individuals as MAGI Eligible and they have no pending income verifications.
- The next night, 11/22/2023, Bounce Back Rule Batch EDBC sweep job begins checking for new 'Bounce Back Rule' DERs returned that can be processed by Batch EDBC each night.
- On 11/22/2023 11:00 PM, Bounce Back Rule Batch EDBC sweep job identifies the 'Bounce Back Rule' DER was received inserts the MC Program into SYS_TRANSACT for Batch EDBC processing with 'RE' Run Reason for January 2024 benefit month.
- On 11/23/2023 9:30 PM, Batch EDBC processes the MC program identified for Batch processing the night before and advances the renewal.
- On 11/23/2023 11:00PM, Bounce Back Rule Batch EDBC sweep job checks for any 'Bounce Back Rule' DERs received and inserts the programs into SYS_TRANSACT for Batch EDBC processing with 'RE' Run Reason.
 - Since CalSAWS cannot control how quickly CalHEERS returns the 'Bounce Back Rule' DERs, this sweep continues daily until the day before batch 10-day cutoff for December (12/17/2023) to pick up any MC programs when the 'Bounce Back Rule' DER is received and run Batch EDBC.

2.2.4 Key Scheduling Dependencies

Run after Batch EDBC.

2.2.5 Counties Impacted

All Counties

2.2.6 Category

Core

2.2.7 Data Volume/Performance

No measurable amount of data volume or performance change.

2.2.8 Failure Procedure/Operational Instructions

Batch Support Operations staff will evaluate transmission errors and failures and determine the appropriate resolution (i.e., manually retrieving the file from the directory and contacting the external partner if there is an account or password issue, etc....)

2.3 Batch EDBC

2.3.1 Overview

Add a new batch EDBC skip reason to skip Medi-Cal programs from processing EDBC when the DER from 'Bounce Back Rule Re-evaluation' has income verification pending, or an Active Medi-Cal Member is MAGI Discontinued.

2.3.2 Description of Change

1. Add a new Not Processed Reason (CT_707) code to skip Medi-Cal programs from EDBC processing when an Active Member has income verification in a 'Pending' status in the 'Bounce Back Rule' DER.

Code Num Identif	Short Decode Name	Long Decode Name
TBD	Bounce-back individual on MC has pending MAGI income verification	Active Member on Medi-Cal program has MAGI income verification in a 'Pending' status.

2. Update the Batch EDBC skip logic to skip Medi-Cal programs with the 'Not Processed Reason' mentioned in 2.3.2.1 when the below are true:
 - a. EDBC was initiated from the 'Bounce Back Rule Batch EDBC Sweep' job.
 - b. Any Active MEM on the Medi-Cal program for January of next year is MAGI Eligible or Conditionally Eligible on the DER associated to the Bounce Back Rule EDR and that individual has

either of the Income verification types listed below as 'Pending' on the DER:

- i. INC
- ii. PAI

3. Add a new Not Processed Reason (CT_707) code to skip the Medi-Cal program from EDBC processing when an Active MAGI Member's eligibility is moving to a Discontinued status on the 'Bounce Back Rule' DER.

Code Num Identif	Short Decode Name	Long Decode Name
TBD	Bounce-back individual has MAGI Discontinued status	Active Member on Medi-Cal program returned in a discontinued eligibility status on Bounce Back DER.

4. Update the Batch EDBC skip logic to skip Medi-Cal programs with 'Not Processed Reason' mentioned in 2.3.2.3 when the following are true:
 - a. EDBC was initiated from the 'Bounce Back Rule Batch EDBC Sweep' job.
 - b. Any Active MAGI Member on the Medi-Cal program returned as MAGI Discontinued on Bounce Back Rule DER for January of next year.

Note: The new skip reasons will display on the 'Batch Eligibility Report' and CalSAWS will create a task for the automated action, "Batch EDBC MAGI Medi-Cal Skipped: Review Reason." if the county has the task activated.

2.3.3 Execution Frequency

Not Applicable

2.3.4 Key Scheduling Dependencies

Not Applicable

2.3.5 Counties Impacted

All Counties

2.3.6 Data Volume/Performance



No measurable amount of data volume or performance change

2.3.7 Failure Procedure/Operational Instructions

Batch Support Operations staff will evaluate transmission errors and failures and determine the appropriate resolution (i.e., manually retrieving the file from the directory and contacting the external partner if there is an account or password issue, etc....)

3 SUPPORTING DOCUMENTS

Number	Functional Area	Description	Attachment
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1	Policy	ACWDL 19-18	<div data-bbox="690 254 808 401">  <p>JENNIFER KENT DIRECTOR</p> </div> <div data-bbox="885 247 1349 310"> <p>State of California—Health and Human Services Agency Department of Health Care Services</p> </div> <div data-bbox="1432 254 1528 401">  <p>GAVIN NEWSOM GOVERNOR</p> </div> <p data-bbox="727 472 846 495">July 19, 2019</p> <p data-bbox="727 537 1453 669"> TO: ALL COUNTY WELFARE DIRECTORS Letter No: 19-18 ALL COUNTY ADMINISTRATIVE OFFICERS ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS ALL COUNTY PUBLIC HEALTH DIRECTORS ALL COUNTY MENTAL HEALTH DIRECTORS ALL CONSORTIA/SAWS PROJECT MANAGERS </p> <p data-bbox="727 688 1495 737"> SUBJECT: Applying the Bounce Back Rule for Modified Adjusted Gross Income (MAGI) Medi-Cal Eligibility Determinations </p> <p data-bbox="841 758 1495 846"> (Reference: Title 42 Code of Federal Regulations (CFR) Section 435.603(i) and 435.916; Title 26 CFR 1.36B-1(e); Welfare & Institutions Code (W&IC) § 14005.37; All County Welfare Directors Letters 14-18, 14-32, 17-35, 18-25, and 19-03; Medi-Cal Eligibility Division Information Letter 19-03) </p> <p data-bbox="727 867 808 890">Purpose</p> <p data-bbox="727 911 1490 999"> The purpose of this All County Welfare Director's Letter (ACWDL) is to provide counties with guidance on the application of 42 CFR 435.603(i), commonly referred to in California as the bounce back rule. This ACWDL provides background on the bounce back rule, the policy on the application of the rule in eligibility determinations, and examples of its use. </p> <p data-bbox="727 1020 841 1043">Background</p> <p data-bbox="727 1064 1503 1236"> After the introduction of the Affordable Care Act (ACA), the Centers for Medicare and Medicaid Services (CMS) identified a gap in coverage when an applicant is financially ineligible for both Medi-Cal and Advanced Premium Tax Credits (APTC). Federal regulations require that an individual's annual income be above 100 percent of the Federal poverty level (FPL) to qualify for APTC, regardless of whether their current monthly income is over the MAGI Medi-Cal income limit. The bounce back rule eliminates this potential gap by granting MAGI Medi-Cal eligibility based on APTC income and household composition rules instead of using the MAGI Medi-Cal rules. </p> <hr data-bbox="662 1346 1572 1350"/> <p data-bbox="964 1354 1273 1440" style="text-align: center;"> Medi-Cal Eligibility Division 1501 Capitol Avenue, MS 4807 P.O. Box 897413, Sacramento, CA 95889-7413 (916) 552-9200 phone • (916) 552-9477 fax Internet Address: www.dhcs.ca.gov </p>
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4 APPENDIX

Valid DER – Medi-Cal EDBC will use the latest DER that has the same benefit month as the EDBC benefit month to generate the MAGI EDBC budget. If there is no DER with the same benefit month as the EDBC benefit month, EDBC will check for the latest DER with a benefit month immediately prior to the EDBC benefit month. If there is no DER with a benefit month immediately prior to the EDBC benefit month, this process is repeated for each prior month until a DER is found.

Note: Only DERs with the latest status of 'Reviewed', 'Complete', or 'Manually Complete' are used in EDBC. The "latest DER" is determined by the last 'Initiated Date'.

