DHCS
CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES
Michelle Baass | Director

DATE: March 29, 2023

Medi-Cal Eligibility Division Information Letter No.: I 23-19

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

SUBJECT: ADDITIONAL Section 1902(e)(14)(A) WAIVER FLEXIBILITIES
(References: ACWDL 22-13E and MEDIL I 22-20E)

The purpose of this Medi-Cal Eligibility Division Information Letter (MEDIL) is to inform counties of an additional Centers for Medicare & Medicaid Services (CMS)-approved Section 1902(e)(14)(A) temporary waiver strategy requested by the Department of Health Care Services (DHCS) to assist in case processing during the Continuous Coverage Unwinding Period.

Background: On March 3, 2022, CMS released the State Health Official (SHO) letter #22-001. This letter described strategies to assist in addressing the challenges states may face as part of the transition to normal operations once the Continuous Coverage provisions have ended.

In order to protect beneficiaries from inappropriate terminations and reduce state administrative burden during the Continuous Coverage Unwinding Period, DHCS requested and received approval from CMS for the following additional Section 1902(e)(14)(A) strategy:

- Maximize the Number of Non-MAGI based Individuals Renewed Without Requesting Additional Information.

On March 29, 2023, CMS approved DHCS' additional Section 1902(e)(14)(A) waiver request. This MEDIL outlines the newly approved waiver flexibility strategy, sub-strategies, and actions that are to be taken for Non-MAGI beneficiaries and Non-MAGI beneficiaries subject to Asset Verification Program (AVP) reporting requirements. This temporary flexibility is effective as of March 1, 2023, and will remain effective for renewals through December 31, 2023, until such time California implements the elimination of the asset limit for Non-MAGI programs.

Policy

1. **Maximize the Number of Non-MAGI based Individuals Renewed Without Requesting Additional Information**

A: Revised Redetermination Processing Actions for Non-MAGI Beneficiaries

Welfare and Institutions Code (WIC) section 14005.37 requires that CEWs conduct an ex parte review at annual renewal or during a reported change in circumstance, utilizing all available information that could affect eligibility for Non-MAGI Medi-Cal, including an evaluation for property or assets pursuant to California Code of Regulations (CCR) Title 22, Section 50401 et seq.

With the time-limited authority to renew eligibility for Non-MAGI individuals, CEWs can temporarily complete the property determination without requesting verification for Non-MAGI renewals or at reported change in circumstance, when:

- Individuals have asset information available in the case record, disregarding any increases in assets since their most recent determination, or
- Individuals self-attested to no assets at application or at their most recent redetermination.

Under this authority, CEWs must redetermine eligibility using available property information already in the case file or from their last eligibility determination. If no assets were reported at application or their most recent redetermination, CEWs must redetermine eligibility without requesting verification and take no further action on the case until the beneficiary's next redetermination. For example, if a Non-MAGI individual were to submit the annual renewal packet without property or asset verifications, the CEW would process the renewal using the available property information in the case file. Additionally, if a Non-MAGI individual would report new assets at renewal or at change in circumstance, CEWs would disregard the increase or change in assets and continue to process the redetermination without requesting property or asset verifications.

Please refer to case examples in the *Redetermination Processing Action Examples* section below.

CEWs must continue to take appropriate steps to complete an ex parte determination of the financial components of eligibility in accordance with Title 22 of the California Code of Regulations as interpreted by All County Welfare Directors Letters and the Medi-Cal Eligibility Procedures Manual.

This authority is effective as of March 1, 2023, and will remain effective for renewals through December 31, 2023, until such time California implements the elimination of the asset limit for Non-MAGI programs.

Redetermination Processing Action Examples

Example #1-Non-MAGI Individual Submits Their Annual Renewal, Without Providing Property and Asset Verifications.

- Individual A applies for Non-MAGI Medi-Cal in September 2021.
- Individual A self-attests to unearned income only, and no property or assets.
- Individual A is approved for Non-MAGI Medi-Cal.
- The Continuous Coverage Unwinding begins and on August 2023, the CEW receives a completed annual renewal packet for Individual A.
- Individual A reports new personal property and asset information.
- Individual A did not submit property verification with the annual renewal packet.

Outcome: Since Individual A did not report assets at application, CEWs can temporarily complete the property determination without requesting verification, and take no further action on the case until the beneficiary's next redetermination.

Example #2-Non-MAGI Individual Reports a Change In Circumstance Due to an Increase in Income and Property After a Completed Annual Renewal

- In August 2023, the county completes Individual B's annual renewal.
- In October 2023, Individual B contacts the county to report an increase in earned income and property.
- Individual B reports a new part time job, including an additional vehicle that they have inherited.

Outcome: CEWs can temporarily complete the change in circumstance for the earned income only, without requesting verification for the additional vehicle, and take no further action on the case until the beneficiary's next redetermination.

<u>B: Revised Renewal Processing Actions for Non-MAGI Beneficiaries Subject to Asset Verification Program (AVP) Reporting Requirements</u>

This section outlines the approved waiver sub-strategies and case processing actions CEWs must take for Non-MAGI beneficiaries subject to AVP reporting requirements. As a reminder, AVP reporting requirements only apply to Long-Term Care (LTC) and Non-LTC Aged, Blind, and Disabled (ABD) individuals and does not include Supplemental Security Income/State Supplementary Payment (SSI/SSP) recipients or the Aid to Families with Dependent Children-Medically Needy (AFDC-MN) population.

Sub-Strategy I: Renew eligibility for Non-MAGI individuals based on asset information already available in the case record

The time-limited authority granted by CMS to renew eligibility for Non-MAGI beneficiaries based on asset information already available in the case record exempts CEWs from the reasonable compatibility standard, timeliness standard, and administrative verification requirements for renewals resulting from a Change in Circumstance (CIC) and Annual Renewals outlined in ACWDL 22-13E. The Beneficiary/CIC and Annual Renewal Scenario tables in that erratum (pages 8-11, examples 1-5 and 13-15, examples 1-2, respectively) are obsolete for the duration of the waiver approval period.

Under the following circumstances, CEWs must redetermine eligibility utilizing attested and administratively verified property values already in the case file and take no further action on the case until the beneficiary's next redetermination:

- If a beneficiary was under property during the Continuous Coverage Period and there is an increase in values from the last AVP report, regardless of whether or not the increase results in excess property;
- If a beneficiary was at or near the property limit of $130,000 during the Continuous Coverage Period, but the AVP report received for the most recent redetermination shows an increase in values resulting in excess property; and,
- If a beneficiary was over property during a past redetermination but was retained on Medi-Cal due to Continuous Coverage protections.

If the case record contains a previously verified trust, then CEWs must not request new administrative verification even if the documentation is over 90 days old.

Sub-Strategy II: Renew eligibility for Non-MAGI individuals without requesting verification if there were no assets at application or most recent redetermination

The time-limited authority granted by CMS to renew eligibility for Non-MAGI beneficiaries without requesting resource verification if there were no assets at application or the most recent redetermination exempts CEWs from the reasonable compatibility standard, timeliness standard, and administrative verification requirements for CIC and Annual Renewal as outlined in ACWDL 22-13E. The Beneficiary/CIC and Annual Renewal Scenario tables in that erratum (pages 8-11, examples 1-5 and 13-15 examples 1-2, respectively) are obsolete for the duration of the waiver approval period.

If there were no assets at application but the client was determined eligible during the Continuous Coverage period, CEWs must redetermine eligibility without requesting

verification and take no further action on the case until the beneficiary's next redetermination.

If there were no assets on the case record during the most recent redetermination, then CEWs must redetermine eligibility without requesting verification and take no further action on the case until the beneficiary's next redetermination.

NOTE: The additional Section 1902(e)(14)(A) waiver flexibility does not apply to the Application processing requirements and table scenarios outlined in ACWDL 22-13E (please refer to pages 5-8, examples 1-5 for more information). Attestation, timeliness, reasonable compatibility, and administrative verification requirements still apply.

If you have any questions regarding Section 1902(e)(14)(A) waiver flexibilities, please contact Janis Kimball by phone at (916) 345-8060 or by email at Janis.Kimball@dhcs.ca.gov. For questions regarding AVP case processing requirements, please contact Corinne Marquez by phone at (916) 345-8684 or by email at Corinne.Marquez@dhcs.ca.gov.

Sincerely,

Yingjia Huang
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Health Care and Benefits
Department of Health Care Services