AB 1296 and Eligibility Expansion Stakeholder Workgroup
Monday, April 9th, 2012
Eligibility

Meeting Notes

- Meeting was convened just after 10:00AM. Bobbie Wunsch (Pacific Consulting Group), the workgroup meeting facilitator, welcomed everyone to the inaugural meeting, introduced the goals of the workgroup series and facilitated introductions. See attached list of meeting attendees/represented organizations.

- Planning committee members Elizabeth Landsberg (Western Center on Law & Poverty) and Len Finocchio (Department of Health Care Services [DHCS]) gave a brief background of AB 1296 and explained the goals of the workgroup.

- DHCS gave a slide presentation about the major Medicaid coverage expansion provisions in the ACA and the final federal regulations related to Medicaid eligibility, some of which are topics for future workgroup meetings. Topics covered in the presentation were application, renewal, seamless transitions, electronic verifications, use of MAGI, MAGI categories, non-MAGI populations, PE and affected populations. Questions and answers related to the presentation including the following:

    - Service Employees International Union (SEIU) asked for clarification of the use of the federal application versus the state developing its own application. DHCS provided clarification that States have the option to use the federal application or develop their own. If a state develops its own, federal approval is required.

    - California Associate of Public Hospitals (CAPH) asked if it was the 22nd of a given month that was the point at which if a determination of ineligibility occurs, would result in a beneficiary being eligible for the following month in addition to the current month? DHCS responded that yes, approximately 10 days before the end of the month since a 10 day notice of action is required prior to eligibility being terminated.

    - Maternal & Child Health Access (MCHA) asked if gaps in coverage could still exist even though the final rule provides some flexibility in policy to minimize such gaps. DHCS responded that yes, gaps in coverage may still occur and DHCS would be looking at what can be done to further minimize or eliminate such gaps.

- Katie Marcellus from the California Health Benefit Exchange gave a slide presentation about the major Exchange provisions in the ACA and the final federal regulations related to Exchange eligibility. Questions and answers ensued including clarifying the definition of a broker.

- DHCS gave a presentation on the changes to Medi-Cal eligibility categories. Meeting attendees were walked through a document created by DHCS entitled *"MAGI by Aid Code"*. Questions and answers ensued including the following:

    - SEIU asked if these changes will involve State Automated Welfare Systems (SAWS) changes or changes to what an eligibility worker will be doing. DHCS responded that both would be impacted.

    - Advocates expressed a desire that should the Healthy Families Program be moved to Medi-Cal, that the 3-month ineligibility period imposed on applicants prior to enrollment, in cases where children had previous private health coverage, be eliminated.

    - There was some discussion around the Medicaid essential health benefits "benchmark" package and the impact of different benefit packages on eligibility options for beneficiaries. DHCS indicate further federal guidance on benefit packages is expected soon.

    - Advocates initiated a discussion of the impact of ACA on the Medicaid 1931(b) program (this program covers families with dependent children). The issues raised included:

        - Whether the ACA supersedes the 1931(b) program and to what extent beneficiaries eligible for 1931(b) would instead be eligible under one of the new mandatory categories, again an issue impacted by benefit packages available under different eligibility categories.
        - Whether the "deprivation" requirement could be eliminated as a requirement for eligibility for the 1931(b) program
        - Whether the 1931(b) eligibility rule that prevents eligibility for pregnant women without other children until her last trimester could be eliminated
        - How Transitional Medical Assistance in the context of 1931(b) will be treated and suggested that it is not affected by the ACA and that the program rules need to be simplified
        - The belief that 1931(b) will continue to exist and be subject to MAGI
        - DHCS indicated more research to be done on this subject.

    - Advocates raised the issue of the Minor Consent Program and the need to "modernize" the program. Also, requested that this program be discussed in the Application workgroup.

    - Cathy Senderling of the County Welfare Directors Association (CWDA) raised the issue of continuing to link the CalWORKs program to 1931(b) and

believes this process should continue post- 2014. DHCS stated that CMS was asked this question in response to the Notice of Proposed Rulemaking, however, CMS did not answer. DHCS also indicated it would generally be in favor of this as long as allowed by federal requirements.

- There was some discussion of DHCS working with the RAND Corporation on the Federal Matching Assistance Percentage (FMAP) which is the amount of federal funding a state Medicaid program receives for covered benefits and MAGI conversion methodology project. California is one of 10 states participating in this project which is designed to help states develop a methodology for claiming enhanced federal funding for newly eligible populations under Medicaid programs and for converting the current income methodology for beneficiaries who will be subject to the use of MAGI in 2014. Advocates expressed interest in obtaining the data and/or a list of the data elements provided to RAND for this project. DHCS agreed to share a list of the data elements and clarified that RAND is using the data obtained to assess the feasibility of various FMAP and MAGI conversion methodologies, not deciding on a methodology or utilizing a methodology for California.

DHCS gave a presentation on proposed income levels and determination for eligibility.

- There was significant discussion regarding the Pregnancy FPL program and the new optional group and to what extent California would need to continue the FPL program. Advocates believe that the Pregnancy FPL program is mandated by federal law and would have to continue beyond 2014 and that the final rule provides for full-scope benefits (as compared to restricted, pregnancy-only benefits) unless the state receives federal approval to provide restricted benefits.

- It was generally agreed that further discussion on the optional eligibility category above 133% FPL should wait until more is known about the benefit packages that will apply to different categories.

- Advocates expressed a desire to implement the optional category over 133% FPL to ensure as few people as possible lose Medi-Cal coverage in 2014. There is general concern about who may lose eligibility as a result of the new MAGI rules and instead move to Exchange coverage.

- There was significant discussion on the interaction between the Medically Needy (MN) program, the new optional MAGI category and Exchange coverage.

    - No real consensus reached, further CMS guidance needed
    - An outstanding issue that needs further research/clarification is whether an individual could be in the MN program and receive Exchange coverage simultaneously. Issues needing further exploration include:

        - If being in the MN program with a share-of-cost will constitute compliance with the individual mandate
        - A recognized need for applicant informing/education on the available coverage options particularly where benefit packages differ

- DHCS gave a short presentation about the changes in household composition under MAGI Medi-Cal which touched on:

    - Current Medi-Cal Family Budget Unit (MFBU) rules have been superseded by new MAGI rules that are based on the tax filing unit
    - Income rules will be determined on an individual basis instead of as a family unit.
    - The Exchange will be using strict 36b (income tax) rules whereas Medi-Cal will use a hybrid version of the 36b rules
    - The new requirement in the federal regulations that State Medicaid programs are required to submit an income verification plan to the federal Health and Human Services Secretary

- There was significant discussion on the issue of self-attestation and the extent to which it should be relied upon instead of electronic verification. DHCS indicated that some level of verification will have to occur. Other related topics discussed included:

    - Self-attestation information is currently accepted when it is impossible for the applicant to provide any formal verification documentation (e.g. pay stubs).
    - Advocates offered to provide DHCS information on other states that rely solely on self-attestation
    - "Reasonable compatibility" was discussed to some extent but will be discussed in more detail at the meeting on applications
    - Advocates raised the issue with not requiring a SSN for non-applicants for Medi-Cal and suggested that applicants should know the consequences of not providing a SSN voluntarily.

- Counties asked to what extent County Medical Services Programs (CMSP) would continue after 2014. DHCS indicated that it is unknown to what extent CMSP will be needed given the new coverage groups.

- DHCS initiated a conversation on the Sneede/Gamma lawsuits. DHCS believes that MAGI supersedes the eligibility rules required under Sneede/Gamma.

    - Advocates expressed concern about use of MAGI rules superseding Sneed/Gamma eligibility rules which may result in some individuals within families with stepparent/stepchildren to lose eligibility and suggested that

DHCS should consider a waiver to ensure no one is disadvantaged by the MAGI eligibility rules.

- Advocates also expressed a belief that ACA maintenance of effort (MOE) requirements could prevent any children from being disadvantaged as a result of application of MAGI eligibility rules.

- Follow-up items:
  - Meeting summary notes to be posted online
  - DHCS to update a few of the materials provided to the workgroup members based on input received at the meeting:
    - MAGI by Aid Code
    - Options for Establishing Income Standards under Health Care Reform
  - Provide data elements used for RAND project

- Next Meeting: May 3, 2012 – Data Collection – meeting location and time will be sent to workgroup members in advance of the meeting.