

INITIAL STATEMENT OF REASONS

The California Department of Health Care Services' (Department) mission is to provide Californians with access to affordable, high-quality health care, including medical, dental, mental health, substance use treatment services and long-term care. In support of this mission, the Department administers many health care programs including California's State Medicaid program, which is known as the Medi-Cal program.

The Medi-Cal Eligibility Division, within the Department, is responsible for the coordination and implementation of Medi-Cal regulations that support the accurate and timely determination of Medi-Cal eligibility for beneficiaries, as established by the California county departments.

Related State and Federal Laws

The Medi-Cal program is governed by federal and state law. Federal Medicaid law is found primarily in 42 United States Code (U.S.C.) Section 1396 et seq. and in Title XIX of the Social Security Act. State law is generally found in Welfare and Institutions Code (WIC) Division 9, Part 3, Chapters 7 and 8. WIC Sections 10725 and 14124.5 authorize the director of the Department to adopt, amend or repeal regulations as necessary and proper to carry out the purposes and intent of the statutes governing the Medi-Cal program.

WIC Section 14005.36(e) specifies that the Department shall adopt emergency regulations related to the reporting of updated beneficiary contact information.

Statement of Purpose/Problem to be Addressed

This regulatory action adopts Section 50188 to address the matter of describing how and under what circumstances updated beneficiary contact information shall be reported. This regulatory action will support accurate and timely Medi-Cal eligibility re-determinations and is consistent with the requirements to promulgate regulations as specified in WIC Section 14005.36(e).

Anticipated Benefits or Goals of the Regulations

This proposed regulatory action will benefit the county departments by providing a means to obtain the most up-to-date contact information for beneficiaries. This information will assist with the annual process of re-determining Medi-Cal eligibility for beneficiaries and will in turn benefit the health and welfare of California residents by providing redeterminations for beneficiaries so they can have access to all necessary Medi-Cal services in a timely manner.

This regulatory proposal also supports the intent of the initiating legislation as specified under WIC Sections 14000 and 14007. Section 14000 states the purpose of Chapter 7, Basic Health Care is to afford qualifying individuals health care services in a manner equitable to the general public and without duplication of benefits available under other federal or state laws.

Within Chapter 7, Section 14124.5 further specifies that the Director may establish regulations as are necessary or proper to carry out the purpose and intent of this Chapter, which includes the establishment of Medi-Cal eligibility standards and methodologies as set forth under this Chapter (including Section 14005.30) and in accordance with U.S.C., Section 1396U-1.

This regulatory proposal ensures the proper and efficient administration of the Medi-Cal program, in accordance with federal and state laws that govern the Medi-Cal programs rules of eligibility participation and funding. This is accomplished by improvements to the eligibility determination process.

DETAILED STATEMENT OF REASONS: SUMMARY AND RATIONALE

Section 50188

Section 50188 is necessary to clearly describe the process and responsibilities for the parties involved in the reporting of updated beneficiary contact information. Establishing this section with a clear process for the reporting of this information will facilitate accurate and timely Medi-Cal eligibility re-determinations, which in turn will support beneficiaries maintaining eligibility for Medi-Cal and access to necessary health care services. Including provisions within Section 50188 (as described below) that are consistent with WIC Section 14005.36 is an effective and convenient way to provide all current information that is related to the process of reporting updated beneficiary contact information within one convenient and centralized location (Title 22, CCR) for the affected public (i.e. beneficiaries, county departments, providers).

Subsection (a): This regulatory provision is consistent with WIC Section 14005.36(c)(1)-(2) and is necessary to ensure that Medi-Cal managed care plans are aware of the requirement that they seek approval from beneficiaries when this type of contact information is shared beyond the Medi-Cal managed care plan. This provision also ensures that beneficiaries are aware of and included in this process of information sharing and supports the accuracy of information when it is provided directly by the beneficiary. Subsection (a) also specifies how consent can be provided by a beneficiary to the Medi-Cal managed care plan, which is consistent with the way information can be provided by beneficiaries to the county departments as detailed in WIC Section 14005.37(f)(2). Offering a variety of ways for beneficiaries to provide this consent to the Medi-Cal managed care plan is also intended to make this process easier and more accessible for beneficiaries, which in turn is anticipated to increase the number of beneficiaries who participate in this information sharing.

Subsection (b): This regulatory provision is consistent with WIC Section 14005.36(b) and (c)(1)-(2) and is necessary to clearly specify that a Medi-Cal managed care plan must provide updated beneficiary contact information along with the beneficiary's consent or lack of consent to provide this information, to the Department and county department. This is necessary for notification purposes for the Department and county department, because if consent is not received, the county department must attempt to verify the accuracy of the information provided, in accordance with Subsection (d)(1)-(3)

before updating the beneficiary's file. This will support the goal of updating the beneficiary's case file with the most current and accurate information.

Subsection (c)(1) -(3): These regulatory provisions are consistent with WIC Section 14005.36(c)(1) and (2) and are necessary to clearly specify the types of beneficiary contact information that a Medi-Cal managed care plan can provide to the Department and county department.

Subsection (d): These regulatory provisions are consistent with WIC Section 14005.36(c)(2) and are necessary to ensure that if a beneficiary does not provide consent for the Medi-Cal managed care plan to provide his/her updated beneficiary contact information to the Department and county department, then the county department shall first attempt to verify the information received from the Medi-Cal managed care plan before updating the beneficiary's case file. This will support the goal of updating the beneficiary's case file with the most current and accurate information.

Subsection (d)(1): This regulatory provision lists some of the specific sources of information that a county department shall review, including CalWORKS and CalFresh case files (that are open, or were closed within the last 90 days). These sources are included for easy access for county departments and because these files are readily available to county departments and typically contain recent beneficiary information. To further support the goal of verifying current beneficiary information, county departments can also review other sources of information that may be available to each particular county department.

Subsection (d)(2): This regulatory provision specifies that a county department, if unable to verify information pursuant to Subsection (d)(1), may attempt to verify this information by contacting the beneficiary directly, using a preferred contact method, if known. This offers the county department an alternative way to seek this verification of information, but ensures that the beneficiary will be contacted by the county department, only if the sources, as specified in Subsection (d)(1), don't result in a verification of information. This provision further supports the goal of verifying the accuracy of beneficiary information before the county department updates the beneficiary's case file.

Subsection (d)(3): This regulatory provision is consistent with the intent of related provisions specified in WIC Section 14005.36 related to information sharing and verification of beneficiary information. This subsection indicates that if a county department receives beneficiary information from a source other than a Medi-Cal managed care plan or directly from the beneficiary, the county department shall verify this information by contacting the beneficiary. This is necessary to support the goal of updating the beneficiary's case file with the most current and accurate information.

STATEMENTS OF DETERMINATION

Alternatives Considered

The Department has determined that no reasonable alternative considered by the Department or that has otherwise been identified and brought to the attention of the Department would be more effective in carrying out the purpose for which this

regulatory action was taken, would be as effective and less burdensome to affected private persons than the regulatory action or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

Existing regulations related to the Medi-Cal program are located in Title 22, Division 3. Using this regulatory proposal to adopt additional requirements regarding Medi-Cal eligibility is the most effective and convenient way to provide (current/updated) information directly to those impacted (county departments, providers and beneficiaries).

This regulatory action is necessary pursuant to WIC Section 14005.36, which requires the Department to adopt emergency regulations.

Local Mandate Determination

The Department has determined that the regulation would not impose a mandate on local agencies or school districts, nor are there any costs for which reimbursement is required by Part 7 (commencing with Section 17500) of Division 4 of the Government Code.

Economic Impact Analysis/Assessment

The Department has made an initial determination that the regulations would not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

The Department has determined that the regulations would not significantly affect the following:

- 1) The creation or elimination of jobs within the State of California.
- 2) The creation of new businesses or the elimination of existing businesses within the State of California.
- 3) The expansion of businesses currently doing business within the State of California.

Impact on Jobs and Businesses

The Medi-Cal program is a public health program that provides health care services for low-income individuals who choose to enroll and participate in the program. This regulatory action will affect only those managed care plans that also choose to participate in the Medi-Cal program and the beneficiaries enrolled in these plan. This regulation only requires reporting of the beneficiary's updated contact information to the Department and county department to assist with the re-determination of Medi-Cal eligibility and therefore it is not anticipated to have an impact on the creation or elimination of jobs, the creation of new businesses, the elimination of existing businesses or the expansion of businesses in California.

Benefits of the Proposed Regulations

The Department has determined that the regulations will not specifically affect worker safety or the state's environment. However, the regulations will benefit the California county departments by providing the most up-to-date contact information for Medi-Cal beneficiaries. The county departments will be able to use this information to assist with the annual process of re-determining Medi-Cal eligibility for beneficiaries. This in turn will benefit the health and welfare of California residents by providing timely redeterminations for Medi-Cal beneficiaries so they can have access to necessary health care services.

This regulatory proposal ensures the proper and efficient administration of the Medi-Cal program, in accordance with federal and state laws. This is accomplished by improvements to the eligibility determination process.

EFFECT ON SMALL BUSINESSES

The Department has determined that the regulations would not affect small businesses because these regulations do not impose any additional reporting, recordkeeping, or other compliance requirements on small businesses.

HOUSING COSTS DETERMINATION

The Department has determined that the regulations would have no impact on housing costs.