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DIRECTOR

State of California—Health and Human Services Agency  
Department of Health Care Services



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GOVERNOR

November 21, 2013

N.L. 12-1113  
Index: Eligibility

TO: ALL COUNTY CALIFORNIA CHILDREN'S SERVICES (CCS)  
ADMINISTRATORS, MEDICAL CONSULTANTS, AND SYSTEMS OF  
CARE DIVISION STAFF

SUBJECT: OPTIONAL TARGETED LOW INCOME CHILDREN'S PROGRAM AID  
CODES T1, T2, T3, T4, AND T5 AND SEPARATE CHILDREN'S  
HEALTH INSURANCE PROGRAM SECTION 2101(f) AID CODES E2  
AND E5; ASSIGNMENT OF CCS UNIQUE AID CODES

Reference: (a) CCS N.L. 07-0401 (Corrected 2) dated 02/19/13  
(b) CCS N.L. 08-1109 dated 11/08/09

## **BACKGROUND**

The 2012 Budget Act (Assembly Bill [AB] 1464, Chapter 21, Statutes of 2012) provided for the elimination of the Healthy Families Program (HFP) and the transition of existing HFP subscribers to the Medi-Cal Program. The HFP Trailer Bill, AB 1494 (Chapter 28, Statutes of 2012) and the HFP Clean-Up Trailer Bill, AB 1468 (Chapter 438, Statutes of 2012), provided for the initiation of this transition on January 1, 2013. Prospectively from that date, children who in the past would have enrolled in HFP were eligible for full-scope, no share-of-cost Medi-Cal under a new Medi-Cal Targeted Low Income Children's (TLIC) Program.

In June 2012, two new Medi-Cal Presumptive Eligibility (PE) Medi-Cal aid codes, 5C and 5D, and five new Medi-Cal Targeted Low Income Children TLICP aid codes, H1, H2, H3, H4, and H5 for assignment to the former HFP cohort, were activated in the Medi-Cal Eligibility Data System (MEDS) and the California Medicaid Management Information System (CA-MMIS).

Under the enabling legislation for the HFP to Medi-Cal transition, county CCS programs continue to have financial responsibility for 50 percent of the non-federal share-of-cost for the CCS services for a Medi-Cal beneficiary who is a former HFP subscriber and for a new Medi-Cal beneficiary who formerly would have been enrolled in HFP, if the beneficiary is financially eligible for CCS, pursuant to the provisions of Section 123870 of the Health and Safety Code.

In order to document this county share of CCS costs, the CA-MMIS CCS MR-O-910 Weekly Claims Report and the MR-O-940 Monthly Claims Report were modified to capture CCS/Medi-Cal costs for the HFP to Medi-Cal cohort and the new TLIC Program cohort of Medi-Cal beneficiaries. This report modification was implemented in January 2013, by adding the seventh, eighth, and ninth funding categories to collect these CCS/Medi-Cal costs as follows: CCS/Medi-Cal Treatment Services; CCS/Medi-Cal Therapy Services; and Medi-Cal 65%/35% Services.

As part of the implementation of the federal Affordable Care Act (ACA) of 2010, in June 2013, new Medi-Cal aid codes associated with the ACA expansion of Medi-Cal eligibility for children and adults will be activated in the MEDS and CA-MMIS. The ACA introduces a new methodology, Modified Adjusted Gross Income (MAGI), for determining Medicaid income eligibility. These new aid codes include five new Optional Targeted Low Income Children's (OTLIC) Program aid codes, T1, T2, T3, T4, and T5 which utilize MAGI. These five OTLIC Program aid codes will supersede HFP transition and TLIC Program aid codes 5C, 5D, H1, H2, H3, H4, and H5. (Note: In addition to aid codes T1 through T5, limited-scope aid codes T6, T7, T8, T9, and T0 are being established for assignment to undocumented children and adolescents).

On January 01, 2014, Medi-Cal will stop enrolling new children in the superseded TLIC Program aid codes and instead enroll new beneficiaries in the OTLIC Program aid codes T1 through T5. Beneficiaries enrolled in the TLIC Program aid codes 5C, 5D, H1, H2, H3, H4, and H5 on or before December 30, 2013, will transition to OTLIC Program aid codes T1, T2, T3, T4, or T5 on either April 01, 2014, or on their next regularly scheduled renewal date, whichever is later.

Additionally, new aid codes E2 and E5 are being established to implement a Separate Children's Health Insurance Program (CHIP) pursuant to Section 2101(f) of the ACA and regulations at 42 CFR Part 457.310. Children who lose Medi-Cal eligibility due to the elimination of disregards under MAGI, will be enrolled in this Separate CHIP. This will apply only to children who are eligible for Medi-Cal on December 31, 2013, and who subsequently lose Medi-Cal eligibility at their first Medi-Cal renewal in which MAGI methodology is applied.

When Children protected by Section 2101(f) are enrolled in the Separate CHIP, they will remain enrolled until their next annual redetermination at 12 months which is expected to be no later than April 1, 2016. New enrollments in the Separate CHIP are expected to end no later than April 1, 2015. Children enrolled in the Separate CHIP will receive coverage for the full-scope of Medi-Cal benefits, including the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) benefit for children. (Note: In addition

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to aid codes E2 and E5 limited-scope aid code, E4 is being established for assignment to undocumented children and adolescents.)

In order to document county share of CCS costs for clients with aid codes T1 through T5, E2 and E5, the paid claims data feeds for CA-MMIS CCS MR-O-910 Weekly Claims Report and the MR-O-940 Monthly Claims Report are being modified coincident with the establishment of the new aid codes to capture CCS/Medi-Cal costs for the beneficiaries who are assigned the new aid codes in funding in the CCS/Medi-Cal Treatment Services; CCS/Medi-Cal Therapy Services; and Medi-Cal 65%/35% Services funding categories.

### **POLICY**

The policy on assignment of CCS unique aid codes 9K, 9M, 9N, 9R, and 9U to CCS Medi-Cal beneficiaries with the new separate OTLIC Program and the Separate CHIP aid codes will be the same as the policy provided for assignment of the CCS unique aid codes to CCS Medi-Cal beneficiaries with aid codes 5C, 5D, H1, H2, H3, H4, and H5 in Reference (a).

The policy for assignment of CCS unique aid codes 9V and 9W to CCS Medi-Cal beneficiaries with the new separate OTLIC Program and the Separate CHIP aid codes will be the same as the policy provided for assignment of the CCS unique aid codes to CCS Medi-Cal beneficiaries with aid codes 5C, 5D, H1, H2, H3, H4, and H5 in Reference (b).

### **IMPLEMENTATION**

Effective January 1, 2014, the criteria delineated above shall be utilized by county CCS Programs in the assignment of CCS unique aid codes.

Sincerely,

ORIGINAL SIGNED BY LOUIS R. RICO

Louis R. Rico, Chief  
Systems of Care Division