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TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 22-09
ALL COUNTY WELFARE ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS
ALL COUNTY MEDS LIAISONS

SUBJECT: UPDATED GUIDANCE ON THE COUNTY PROCESS WHEN MAIL IS
RETURNED UNDELIVERABLE
(Reference: All County Welfare Directors Letter [16-23](#) [SUPERSEDED])

PURPOSE

The purpose of this letter is to provide counties with updated guidance on the county process when Medi-Cal beneficiary mail is returned as undeliverable.

BACKGROUND

All County Welfare Directors Letter (ACWDL) [16-23](#) provides guidance to counties regarding how to process Medi-Cal beneficiary mail that is returned as undeliverable, in accordance with Welfare and Institutions Code (W&IC) Section [14005.37](#). [ACWDL 16-23](#) informs counties that when mail sent to a Medi-Cal beneficiary is returned as undeliverable, counties must conduct an ex parte review before attempting to contact the beneficiary by sending the MC 355 Medi-Cal Request for Information form to the last known address. This ACWDL supersedes the Undeliverable Mail guidance in ACWDL [16-23](#), and provides updated guidance, as described below, regarding:

- County requirements to confirm beneficiary contact information during every in-person or phone contact;
- The use of forwarding addresses provided by the United States Postal Service (USPS); and
- County requirements for processing changes in circumstances when the USPS has provided an in-state forwarding address.

This updated policy is in accordance with guidance provided in the August 3, 2021 Centers for Medicare and Medicaid Services (CMS) Medicaid and CHIP (MAC) Learning Collaborative [training](#) and the March 3, 2022 CMS State Health Official (SHO) letter [#22-001](#). The guidance in this ACWDL applies to all Medi-Cal beneficiaries, including Modified Adjusted Gross Income (MAGI), Non-MAGI, Medicare Savings Program (MSP) beneficiaries, and MSP beneficiaries on the Out-of-State Project (OSP) report outlined in ACWDL [16-15](#).

Reminder: During the COVID-19 public health emergency (PHE), counties must not take any discontinuances or other negative actions except in the scenarios provided in ACWDL [21-16](#) and Medi-Cal Eligibility Division Information Letter (MEDIL) [120-08](#).

COUNTY REQUIREMENTS FOR CONFIRMING CONTACT INFORMATION

In an effort to reduce the volume of returned mail due to outdated beneficiary addresses, effective with the release of this ACWDL, counties shall confirm contact information any time the county speaks with a beneficiary by phone or in-person. This includes confirming the residence and/or mailing address and any phone number or email contact information previously provided by the beneficiary. When the beneficiary provides updated contact information, the county shall enter the information into the Statewide Automated Welfare Systems (SAWS) data collection pages immediately and document the change in the case file. Please refer to [ACWDL 15-30](#) for information on updated contact information reported to Medi-Cal Managed Health Care Plans.

COUNTY REQUIREMENTS FOR PROCESSING UNDELIVERABLE MAIL

W&IC Section [14005.37](#) requires that counties take certain steps when mail sent to a beneficiary is returned as undeliverable. As a result of these requirements, when mail is returned as undeliverable, counties shall take the actions described in this ACWDL. Per W&IC Section [14005.37](#), the beneficiary must remain eligible during the process outlined below.

Step 1: Note the Undeliverable Mail in the Case Record

The county shall notate in the case record:

- That mail was returned as undeliverable,
- The date the mail was sent,
- The date it was returned as undeliverable,
- The form, letter or notice mailed to the beneficiary that was returned,
- What address was used, and

- Identify if the beneficiary is in the Safe at Home (SAH) program and utilizing the confidential P.O. Box.

Additionally, the county shall store either a hard copy or an image of the mail that was returned as undeliverable, including both the envelope and its contents, in the case record. For system-generated correspondence, where the county has the ability to view the date the correspondence was mailed and reproduce it if necessary, the county must notate the case record accordingly and store either a hard copy or an image of the envelope. To the extent that the county is informed about returned mail by the Department of Health Care Services (DHCS) and does not have access to a hard copy or an image of the returned undeliverable mail, the county must notate the case record with the available information provided by DHCS.

Step 2: Conduct an Ex Parte Review
(*W&IC Section [14005.37](#) (e) and (g)*)

The county shall conduct an ex parte review of all available information prior to contacting the beneficiary when there is undeliverable mail. As part of the ex parte review, counties must confirm the undeliverable mail was sent to the appropriate address on file (e.g. not a typo or other error). Sources for the ex parte review efforts shall include all information contained in the beneficiary's Medi-Cal file or more recent information or verification available to the county including, but not limited to:

- Information or verification in the beneficiary's Medi-Cal, California Work Opportunity and Responsibility to Kids (CalWORKs), and CalFresh case files or any such files of their immediate family members that are open or that were closed within the last 90 days (excluding Safe at Home (SAH) recipients);
- Information or verification accessed through any available electronic databases, electronic verification services, or online portals including, but not limited to, the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS) and the Medi-Cal Eligibility Data System (MEDS).
- For SAH participants, verification of the beneficiary's new address via the SAH Program administrator.
- All other sources of relevant information or verification reasonably available to the county that are in accordance with the law and DHCS policy, including any updates that may remain on a county's unprocessed task lists.

If the county locates an updated address, the county shall update the Medi-Cal case with the new address, notate the case record with where the updated address information was located, and attempt to send the previously undeliverable mail to the beneficiary at the new address.

For purposes of obtaining a new address, DHCS defines “immediate family members” as any of the individuals who make up the beneficiary’s Medi-Cal household, where the county’s last known information indicated the immediate family member lived with the beneficiary. In order to use an address that has been provided for an immediate family member, the address must be a more recent update than the address the county had on file in the Medi-Cal case record. Counties must continue to follow guidance from [ACWDL 14-34](#) regarding the Safe at Home (SAH) program, which helps victims or survivors of domestic violence or stalking to remain safe from an abusive situation.

Step 3: Send the MC 355
(W&IC Section [14005.37](#) (g))

If the county is unable to locate a more recent address through the ex parte review, the county must send the MC 355 to the beneficiary’s last known address, with a 30-day deadline to return the requested information to the county. The MC 355 requests only the beneficiary’s current address and any other information that is necessary to redetermine eligibility. For example, if the county requests income verification on an MC 355 and the request is undeliverable, the new MC 355 resulting from the undeliverable mail would include the request for the income verification and the request for the updated address, with a new 30-day due date. If the county sends an annual renewal form and the annual renewal form is undeliverable, the MC 355 would include the request for the annual renewal form, a copy of the annual renewal form, and the request for the updated address information, with a 30-day due date.

Additionally, if the USPS provides a forwarding address, the county must also send the MC 355 requesting all missing information (e.g. verification or annual renewal form, etc.) to that forwarding address, regardless of whether the forwarding address is in-state or out-of-state. For counties that are unable to generate a second MC 355 in SAWS, the county may exercise a best practice to generate the MC 355 for the last known address and then reprint the MC 355 and include it in a handwritten envelope to the beneficiary using the forwarding address. When using a manual process to reprint the MC 355, counties should store an image of the handwritten envelope in the case record and make corresponding notations.

Per W&IC [14005.37](#)(g)(3) and current guidance, the county shall attempt an additional contact with the beneficiary by telephone, in writing, or by other commonly available electronic means, during the 30 days after the MC 355 is sent, to obtain the necessary information if the beneficiary has not responded to the MC 355 or has provided an incomplete response. The county’s obligation to attempt to contact the beneficiary applies in all situations where an MC 355 is sent, regardless of whether there is a

forwarding address. In instances where two MC 355s have been sent, and the county is attempting to make this additional reminder contact in writing, the county shall send the additional reminder contact to both the last known address and the forwarding address. As a best practice, counties may choose to attempt the additional required contact by telephone or by other commonly available electronic means, instead of in writing, when the reason for the MC 355 is undeliverable mail, in order to improve the likelihood of reaching the beneficiary to confirm the new address. The county must continue to notate the case record regarding all attempted contacts with the beneficiary, including when an MC 355 or additional reminder is sent to both the current address on file and a forwarding address.

As a reminder, [ACWDL 15-32](#) and [MEDIL I 21-33](#) provide guidance related to the circumstances for which a Former Foster youth (FFY) may be sent the MC 355.

Step 4: County Requirements When Information Not Returned by the Beneficiary

(W&IC [14005.37](#) Section (g) and (i))

When the MC 355 is returned as undeliverable, or the beneficiary does not return the information requested in the MC 355 or otherwise does not confirm their updated address by the MC 355 due date and after the required additional county contact, counties must follow the guidelines below for redetermination based on the beneficiary's individual circumstances. Please note that the guidance below applies to all members of a household where the address is unknown, and not just the primary applicant/case name, unless the beneficiary is exempt from discontinuance or their address is otherwise known.

Exempt From Discontinuance:

Loss of contact is not a basis for discontinuing Medi-Cal benefits for the following programs:

- Former Foster Youth (FFY) - See [ACWDL 14-41](#), Page 5
- Children eligible for Continuous Eligibility for Children (CEC) - See [ACWDL 14-05](#)
- Deemed Eligible Infants (under 1 year)
- Medi-Cal Access Infants Program (MCAIP) (under 2 years)
- Pregnant beneficiaries, whether in Full Scope or a Pregnancy-Related aid code
- Beneficiaries in their 12-month postpartum period
- Categories where the county does not control the Medi-Cal record, such as individuals eligible for Medi-Cal through Supplemental Security Income/State Supplementary Payment (excluding MSP beneficiaries for whom the county does control the eligibility record), KinGAP, or Adoption Assistance

USPS Has Not Provided a Forwarding Address or Has Provided an Out-of-State Forwarding Address

Counties shall discontinue with a timely 10-day Notice of Action (NOA), except for those individuals identified in this letter as being exempt from discontinuance, when:

- the USPS provides no forwarding address or the USPS provides an Out-of-State forwarding address; and
- the county has made the required additional attempt to contact after sending the MC 355, and
- an updated address is not confirmed by the beneficiary within the 30-day deadline.

The timely 10-day NOA must be sent to the last known address (not the forwarding address), must list the missing information that is needed to determine eligibility and must include the 90-day cure period language.

The guidance in this letter does not affect the DHCS' Public Assistance Reporting Information System (PARIS) or Residency Verification Program (RVP) for periodic data matching to confirm residency. Please refer to ACWDLs [09-41](#) and [10-05](#) for more information on PARIS, and ACWDL [17-18](#) and MEDIL [121-35](#) for more information on RVP.

USPS Has Provided an In-State Forwarding Address

Per CMS [guidance](#), if a Medi-Cal only beneficiary (excluding Safe at Home (SAH) participants) does not confirm the new address after the MC 355 has been sent and additional required contact has been attempted, the county **shall** update the case record of the Medi-Cal only beneficiary with the in-state forwarding address provided by the USPS. If necessary, the county shall also perform an inter-county transfer (ICT) for the Medi-Cal only beneficiary, where no other information is needed beyond the updated address (see additional guidance below in *Only Item Needed is the Updated Address* Section). The address on the case record becomes the in-state forwarding address provided by the USPS. The county shall mail any future correspondence to the in-state forwarding address provided by the USPS.

If the beneficiary is eligible for both Medi-Cal and other public social services programs, such as California Work Opportunity and Responsibility to Kids (CalWORKs) or CalFresh, or the beneficiary is a Safe at Home (SAH) participant, and the beneficiary (or SAH administrator) does not confirm the new address after the MC 355 has been sent

and additional required contact attempted, the county **shall not** update the case record with the in-state forwarding address provided by the USPS or perform an ICT. The address on the case record remains the last known address confirmed by the beneficiary.

Only Item Needed is the Updated Address

When the USPS provides an in-state forwarding address for a beneficiary, the county **shall not discontinue** the beneficiary when an MC 355 is returned as undeliverable or the beneficiary does not confirm their new address, **if the only item the MC 355 requests is confirmation of that new address**. Per CMS [guidance](#), there is no requirement to redetermine eligibility based on returned mail with an in-state forwarding address, as state residency is not affected. The county would either update the case record with the in-state forwarding address for the Medi-Cal only case, or keep the last known address if the beneficiary is eligible for both Medi-Cal and other public social services programs, as described above. For Medi-Cal only cases where no other information is needed beyond the updated address, counties shall conduct an ICT if the new address is located in a different county.

Example 1: The county sends a NOA or other informing materials to a Medi-Cal only beneficiary. The mail is returned as undeliverable with an in-state forwarding address provided by the USPS. The county follows the steps in this ACWDL by:

- conducting ex parte, which is unsuccessful;
- sending the MC 355 to the last known address and the in-state forwarding address; and
- attempting the additional required contact.

The Medi-Cal only beneficiary does not confirm the new address by the 30-day MC 355 due date. The county does not discontinue the beneficiary, as the only item missing is confirmation of the new in-state address. The county updates the case record of the Medi-Cal only beneficiary with the in-state forwarding address provided by the USPS and conducts an ICT if necessary.

Example 2: The county completes a beneficiary's annual renewal through the auto ex parte renewal process and no additional information is needed from the beneficiary. The county sends the approval NOA to the beneficiary to inform them their annual renewal is complete and they continue to be eligible for Medi-Cal. The mail is returned as undeliverable with an in-state forwarding address provided by the USPS. The county follows the steps in this ACWDL by:

- conducting ex parte, which is unsuccessful;
- sending the MC 355 to the last known address and the in-state forwarding address; and
- attempting the additional required contact.

The beneficiary does not confirm the new address by the 30-day MC 355 due date. The county does not discontinue the beneficiary, as the only item missing is confirmation of the new in-state address. The beneficiary also has CalFresh, so the county retains the last known address provided by the beneficiary and does not update the case record. During the next scheduled annual renewal process, the county completes a beneficiary's annual renewal through the auto ex parte renewal process and no additional information is needed from the beneficiary. The county sends the approval NOA to the beneficiary to inform them their annual renewal is complete and they continue to be eligible for Medi-Cal. The mail is returned as undeliverable with an in-state forwarding address provided by the USPS. The county follows the steps in this ACWDL, sends the MC 355 to the last known address and the in-state forwarding address, and the beneficiary does not confirm the new address. The county does not discontinue the beneficiary, as the only item missing is confirmation of the new in-state address. The beneficiary also has CalFresh, so the county retains the last known address and does not update the case record. Note that it is possible for this process to occur repeatedly.

Other Information Needed from the Beneficiary to Redetermine Eligibility

When the county requires more information than the updated address in order to determine ongoing eligibility for an individual with an in-state forwarding address, the county shall follow the process outlined below.

Counties shall discontinue beneficiaries with a timely 10-day NOA, except for those individuals identified in this letter as being exempt from discontinuance, when:

- the USPS provides an in-state forwarding address;
- the county requires more information than the updated address in order to determine ongoing eligibility;
- the county has made the required additional attempt to contact after the MC 355 is sent, and
- the beneficiary has not responded to the MC 355 by the 30-day deadline.

The county would either update the case record with the in-state forwarding address for the Medi-Cal only case, or keep the last known address if the beneficiary is eligible for both Medi-Cal and other public social services programs, as described above, before sending the NOA. As a result, the NOA would be sent to the in-state forwarding address for Medi-Cal only beneficiaries, and to the last known address for beneficiaries who have Medi-Cal and other public social services programs. The timely 10-day NOA must list the missing information needed to determine eligibility and must include the 90-day cure period language. As more information is needed beyond the updated address, the county will not conduct in ICT.

Example 3: After a Medi-Cal only beneficiary reports a change in income to the county by mail and the change in income does not e-verify after ex parte review, the county sends an MC 355 to the beneficiary requesting updated income verification. The mail is returned as undeliverable with an in-state forwarding address provided by the USPS. The county follows the steps in this ACWDL by:

- conducting ex parte, which is unsuccessful;
- sending the MC 355 to the last known address and the in-state forwarding address requesting both the updated address and the missing verification; and
- attempting the additional required contact.

The beneficiary does not confirm the new address or provide the necessary verification by the 30-day MC 355 due date. The county updates the case record of the Medi-Cal only beneficiary with the in-state forwarding address provided by the USPS. As the beneficiary has not provided the information necessary to redetermine eligibility, the county does not conduct an ICT regardless of the updated address. The county then discontinues the beneficiary from Medi-Cal with a timely 10-day NOA sent to the in-state forwarding address. The NOA lists all information needed to redetermine eligibility and includes the 90-day cure period language.

Example 4: The county sends a NOA or other informing materials to the beneficiary. The mail is returned as undeliverable with an in-state forwarding address provided by the USPS. The county follows the steps in this ACWDL by:

- conducting ex parte, which is unsuccessful;
- sending the MC 355 to the last known address and the in-state forwarding address; and
- attempting the additional required contact.

The beneficiary does not confirm the new address by the 30-day MC 355 due date. The county does not discontinue the beneficiary, as the only item missing is confirmation of the new in-state address. The beneficiary also has CalFresh, so the county retains the last known address and does not update the case record.

During the next scheduled annual renewal process, the auto renewal process fails and the county sends the annual renewal form to the beneficiary at the last known address, requesting updated information and verification. The mail is returned as undeliverable with an in-state forwarding address provided by the USPS. The county follows the steps in this ACWDL by:

- conducting ex parte, which is unsuccessful;
- sending the MC 355 to the last known address and the in-state forwarding address requesting both the updated address and the missing renewal information and verification, and
- attempting the additional required contact.

The beneficiary does not confirm the new address or provide the necessary renewal information and verification by the 30-day MC 355 due date. The beneficiary also has CalFresh, so the county retains the last known address and does not update the case record. The county discontinues the beneficiary from Medi-Cal with a timely 10-day NOA sent to the last known address. The NOA lists all information needed to redetermine eligibility and includes the 90-day cure period language. Please note that [ACWDL 17-32](#) provides the NOA that the county must send when there is no response to an annual renewal form.

Example 5: The county sends a NOA or other informing materials to the beneficiary. The mail is returned as undeliverable with an in-state forwarding address provided by the USPS. The county follows the steps in this ACWDL by:

- conducting ex parte, which is unsuccessful;
- sending the MC 355 to the last known address and the in-state forwarding address; and
- attempting the additional required contact.

The beneficiary does not confirm the new address by the 30-day MC 355 due date. The county does not discontinue the beneficiary, as the only item missing is confirmation of the new in-state address. The beneficiary also has CalFresh, so the county retains the last known address and does not update the case record.

During the next scheduled annual renewal process, the auto renewal process fails and the county sends the annual renewal form to the beneficiary at the last known address, requesting updated information and verification. The mail is returned as undeliverable with no forwarding address provided by the USPS. The county follows the steps in this ACWDL by:

- conducting ex parte, which is unsuccessful;
- sending an MC 355 to the last known address requesting both the updated address and the missing renewal information and verification; and
- attempting the additional required contact.

The beneficiary does not confirm the new address or provide the necessary renewal information and verification by the 30-day MC 355 due date. The county discontinues the beneficiary from Medi-Cal with a timely 10-day NOA sent to the last known address. The NOA lists all information needed to redetermine eligibility and includes the 90-day cure period language. Please note that [ACWDL 17-32](#) provides the NOA that the county must send when there is no response to an annual renewal form.

Undeliverable Mail Processing Reminders

- Undeliverable mail resulting from a returned annual renewal form may be received early enough to conduct the undeliverable mail activities prior to the annual renewal due date. However, depending on when the county receives the undeliverable annual renewal form, it is possible for beneficiaries to receive an additional month(s) of eligibility beyond their annual renewal month in order to allow the 30-day due date for the MC 355 and the 10-day NOA.
- If an undeliverable annual renewal form is received after the beneficiary(ies) has been discontinued for failing to respond to the annual renewal form, counties must rescind the discontinuance or reinstate eligibility without a break in coverage prior to following the steps outlined in this ACWDL. W&IC 14005.37 requires that when mail is returned as undeliverable, the beneficiary remains eligible for Medi-Cal while the required redetermination steps occur.
- If the original mail that was returned as undeliverable was:
 - a discontinuance NOA unrelated to whereabouts unknown, or
 - a NOA informing a beneficiary about an increase in their share-of-cost (SOC) or an adverse change in their eligibility

Counties must rescind the discontinuance or reinstate eligibility to the previous level without a break in coverage prior to following the steps outlined in this ACWDL, except for in cases where the beneficiary has requested discontinuance. W&IC 14005.37 requires that when mail is returned as

undeliverable, the beneficiary remains eligible for Medi-Cal while the required redetermination steps occur. Counties shall add a note in the case record to the affect that: *Per ACWDL 22-09 and Welfare & Institutions Code Section 14005.37, eligibility is being reestablished during the undeliverable mail process.* Should counties receive an updated address, they must restart the discontinuance process or change in SOC/eligibility and resend an updated NOA, 10-day where necessary, to the beneficiary at the new address. If the new address is not located following the requirements outlined above, the county would send the updated NOA to the appropriate address as described in this ACWDL.

- Counties are reminded to evaluate for good cause if the beneficiary contacts the county after discontinuance, in accordance with Title 22, California Code of Regulations, section § 50175.

Step 5: 90-Day Cure Period
(W&IC Section [14005.37\(i\)](#))

If, within 90 days of the discontinuance date, the beneficiary provides all information necessary to determine eligibility, the county shall immediately enter the information into the SAWS and submit it to the CalHEERS Business Rules Engine (BRE) for a redetermination using the existing the 90-Day Cure Period process.

If you have any questions, or if we can provide further information, please contact Alison Brown by phone at (916) 345-8078 or by email at Alison.Brown@dhcs.ca.gov.

Original Signed By

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