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May 12, 2022

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 22-13  
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: CHANGES TO ASSET VERIFICATION REVIEW REQUIREMENTS DUE  
TO JULY 2022 ASSET LIMIT INCREASE  
(References: All County Welfare Directors Letter ([ACWDL](#)) [21-31](#), [21-24](#),  
[17-37](#), and Medi-Cal Eligibility Division Informational Letter (MEDIL) [21-42](#)  
and [17-05](#).)

## Purpose

The purpose of this All County Welfare Directors Letter (ACWDL) is to utilize the July 2022 asset limit increase to modify the conditions under which county eligibility workers (CEWs) can use the asset verification reports as verification at application, annual renewal, and change in circumstance (CIC) for non-MAGI Long Term Care (LTC) and non-LTC Aged, Blind and Disabled (ABD) individuals and their responsible relatives. With the exception of the new guidance provided in this ACWDL, CEWs must follow the case processing guidelines for asset verification reports as outlined in ACWDLs 17-37 and 21-24.

## Overview

Section 1940 of the federal Social Security Act requires California's Medicaid program (Medi-Cal) to have an electronic asset verification program (AVP) in place to verify assets for ABD applicants and beneficiaries who do not receive Supplemental Security Income or State Supplementary Payment (SSI/SSP). California's electronic AVP requirements are outlined in [Welfare & Institutions Code \(WIC\) Section 14013.5](#). The Department of Health Care Services (DHCS) has previously published guidance on California's electronic AVP during various stages of implementation. For background on the pilot program, including participating counties and procedures, please refer to

MEDIL I 17-05. Information regarding California's initial AVP rollout can be found in ACWDL 17-37. Details on the new weekly batch process, which went live on January 3, 2022 and covers asset verification requests submitted by CEWs for applications, CICs, and responsible relative searches can be found in ACWDL 21-24.

### **Changes to AVP Review Requirements at Application, Renewal, and Change in Circumstance**

Effective July 1, 2022, the asset limit will increase to \$130,000 for one person and \$65,000 for each additional person (up to ten maximum). When these forthcoming changes take effect, CEWs must follow the modified asset verification review requirements at application, renewal, and CIC as specified below.

**NOTE:** These modified review requirements do not affect the Spousal Impoverishment (SI) provisions, nor do they affect existing policies and procedures regarding Application, CIC, Overpayment and Fraud. Please refer to existing DHCS guidance for additional information on these topics.

#### **I. Application**

CEWs must rely on self-attested asset information provided during the application process and subsequently verify that information using the AVP reports post Medi-Cal enrollment as stipulated in [42 CFR §435.945](#).

Starting July 1, 2022, CEWs must grant Medi-Cal eligibility to ABD LTC and non-LTC applicants using self-attested information if the combined value of the self-attested asset(s) does not exceed \$130,000 for one person and \$65,000 for each additional person (up to ten maximum). As a reminder, CEWs must not deny or delay eligibility due to non-receipt of the asset reports.

If the asset report is available before a CEW determines Medi-Cal eligibility based on self-attestation, then the CEW must grant eligibility if the combined value of all assets on the report, both disclosed and undisclosed, does not exceed \$130,000 for one person and \$65,000 for each additional person (up to ten maximum). In addition to utilizing asset report information, the current attested value of any asset(s) that were previously disclosed but not detected by the report must be used in determining an applicant's property reserve, if applicable. To expedite the provision of medical assistance, the CEW must not request administrative verification such as banking statements and/or property valuation reports if the applicant's sum of all reported and unreported assets is below the property reserve limit.

If Medi-Cal eligibility was granted based on self-attestation prior to receipt of the asset report, but the report is later received and reveals previously undisclosed asset(s), then the CEW must not obtain administrative verification such as banking statements and/or property valuation reports if the combined value of all disclosed and undisclosed assets on the report is less than \$130,000 for one person and \$65,000 for each additional person (up to ten maximum). If applicable, the current attested value of any asset(s) that were previously disclosed but not detected by the report must also be used in determining a beneficiary's property reserve. However, and in accordance with [42 CFR § 435.916\(d\)](#) and [W&I Section 14005.37](#), if new information from the asset report post-Medi-Cal enrollment indicates potential ineligibility, then the CEW must evaluate that information and redetermine eligibility as appropriate. Section II provides additional guidance regarding the modified conditions for when CEWs must obtain administrative verification such as banking statements and/or property valuation reports for annual renewals and CIC redeterminations.

## **II. Renewal and Change in Circumstance**

To make the renewal process faster and less burdensome on both County Welfare Departments (CWDs) and beneficiaries, DHCS is modifying the conditions under which CEWs can use asset reports as verification at annual renewal and CIC. The modified renewal processing conditions outlined in this ACWDL supersede those provided in ACWDL 21-24.

Under ACWDL 21-24, the pre-July 1, 2022 processing conditions for annual renewals and CICs were as follows:

When the asset verification report identifies all assets included in the beneficiary's case file, and the value of those assets fall under property reserve limits, then CEWs must not request administrative verification such as bank statements and/or property valuation reports. CEWs must request bank statements and/or property valuation reports only in the following scenarios:

- 1) When the asset report reveals previously undisclosed assets;
- 2) When the asset reports reveals a previously disclosed asset with a value exceeding the property reserve limit; or
- 3) When the asset report does not detect an asset already disclosed by the beneficiary.

Starting July 1, 2022, the modified conditions for annual renewals and CICs will be as follows:

- 1) CEWs must not request administrative verification such as bank statements and/or property valuation reports when the asset report contains assets, whether disclosed or undisclosed, that when combined do not exceed the new property reserve limits of \$130,000 for one person and \$65,000 for each additional person (up to ten maximum). In addition to utilizing asset report information, the current attested value of any asset(s) that were previously disclosed but not detected by the report must be used in determining the total value of the property reserve.
  - a. If a beneficiary is beneath property reserve limits, then CEWs must use the most recent combined value of all assets on the report and/or the current attested value of any asset(s) that were previously disclosed but not detected by the report. Previously undisclosed assets must be documented in the beneficiary's case file.
  
- 2) CEWs must request administrative verification such as bank statements and/or property valuation reports when the asset report contains assets, whether disclosed or undisclosed, that when combined exceed the new property reserve limits of \$130,000 for one person and \$65,000 for each additional person (up to ten maximum).
  - b. If a beneficiary exceeds property reserve limits, then CEWs must use the most recent combined value of all assets provided on all administrative verification documents, including those previously disclosed but not returned by the asset report. Previously undisclosed assets must be documented in the beneficiary's case file.

If the asset report provides evidence of closure on a previously known asset, then the CEW should no longer include the asset in the case record. If the record is known in SAWS, then the case should be updated to reflect that the asset is no longer open.

All supporting information and/or documentation used in eligibility determinations must be retained in the case notes/files to be compliant with audits and appeals requirements. This may include person(s) contacted, dates, times, and other applicable information or documentation to support the case file. To remain in compliance with [FFCRA Section 6008\(b\)\(3\)](#), CEWs must not terminate a beneficiary until after completing the beneficiary's first ordinary annual renewal that occurs following the end of the month in which the public health emergency ends, even if eligibility was granted based on self-attested information at application.

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If you have any questions, or if we can provide further information, please contact Corinne Marquez at (916) 345-8684 or by email at [Corinne.Marquez@dhcs.ca.gov](mailto:Corinne.Marquez@dhcs.ca.gov).

Original signed by

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