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TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 22-20
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: Senate Bill 260 Streamlines Transitioning to Covered California
(Reference All County Welfare Director Letters: [11-33](#) [14-05](#); [14-18](#); [16-18](#);
[17-35](#); [21-27](#); [22-01](#); [22-18](#) and Medi-Cal Eligibility Division Information
Letters [21-13](#) and [21-13E](#))

Purpose

The purpose of this All County Welfare Directors Letter (ACWDL) is to inform counties of changes to the current guidance for Medi-Cal beneficiaries transitioning to Covered California, pursuant to [Senate Bill \(SB\) 260](#) (Chapter 845, Statutes of 2019).

Background

SB 260 requires Covered California to automatically enroll individuals transitioning from Medi-Cal, the County Children's Health Initiative Program (C-CHIP), the Medi-Cal Access Program (MCAP), and the Medi-Cal Access Infants Program (MCAIP) into the lowest cost silver Covered California plan available, or the individual's same managed care plan, if this information is available to Covered California before their current coverage ends. Due to the COVID-19 Public Health Emergency (PHE) and other high priority initiatives, the implementation of SB 260 in the California Healthcare Eligibility Enrollment and Retention System (CalHEERS) was rescheduled from 2021 to Release 22.6, on June 20, 2022.

As a result of the implementation of SB 260, Covered California streamlines the health plan enrollment of transitioning beneficiaries before their Medi-Cal termination date to help avoid a gap in coverage. California law requires Covered California to use the household and income information the beneficiary reported to Medi-Cal to help them enroll in a new Covered California health plan with potential financial assistance. Covered California will automatically select the lowest cost silver plan available in their

region/area and notify the transitioning beneficiary in writing prior to their enrollment in the Covered California plan. The transitioning beneficiary can keep, change, or cancel the automatically selected plan and must then take timely action to effectuate their health plan coverage. SB 260 prohibits the premium due date from being sooner than the last day of the first month of the health plan coverage.

Please Note: The guidance in this ACWDL is effective at the end of the PHE when Department of Health Care Services (DHCS) directs counties to resume completing the annual redetermination for beneficiaries. During the unwinding of the COVID-19 PHE, Medi-Cal beneficiaries will not have eligibility redetermined until the individual's next scheduled annual renewal after the end of the PHE. Please see [ACWDL 22-18](#) for additional information about determining Medi-Cal eligibility during the COVID-19 PHE unwinding period. Beneficiaries determined ineligible for Medi-Cal after the PHE ends will be transitioned to other insurance affordability programs such as Covered California as appropriate. Even though the SB 260 functionality will be implemented in CalHEERS on June 20, 2022, SB 260 auto plan selection will not be "turned on" until after the PHE ends and individuals complete their annual redetermination.

Not all Medi-Cal beneficiaries who transition to Covered California qualify for the automatic enrollment process under SB 260. To qualify, discontinued Modified Adjusted Gross Income (MAGI) Medi-Cal beneficiaries must be eligible or conditionally eligible for Advanced Premium Tax Credit (APTC). This includes the following:

1. MAGI Medi-Cal beneficiaries who: have household income increases and/or family size changes making their income above the MAGI Medi-Cal limits; or children who have aged out; and beneficiaries not eligible to Consumer Protection Programs (CPPs), or
2. Children enrolled in C-CHIP who: have aged out or move out of C-CHIP counties; or their family income increases making their household income above C-CHIP limit, or
3. MCAP individuals who are no longer eligible for MCAP.
4. MCAIP infants with household income increases at their first annual renewal or upon reaching age 2.

Current Medi-Cal to Covered California Transitioning Policy

Current guidance provided in [ACWDL 14-18](#) and [ACWDL 16-18](#), requires if a beneficiary is determined ineligible for MAGI Medi-Cal, that County Eligibility Workers (CEWs), prior to transitioning any individuals to Covered California, shall review the individual's case for potential linkage to Non-MAGI programs, including all CPPs for increased gross earnings for a family case and then send out the Non-MAGI informing letter, if applicable.

Currently, once the CEW determines a beneficiary ineligible for MAGI Medi-Cal and not eligible for any other Medi-Cal programs, the beneficiary is sent a MC 239 Over Income and Not Otherwise Medi-Cal Eligible Discontinuance Notice of Action (NOA) letter. The discontinued beneficiary must select their California health plan by the last day of their Medi-Cal coverage month and pay the premium by the health plan's due date if they want their coverage to start on the day after their Medi-Cal coverage ends. The MC 239 Discontinuance NOA provides the beneficiary with appeal rights if they disagree with the determination.

In addition, CEWs are currently required to assist those losing Medi-Cal coverage to avoid a gap in coverage by completing the enrollment process into APTC/Cost Sharing Reductions (CSR), including assisting with health plan selection, if requested, and advise the beneficiary of the need for timely health plan selection and premium payment to avoid a gap in coverage. CEWs will experience a modification to their roles with the implementation of SB 260.

SB 260 Medi-Cal to Covered California Transitioning Policy

CEWs shall continue to review the case of beneficiaries who are determined ineligible for MAGI Medi-Cal for potential linkage to all Medi-Cal programs prior to discontinuance. Before executing a Soft Pause removal or transferring the beneficiary for APTC/CSR evaluation, CEWs must follow guidance in:

[ACWDL 21-27](#) to evaluate for CPPs such as Four Month Continuing or Transitional Medi-Cal; [ACWDL 14-05](#) for Continuous Eligibility for Children and; [ACWDL11-33](#) for Infants; Medi-Cal Eligibility Division Information Letters [I 21-13](#) and [I 21-13E](#) for Pregnant and postpartum beneficiaries; and [ACWDL 14-18](#) and [ACWDL 16-18](#) for Non-MAGI Medi-Cal. Please refer to [ACWDL 17-35](#) for Soft Pause removal policies and procedures. The CEW may also execute a Soft Pause removal if the beneficiary has clearly indicated in writing or verbally (with documentation in the case file) that they do not want a Non-MAGI Medi-Cal evaluation.

If the beneficiary is found ineligible for all other Medi-Cal programs including CPPs, and meets the criteria to transition to Covered California, the beneficiary will be sent the updated MC 239 Over Income and Not Otherwise Medi-Cal Eligible Discontinuance NOA and the beneficiary is transitioned to Covered California. Please refer to [ACWDL 22-01](#) for more information about this updated MC 239 Discontinuance NOA.

Reminder: Accurate Covered California eligibility requires complete responses to the application questions regarding tax filing and employer-sponsored coverage.

Implementation of SB 260 auto plan selection modifies the CEW's role. CEWs are no longer required to assist transitioning beneficiaries who qualify for SB 260 auto plan selection with their Covered California health plan selection. Instead, once an individual is determined ineligible for MAGI Medi-Cal and eligible or conditionally eligible for Covered California with financial assistance, CalHEERS will immediately and automatically select the health plan and after the county discontinues MAGI Medi-Cal, the beneficiary is notified of the selected plan in the correspondence they receive from Covered California.

If transitioning beneficiaries are confused, have questions or concerns about the SB 260 automatic plan selection and request assistance, CEWs shall continue to assist the transitioning individual by providing referral to Covered California. CEWs should also provide available information and resources to ensure the beneficiary understands their options and the actions they must complete for timely health plan effectuation to avoid a gap in coverage. If the transitioning beneficiary's concern is about the SB 260 automatic plan selection, the CEW shall direct them to call Covered California at the dedicated SB 260 telephone line, 1-800-816-4725 to obtain the necessary information.

Reminder: CEWs shall continue to assist discontinued Medi-Cal beneficiaries transitioning to Covered California who do not qualify for APTC financial assistance or SB 260 automatic plan selection. If the CEW is requested to assist with enrollment in a Covered California plan, CEWs should advise beneficiaries that in order to avoid a gap in coverage, the transitioning beneficiary must select a health plan in the same month as the Medi-Cal discontinuance date in order to have their Covered California plan start the following month.

New SB 260 Covered California Correspondence

DHCS and Covered California partnered to co-brand SB 260 materials with Medi-Cal and Covered California logos to help Medi-Cal beneficiaries better understand the two programs' working relationship to ensure ongoing health coverage through the transition from Medi-Cal to Covered California.

Individuals discontinued from MAGI Medi-Cal, C-CHIP, and MCAP who qualify for APTC will receive both their current program's discontinuance notice and the following correspondence from Covered California:

The Covered California Eligibility Notice for Medi-Cal transitioning individuals (NOD01T) provides the Covered California Case number, name of the health plan selected, monthly premium amount, financial help amount, and the amount the individuals would need to pay each month, their options, what actions to take, important due dates, and how to find their application online.

Similar to the existing NOD01 eligibility notice, the NOD01T lists all household members and the income used to determine eligibility. The NOD01T notice encourages transitioning individuals to visit Covered California online to learn more about moving from Medi-Cal to Covered California. The notice tells them how to get help from Covered California and provides the following resources:

- A QR code to scan or website: CoveredCA.com/new-plan
- An access code to create an online account
- A special phone line for people switching from Medi-Cal to Covered California call Covered California: Monday – Friday, 8 a.m. to 6 p.m. at 1-800-816-4725 (TTY 1-888-889-4500), or
- A website to get free in-person help from certified enrollment counselors or agents: Coveredca.com/find-help
- Information on how to appeal this eligibility determination if they think a mistake was made

Additionally, a special SB 260 Covered California Flyer is included with the NOD01T notice that provides more information on Covered California, enrollment options, plan out-of-pocket costs, financial help, APTC tax implications, and health insurance terminology.

The transitioning beneficiary will be able to view or print the NOD01T in their CalHEERS case. If the transitioning beneficiary does not have an online account, CEWs may encourage them to create an account, to access all the information about their SB 260 health plan options.

SB 260 Health Plan Options

With the implementation of SB 260, transitioning beneficiaries will have until the end of their first month of coverage to complete their enrollment in the selected health plan to avoid a gap in coverage by:

- Paying their premium, or
- If they have a \$0 net premium, accepting the terms and conditions of APTCs, or
- Choosing another health plan.

Individuals with a greater than zero-dollar net premium will receive a bill from the health plan Covered California selected for them and will have to pay their first month's premium by the due date to keep their plan. After enrollment is completed, their health plan carrier will send them a welcome packet with information about their coverage and a member identification card. However, if they do not pay their premium to the health

plan by the due date, the plan will be cancelled and the carrier will send a plan cancellation notice.

Some individuals transitioning from Medi-Cal may have a zero-dollar net premium Covered California plan. Because there are tax implications, Covered California requires zero-dollar net premiums transitioners to accept the terms and conditions of taking APTC. They can do this by confirming their health plan online or by calling Covered California. After confirming the health plan, their chosen health plan will send them a welcome packet with information about their coverage and a member identification card. However, if the transitioning beneficiary does not accept the terms and conditions by the last day of the first month of coverage the plan will be cancelled and Covered California will send a cancellation notice.

The transitioning beneficiary can also actively choose to cancel their health plan and a cancellation notice will be sent by Covered California.

SB 260 and Special Enrollment Period

Due to loss of minimum essential coverage, individuals transitioning from Medi-Cal, C-CHIP, and MCAP have a qualifying life event (QLE) and are provided a 60-day special enrollment period (SEP) to enroll in a Covered California health plan. The NOD01T informs that the SB 260 transitioning individual must take action to keep or change the selected plan by the last day of the first month of coverage to avoid a gap in coverage. If the individual has not yet made a plan selection, they may still enroll in a health plan on the online portal during the 60-day SEP. However if the individual selects a plan through the online portal there would be a gap of one month and coverage would begin the first of the following month. If the individual does not enroll in a health plan within the SEP, they may have to wait until they have another QLE or until open enrollment to enroll in a Covered California health plan. See [ACWDL 16-18](#) for more information about enrollment in Covered California with a QLE and SEP.

SB 260 CalHEERS Portal Updates

Covered California has updated the CalHEERS portal with new SB 260 features that include customized messaging on the Consumer Home Page for individuals transitioning from Medi-Cal, C-CHIP, and MCAP, and a customized CalHEERS Dashboard to provide details about the health plan selected for them. Transitioning beneficiaries will be able to access a targeted CoveredCA.com page for additional information by scanning the QR code provided in their NOD01T notice.

On the dashboard, transitioning beneficiaries will be able to review:

- Monthly/yearly premium amounts
- Health plan carrier

- Metal tier
- Enrollment status
- Household member information
- What is needed to complete their transition to Covered California

They will also be able to:

- Keep or Change coverage by:
 - Accepting the pre-selected health plan, or
 - Reviewing the plan selected for them and other health plans available in their area and choosing another health plan
- Cancel the plan for any reason including, if they:
 - Have other health insurance,
 - Moved out of California, or
 - Do not need health insurance.
- Report a Change (RAC) to Covered California
 - If their situation changed since their Medi-Cal determination was made they can report a change to Covered California from their dashboard. The RAC may result in a redetermination of eligibility.

Exceptions to SB 260 Automatic Plan Selection

Some transitioning Medi-Cal beneficiaries will not have the lowest-cost silver plan automatically selected for them, such as:

- Individuals with American Indian/Alaskan Native (AI/AN) status who will be placed in the lowest-cost AI/AN health plan.
- Individuals with family members already enrolled in Covered California may be enrolled into the existing health plan.

DHCS and Covered California will provide SB 260 training to counties as part of the COVID-19 PHE unwinding training series. Additionally, DHCS will issue future SB 260 guidance as needed after the system changes are implemented in CalHEERS.

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If you have questions regarding this letter, please contact Liliana Diaz at (916) 345-8083 or by email at Liliana.Diaz@dhcs.ca.gov.

Original Signed By

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