



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



EDMUND G. BROWN JR.
Governor

Date: April 24, 2014

Medi-Cal Eligibility Division Information Letter No.: I 14-23

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY WELFARE ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS

SUBJECT: Processing Income Verifications on Pended and Current Applications in the Statewide Automated Welfare System (SAWS)

The purpose of this Medi-Cal Eligibility Division Information Letter (MEDIL) is to provide counties with additional guidance on processing pended or current applications in SAWS for income verification.

County Instructions for Working Pended Medi-Cal Cases

When an application is currently pended in SAWS for income verification, counties are instructed to first rerun the application through the Federal Data Services Hub (hereafter referred to as “federal data hub”), when the federal data hub is available, to electronically re-verify the applicant’s income information. No application may be denied until it has been run at least one time through the federal data hub during a time when the federal data hub is available.

If the income information from the federal data hub is not reasonably compatible with the income reported on the application (as detailed below), counties shall then conduct an ex parte review to obtain the required information from the applicant or family members’ Medi-Cal file and through other social services programs for the applicant or family members, such as Covered California, CalFresh or California Work Opportunity and Responsibility to Kids (CalWORKs), or other data sources as prescribed in Welfare and Institutions Code (WIC) 14013.3(b).

Requesting Additional Information

Per existing policy, All County Welfare Directors Letter (ACWDL) 08-07 requires counties to deny pending applications that originated from the SAWS access channel for income

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verification if both an ex parte review and the two 10-day requests for verifications are completed and the county has not received the needed income information to process the application.

The Department is immediately instructing counties by way of this letter to not deny applications as prescribed under ACWDL 08-07, and instead to send out a third 10-day request for verification for all pending applications that originated through the SAWS access channel, have been sent the requests for verification as prescribed in ACWDL 08-07 and are still pending. Applications may be denied for lack of income verification only after there has been no response by the applicant to the third 10-day request for verification. This one additional 10-day request is being required as part of a one-time effort to work the backlog of pending applications. DHCS will notify counties when this additional 10-day request (for a total of three 10-day requests) will no longer be required for pending applications originated through the SAWS access channel and when counties can return to sending two 10 day requests for applications where information is not reasonably compatible after an ex parte review.

If the applicant provides the required income information within the required timeline, counties shall process the application. If the applicant responds to the request for information and informs the county that documentation of income has been sent to the Covered California service center, counties shall continue to pend the application until the service center completes processing the backlogged manual verifications. If the applicant fails to provide the required information or does not inform the county that the information was sent to the Covered California service center by the requested deadline set forth in the third request, the county shall deny the application for a failure to cooperate using the same criteria established for the second contact in the two-contact requirement pursuant to ACWDL 08-07. If the applicant provides the information after the final deadline and has good cause for missing the deadlines, the county shall withdraw the denial and process the application.

Reasonable Compatibility Standard for Income Verifications

Pursuant to Welfare & Institutions Code Section 14013.3, CalHEERS applies the reasonable compatibility standard when electronically verifying income information comparing the applicant's income to the specific Medi-Cal program's income standard for which the applicant is being evaluated.

As a reminder, income information is considered reasonably compatible if:

Application Income	Electronically Verified Income	
	<i>At or below program income standard</i>	<i>Above program income standard</i>
<i>At or below program income standard</i>	Reasonably compatible; determine eligible	Not reasonably compatible; request additional information
<i>Above program income standard</i>	Reasonably compatible; deny Medi-Cal eligibility/refer to CC	Reasonably compatible; deny Medi-Cal eligibility/refer to CC

Additionally, if the verified income and application income do not match, if the income information is reasonably compatible per above, counties should continue with the eligibility determination without requesting additional documentation. Counties shall only request additional income information, as prescribed above if, after the county re-runs the information against the federal hub when available, CalHEERS continues to pend the individual's Medi-Cal determination because the attested income information does not meet the reasonable compatibility standard as prescribed above.

If you have any questions regarding this letter, please contact Ms. Yingjia Huang at (916) 552-9467 or by email at yingjia.huang@dhcs.ca.gov.

Original Signed By:

Tara Naisbitt, Chief
Medi-Cal Eligibility Division