



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



EDMUND G. BROWN JR.
Governor

Date: July 30, 2014

Medi-Cal Eligibility Division Information Letter No.: I 14-43

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

SUBJECT: Information concerning the future implementation of the Full-Scope Medi-Cal Coverage and Affordability and Benefit Program for Low-Income Pregnant Women and Newly Qualified Immigrants (NQIs)

The purpose of this Medi-Cal Eligibility Division Information Letter is to inform counties of the creation and enactment of the new Full-Scope Medi-Cal Coverage and Affordability and Benefits Program for Low-Income Pregnant Women and NQIs. The Department of Health Care Services (DHCS), in collaboration with Covered California, will implement the program, which is subject to federal approval by the Centers for Medicare and Medicaid Services (CMS). The Affordability and Benefit Program will be available after the Director of DHCS determines in writing that the California Healthcare Eligibility, Enrollment and Retention System has been programmed for implementation, with an operational date of no sooner than January 1, 2015.

Background

Pursuant to the current California state plan, DHCS provides full-scope Medi-Cal benefits to qualified low-income pregnant women who meet applicable eligibility requirements pursuant to 1902(a)(10)(A)(i)(III) of the federal Social Security Act. Income eligibility for pregnant women under this coverage group is up to and including 60 percent of the federal poverty level (FPL). Women eligible under this coverage group are provided with all medically necessary covered services, regardless of whether the services are pregnancy related or not. The state plan also prescribes limited-scope pregnancy related coverage for women with incomes above 60 percent of the FPL, up to and including 208 percent of the FPL pursuant to 1902(a)(10)(A)(i)(IV) of the Social Security Act (pregnancy-related services program). Individuals eligible for Medi-Cal on the basis of pregnancy are provided with medically necessary services related to their pregnancy, and for any conditions that may complicate their pregnancy. This coverage group is also eligible for 60 days of postpartum care.

Enabling legislation in Senate Bill (SB) 857 (Chapter 31, Statutes of 2014) and SB x 1-1 (Chapter 4, Statutes of 2013) establishes the Full-Scope Medi-Cal Coverage and Affordability and Benefit Program for Low-Income Pregnant Women and NQI(s), otherwise known as the Wrap. These two programs would wrap Medi-Cal benefits for individuals eligible for Advanced Premium Tax Credits (APTC) and Cost Sharing Reductions (CSR) through a Qualified Health Plan (QHP) in the California Health Benefit Exchange (Exchange). DHCS will cover the out-of-pocket expenditures of the women enrolled in a QHP through Covered California. These out-of-pocket expenditures include the premium amounts owed after premium tax credits have been applied, applicable cost-sharing, copayments or any other covered costs that are required during their pregnancy and postpartum coverage. The woman shall receive all of her covered benefits via her QHP and may access additional medically necessary pregnancy related Medi-Cal services outside of a QHP, under Medi-Cal fee-for-service, to the extent they are not otherwise provided by a QHP. Welfare and Institutions (W&I) Code, Section 14102 also authorizes NQIs under the five-year bar, who are enrolled in a QHP, to be eligible to receive premium and out-of-pocket payment assistance as part of the Wrap. The combined benefit package provided by a QHP and Medi-Cal would provide coverage equivalent to full scope Medi-Cal for both pregnant women and NQIs.

Program Eligibility

At the implementation of Wrap, the following individuals will be eligible for full-scope Medi-Cal coverage:

- Pregnant women with satisfactory immigration status and incomes between 0 percent up to and including 138 percent FPL.

In addition:

- Pregnant women with satisfactory immigration status and incomes above 138 percent up to and including 213 percent of the FPL who enroll in both Medi-Cal and QHP through Covered California will be provided the option to enroll in the Wrap, thereby receiving premium and out-of-pocket payment assistance and accessing additional Medi-Cal services to the extent services that are not covered in the Exchange QHP.
- NQIs who are 21 years of age or older who would otherwise be eligible for Medi-Cal benefits under the new adult group under the Affordable Care Act as referenced in W&I Code, Section 14005.60 if not for the five-year bar, will enroll in a QHP and will also be eligible to receive premium and out-of-pocket payment assistance.

During Covered California's open enrollment period, pregnant women with income thresholds above 138 percent up to and including 213 percent FPL would be provided the option to enroll into Wrap. NQIs subject to the five year bar with income up to and

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including 138 percent FPL who are APTC/CSR eligible and are currently enrolled in a QHP would automatically be enrolled in the Wrap at open enrollment.

Implementation

Implementation of the Wrap requires increasing the Medi-Cal eligibility income levels for pregnant women and various system changes. DHCS is currently working on the Medicaid Waiver and State Plan Amendments with CMS to establish the authority for the full-scope expansion of Medi-Cal for pregnant women and the Wrap. Subject to CMS approval, the income threshold levels for full scope Medi-Cal for pregnant women will change from existing 0 percent up to and including 60 percent FPL to 0 up to and including 138 percent FPL. Income eligibility requirements for pregnancy-related (limited-scope) Medi-Cal will change from the existing income levels of above 60 percent up to and including 213 percent FPL to above 138 up to and including 213 percent FPL. DHCS will make subsequent income edits to existing pregnancy aid codes (M7, M9, M8, M0) upon federal approval of the above.

As part of system modifications to implement the Wrap, DHCS is implementing two new aid codes to pay QHPs and Medi-Cal providers for premiums, co-payments, and deductibles. The two new aid codes introduced for the Wrap are: 1) L8 (Pregnancy Wrap Enrollee) and 2) L9 (NQI Wrap Enrollee). Both will be used as companion aid codes to the individual's Exchange aid code for DHCS to track payments.

During the program development and implementation process, DHCS will engage and consult with counties, consortia, consumer advocates, CDSS, Medi-Cal and QHP providers, and community stakeholders through monthly stakeholder meetings. Stakeholder meeting topics will focus on the development of policies and procedures, including but not limited to notices and informing mechanisms, for the implementation of the Wrap. Additional information on these programs will be provided to the counties when it becomes available. DHCS has developed a webpage for this program and counties may access information from the link below:

<http://www.dhcs.ca.gov/services/medi-cal/Pages/Affordability-and-Benefit-Program.aspx>

If you have any questions regarding pregnancy, please contact Ms. Cynthia Cannon at 916-552-9499 or email at Cynthia.Cannon@dhcs.ca.gov.

If you have any question regarding NQI, please contact Ms. Amar Singh at 916-552-9459 or email at amar.singh@dhcs.ca.gov.

Original Signed By

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