



TOBY DOUGLAS
Director

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



EDMUND G. BROWN JR.
Governor

Date: November 21, 2014

Medi-Cal Eligibility Division Information Letter No.: I 14-56

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

SUBJECT: Initial County Guidance on Short-Term Negative Action Approach

The purpose of this letter is to provide initial guidance to counties on the implementation of a short-term negative action approach for Modified Adjusted Gross Income (MAGI) Medi-Cal cases, where all individuals on the case need to be denied or discontinued. Due to the current absence of the negative action functionality in CalHEERS, the Department of Health Care Services (DHCS) recognizes the critical need to have an interim solution to effectuate denials and discontinuances for pending and active MAGI Medi-Cal cases. This interim approach is part of the DHCS's ongoing effort and priority to reduce the pending Medi-Cal eligibility determination caseload. DHCS is currently working with the County Welfare Directors Association (CWDA), Statewide Automated Welfare Systems (SAWS), California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS), and the DHCS Medi-Cal Eligibility Data Systems (MEDS) team on developing both a short-term and a long-term solution for negative actions. A long-term solution is currently in development and will involve changes to CalHEERS to resolve the issues previously identified.

The short-term solution requires counties to identify the appropriate cases that need to be denied or discontinued and the reason for this action. This solution will only address situations where the entire case requires a negative action. Independent backend data fixes will be applied through SAWS, CalHEERS, and MEDS in order to appropriately action the cases. The goal is to appropriately close-out (deny or discontinue) the applications and cases across all three systems and provide the appropriate Notice of Action (NOA) from SAWS using existing NOA language available within each county consortia system. The technical teams are still working to identify the frequency of execution until a long term negative action solution is developed and implemented. Counties will be notified by DHCS and SAWS once those details are finalized.

General Overview of Process Steps for Short-Term Negative Action Approach:

1. Counties are to identify pending and active MAGI Medi-Cal cases (whole cases only) requiring a negative action and to place them into categories as detailed in Attachment A. Recognizing that each county and SAWS may have a different business practice, counties are advised to work closely with their SAWS consortium on list creation. Each SAWS will be releasing a companion County Information Transmittal (CIT) with more specific procedures and timelines to counties on list creation and list delivery method to SAWS.

As the first step of this short-term solution, counties shall identify pending and active cases requiring a negative action to appropriately deny or discontinue the application or case. For Medi-Cal and Covered California mixed households, DHCS is currently in discussion with Covered California on how to work these cases for denials and discontinuances. DHCS will provide further guidance once available. At this time, counties shall work on only whole cases where all members on the case are MAGI Medi-Cal.

DHCS has identified the following as the top three priority categories for this interim effort:

- 1) Denying duplicate applications;
- 2) Discontinuing MAGI Medi-Cal cases at renewal that have failed to complete the redetermination; and
- 3) Denying applications for failure to complete the determination.

Counties are instructed to focus on the identification of cases that fall within these top three priority categories and work the other remaining categories after the completion of these three priorities. Attachment A has a list of all negative action categories with additional functional descriptions for each category to assist counties in the categorization of cases as they review them. The cases shall be identified for the appropriate negative action reason based on how counties previously used the negative action functionality in SAWS.

2. SAWS to receive the different category lists from counties and send to CalHEERS. Counties will receive more information on the technical details of this procedure through the CIT to be released by each SAWS.
3. SAWS deny/discontinue the cases on the category lists provided by counties through a backend data fix. SAWS to send the AP 34/EW 40 transaction to MEDS for cases that are linked to SAWS. For cases that are not linked to SAWS, MEDS will process the denial or discontinuance via a batch process. CalHEERS will provide MEDS with this list of unlinked-SAWS cases that were successfully denied/discontinued in CalHEERS via the backend data fix to

ensure all three systems are dispositioning the same cases to stay

4. SAWS to generate and send the NOA to consumers using existing NOA language in their respective systems. Note: NOAs are not required for the duplicate application population (Priority Category #1).
5. CalHEERS deny/discontinue the cases from the same category list using a back-end data fix. CalHEERS will not generate a NOA for any cases denied or discontinued in this short-term negative actions effort.

At this time, counties are instructed to only take action on Process Step #1 and to review and submit case information to SAWS. Attachment B depicts the above process in a visual flow for county reference.

DHCS will be holding a Negative Actions Questions & Answer (Q&A) session on this approach to review this guidance with counties on Wednesday, December 3, 2014 from 1 PM to 2 PM. A follow-up session will also be held as needed via the regular DHCS County Operations Call on Friday, December 5, 2014 from 2 PM to 3 PM.

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

ORIGINAL SIGNED BY:

Tara Naisbitt, Chief
Medi-Cal Eligibility Division

Attachment A: Negative Actions Category List (Denials and Discontinuances)

<u>Denials</u>				
<ul style="list-style-type: none"> • MAGI Medi-Cal Cases Only • Whole Cases Only 				
Category	Denial Reason	Functional Description	NOA Needed? (Y/N)	DHCS Identified Priority Category #
1	Application Opened in Error	Worker mistake and opened App/Case in SAWS in error.	No	Priority Category #1
	Duplicate Application	Consumer submits duplicate applications and the worker needs to close the duplicate application.		
	On Aid Another Case	Used to deny when the consumer is aided on another case.		
2	Failed to Complete Determination	Used to deny when consumer fails to provide documents and EWs cannot complete eligibility determination.	Yes, using existing NOA snippets in SAWS	Priority Category #3
	Deceased	Used to deny when a consumer is reported deceased.	Yes, using existing NOA snippets in SAWS	
3	Written Withdrawal	Consumer asked in writing to withdraw the application.	Yes, using existing NOA snippets in SAWS	Priority Category #4
4	Whereabouts Unknown	Used to deny when the consumer does not return calls and cannot be reached for follow-up information.	Yes, using existing NOA snippets in SAWS	Priority not yet assigned, counties to identify cases in this category after completion of priorities #1-5
	Deceased	Used to deny when a consumer is reported deceased.	Yes, using existing NOA snippets in SAWS	
5	California Residency	Used to deny when consumer does not reside in California.	Yes, using existing NOA snippets in SAWS	Priority not yet assigned, counties to identify cases in this category after completion of priorities #1-5
6	Receives SSI	Used to deny when consumer applies but already has Medi-Cal (MEC) through SSI	Yes, using existing NOA snippets in SAWS	Priority not yet assigned, counties to identify cases in this category after completion of priorities #1-5
7	Child Applied for Self/Tax Dependent with no primary tax filer information	Denial only. Child applied for self and needs parents to apply too.	Yes, using existing NOA snippets in SAWS	Priority not yet assigned, counties to identify cases in this category after completion of priorities #1-5

Attachment A: Negative Actions Category List (Continued)

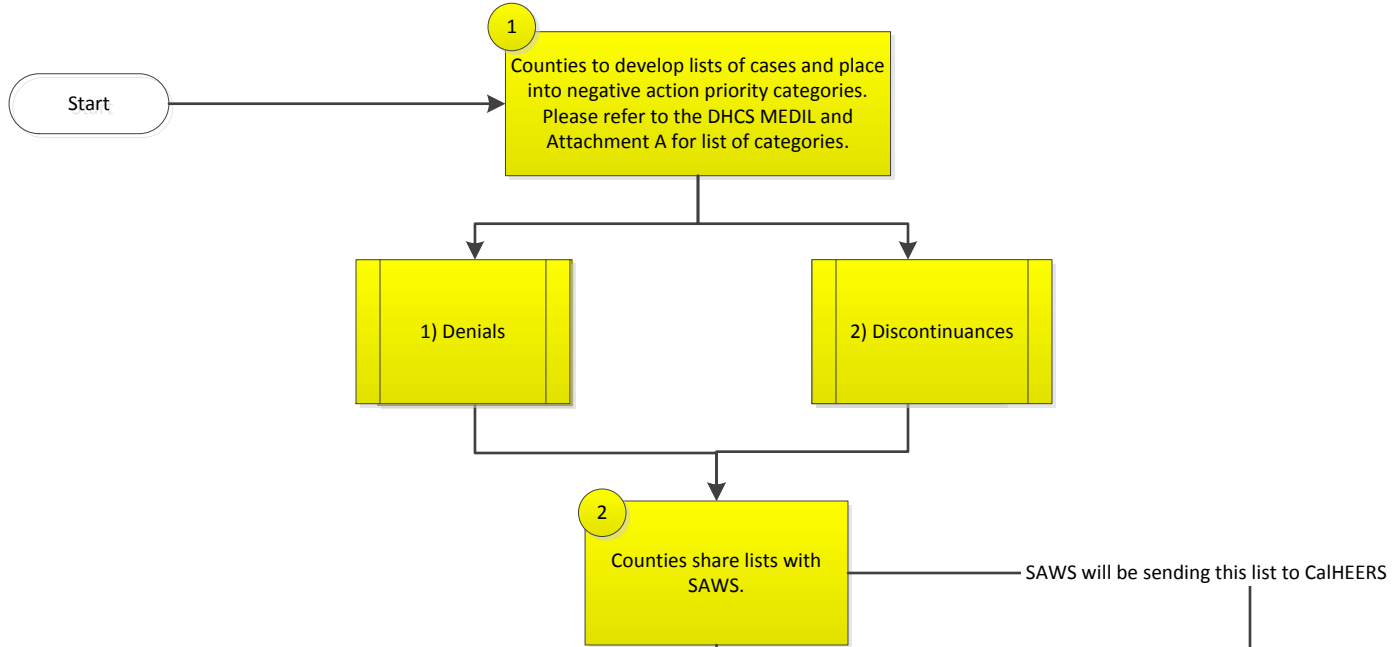
Discontinuances				
<ul style="list-style-type: none"> • MAGI Medi-Cal Cases Only • Whole Cases Only 				
Category	Discontinuance Reason	Functional Description	NOA Needed? (Y/N)	DHCS Identified Priority Category #
1	Failure to Complete Redetermination	Consumer is discontinued due to failure in providing documents during redetermination.	Yes, using existing NOA snippets in SAWS	Priority Category #2
2	Deceased	Used to discontinue when a consumer is reported deceased.	Yes, using existing NOA snippets in SAWS	Priority not yet assigned, counties to identify cases in this category after completion of priorities #1-5
3	Requested Disc	Consumer requests in discontinuance in writing.	Yes, using existing NOA snippets in SAWS	Priority Category #5
4	Whereabouts Unknown	Used to discontinue when the consumer does not return calls and cannot be reached for follow-up information.	Yes, using existing NOA snippets in SAWS	Priority not yet assigned, counties to identify cases in this category after completion of priorities #1-5
5	California Residency	Used to discontinue when consumer no longer resides in California.	Yes, using existing NOA snippets in SAWS	Priority not yet assigned, counties to identify cases in this category after completion of priorities #1-5
6	Receives SSI	Used to discontinue when consumer has Medi-Cal (MEC) through SSI	Yes, using existing NOA snippets in SAWS	Priority not yet assigned, counties to identify cases in this category after completion of priorities #1-5
7	Nonpayment of premiums	Used to discontinue when consumer fails to pay premiums for a minimum of two consecutive months.	Yes, using existing NOA snippets in SAWS	Priority not yet assigned, counties to identify cases in this category after completion of priorities #1-5

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Attachment B: Short-Term Negative Actions Approach – Overview of County and System Processes (see PDF)

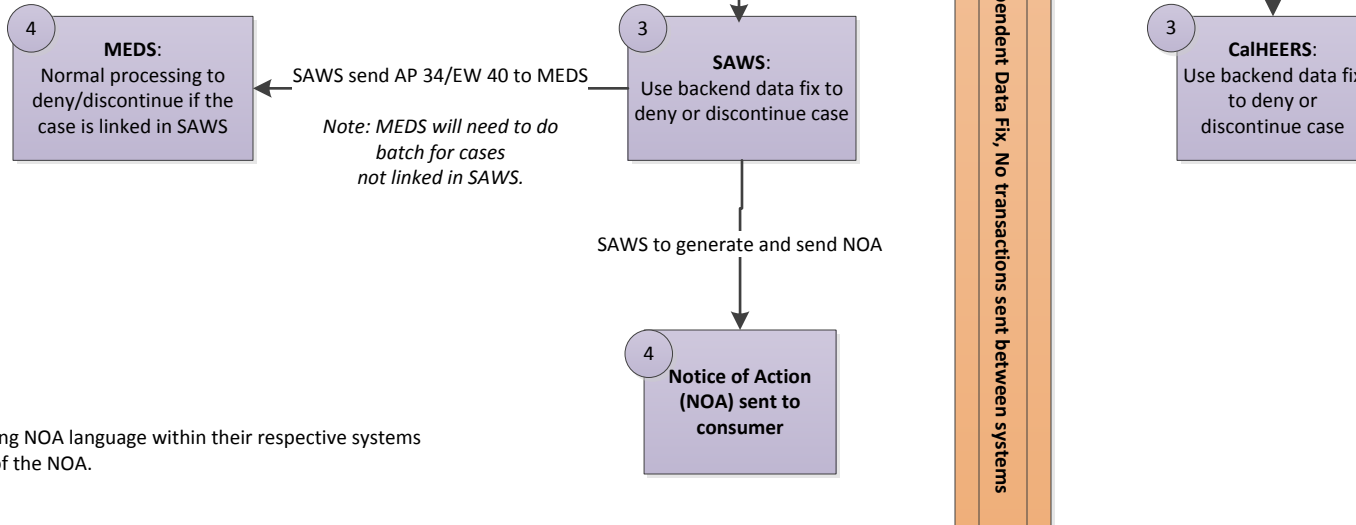
Attachment B: Short-Term Negative Actions Approach-- High-Level Overview of County and System Processes

COUNTIES



Note: SAWS will be issuing a County Information Transmittal (CIT) on specific procedures and timelines for counties.

SYSTEMS



Note: SAWS will use existing NOA language within their respective systems for the generation of the NOA.