



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



EDMUND G. BROWN JR.  
Governor

September 20, 2016

Medi-Cal Eligibility Division Information Letter No: 16-15

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

SUBJECT: California State Auditor's Report – Findings Related to Medi-Cal Determinations for Fiscal Year Ending June 30, 2015

The purpose of this Medi-Cal Eligibility Division Informational Letter (MEDIL) is to inform the counties of the findings in the California State Auditor's Report for the fiscal year that ended on June 30, 2015. As required of non-federal entities that expend federal awards under more than one federal program, a Single Audit was performed by Macias, Gini and O'Connell LLP (MGO) in accordance with Section 7502 of Title 31 of the United States Code.

MGO independently audited 150 selected Non-Modified Adjusted Gross Income case files and discovered three issues:

- Redeterminations were not performed in a timely manner.
- Documents used to determine Medi-Cal eligibility were not retained in the electronic and/or paper file.
- A Social Security Number failed electronic verification, and no further action was taken.

As a result of the findings and recommendations contained in MGO's Independent Auditor's Report, we are reaffirming All County Welfare Director's Letter (ACWDL) 14-35, 2015 Redeterminations for Non-Modified Adjusted Gross Income Cases and Non-MAGI/MAGI Mixed (Medi-Cal Mixed) Cases and ACWDL 14-22, Resetting Annual Redetermination Dates, as a reminder of the necessity to make timely Medi-Cal eligibility redeterminations. In accordance with 42 CFR 435.916 (b), the Department of Health Care Services must redetermine the eligibility of Medicaid beneficiaries excepted from modified adjusted gross income at least every 12 months.

Medi-Cal Eligibility Division Information Letter No.: 16-15  
Page 2  
September 20, 2016

If a redetermination occurs due to a reported change of circumstances, and the beneficiary remains Medi-Cal eligible, the beneficiary shall be granted a new 12-month eligibility period. We are also reaffirming Welfare and Institutions Code 10850, that requires the confidential maintenance of applications and Welfare and Institutions Code 10851(a), which states, "The case record must be maintained for a period of three years. The three-year retention period begins on the date on which public social services were last provided."

Lastly, in one case, the applicant's social security number failed electronic verification, and action to verify the accuracy of the number was not taken. Counties are reminded that if a social security number fails electronic verification, appropriate steps to verify the accuracy of that number should be taken. 42 CFR 435.910 (g) states in part, "The agency must verify each SSN of each applicant and recipient with [Social Security Administration] SSA to ensure that each SSN furnished was issued to that individual."

If you have any questions about this letter, please contact Ms. Amy Halim by phone at (916) 552-9511 or by e-mail at [Amy.Halim@dhcs.ca.gov](mailto:Amy.Halim@dhcs.ca.gov).

Sincerely,

Original Signed By

Sandra Williams, Chief  
Medi-Cal Eligibility Division