



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



EDMUND G. BROWN JR.  
Governor

April 24, 2018

Medi-Cal Eligibility Division Information Letter No: I 18-06

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

SUBJECT: AUDIT FINDINGS RELATED TO MEDI-CAL DETERMINATIONS

The purpose of this Medi-Cal Eligibility Division Informational Letter is to inform counties of findings identified in external audits conducted by the Office of Inspector General (OIG) and the California State Auditor (CSA), including policy reminders related to those findings. As required of non-federal entities that expend federal awards under more than one federal program, the audits were performed independently by OIG, and Macias, Gini and O'Connell LLP on behalf of CSA, in accordance with Section 7502 of Title 31 of the United States Code.

### **Findings**

The above referenced federal and state oversight agencies independently audited selected Medi-Cal case files. One or more of the following issues were identified in the cases that were reviewed:

- Redeterminations not performed in a timely manner.
- Documents to support eligibility determinations not found on file.
- Income not electronically verified, and manual income verification not found on file.
- Social Security Number failed electronic verification, and follow up action not taken.
- Eligibility determinations performed on individuals who did not request an evaluation for health care coverage.
- Inaccurate entry of required data elements.

### **Policy Reminders**

- The Department of Health Care Services (DHCS) is 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.

Pursuant to 42 Code of Federal Regulations 435.916 (b), DHCS must re-determine the eligibility of Medi-Cal beneficiaries excepted from modified adjusted gross income at least once every 12 months. If 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.

- All supporting documents used in eligibility determinations must be retained in the case file.
- Income must be electronically or manually verified prior to the affirmation or reaffirmation of eligibility.
- To the extent possible, precautions should be taken to ensure that data is entered accurately into the eligibility systems.
- Eligibility determinations should only be performed on individuals who request health care coverage.

As a result of the findings documented in the audit reports, DHCS will conduct focused quality control reviews of Medi-Cal cases to ensure eligibility determinations are made in accordance with federal and state laws and regulations.

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

### **Original Signed By**

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Medi-Cal Eligibility Division