



California
Department of
Health Services

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



ARNOLD SCHWARZENEGGER
Governor

March 2, 2004

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

Letter No.: 04-06

SUBJECT: QUESTIONS AND ANSWERS - MEDI-CAL MIDYEAR STATUS REPORT IMPLEMENTATION
(Reference: All County Welfare Directors Letter No. 03-41)

The purpose of this All County Welfare Directors Letter (ACWDL) is to provide further clarification to the Midyear Status Report (MSR) implementation outlined in ACWDL No. 03-41 dated July 8, 2003. The following questions and answers are in response to county questions regarding MSR implementation.

In this ACWDL, new instructions are provided to counties regarding the MSR form in question 2; the MC 239 I Notice of Action (NOA) in question 5; exempt and non-exempt beneficiaries in questions 10, 12 and 13; MSR processing in questions 15, 16, 20 and 26; Intercounty Transfer in question 24; and Aid Codes in question 29.

MSR FORMS

- 1. Are counties required to send a self-addressed postage-paid return envelope with the MSR?**

Yes.

- 2. Can the beneficiary complete and sign the MSR in pencil?**

Yes

3. In a two-parent household, are both parents required to sign the MSR if both are non-exempt beneficiaries?

No. Only one parent's signature is required on the MSR.

4. Does the MC 239 I NOA require a NA Back 9?

Yes.

5. On the MC 239 I NOA, what date is entered in the blank for the following statements?

- If you send us this completed Medi-Cal Status Report by ___ your Medi-Cal eligibility may be restored.
- If you send us this information we requested by ___ your Medi-Cal eligibility may be restored.

Is the date to be the end of the discontinuance month or 30 days after the end of the discontinuance month? (Example: When the MSR Due Month is December, is the date to be entered 12/31/03 or 01/31/04?)

The date entered for the first statement will be the end of the Discontinuance Month. In this example the date would be 01/31/04.

The date entered for the second statement will be the date the county has calculated through the Senate Bill (SB) 87 process since this is an incomplete MSR.

AUTOMATION

6. Are counties permitted to program the MC 239 I NOA into two separate NOAs, one for failure to submit the MSR (X letter) and the other for incomplete MSR (Y letter)?

Yes. This is a county option.

7. When automating the MSR (MS 176 S), are counties permitted to modify the form, specifically SECTION 2 allowing a choice to answer YES or NO?

No. Counties are not permitted to alter the MSR (MC 176 S).

8. **When automating the MC 239 I NOA are counties permitted to remove the statement "This Notice does not apply to children under the age of 21" since the system will identify to whom the notice applies?**

No. This statement cannot be removed from the MC 239 I NOA.

EXEMPT/NON-EXEMPT BENEFICIARY

9. **Are married minors and emancipated minors considered exempt beneficiaries for MSR reporting?**

All individuals under the age of 21 are exempt beneficiaries.

10. **Please clarify the exemption of individuals under the age of 21 and over the age of 65.**

Individuals remain exempt through the end of the month in which they turn 21 years of age. Additionally, non-exempt individuals turning 65 years of age become exempt beneficiaries the first day of the month they become 65 years of age.

Example:

Non-exempt beneficiary turns 65 years of age in the MSR mail month. The beneficiary's status changes to exempt in the MSR due month.

Exempt beneficiary turns 21 years of age in MSR mail month. The beneficiary's status changes to non-exempt in the MSR due month.

11. **In a two-parent household, if one parent is in an exempt category, does the household have to report?**

In a split household of exempt and non-exempt members, only non-exempt members are required to complete the MSR. Counties are reminded that exempt members cannot be terminated for failure to return the MSR.

12. **Are non-exempt beneficiaries receiving Federal Transitional Medi-Cal (TMC) required to submit both the TMC Quarterly Status Report (QSR) and MSR?**

No. Since Federal TMC beneficiaries are required to complete a TMC QSR, they are considered exempt beneficiaries for MSR purposes.

- 13. Are beneficiaries in a Skilled Nursing Facility or Intermediate Care Facility under aid code 53 (not aged or disabled) considered exempt for MSR reporting?**

No. Beneficiaries in aid code 53 are not exempt from MSR reporting since they have not been determined disabled.

MSR PROCESSING

- 14. ACWDL No. 03-41 states non-exempt beneficiaries are permitted to sign the MSR upon receipt. Are counties permitted to process the MSR if it is completed and submitted prior to the end of the MSR month?**

Yes.

- 15. Is the beneficiary required to receive the MSR by the tenth of the month or is the county required to mail it out by the tenth of the month?**

ACWDL No. 03-41 provided contradictory information regarding this issue. Beneficiaries are to receive the MSR by the tenth of the month.

- 16. If a discontinued beneficiary submits a complete MSR on May 31 but was discontinued on April 30 because he/she failed to submit the MSR timely, does the county rescind the discontinuance even though it's been more than 30 days?**

Yes. Since Medi-Cal is based on whole month eligibility (if eligible in the month, eligible for the entire month), the county may rescind the discontinuance.

Counties were previously instructed in ACWDL No. 03-41 to evaluate an MSR and rescind the termination (when continued eligibility exists) only when the beneficiary submits the MSR within 30 days after termination.

- 17. What is the county responsibility when a Medi-Cal non-exempt beneficiary receiving Non-Assistance Food Stamps fails to return his/her MSR but has returned a Food Stamp Quarterly Status Report (QSR), due the same month as the MSR, with sufficient information about changes in circumstances? Is the SB 87 process followed in this situation?**

No. The SB 87 process is not followed in this situation because failure by the beneficiary to submit his/her MSR constitutes a failure to cooperate and not a

change in circumstances. When a non-exempt beneficiary fails to submit the MSR, ACWDL No. 03-41 instructs counties to generate the MC 239 I NOA informing the beneficiary that his/her Medi-Cal benefits will be discontinued effective the last day of the MSR Due Month.

- 18. What is the county responsibility when the MSR is returned as “undeliverable - no forwarding address” and the beneficiary’s whereabouts are unknown? Is the SB 87 process followed and is the entire case discontinued or just the non-exempt beneficiary?**

Anytime the MSR or other mail is returned to the county as undeliverable, the county is required to follow the three-step SB 87 process to redetermine eligibility. The three-step SB 87 process is described in ACWDL No. 01-36 and No. 02-59. The county must not terminate eligibility for loss of contact before following these steps. After following this process and the beneficiary’s whereabouts remain unknown, the county can terminate the case.

Please note that it is the caretaker relative’s responsibility to report a change in the child’s residency. The county is responsible to reinstate the child retroactively if his/her whereabouts become known and the child is covered by continuous eligibility for children or deemed eligibility for infants.

- 19. Can the MC 321 HFP-AP (Additional Persons) form be used to add discontinued non-exempt beneficiaries back to an existing case instead of the MC 210 or MC 321?**

Yes. The MC 321 HFP-AP form can be used to add discontinued beneficiaries back to the existing case.

- 20. Are good cause regulations, Title 22 California Code of Regulations (CCR) Section 50175 (c), applicable to non-exempt beneficiaries who submit the MSR after the last day of the month following the discontinuance date?**

Yes. The good cause regulations, Title 22 CCR Section 50175 (c), apply to the MSR.

- 21. Are exempt beneficiaries remaining on the existing case required to receive a ten-day NOA before increasing their share-of-cost?**

Yes. All exempt beneficiaries must be notified timely and adequately. Counties are also reminded that any beneficiary whose discontinuance action is rescinded shall be notified about the action and any change in Medi-Cal benefits.

- 22. If the beneficiary reports a change in circumstance during the six month MSR report period and the worker completes the case action based upon this change, does the beneficiary have to report this change on the MSR?**

No. The beneficiary does not have to re-report the change in circumstance on the MSR form.

- 23. A non-exempt beneficiary reports an income change on the MSR but doesn't provide documentation. The MSR is dated and signed. Does the county take the information provided at face value?**

Yes. If the MSR form contains sufficient information to make an eligibility determination, the county should accept the beneficiary's report at face value and not follow-up with the beneficiary to verify the content of the form. The county must only follow-up with the beneficiary if the form is incomplete (resulting in insufficient information to determine eligibility) and then must only do so by following the SB 87 redetermination process.

- 24. What is the county responsibility when the non-exempt beneficiary has an MSR due during an Intercounty Transfer (ICT)?**

If the non-exempt beneficiary is required to submit an MSR when a change of county residence is reported, the beneficiary has the responsibility to submit the MSR to the Sending County to receive benefits. The Sending County, during the transition between counties, continues to be the county of responsibility of the case record. The Sending County has the responsibility to ensure the beneficiary completes and submits the MSR. The Sending County, upon notification of the change in county residence, shall promptly change the beneficiary's address and residence county code on MEDS to facilitate health care access pending the initiation of the ICT.

The Sending County shall include a complete MSR in the ICT packet to the Receiving County and notate changes reported on the MC 360. The Receiving County shall be responsible for the changes reported after the completion of the ICT.

- Complete MSR.

If the beneficiary submits a complete MSR and reports a change on the MSR such as household composition, income or assets, the Sending County shall document the changes on the MC 360. The Receiving County will complete the eligibility review after the ICT has been completed.

- **Incomplete MSR.**

If the non-exempt beneficiary submits an incomplete MSR, the Sending County shall continue to process the incomplete MSR and contact the beneficiary as outlined in ACWDL No. 03-41 for incomplete MSR. The Sending County shall ensure the beneficiary's address and county code are changed on MEDS during this process. The Sending County shall not initiate an ICT until a complete MSR is received from the non-exempt beneficiary.

- **Non-receipt of MSR.**

If the non-exempt beneficiary fails to submit an MSR by the due date, the Sending County may initiate action to discontinue benefits if the non-exempt beneficiary is the only member of the Medi-Cal Family Budget Unit (MFBU) based on the instructions in ACWDL No. 03-41. The Sending County shall not initiate an ICT because the beneficiary will not be eligible for Medi-Cal.

If the MFBU contains exempt and non-exempt beneficiaries, the Sending County shall initiate action to terminate benefits for those non-exempt members of the MFBU. The Sending County is still required to complete an ICT to the Receiving County for the exempt beneficiaries in the MFBU. The Sending County must document the information regarding the non-receipt of the MSR on the MC 360 for this MFBU and identify those ineligible members of the MFBU.

25. How is the Continuous Eligibility for Children (CEC) period and the annual Redetermination Verification (RV) date impacted when the non-exempt beneficiary has been discontinued more than 30 days and is added back to the existing case?

Per ACWDL No. 02-14 (Questions and Answers Regarding Eligibility for Children) dated March 8, 2002, question number 40, the annual RV date does not change for children in CEC. If a parent is discontinued and then requests to be added back to the existing case the annual RV date will remain the same as for the family members who remained active.

26. Can the discontinued non-exempt beneficiary apply for retroactive benefits when requesting to be added back to the existing case?

Yes. Since this is considered a reapplication, the beneficiary may apply for retroactive benefits for three months prior to the reapplication. The beneficiary must

meet retroactive regulation requirements before eligibility is established for any retro month. To be added back to the existing case, the beneficiary must complete the MC 210 A requesting retroactive eligibility, and the MC 321 AP form.

27. What date begins the MSR period? Is it the application date or the date eligibility is granted?

The MSR period is established in the first month of eligibility, which most often is the month of application. The exception for not establishing the MSR period in the month of application is when an applicant is not eligible in the month of application. For example, the applicant has excess property in the month of application and needs to spend down before Medi-Cal eligibility is established. In this situation, the MSR period begins in the first month eligibility is granted. Retroactive Medi-Cal months are not included in the MSR period.

MSR period when eligibility is granted in the month of application:

	01/04	02/04	03/04	04/04	05/04	06/04	07/04	08/04	09/04	10/04	11/04	12/04
Application Month Eligibility granted						MSR mailed	MSR due					

MSR period when eligibility is granted after the month of application:

	01/04	02/04	03/04	04/04	05/04	06/04	07/04	08/04	09/04	10/04	11/04	12/04
Application Month		Over property	First Month Eligible					MSR mailed	MSR due			

28. Provide an extreme California Work Opportunity and Responsibility to Kids (CalWORKs) transitioning case example where the MSR takes months to finalize.

CalWORKs transitioning case:
 Mother age 35, not pregnant.
 One child, age 12.

- CalWORKs case discontinued on June 30, 2004, because the mother requested cash and food stamps discontinuance, but wants Medi-Cal to continue.
- The mother and child become Medi-Cal Only eligible on July 1, 2004. The mother is a non-exempt beneficiary for MSR reporting purposes.

- The MSR is due August 5, 2004, since last CalWORKs annual RV was February 1, 2004.
- County sends the MSR to the mother and it is received by July 10, 2004; the child is exempt.
- The mother fails to submit the MSR by August 5, 2004.
- County sends MC 239 I NOA on August 6, 2004, indicating the MSR was not received and the mother's Medi-Cal benefits are to be discontinued on August 31, 2004.
- The mother submits an incomplete MSR on August 31, 2004.
- County rescinds discontinuance MC 239 I NOA.
- County contacts the mother on September 1, 2004, via telephone, requesting the needed information to complete MSR within ten days.
- The mother agrees to forward the missing information to the county by September 11, 2004.
- The mother fails to send the missing information by September 11, 2004.
- County sends the MC 355 form to the mother requesting the missing information be received by October 1, 2004 (20 days allowed to return information).
- October 1, 2004, the mother provides the county with only part of the missing information.
- October 2, 2004, the county sends the mother a second MC 355 requesting the remainder of missing information within ten days, due by October 12, 2004.
- The mother fails to provide the county with the remainder of requested information by October 12, 2004.
- October 13, 2004, the county sends the mother a discontinuance notice for not providing the requested information.
- October 31, 2004, the mother's Medi-Cal benefits are discontinued; child's benefits remain intact.
- November 30, 2004, the mother provides the county with the remainder of requested information.
- County evaluates information and determines mother is eligible for continued Medi-Cal.
- December 1, 2004, the county rescinds the Mother's Medi-Cal discontinuance.
- February 1, 2005, Medi-Cal annual RV is due.

29. Provide a list of non-exempt MSR aid codes.

The following is a list of the most logical non-exempt aid codes for the MSR reporting requirements. This list is not a comprehensive list and each case situation should be reviewed to determine if MSR requirements apply or do not apply.

Non-Exempt Aid codes:

- 34 – AFDC-MN
- 37 – AFDC –MN SOC
- 58 – OBRA Alien
- 3N – 1931(b) Non CalWORKs
- 3V – 1931(b) Non CalWORKs – ESO
- 53 – MI-LTC
- 6J – SB87 Pending Disability*
- 6R – SB87 Pending Disability SOC*
- 5J – SB87 Pending Disability Limited Scope*
- 5R – SB87 Pending Disability SOC Limited Scope*

*Beneficiaries under the age of 21 or over the age of 65 are exempt.

If you have any questions regarding this letter, please contact Mr. Mack Guynn at (916) 552-9508 or by e-mail at mguynn@dhs.ca.gov.

Original signed by

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