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July 3, 2007

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 07-15  
ALL COUNTY ADMINISTRATIVE OFFICERS  
ALL COUNTY MEDI-CAL PROGRAM SPECIALIST/LIAISONS  
ALL COUNTY HEALTH EXECUTIVES  
ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: IMPLEMENTATION OF THE HEALTHY FAMILIES TO MEDI-CAL  
PRESUMPTIVE ELIGIBILITY PROGRAM

The purpose of this letter is to let you know that the Healthy Families (HF) to Medi-Cal Bridge program will be discontinued on July 1, 2007, or as soon as the State budget for fiscal year 2007-2008 is effective. The HF to Medi-Cal Presumptive Eligibility (PE) program will replace the Bridge. Initially, this change will be implemented through an expansion of the current Accelerated Enrollment (AE) process with the case information currently used for the HF to Medi-Cal Bridge serving as a Medi-Cal application.

### Background

To ensure uninterrupted health coverage for children who lose HF eligibility at Annual Eligibility Review (AER) the HF to Medi-Cal Bridge was a component of the HF Parental Expansion waiver that was to be implemented July 1, 2002. The parental expansion part of the waiver was never implemented. This waiver expired January 24, 2007. The federal Centers for Medicare and Medicaid Services informed the Managed Risk Medical Insurance Board (MRMIB) that the waiver would not be renewed.

Under the current HF to Medi-Cal Bridge process when consent is given and the child appears to be Medi-Cal eligible, the HF AER forms are sent to counties for Medi-Cal determination. Two months of HF eligibility is issued under aid code 7Y. This eligibility currently ends without action by the county.

The current AE process, as outlined in All County Welfare Director's Letter (ACWDL) 02-36 also currently transmits cases from Single Point of Entry (SPE) to the counties in order to obtain a Medi-Cal determination on cases that appear to be Medi-Cal eligible based on the screening performed at SPE. These cases are screened whenever SPE receives a joint Medi-Cal/HF application form. Medi-Cal eligibility under AE lasts until a determination of Medi-Cal eligibility is made. Action is required by the county to discontinue AE eligibility.

### HF to Medi-Cal PE

Under the HF to Medi-Cal PE process there is very little change to the existing processes that extend Medi-Cal eligibility and transmit HF application information to the counties. Beneficiary coverage will shift from benefits received through a HF plan to Medi-Cal fee-for-service benefits. In addition, since the HF AER application serves as a Medi-Cal application, the PE eligibility period will last until a final Medi-Cal determination is made instead of the two months of coverage previously received on the HF to Medi-Cal Bridge. Counties will also be required to discontinue PE eligibility once the PE period has ended.

### Implementation

In order to speed implementation of the HF to Medi-Cal PE program, the aid code for AE (8E) and the systems process currently in place to process AE cases will be used until a new aid code can be implemented. The information sent to the counties from HF will remain as it is for the HF to Medi-Cal Bridge. Procedures for the HF administrative vendor to forward this information to the counties will be updated in the future. Cases in their second month of coverage on the HF to Medi-Cal Bridge without ongoing Medi-Cal when the HF to Medi-Cal PE program takes effect will be transferred to the new PE program, using aid code 8E.

For the new HF to Medi-Cal PE program, the HF to Medi-Cal Bridge referral process from HF to the counties will remain as it is for now except:

- The child potentially eligible for Medi-Cal will be placed in aid code 8E instead of 7Y.
- Medi-Cal eligibility under 8E will continue until a Medi-Cal determination has been completed.
- Counties will use the AE processes to interact with Medi-Cal Eligibility Data System, send notices of action, etc.

- Transmittals for the HF to Medi-Cal PE cases will include a “PE start date” which will be the first of the month following HF disenrollment. Some cases may have a PE start date in the future. The date will be listed in the column titled “PE Start Date.” Currently, this column contains the AE start date. AE will be crossed out and PE will be written in for these cases.
- The Medi-Cal application date will be the PE start date.

The California Department of Health Services (CDHS) estimates about 2,000 cases per month statewide will be affected based on information from MRMIB. Due to the short implementation timeframes, new HF to Medi-Cal PE cases will appear on the Exception Eligibles report along with any current un-worked AE cases until a separate aid code can be implemented (see What’s Next below).

#### Deficit Reduction Act (DRA) of 2005 Citizenship and Identity Verification Requirements

The HF to Medi-Cal PE process is exempt from the DRA citizenship/identity verification requirements during the PE period. This PE period concludes once a Medi-Cal determination has been made and would therefore include the reasonable opportunity period required under DRA. The signed HF AER form transmitted to the counties serves as proof of identity for children under 16 years of age.

If the reasonable period concludes and the family cannot provide citizenship/identity documentation for the child, the child shall be granted limited scope benefits per the instructions given in ACWDL 07-12. Ten-day notice is not required, but a notice of action informing the family of the final outcome of the Medi-Cal determination shall be sent. PE coverage ends on the last day of the month in which the Medi-Cal determination is made.

#### What’s Next?

A new aid code will be established for this process. Aid Code 5E has been chosen. CDHS’ goal is to have aid code 5E functional around October 2007 although counties may implement within six months of receiving the ACWDL instructing counties of the new aid code. The new HF to Medi-Cal PE process is set to become automated, along with the other PE processes such as the PE process that will replace the Medi-Cal to HF Bridge, which were created by Senate Bill 437 (Chapter 328, Statutes of 2006). This will be done as soon as CDHS has completed an internal Feasibility Study Report and made the changes necessary to accomplish this. Further instructions on the new aid code and the automation process will be forthcoming in the next two or three

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months. Implementation of these automated processes has been tentatively scheduled for January 2008.

If you have questions about this letter, please call Ms. Leanna Pierson at (916) 552-9447

Sincerely,

**Original signed by**

Vivian Auble, Chief  
Medi-Cal Eligibility Division