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

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Director

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November 9, 2007

TO: ALL COUNTY WELFARE DIRECTORS Letter No: 07-24
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY AMEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: REMINDER TO COUNTIES TO FOLLOW PROCEDURES SET FORTH IN SENATE BILL (SB) 87 AND IN *CRAIG V. BONTÁ*
Reference: All County Welfare Directors Letters 01-36, 01-39, 02-40, 02-48, 02-59 and 03-52.

Purpose:

The purpose of this All County Welfare Directors Letter (ACWDL) is to remind counties to follow the requirements set forth by Senate Bill (SB) 87 (Chapter 1088, Statutes of 2000) that added Section §14005.37 to the Welfare and Institutions Code. This section stipulates that whenever a county receives information about changes in a beneficiary's circumstances that may affect eligibility for Medi-Cal benefits, the county shall promptly redetermine eligibility and notify the beneficiary of the proposed action, the reason for the proposed action, the regulation upon which the action is based and the beneficiary's right to a fair hearing.

Craig v. Bontá

As a result of the *Craig v. Bontá* lawsuit, counties were instructed that Medi-Cal beneficiaries losing Supplemental Security Income/State Supplementary Payment (SSI/SSP) based Medi-Cal on or after June 30, 2002, cannot have their Medi-Cal benefits automatically discontinued. These cases must first be reviewed and evaluated

for eligibility or ineligibility in other Medi-Cal programs using the three-step SB 87 redetermination process described below. The only exceptions to the court ruling were those individuals who lose SSI/SSP based Medi-Cal due to death or incarceration.

SB 87 REDETERMINATION (RV) PROCESS

The RV process consists of three steps. The county must follow each step sequentially until the beneficiary's continued Medi-Cal eligibility or ineligibility is accurately determined. The following is a review of the three steps:

Step One – *Ex Parte* Review

The first step in the SB 87 process is the *ex parte* review. *Ex parte* means without beneficiary contact. This review involves evaluation of all sources of information available to the county to complete a Medi-Cal RV. All information sources reasonably available to the county include information from the Social Security Administration, State Data Exchange information in the Medi-Cal Eligibility Data System, Medi-Cal, Food Stamps, General Relief/Assistance, Foster Care, and California Work Opportunity and Responsibility to Kids case files of the beneficiary or any one of his or her immediate family members, which are open or were closed within the last 45 days. The counties are also to use, when feasible, other sources of relevant information, including Income Eligibility Verification System. If the county cannot establish continued Medi-Cal after the *ex parte* review, the county is required to complete Step Two.

Step Two – Direct Contact

As previously instructed in ACWDL No. 02-59, if continued Medi-Cal eligibility cannot be established by *ex parte* review, the county must attempt to contact the beneficiary by telephone. The county should inform the beneficiary that his/her Medi-Cal eligibility is being redetermined and more information is needed to confirm continued eligibility. The county should further inform the beneficiary that his/her continued eligibility may be established under various avenues of eligibility, including an allegation of disability. If telephone contact with the beneficiary establishes continued Medi-Cal eligibility, then Step Three is not required. If the telephone contact with the beneficiary establishes ineligibility for the Medi-Cal program, and all avenues of continued Medi-Cal eligibility have been exhausted, including the allegation of disability, then Step Three is not required.

If the county's effort to obtain the information necessary to redetermine eligibility after *ex parte* review and telephone contact have failed, then Step Three is required.

Step Three – The Request for Information Form (MC 355)

The county shall send the MC 355 form to the beneficiary to ask for information necessary to establish continued Medi-Cal eligibility after the *ex parte* review and telephone contact have been unsuccessful. The form shall highlight only that information needed to complete the eligibility determination. Counties are precluded from requesting information that has previously been provided, is not subject to change, or is not necessary to complete a Medi-Cal eligibility determination.

REQUEST FOR INFORMATION (MC 355) TIMELINES

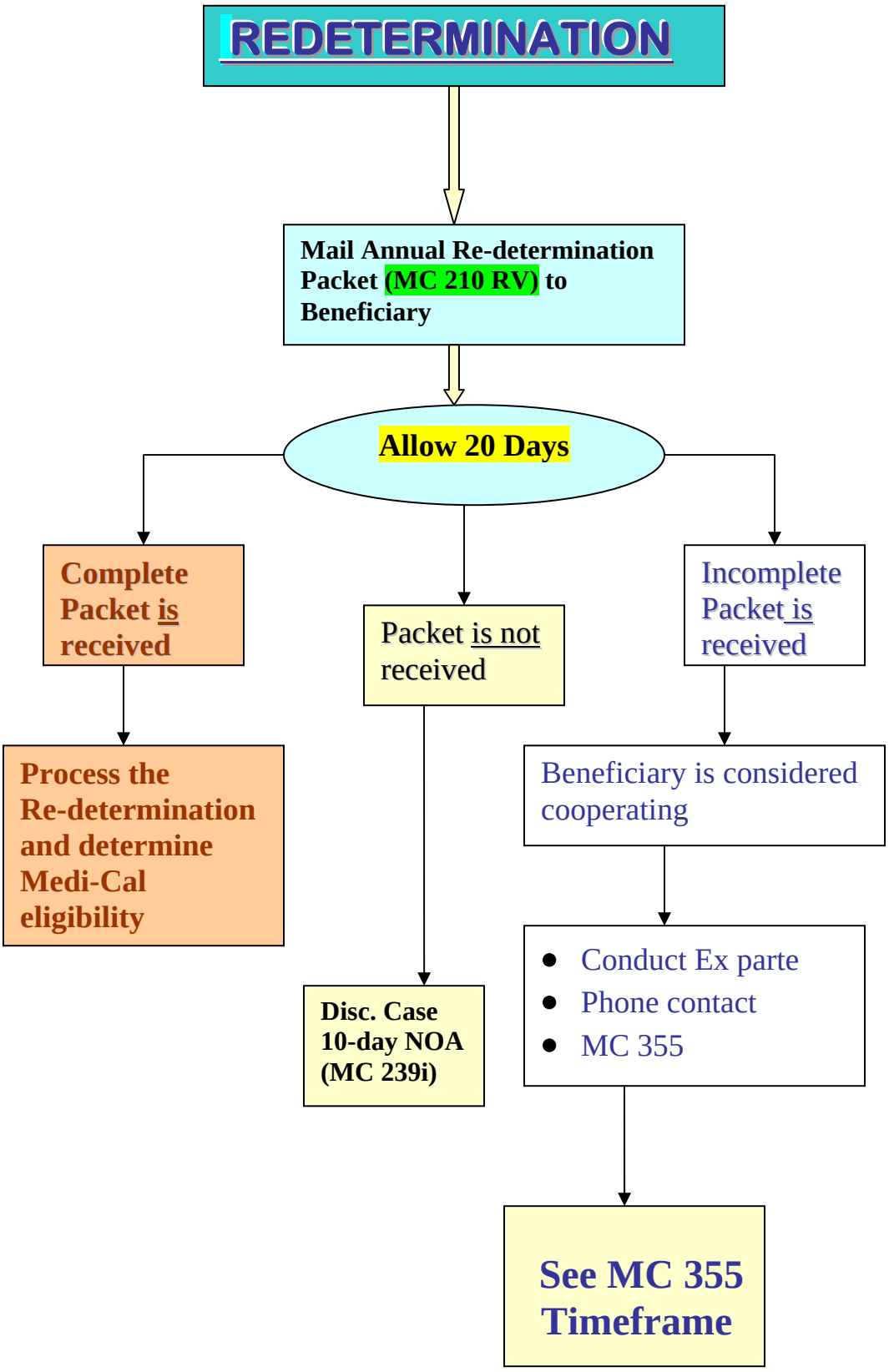
Once the MC 355 form is mailed out to the beneficiary, the county must allow 20 days for the beneficiary to provide the requested verification. If the MC 355 form is not returned within 20 days, the county should send out a ten-day Notice of Action (NOA) informing the beneficiary that the case will be discontinued for lack of co-operation.

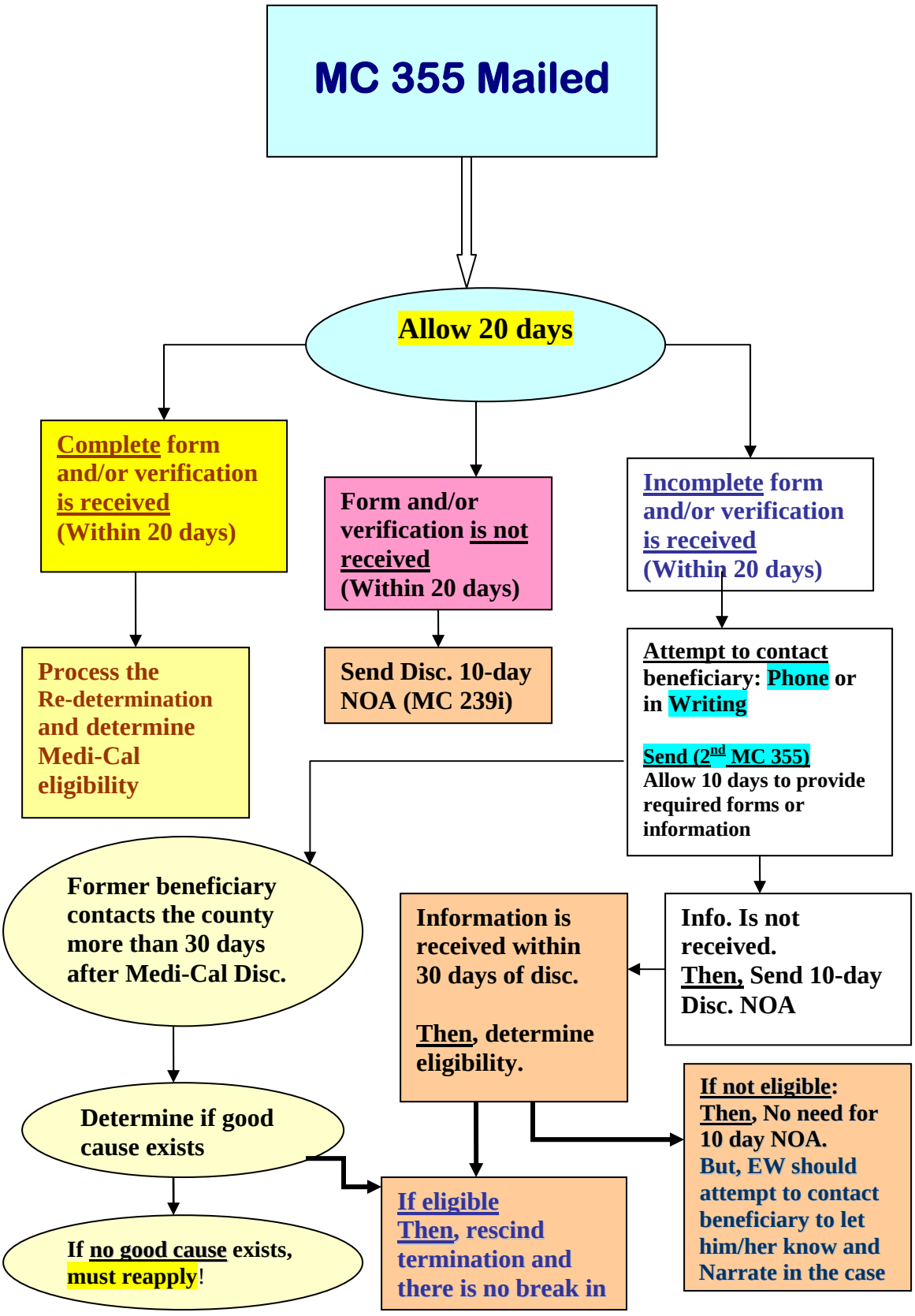
If the MC 355 form is returned within 20 days, but the form is incomplete, the county shall attempt to contact the beneficiary either by telephone or in writing to request the information and/or verification. For written contact the county may use a second MC 355 form with a ten-day due date. If the beneficiary does not comply within the ten days, the county shall send a ten-day discontinuance NOA, which clearly explains the reason for discontinuance.

When the required information is received within 30 days of discontinuance, the county must determine eligibility as though the form was submitted in a timely manner. If the beneficiary is determined eligible, the county will rescind the termination with no break in aid. A NOA will be mailed to the beneficiary explaining that the beneficiary's benefits will be rescinded without a break in aid.

If incomplete information is received within 30 days of discontinuance, a NOA is not required. However, counties must contact the former beneficiary via telephone or in writing to let him/her know that information submitted was incomplete and the termination was not rescinded.

If the beneficiary contacts the county after Medi-Cal has been terminated for more than 30 days and he/she does not have good cause, the county shall advise the beneficiary that he/she must re-apply for Medi-Cal and complete the application and eligibility determination.


REDETERMINATION
Mail Annual Re-determination Packet (MC 210 RV) to Beneficiary
Allow 20 Days
Complete Packet is received
Packet is not received
Incomplete Packet is received
Process the Re-determination and determine Medi-Cal eligibility
Disc. Case 10-day NOA (MC 239i)
Beneficiary is considered cooperating
Conduct Ex parte
Phone contact
MC 355
See MC 355 Timeframe


MC 355 Mailed
Allow 20 days
Complete form and/or verification is received (Within 20 days)
Form and/or verification is not received (Within 20 days)
Incomplete form and/or verification is received (Within 20 days)
Process the Re-determination and determine Medi-Cal eligibility
Send Disc. 10-day NOA (MC 239i)
Attempt to contact beneficiary: Phone or in Writing
Send (2nd MC 355)
Allow 10 days to provide required forms or information
Former beneficiary contacts the county more than 30 days after Medi-Cal Disc.
Information is received within 30 days of disc.
Then, determine eligibility.
Info. Is not received.
Then, Send 10-day Disc. NOA
Determine if good cause exists
If not eligible:
Then, No need for 10 day NOA.
But, EW should attempt to contact beneficiary to let him/her know and Narrate in the case
If eligible
Then, rescind termination and there is no break in
If no good cause exists, must reapply!

Questions

Effective implementation of SB 87 requirements is crucial to continue benefits for eligible Medi-Cal beneficiaries and to avoid erroneous discontinuance of Medi-Cal benefits. The California Department of Health Care Services remains committed to providing counties with complete and accurate instructions to meet this goal.

If you have any questions about this ACWDL, please contact Mr. Adam Quintana (916) 552-9508, or by email at aquintan@dhcs.ca.gov.

ORIGINAL SIGNED BY:

Vivian Auble, Chief
Medi-Cal Eligibility Division