



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



EDMUND G. BROWN JR.
Governor

August 31, 2011

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 11-30
ALL COUNTY WELFARE ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS
ALL COUNTY MEDS LIAISONS

SUBJECT: USE OF THE INCOME ELIGIBILITY VERIFICATION SYSTEM AT ANNUAL
REDETERMINATION OF MEDI-CAL ELIGIBILITY FOR A BENEFICIARY

This letter provides clarification to the county welfare departments (CWDs) on the use of the Income Eligibility Verification System (IEVS) at annual redetermination of eligibility for a Medi-Cal beneficiary. Some CWDs have reported receiving a negative finding in an annual audit of their respective departments because they did not generate an IEVS Applicant System report when performing the annual redetermination of beneficiaries' Medi-Cal eligibility, but instead relied on reports generated by the IEVS Recipient System. Auditors have asserted that CWDs should generate an IEVS Applicant System report at annual redetermination instead of only relying on information provided by the IEVS Recipient reports that have been generated throughout the year. This letter serves to clarify the use of IEVS generated reports.

IEVS is the federally mandated system established to obtain, use and verify information relevant to a determination of eligibility and share of cost (SOC) for Medicaid benefits. IEVS is divided into two systems: the IEVS Applicant System and the IEVS Recipient System. The IEVS Applicant System provides information on Medi-Cal applicants during the application process. The IEVS Recipient System provides information about Medi-Cal beneficiaries at various times during the year.

The California Department of Health Care Services (DHCS) requires Medi-Cal eligibility workers to generate an IEVS Applicant System report when an individual initially applies for benefits from the Medi-Cal. This is in addition to checking beneficiary-provided income verification documents (such as a pay stubs or proof of unemployment and/or disability).

The IEVS Recipient System provides income information at various times during the year, depending upon the match type. The IEVS Recipient System is a very useful tool in detecting unreported changes in circumstances for Medi-Cal recipients. The CWDs must demonstrate diligence by taking appropriate action when an IEVS Recipient System report is generated. Proper use of the IEVS Recipient System reduces the likelihood of an improper payment for an ineligible Medi-Cal beneficiary. For a detailed description of IEVS, processing procedures, and timelines please refer to the Medi-Cal Eligibility Procedures Manual, Article 21.

In November 2010, DHCS' guidance was sought as to whether, during the process of redetermination of Medi-Cal eligibility of a beneficiary, CWDs should generate an IEVS Applicant System report or rely on the IEVS Recipient System reports. DHCS has determined that IEVS Recipient System reports provide sufficient income verification information from IEVS for the purpose of assessing the annual redetermination. The IEVS Recipient System satisfies state and federal requirements pertaining to the use of IEVS during the process of annual redetermination. Therefore, at the time of annual redetermination of Medi-Cal eligibility for a beneficiary, it is not necessary to generate an IEVS Applicant System report unless circumstances suggest that it would be prudent to obtain a report from the IEVS Applicant System.

CWDs will not receive an IEVS Recipient System report about a beneficiary unless the IEVS System detects a change in circumstances affecting a beneficiary's Medi-Cal eligibility. The IEVS Recipient System is designed with various tolerance levels and thresholds to ensure that only information that could be expected to impact eligibility or SOC is sent to counties. DHCS still considers written documentation from the beneficiary to be the primary source of verification for all items subject to change, including income.

Although an IEVS Applicant System report is not required at redetermination, nothing in this letter shall preclude a CWD from generating an IEVS Applicant System report at any time. If a CWD determines that information from the IEVS Recipient System is inadequate for any reason, for example, when the information is out of date, unreliable, or unavailable due to technical issues, then a CWD should generate an IEVS Applicant System report.

If a CWD suspects problems with any part of the IEVS Recipient System, or has any questions regarding this letter, please contact Ms. Shye Johnson, Program Integrity and Security Unit, at (916) 322-4356 or by email at Shye.Johnson@dhcs.ca.gov.

Original signed by:

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