



TOBY DOUGLAS  
*Director*

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



EDMUND G. BROWN JR.  
*Governor*

April 25, 2014

TO: ALL COUNTY WELFARE DIRECTORS Letter No: 14-21  
ALL COUNTY ADMINISTRATIVE OFFICERS  
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS  
ALL COUNTY HEALTH EXECUTIVES  
ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: 2014 Annual Redeterminations: Continued Eligibility for Pre-ACA Medi-Cal  
Children Implementing 2101(f) Protection  
(Reference: ACWDL 14-03, 14-03E, and 14-11)

The Department of Health Care Services (DHCS) is providing guidance as a result of Assembly Bill (AB) x1 1, Chapter 3, Statutes of 2013, and recent guidance provided by the Centers for Medicare & Medicaid Services (CMS) on the Affordable Care Act of 2010 (ACA), Medicaid /CHIP Section 2101(f) FAQs, dated April 25, 2013. This letter is to provide the Statewide Automated Welfare Systems (SAWS) and counties with policy guidance.

This guidance is focused on policies and procedures for ensuring pre-ACA children are protected during 2014 annual redeterminations and receive continued eligibility. This guidance will address the transition of children from Pre-ACA coverage to ACA MAGI coverage.

### **Background**

Section 2101(f) of the ACA requires that states implement a 12-month, time-limited protection to children who lose Medi-Cal eligibility as a result of implementing the Modified Adjusted Gross Income (MAGI) methodology. Children eligible for the Section 2101(f) protection are considered Optional Targeted Low Income Children (OTLIC). As a result, children currently enrolled in pre-ACA Medi-Cal coverage that would no longer be eligible for Medi-Cal under MAGI rules at the 2014 annual redetermination must remain on Medi-Cal until the 2015 annual redetermination date. This policy guidance is operational for 12 months.

Children who lose Medi-Cal eligibility due to the elimination of disregards under the new Modified Adjusted Gross Income (MAGI) method must be enrolled into 2101(f) protection. This provision applies only to children who received Medi-Cal on or before December 31, 2013 and who lose Medi-Cal eligibility at their first Medi-Cal annual redetermination in 2014 in which MAGI-based methodologies are applied. Premiums and cost-sharing for children protected under 2101(f) should also remain the same in 2014.

DHCS anticipates the most likely candidates for this protection would be children currently enrolled in the OTLIC coverage group, who at annual redetermination are determined by the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS) to have family income over the OTLIC income standard of 266percent of the federal poverty level (FPL) by family size. This policy is expected to impact a relatively small number of children. For instance, approximately 1,100 Healthy Families children per month in 2012 were disenrolled due to excess income.

#### **Renewing children under the 2101(f) Protection**

Per ACWDL 14-03E, annual redetermination processes shall begin in June 2014. If during a child's first annual Medi-Cal redetermination in 2014, in which MAGI-based methods are applied, CalHEERS determines the family's income is above 266 percent FPL for the family size, the enrolled child shall remain eligible for Medi-Cal until the next annual redetermination period in 2015. Counties shall continue eligibility for this child under a new ACA OTLIC aid code, and must reset the annual redetermination date in accordance with CMS guidance and instructions provided in ACWDL 14-11. If the original annual redetermination date is January 2014, the child's Medi-Cal shall be continued until January 2015. All the rights and protections for redeterminations of existing beneficiaries apply to this specific population as well.

Under the 2101(f) protection, if CalHEERS determines that a child is no longer financially eligible for Medi-Cal under MAGI rules, the child must be enrolled in a new ACA OTLIC aid code that matches the pre-ACA aid code the child had prior to the annual redetermination with respect to the same premium level and citizenship/immigration status. For example, a child whose Pre-ACA aid code is H5 or 5D (OTLIC with premiums) but is no longer financially eligible for Medi-Cal under MAGI rules, shall be enrolled in a similar ACA aid code T1 (OTLIC with premiums) until the 2015 annual redetermination date. A child enrolled in Pre-ACA aid code H4 or 5C (OTLIP without premiums) who is no longer financially eligible for Medi-Cal under MAGI rules, shall be enrolled in a similar ACA aid code T2 (OTLIC without premiums) until the 2015 annual redetermination date. See Table 1 below for a mapping of Pre-ACA aid codes to their ACA OTLIP equivalent aid code.

**Pre-ACA to ACA Aid Code Mapping**

**Table 1**

<b>Pre-ACA Aid Code (Old)</b>	<b>ACA Aid Code (New)</b>
H5/5D (Citizen, age 6-19)	T1(Premiums)
H4/5C (Citizen, age 6-19)	T2
H3/5D (Citizen, Age 1-6)	T3 (Premiums)
H2/5C (Citizen, age 1-6)	T4
H1/5C (Citizen, Infant)	T5
3N/7A/8R (Citizen, Age 6-19)	T2
3V/7C/8T (Age 6-19)	T7
3N/72/8P (Citizen, age 1-6)	T4
3V/74/8N (Age 1-6)	T9
3N/47 (Citizen, infant)	T5
3V/69 (Infant)	T0
7J/39/59/54 (Citizen, infant)	T5
7J/39/59/54 (Citizen, age 1-6)	T4
7J/39/59/54 (Citizen, age 6-19)	T2
7K/3T/5T/5W (Infant)	T0
7K/3T/5T/5W (Age 1-6)	T9
7K/3T/5T/5W (Age 6-19)	T7

Counties shall notify the family in writing that the child’s Medi-Cal has been continued for another 12 months, without any changes to the amount of premiums or scope of benefits, until the next annual redetermination date. The same 2015 annual redetermination process that will be used for all other Medi-Cal beneficiaries shall be used for this group of 2101(f) children. All notice and appeal rights apply. Table 2 on Page 4 provides some specific scenarios.

**Table 2 Scenarios**

<b>Pre ACA Coverage</b>	<b>Income at 2014 Annual Redetermination</b>	<b>County Action at 2014 Annual Redetermination</b>	<b>Next Annual Redetermination Date</b>
Eligible citizen child age 5, aid code 72	140% FPL, eligible for MAGI aid code P7	Approve CalHEERS determination of new ACA aid code P7	Original 2014 annual redetermination month, reset to 2015
Eligible non-citizen child, age 14, aid code 7C	Over 266% FPL, ineligible for MAGI Medi-Cal	Change CalHEERS determination to new ACA OTLIC aid code T7	Original 2014 annual redetermination month, reset to 2015
Eligible citizen child age 17, aid code H5 (premiums)	Over 266% FPL, ineligible for MAGI Medi-Cal	Change CalHEERS determination to new ACA OTLIC aid code T1 (premiums)	Original 2014 annual redetermination month, reset to 2015
Eligible, non-citizen child, age 3, aid code 74	162% FPL, eligible for MAGI aid code T8 (premiums)	Approve CalHEERS determination of new ACA OTLIC aid code T8 (premiums)	Original 2014 annual redetermination month, reset to 2015
Eligible citizen child age 4, aid code 5C (no premiums)	Over 266% FPL, ineligible for MAGI Medi-Cal	Change CalHEERS determination to new ACA OTLIC aid code T2 (no premiums)	Original 2014 annual redetermination month, reset to 2015

**Exceptions to the 2101(f) Protection**

The intent of 2101(f) is to provide temporary protection by ensuring no gap in coverage is caused solely due to the new ACA MAGI income and household counting methodologies. However, there are a number of non-financial eligibility criteria from which Section 2101(f) does not protect the child from a break in Medi-Cal coverage. Children are not protected under 2101(f) and may no longer be eligible for Medi-Cal during the 2014 annual redetermination if the child:

- Reaches the age of 19 and is not continuously hospitalized
- Moves out of state
- Dies
- No longer pays the required premiums
- The parent or guardian voluntarily terminates the child’s Medi-Cal

All County Welfare Directors Letter No.: 14-21  
Page 5  
April 25, 2014

Under these limited exceptions, the counties may terminate eligibility for the child at the time of the current annual redetermination date or at the time one of the above exceptions applies and issue a notice of termination. All notice and appeal rights apply to these exceptions cases as in other terminations.

If you have any questions, please contact Braden Oparowski by phone at (916) 552-9570 or by email at [Braden.Oparowski@dhcs.ca.gov](mailto:Braden.Oparowski@dhcs.ca.gov).

Original Signed By:

Tara Naisbitt, Chief  
Medi-Cal Eligibility Division