



TOBY DOUGLAS  
Director

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



EDMUND G. BROWN JR.  
Governor

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TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 14-43  
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: Premium Refund/Waiver Requests for the Optional Targeted Low Income Children Program (OTLICP)

The purpose of this All County Welfare Directors Letter (ACWDL) is to provide direction to counties for situations in which a beneficiary in OTLICP premium-based aid codes is entitled to a refund of premium payments or a waiver of their past due premiums. Counties must process a Premium Refund/Waiver Request when a beneficiary submits a written request to be discontinued from the program and the request is not effective by the last day of the month in which the request is made. Counties must also process a Premium Refund/Waiver Request when a beneficiary in a premium-based aid code is found to be eligible for a non-premium aid code retroactively (for example, a non-premium aid code overlays the premium-based aid code due to a retroactive determination of eligibility or an appeal/hearings decision).

### Background

Beginning January 2013, the Department of Health Care Services (DHCS) transitioned children enrolled in the Healthy Families Program into the Medi-Cal program. Enabling legislation gave DHCS the ability to implement a premium payment program pursuant to §1916A of the federal Social Security Act for children based on their family income levels. In accordance with Section 14005.26 of the Welfare & Institutions Code, monthly premium amounts for beneficiaries in the OTLICP consist of \$13 per child with a maximum family contribution of \$39 per month (i.e. \$13 per month/one child, \$26 per month/two children, and \$39 per month/three or more children). Beneficiaries are eligible to receive premium payment discounts by choosing optional payment methods.

The DHCS Administrative Vendor (AV), MAXIMUS, is responsible for premium payment collection and processing for OTLICP beneficiaries. The AV automatically refunds

premiums to beneficiaries under certain circumstances, such as for those discontinued beneficiaries who pay several months in advance and have a credited balance. The guidance in this ACWDL is for situations where counties must initiate the request for refunds or waivers.

### **Premium Refund Process**

Counties must request a refund or waiver of past premiums on behalf of impacted beneficiaries as described below. Counties must submit a Premium Refund/Waiver Request form via a secure fax number provided on the form, to the AV if the beneficiary requests discontinuance or if the beneficiary's eligibility status changes. The form is only available to county staff through secure distribution from the AV county liaison.

#### *Beneficiary Requests Discontinuance*

The beneficiary's request for discontinuance must be in writing and documented in the county case file. Eligibility in OTLICP is for the entire month and beneficiaries cannot be discontinued at any time other than at the end of the month. Beneficiary requests for discontinuance must only be prospective. Counties should not process a beneficiary's request for a discontinuance made retroactively.

Counties must process a premium refund when a beneficiary's request to be discontinued is not effective by the last day of the month in which the request is made. To request a refund or waiver for the month(s) the beneficiary should not have been billed, the county must first discontinue the beneficiary's premium-based aid code in the Medi-Cal Eligibility Data System (MEDS). The AV is contractually obligated to continue billing the beneficiary until the premium-based aid code is no longer active in MEDS.

Additionally, if the discontinuance action is not effective by the last day of the month in which the request is made, counties must submit the Premium Refund/Waiver Request form even if the beneficiary claims not to have paid for that time. A beneficiary who submits a written request for discontinuance may not have paid premiums for the time period they expected to be discontinued. The county must request a premium waiver to ensure that any unpaid premiums do not become due again if the beneficiary is placed into an OTLICP premium-based aid code in the future.

#### *Beneficiary Eligibility Status Changes*

Counties must process a premium refund request when the beneficiary's eligibility status changes and is reported retroactively to MEDS as being eligible in a new non-premium aid code or as a result of an Administrative Law Judge's Decision through the appeal and hearings process. This action will result in overlaying the premium-based aid code in the

prior month(s). When the county reports a beneficiary eligible in a non-premium aid code retroactively, the AV is unable to identify this change has occurred in the past, as the AV's file does not contain past aid code history. For the beneficiary to be refunded, the county must submit the Premium Refund/Waiver Request form to the AV and identify the month(s) that should be reimbursed.

Counties do not need to verify if the beneficiary has paid for the months requested or has a past due balance prior to submitting the Premium Refund/Waiver Request form. The AV is able to determine whether payment has been made, and if a refund or a waiver is due.

### **Steps for Submitting Refund/Waiver Forms**

When the county identifies a beneficiary who is not discontinued prior to the end of the month in which the request is made or is placed in a premium-based aid code incorrectly (for example, the premium-based aid code is overlaid due to a retroactive determination of eligibility to a non-premium aid code or an appeal/hearings decision), the following instructions are given as guidance to request a refund/waiver on behalf of the beneficiary:

- 1) The Premium Refund/Waiver Request form is available to county staff through secure distribution from the AV county liaison. County staff can call the AV county liaison to request the form.
- 2) The form must be completed by a county staff member identified on the county's authorized staff list submitted to the AV. Counties are responsible for updating the list by contacting the AV county liaison.
- 3) The form must be completely filled out. The county staff member must supply a telephone number on the form. This telephone number may not be the county's general call center number. The AV must be able to directly contact the staff member who submitted the form. The county staff member's name and number identify the staff worker and allows the AV to verify this is an approved contact. The county staff worker's signature is required and signifies that the staff worker verifies the case has been researched, and the refund/waiver request is valid. Forms without a staff worker's signature will not be processed.
- 4) The Premium Refund/Waiver Request form must be documented/imaged into the beneficiary's case record. The AV will also include the request form into their case record for future reference or auditing purposes, if needed.
- 5) The fax number provided on the Premium Refund/Waiver Request form is a secure fax number and is not to be shared publically or used for unintended purposes.

### **Final Premium Statements**

A beneficiary may continue to receive premium due invoices after a discontinuance from the premium-based aid code due to the billing cycle. Once a beneficiary is discontinued, there may be an overlap between the mailing of the future month's invoice and the reconciliation of the AV's system with MEDS. No more than one or two invoices may be sent out by the AV after the discontinuance.

When a beneficiary pays a premium for a time period in which they are disenrolled, including any payments made in advance, there is no need to submit a refund request as the AV has a process in place to remedy this situation and provide refunds automatically.

### **Premium Refund/Waiver Request Status**

When counties submit a Premium Refund/Waiver Request form to the AV, the AV processes the requests following premium payment refund or waiver business rules. For the months that the county staff worker identifies, the AV will refund premiums if the beneficiary paid for those months, or will waive the premiums if the beneficiary had not paid. Counties should direct the beneficiary to call the AV Premium Payment Section at 1-800-880-5305 to inquire about the status and timeframe for the requested refund/waiver.

If you have any questions about the premium refund/waiver policy, please contact Brenda Hendrickson at (916) 552-9533 or by email at [brenda.hendrickson@dhcs.ca.gov](mailto:brenda.hendrickson@dhcs.ca.gov).

Original Signed By:

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