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

JENNIFER KENT
Director

EDMUND G. BROWN JR.
Governor

February 24, 2017

TO: ALL COUNTY WELFARE DIRECTORS Letter No. 17-08
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: Cases with Individuals in the New Adult Group who Become Eligible for Medicare
(Reference: All County Welfare Directors Letter 14-18)

This purpose of this All County Welfare Directors' Letter (ACWDL) is to inform counties of changes to the California Healthcare Eligibility, Enrollment and Retention System (CalHEERS) when determining eligibility for Medi-Cal under the new adult expansion coverage group (New Adult group) for an individual who is eligible or enrolled in Medicare.

Change Request (CR) 12055 implemented in CalHEERS on August 1, 2016. This CR utilizes electronic verification of Medicare Part A entitlement received from the Social Security Administration via the Federal Data Services Hub (federal hub) when determining Modified Adjusted Gross Income (MAGI) eligibility under the New Adult group.

Section 1902(a)(10)(A)(i)(VIII) in Title XIX of the federal Social Security Act (42 United States Code, Section 1396a(a)(10)(A)(i)(VIII)) establishes the criteria for eligibility under the New Adult Group as: 19 to 64 years of age, not pregnant, and not eligible for, or enrolled in, Medicare Part A or Part B. Whereas, Medicare entitlement does not preclude an individual from being eligible to the MAGI Parent/Caretaker Relative or pregnant coverage groups, if otherwise eligible.

County Eligibility Workers (CEWs) shall review the information from the federal hub for new applicants, whose eligibility is pending verification of Medicare entitlement, to ensure that all beneficiaries eligible for or enrolled in Medicare are determined for the appropriate Medi-Cal coverage group.

Application

Individuals who apply for Medi-Cal and are eligible for or receiving Medicare shall be evaluated for Non-MAGI Medi-Cal eligibility if not eligible for any MAGI Medi-Cal coverage group. If the individual applied through CalHEERS, and was determined ineligible for other MAGI programs, the application is pended, and referred to the county to evaluate the individual's eligibility for Non-MAGI Medi-Cal.

Reporting a Change and Annual Renewal

For New Adult group beneficiaries who report a change, or at annual renewal, and are identified by the federal hub as receiving Medicare, the CEW shall evaluate for Non-MAGI Medi-Cal eligibility after CalHEERS evaluates the beneficiary for other MAGI coverage groups. If the beneficiary reported the change through the CalHEERS portal, and the beneficiary is not eligible under any other MAGI coverage group, the case will be put into Soft Pause, which will continue the beneficiary's MAGI Medi-Cal eligibility until the CEW completes the Non-MAGI Medi-Cal eligibility determination.

Medicare Results Incompatible

When there is an inconsistency between what the individual and the federal hub reports regarding his or her Medicare entitlement, the results are incompatible and the CEW should take the following actions:

- Check the Medi-Cal Eligibility Data System (MEDS) and Income Eligibility Verification System (IEVS) to clarify the discrepancy. If the discrepancy cannot be resolved, obtain verification from the individual.
- If the individual has Medicare, send the individual the Non-MAGI Screening Packet mentioned in the following section.
- If the individual does not have Medicare, the CEW shall admin verify that the person is not enrolled in or eligible for Medicare, lift Soft Pause, and resume the MAGI eligibility determination.

Non-MAGI Screening

ACWDL 14-18 outlines the policies and procedures for evaluating beneficiaries for Non-MAGI Medi-Cal, and is partially summarized below. If the beneficiary has a potential linkage to a Non-MAGI Medi-Cal program, the CEW shall evaluate the beneficiary for eligibility under Non-MAGI Medi-Cal. Welfare and Institutions Code, Section 14005.37 provides for Ex Parte review of available information to establish continuing eligibility. If the Ex Parte review fails to establish ongoing eligibility, then the CEW may request additional information from the beneficiary by sending them the Non-MAGI Screening Packet.

The packet consists of:

1) The Non-MAGI Informing Letter,
2) Additional Income and Property Information Needed for Medi-Cal (Form MC 604 IPS),
3) The Non-MAGI Medi-Cal Brochure, and
4) The Advanced Premium Tax Credits/Cost Sharing Reductions Brochure.

The beneficiary has 30 days from the date the letter is mailed to complete and return the Non-MAGI Screening Packet.

Soft Pause

The purpose of Soft Pause functionality is to protect consumers who fit into certain demographic groups from losing Medi-Cal eligibility when their personal circumstances change and they do not appear to be eligible under MAGI. When a MAGI Medi-Cal New Adult group beneficiary reports a change in circumstance, which results in an adverse action, and they fall into one of the Soft Pause categories, Soft Pause is applied to allow Medi-Cal eligibility to continue while the county evaluates the beneficiary for the Consumer Protection Programs or eligibility for Non-MAGI Medi-Cal. If the individual is not eligible for a Consumer Protection Program or Non-MAGI Medi-Cal, the CEW should proceed with a discontinuance.

MEDS Alerts and Other Indicators that Beneficiaries Are Over 65 or Receiving Medicare

For existing beneficiaries that are in the New Adult group, the county shall work MEDS alerts that relate to age or Medicare status. The county must evaluate beneficiaries for eligibility under all other Medi-Cal programs before benefits can be terminated; however, Soft Pause will not be issued until after the individual's information is sent through the CalHEERS business rules engine. Below is a list of alerts that either directly or indirectly associates the beneficiary with Medicare or Age:

1033:	Health Insurance Claim Number Missing for Recipient over Age 65
1094-1095:	Displayed Data Elements Contain Conflicting Information (includes age edits)
4500-4799:	Medicare Buy-in Alerts
8003-8011:	Buy-in alerts
9024:	Critical Client Data Changed - Check for Eligible Impact (includes Date of Birth (DOB))
9025:	Critical Client Data Not Updated - Check for Eligible Impact (includes DOB)
9032:	EW11 – Critical Client Data Changed – Check for System Update (includes DOB)

This is not an all-inclusive list. The county may find other alerts that will indicate age 65 or Medicare eligibility and shall work those alerts as well. If your county is not receiving Medicare alerts, please check with your consortium to find out if the SAWS is suppressing or has turned off any Medicare alerts.

Requirement for Medi-Cal Beneficiaries to Apply for Medicare

As a condition of Medi-Cal eligibility under the California Code of Regulations, Title 22, Section 50777, Medi-Cal applicants and beneficiaries are required to apply for Medicare if they qualify. If an individual is eligible prior to turning age 65, the county shall inform the individual they are required to apply for Medicare. If an individual is over 65, and it is past their initial enrollment period (generally the three months after their 65th birthday), the county shall inform the individual they are required to apply during the next Medicare open enrollment period which occurs annually from January 1 through March 31, with benefits effective July 1.

If you have any questions regarding this letter or if we can provide further information, please contact Tammy Kaylor at (916) 327-0446 or by email at Tammy.Kaylor@dhcs.ca.gov.

Original Signed By

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Medi-Cal Eligibility Division