



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



EDMUND G. BROWN JR.
Governor

July 11, 2018

To: ALL COUNTY WELFARE DIRECTORS Letter No.: 18-16
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS
ALL COUNTY MEDS LIAISONS

SUBJECT: Applications or Renewals with No Potential Modified Adjusted Gross
Income Eligibility (Reference All County Director's Letters 17-08, 17-03,
15-19, 14-35, 14-18)

The purpose of this All County Welfare Directors Letter (ACWDL) is to inform counties of policy and program changes regarding not running the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS) Business Rules Engine (BRE) for applications, renewals, and reported change of circumstances for certain households with no potential Modified Adjusted Gross Income (MAGI) Medi-Cal eligibility.

Background

Currently, County Eligibility Workers (CEWs) run the CalHEERS BRE for all applications, renewals, and reported change of circumstances in order to receive a MAGI Medi-Cal determination. Because of system limitations, in some circumstances, this includes applicants or beneficiaries who have eligibility in a Mega Mandatory group. Mega Mandatory groups include the mandatory programs required by federal law and categorical programs that automatically include Medi-Cal eligibility as part of the determination, such as Foster Care, Pickle, or Supplemental Security Income/State Supplementary Payment.

To address these system limitations, the Department of Health Care Services (DHCS) previously instructed in ACWDL [17-03](#) that if an applicant or beneficiary has eligibility in a Mega Mandatory group, and the BRE returns a MAGI Medi-Cal eligibility result, counties must not accept the MAGI Medi-Cal result for that applicant or beneficiary as the basis for eligibility and must retain or establish eligibility under the Mega Mandatory aid code. In many instances, this action requires a manual workaround in the Statewide Automated Welfare System (SAWS).

Similarly, current DHCS policy requires CEWs to run the BRE for individuals who are aged and do not meet MAGI Medi-Cal eligibility requirements, before completing the non-MAGI eligibility determination.

The current process of determining eligibility for Mega Mandatory and aged individuals presents challenges for the CEW and the applicant/beneficiary. Currently, in some circumstances, the CEW cannot grant Mega Mandatory eligibility or proceed with a Non-MAGI Medi-Cal determination without running the BRE; and in order to run the BRE, the CEW must obtain required tax household information that is unnecessary for aged or Mega Mandatory individuals.

This ACWDL outlines changes in policy as it pertains to not running the CalHEERS BRE under certain circumstances for Mega Mandatory and aged individuals, and should eliminate the manual workload for CEWs once programming is completed in the Statewide Automated Welfare Systems (SAWS) for most scenarios, with the exception of cases that are mixed MAGI and Non-MAGI.

Policy and Program Changes

Effective immediately, the SAWS must make programming changes to align with the policy in this letter, in the next available SAWS release, for cases that do not require running eligibility in the CalHEERS BRE. CEWs shall continue to process these cases using manual and/or SAWS workarounds until the programming changes are effective in SAWS.

These cases include the following:

1. Mega Mandatory or entire household is eligible for California Work Opportunities and Responsibilities to Kids (CalWORKs) or Refugee Cash Assistance (RCA)
2. Entire household is potentially Non-MAGI Medi-Cal eligible, with no MAGI Medi-Cal eligibility, due to being aged, blind or disabled **and** receiving Medicare, **and** there is no dependent child or pregnant person(s) in the household.

1. Mega Mandatory

Mega Mandatory groups are those that are categorical/mandatory programs required by federal law or are another social services program that automatically includes Medi-Cal as part of the determination of eligibility.

The SAWS/CEWs shall not run the CalHEERS BRE when an applicant or beneficiary has Medi-Cal eligibility in a Mega Mandatory coverage group and there

are no other potentially MAGI Medi-Cal eligible individuals in the household. CEWs shall preserve eligibility in the Mega Mandatory groups as long as the individual remains eligible.

NOTE: A MAGI Medi-Cal determination is required when a household contains individuals who are not Mega Mandatory and does not only contain individuals described in section 2, below. If an applicant or beneficiary in the household is eligible for a Mega Mandatory group and receives a MAGI Medi-Cal eligibility result, the county must not accept the MAGI Medi-Cal result and must establish or retain eligibility under the Mega Mandatory aid code for that individual.

SAWS/CEWs shall not run the CalHEERS BRE when an applicant or beneficiary is eligible for CalWORKs or RCA. Applicants determined eligible to one of these programs may be enrolled into the Medi-Cal program without submitting a separate application. If CalHEERS grants the applicant or beneficiary MAGI Medi-Cal while on CalWORKs or RCA, the counties shall discontinue MAGI Medi-Cal using the Long-Term Negative Action Functionality, in accordance with previously issued policy guidance found in Medi-Cal Eligibility Division Information Letter [15-19](#).

2. Non-MAGI Medi-Cal Eligibility with No Potential MAGI Medi-Cal Eligibility

SAWS/CEWs shall not run the CalHEERS BRE for applicants and beneficiaries where no potential MAGI Medi-Cal eligibility exists and the case is NOT a mixed MAGI/Non-MAGI Medi-Cal household. In order to not run the BRE, applicants and beneficiaries must be 65 years of age or older, blind or disabled **and** receiving Medicare, not pregnant, and have no dependent children in the household. CEWs must review the application materials in order to conduct a screening to determine whether a MAGI Medi-Cal eligibility determination is necessary.

The SAWS/CEWs shall document in the case notes when a MAGI Medi-Cal screening is completed and it is determined not to run the BRE.

- a) When SAWS is making this determination, SAWS will document the “No Potential MAGI Medi-Cal Eligibility” screening in the case journal.
- b) When the CEW manually completes the screening, the CEW must document in the case notes that the “No Potential MAGI Medi-Cal Eligibility” screening was completed.

As directed in [ACWDL 14-18](#), if the applicant or beneficiary is determined eligible for Medically Needy Medi-Cal with a share-of-cost or ineligible for Non-MAGI, the

county shall call the CalHEERS BRE to determine eligibility for Covered California programs.

3. Potential MAGI Medi-Cal Eligibility when SAWS/CEWs Must Run the BRE

SAWS/CEWs **must** run the BRE for all applicants or beneficiaries who are **not** described in sections 1–2, above, and are any of the following:

- a) A parent or caretaker-relative (even if age 65 or over or a Medicare recipient)
- b) Pregnant
- c) Under age 19
- d) 19 years old up to age 65, with no Medicare eligibility. (ACWDL [17-08](#) provides guidance for applicants or beneficiaries with Medicare.)

Mixed MAGI/Non-MAGI Medi-Cal

CEWs shall continue to run mixed MAGI/Non-MAGI Medi-Cal households through SAWS and CalHEERS BRE in accordance with previously issued policy guidance in ACWDL [14-35](#), ensuring correct eligibility for those in a Mega Mandatory coverage group or CalWORKs/RCA, as discussed in sections 1, above.

Renewal or Reported Change of Circumstance

For existing Non-MAGI beneficiaries at renewal or reported change of circumstances, a Non-MAGI Medi-Cal beneficiary may be determined no longer eligible for Non-MAGI Medi-Cal. Prior to discontinuing the beneficiary, the county must evaluate the individual for MAGI Medi-Cal in accordance with previously issued policy guidance in ACWDL [14-18](#). If the beneficiary has no potential MAGI Medi-Cal eligibility, the CEW shall discontinue the case and send the appropriate Notice of Action.

If you have any questions regarding this issue, please contact Bonnie Tran at (916) 327-0410 or by e-mail at Bonnie.Tran@dhcs.ca.gov.

Original Signed By

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