

Medi-Cal Program Guide Special Notice (SN) 13-09, Addendum E

April 18, 2014

Subject HEALTH CARE REFORM (HCR) MEDI-CAL AND LOW INCOME HEALTH PROGRAM

Effective Upon Receipt

Reference MEDIL # 14-06, 14-08, 14-12,14-18

Purpose To provide clarification and update information on:

- Citizenship/ Immigration Status
- Retroactive Medi-Cal
- Unconditionally Available Income
- MAGI Countable Income and Income Deductions
- Property
- American Indian/ Alaskan Native Exemptions from Premium Payments
- Long Term Care (LTC) cases

Background The Affordable Care Act (ACA) became law on March 10, 2010. The new law enacted comprehensive health insurance reform through the expansion of Medi-Cal, creation of Health Insurance Exchange and new regulations for health insurance plans.

MPG Special Notices [13-09](#) and Addendums provided information on HCR requirements that affected the application business process and LIHP transition to Medi-Cal.

Under ACA, the following new groups were established:

- Children's group
- Parents/ Caretakers
- Pregnant Women
- New Adult Group

Note: Effective January 1, 2014, The Affordable Care Act, extended the age limit for the Former Foster Care Children (FFCC) program from 21 to 26.

Refer to [Desk Aid: 57](#) for FPL, group description, benefit level, and aid codes information.

**Citizenship/
Immigration
Status**

All California residents, regardless of immigration status, can apply for Medi-Cal and may be eligible to full-scope or restricted benefits.

CalHEERS does not contain full functionality in placing individuals under the appropriate level of benefits. Some individuals may be determined eligible for a benefit level to which they may not be entitled to based on their citizenship/ immigration status. If the benefit level result is not what the client is eligible to per CalHEERS, workers must open a ticket with the Help Desk and process a Bottom Line Override. Refer to [HT #154](#) for instructions on how to process a Bottom Line Override.

Refer to [Desk Aid 62](#) for benefit level comparison.

**Retroactive
Medi-Cal**

As indicated in MPG section [13.01.05](#) , an applicant may request retroactive Medi-Cal for any of the three months preceding the month of application. The MC210A, Supplement to Statement of Facts, must be completed. Retroactive requests will be processed as follows:

If retro is requested for ...	Then evaluate using ...
February 2014	MAGI rules
January 2014	MAGI rules
December 2013 (and any time in 2013 based on retro rules)	pre-ACA rules (old rules such as 1931B)

Note: LIHP has only one month of retro. If you have an application date of March 2014, then LIHP cannot be evaluated for December 2013.

**Unconditional
ly Available
Income**

Under the ACA rules, verification of application for any unconditionally available income for which an applicant for Medi-Cal appears eligible is no longer required when the client signs the application attesting that they have applied for all available income.

Beneficiaries are required to report any changes within 10 days.

**MAGI
Countable
Income and
Deductions**

Under MAGI Medi-Cal, the household (HH) income is calculated using Modified Adjusted Gross Income (MAGI) budgeting.

The following income is excluded from MAGI:

- In-kind (earned and unearned)
- Child support payments
- Veteran's benefits
- Gift income

Deductions that are **not** allowed under MAGI include:

- \$90 standard deduction
- 40% self-employment deduction
- Child care deduction

Please refer to [Desk Aid 56](#) for more information on MAGI income and income deductions.

Property

There is no property test under MAGI. Staff must **not** request property verification unless the applicant is evaluated for a Non-MAGI Medi-Cal group.

**American Indian/
Alaskan Native (AI/AN)
Exemptions**

Under the MAGI Optional Targeted Low Income Children's Program (OTLICP) AI/AN children continue to have an exemption from premium payments just as they had under the Healthy Families Program (HFP).

LTC

Applicants who are eligible under MAGI continue to receive LTC services under their MAGI full-scope aid code without a SOC and should **not** be moved to another aid code for purposes of receiving LTC services.

If one spouse is in LTC on a non-MAGI basis and the other applies for MAGI Medi-Cal, staff must determine eligibility with or without the spousal income allocation. The worker must provide the eligibility results with or without allocation to the applicant and ask if they would like to continue with the allocation.

If the couple files taxes ...	then the...
jointly,	worker will not include the spousal income allocation as income to the community spouse.
separately,	income allocation from the institutionalized spouse will be included.

Assets are not a part of the MAGI eligibility determination so the

Spousal Impoverishment Community Spouse Resource Allowance will not be applicable.

If an applicant is ineligible to MAGI and is in need of LTC coverage, the worker should process the case using pre-ACA rules by collecting the same pre-ACA information such as income and property to apply long-term care SOC and spousal impoverishment rules and evaluate transfer of property.

**Automation
Impact**

No Impact

Forms Impact

No Impact

**ACCESS
Impact**

No Impact

**Imaging
Impact**

No Impact


**PA (CalFresh
or
CalWORKs)
Program
Impact**

No Impact

**Quality
Control (QC)
Impact**

Upon resumption of desk reviews, Quality Control (QC) will cite the appropriate error on any case that does not comply with the requirements outlined in this letter.

**Approval for
Release**

 4-21-14