

**County of San Diego, Health and Human Services Agency (HHS)A)  
Medi-Cal Program Guide (MPG) Special Notice**

**Subject: Health Care Reform (HCR) Medi-Cal Change  
in Circumstance Redeterminations**

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**Issue Date:**

January 12, 2015

**Effective Date:**

Upon receipt

**Purpose:**

To inform staff of the policies and procedures for annual and change in circumstance redeterminations (RV).

**Background:**

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

Special Notice [13-09 Addendum L](#) informed staff of the Pre-Affordable Care Act (Pre-ACA) and Modified Adjusted Gross Income (MAGI) Medi-Cal Renewal Process.

**Policy:**

Welfare and Institutions Code (WIC) 14005.07 prescribes that Medi-Cal beneficiaries:

- must be evaluated for all Medi-Cal programs before they are discontinued from benefits and forwarded to Covered California to be evaluated for Advanced Premium Tax Credits (APTC) or Cost Sharing Reductions (CSR).
- will be granted a new 12 month certification period whenever they report a change in circumstance that triggers an eligibility determination.

**Procedure:**

**A. Beneficiaries Discontinued from MAGI Medi-Cal:**

Beneficiaries who are no longer eligible to MAGI Medi-Cal as a result of an annual RV or change in circumstance must be evaluated for Non-MAGI prior to being evaluated for APTC/CSR, if potentially linked to Non-MAGI Medi-Cal.

Non-MAGI linkage applies to individuals who are:

- children (up to 21 years of age)
- aged (65 years old or older)
- blind/disabled
- parent/caretakers
- pregnant
- in Long-Term Care

Individuals between the ages of 22-64, who have no linkage to Non-MAGI Medi-Cal, will be immediately evaluated for APTC/CSR.

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During the Non-MAGI evaluation, the beneficiary will remain in his/her existing MAGI aid code. This is referred to as a "Soft Pause". The purpose of the Soft Pause is to prevent an adverse action while individuals are evaluated for Non-MAGI, APTC/CSR, or other Consumer Protection Programs (CPP), including:

- Continuous Eligibility for Children (CEC)
- Deemed Infants
- Transitional Medi-Cal (TMC)
- Continuous Eligibility for Pregnant Women
- Former Foster Care (FFCC)

The Soft Pause will be lifted after the Non-MAGI or CCP eligibility determination is completed.

Currently, there is no functionality in CalHEERS to evaluate individuals for CCP or to release them from Soft Pause. Therefore, until further notice, leave the individuals on the MAGI aid code during the Soft Pause, unless they were placed on MAGI in error due to an incorrect income calculation, a system/administrative error, or they request to be released from Soft Pause and evaluated for APTC. Refer to [e-HIT Bulletin #20](#) to apply the workaround to remove the Soft Pause for these individuals.

Upon implementation of Soft Pause functionality in CalHEERS and CalWIN, the process will change when evaluating a beneficiary for Non-MAGI or APTC/CSR. Workers must conduct an *ex parte* review of all available information to establish Non-MAGI eligibility. If eligibility is not established, mail to the applicant/beneficiary a Non-MAGI screening packet. Only request information not obtained during the *ex parte* review. Allow the beneficiary 30 days to provide the forms.

The Non-MAGI Screening Packet consists of the following:

|   |   |
|---|---|
| <p>Non-MAGI Informing Letter (CSC 99)</p> | <p>This notice:</p> <ul style="list-style-type: none"> <li>• informs the beneficiary that he/she does not qualify, or no longer qualifies, for MAGI Medi-Cal.</li> <li>• informs the beneficiary that he/she may still qualify for Non-MAGI Medi-Cal</li> <li>• provides an overview of Non-MAGI Medi-Cal and APTC/CSR</li> <li>• informs the beneficiary that he/she will be enrolled in a no Share of Cost (SOC) Non-MAGI program if found eligible when the requested information is returned.</li> <li>• provides the option for beneficiaries to request an evaluation for:             <ul style="list-style-type: none"> <li>○ Non-MAGI Medi-Cal only</li> <li>○ both Non-MAGI Medi-Cal and APTC/CSR, or</li> <li>○ APTC/CSR only</li> </ul> </li> </ul> |
| <p>MC 604 IPS</p>                         | <p>This form acquires the asset income and deduction information to evaluate for Non-MAGI Medi-Cal.</p>   |

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Beneficiaries who indicate they only want to be evaluated for APTC/CSR will be released from Soft Pause and evaluated for APTC/CSR.

**B. Non-MAGI Medi-Cal Evaluation:**

Conduct a Non-MAGI evaluation if enough information is available via *ex parte* or the beneficiary returns the MC 604 IPS.

- Approve Non-MAGI if the beneficiary is determined eligible.
- Evaluate for APTC/CSR if the beneficiary is ineligible to Non-MAGI or is eligible with a SOC.

Individuals have the option of having only SOC Medi-Cal, SOC Medi-Cal **and** APTC/CSR, or only APTC/CSR. Beneficiaries who choose to discontinue their SOC Medi-Cal will be mailed a timely discontinuance notice.

**Reminder:** SOC Medi-Cal does not meet Minimum Essential Coverage.

- **B1. Failure to Provide MC 604 IPS:**

Contact the beneficiary at least once by their preferred method of communication (phone or mail) to remind them to return the MC 604 IPS. Document the attempted contact in the case record.

If the form is not received after the 30 days:

- discontinue MAGI Medi-Cal with a timely Notice of Action.
- release the Soft Pause to evaluate for APTC/CSR

If the information is provided prior to the discontinuance action taking effect, rescind the discontinuance and evaluate for Non-MAGI.

Beneficiaries have a 90-day cure period to provide. If the information is provided within 90 days, and the case is found to be eligible, benefits will be reinstated to the date of discontinuance. Refer to [Special Notice 13-09 Addendum L](#) for information on the 90-day cure period.

**C. Beneficiaries Discontinued from Non-MAGI Medi-Cal:**

Beneficiaries who are no longer eligible to Non-MAGI as a result of a change in circumstance must be evaluated for MAGI Medi-Cal.

Conduct an *ex parte* review to determine if the tax household information is contained in the case record. If this information is not available, mail the MC 01-2014 Request for Tax Household Information (RFTHI) packet and allow the beneficiary 30 days to provide.

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The RFTHI can be provided by mail, fax or over the phone. The beneficiary is not required to submit any supporting documentation with the completed RFTHI form. The form is only to acquire information to be verified through the federal data hub and available state data sources. Documentation will only be required if:

- CalHEERS Business Rules Engine (BRE) response does not verify the information.
- electronic verification through the BRE finds the information not reasonably compatible.
- information cannot be verified via an *ex parte* review.

When the RFTHI information is returned or otherwise provided, run the case in the CalHEERS BRE. Refer to [e-HIT Bulletin #3](#) for required entries to run the BRE for the MAGI evaluation.

- Approve MAGI if the beneficiary is determined eligible.
- Evaluate for APTC/CSR if the beneficiary is not eligible to MAGI and discontinue the Non-MAGI Medi-Cal with timely notice.

**- C1. Information that is Not Reasonably Compatible:**

Mail the MC 355 Medi-Cal Request for Information form to request verifications if the CalHEERS BRE returns results that are not reasonably compatible and information is not verified via *ex parte*. Allow the beneficiary 30 days to provide.

During the 30-day period, contact the beneficiary at least once by their preferred method of communication (phone or mail) to remind them to return the information. Document the attempted contact in the case record.

If the information is provided prior to the discontinuance action taking affect, rescind the discontinuance and evaluate for Non-MAGI.

If the information is not received after the 30 days, discontinue the beneficiary with a timely Notice of Action. Beneficiaries have a 90-day cure period to provide the information.

**- C2. Failure to Provide the RFTHI:**

If the MC 01-2014 RFTHI is not returned or information is not provided during the 30-day period, conduct an *ex parte* review to verify the information. If this is unsuccessful, contact the beneficiary by their preferred method of communication (phone or mail) and provide a 10-day deadline following the contact. Document the attempted contact in the case record.

If the information is not provided after the 10-day deadline, discontinue the beneficiary with timely notice. If the information is provided prior to the discontinuance, rescind the discontinuance and process the case.

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Beneficiaries have a 90-day cure period to provide. If the information is provided within 90 days of the discontinuance date, benefits will be reinstated as otherwise eligible effective the date of discontinuance. Refer to [Special Notice 13-09 Addendum L](#) for information on the 90-day cure period.

**D. Resetting Annual Redetermination Dates When Change in Circumstance Occurs:**

The annual RV date will be reset for a new 12 month period whenever a Medi-Cal beneficiary reports a change in circumstance (for example, change to income, household composition, or countable property) that requires a re-evaluation of Medi-Cal eligibility. For this purpose, re-evaluation of eligibility is defined as a change that requires:

- the CalHEERS BRE to be run for MAGI Medi-Cal, or
- EDBC run in CalWIN for Non-MAGI Medi-Cal.

When the change is processed, determine Medi-Cal eligibility for the future month.

**Example:** A MAGI beneficiary reports a change in circumstance on 02/10/15. The worker runs the BRE to determine eligibility for March 2015. If the beneficiary is determined Medi-Cal eligible after running the BRE, the new 12-month eligibility period is reset to February 2016.

A new “**Reset RRR [Y/N]**” field was added to the *Collect Case Summary Detail window – Case Information* tab. To reset the RV date 12 months from the date of change, select a “Y” from the dropdown. Refer to [e-HIT Bulletin #21](#).

**IMPORTANT NOTE:** the household must have had their 2014 annual RV processed before the RV date can be reset due to a change in circumstance. Therefore, the RV date will not be reset on Pre-ACA cases that have not been recertified. Once the 2014 RV is processed, the RV date will be reset when a change in circumstance is reported.

The Annual RV date will not be reset when the beneficiaries are already in, or are placed into the following consumer protection programs as a result of changes in circumstance:

- Continuous Eligibility for Children (CEC)
- Deemed Infants
- Transitional Medi-Cal (TMC)
- Continuous Eligibility for Pregnant Women
- Former Foster Care (FFCC)

**- D1. Changes Reported to Other Programs:**

Medi-Cal beneficiaries receiving other public assistance, such as CalWORKs, CalFresh, and General Relief, who report a change in circumstance to such programs and the change will require a Medi-Cal re-evaluation, will have their Medi-Cal eligibility redetermined.

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**Example:** A Medi-Cal/CalFresh combo case with a RV due on 08/2015. On 03/18/15, the beneficiary reports a decrease in income on their 02/2015 SAR 7. Because EDBC and the BRE are run and the beneficiary remains eligible to MAGI, the MC RV date is reset to 03/2016.

**Note:** This change only impacts Medi-Cal. The RV date for the other public assistance programs will remain the same.

**Impacts:**

**Automation:** Due to no "Soft Pause" functionality, workers will need to follow the instructions in [e-HIT Bulletin #20](#) to request removal of Soft Pause.

**Forms:** The CSC 91 and MC 604 IPS are available in CalWIN in English and Spanish.

**Quality Control (QC):** Upon resumption of Medi-Cal desk reviews, QC will cite the appropriate error when requirements outlined in this material are not followed.

**References:**

All County Welfare Directors' Letters (ACWDLs) [14-15](#), [14-18](#), [14-22](#)

**Sunset Date:**

January 12, 2016

**Approval for Release:**



Rick Wanne, Director  
Eligibility Operations