DATE

TO: ALL COUNTY WELFARE DIRECTORS
    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: TARGETED LOW-INCOME CHILDREN’S PROGRAM

The purpose of this All County Welfare Directors Letter (ACWDL) is to inform counties that the 2012 Trailer Bill, Assembly Bill (AB) 1494, added Section 14005.26 to the Welfare and Institutions (W&I) Code to expand the Medi-Cal Program to include targeted low-income children with family incomes up to and including 200 percent of the Federal Poverty Level (FPL) pursuant to state plan approvals of Section 1905(u)(2)(B) and Section 1902 (r)(2) of the Social Security Act. Under these provisions, the Department of Health Care Services (DHCS) will expand income up to 250 percent FPL by including an exemption of all resources and disregard income at 200 percent and up to and including 250 percent of the FPL.

The Medi-Cal Targeted Low-Income for Children program increases the FPL limits for children ages zero to 19 years of age. AB 1494 also authorizes DHCS to implement a premium payment program pursuant to approvals of the state plan of Section 1916A of the Social Security Act for children with incomes greater than 150 percent of the FPL. In accordance with Section 14005.27 of the W&I Code, premium amounts shall be equal to those based on the Healthy Families Program (HFP) discounted Community Provider Plan for children eligible under the new expanded group with family incomes above 150 percent and up to and including 250 percent of the FPL.

These Low Income children require three new aid codes for identification; H1, H2, and H3.
The chart below represents the increase in FPL limits and aid codes subject to premium payments.

<table>
<thead>
<tr>
<th>Age of Child</th>
<th>Current Medi-Cal FPL Limits</th>
<th>Medi-Cal Targeted Low-Income FPL for Children</th>
<th>Medi-Cal FPL Subject To Premiums</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 1*</td>
<td>Up to 200 percent</td>
<td>Above 200 percent and up to 250 percent of the FPL</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>1 – 5*</td>
<td>Up to 133 percent</td>
<td>Above 133 percent and up to 250 percent of the FPL</td>
<td>Applicable for incomes above 150 percent of the FPL</td>
</tr>
<tr>
<td>6 – 19*</td>
<td>Up to 100 percent</td>
<td>Above 100 percent and up to 250 percent of the FPL</td>
<td>Applicable for incomes above 150 percent of the FPL</td>
</tr>
</tbody>
</table>

*Eligible up to the month of the first, sixth, or 19th birthday, or continues beyond the first, sixth, or 19th birthday when in an inpatient status, which began prior to the first, sixth, or 19th birthday.

Background

Current Process

Medi-Cal
The Single Point of Entry (SPE), administered by MAXIMUS under a contract with the Managed Risk Medical insurance Board (MRMIB), receives applications and ensures file clearance and Medi-Cal screenings for children under age 19 based on business rules provided by DHCS. In accordance with DHCS screening criteria, children screened and presumed eligible for no cost, full-scope, Medi-Cal receive accelerated enrollment (aid code 8E) for the Medi-Cal Program until the county makes a final determination of eligibility. SPE then forwards these applications to the county offices for eligibility determinations.

Healthy Families
Applications received at SPE that are not screened to no-cost Medi-/Cal are forwarded to the HFP and go to the MRMIB HFP administrative vendor, MAXIMUS, for an eligibility determination. The administrative vendor enrolls eligible children in HFP health plans and collects health plan premiums for children based on the HFP FPL guidelines.

County
Applications received through the county go through file clearance for processing and the county determines Medi-Cal Program eligibility. At the initial Medi-Cal determination of children up to age 19, or at annual redetermination (RV) for the family, if the county
eligibility worker determines the family to have a share-of-cost (SOC), the worker issues a one month bridge (aid code 7X) to the HFP for the Medi-Cal eligible child with a SOC.

New Processes

Beginning January 1, 2013, the HFP will be eliminated and will no longer enroll children in the HFP. DHCS will continue SPE operations under a contract with MAXIMUS. MAXIMUS file clears and reviews all paper and electronic applications for completeness that come through SPE. Using existing SPE business rules, children screened and presumed eligible for no cost, full-scope Medi-Cal receive accelerated enrollment (aid code 8E) for the Medi-Cal Program, until the county makes a final determination of eligibility. SPE electronically forwards completed applications to the county for an eligibility determination.

Targeted Low Income FPL for Children Applications

New applications received by SPE after January 1, 2013, will all screen to Medi-Cal and will be forwarded to the county of residence. When the county reviews a child’s application, whether it is forwarded from SPE, or is received directly at the county, if the county determines that income is above the 150 percent FPL, the county forwards the application information to MAXIMUS for collection of the premium and non-eligibility case maintenance.

Effective Date

The effective date for implementation of aid codes H1, H2, and H3, which are described below, is January 1, 2013.

Retroactive eligibility to cover medical bills in the three months prior to the application date for the three new aid codes will not be immediately available on the effective date and will be phased in over the first three months. Therefore, when families for these children request retroactive coverage, counties will need to assess eligibility for other Medi-Cal programs.

Once implemented, retroactive eligibility for aid codes H1, H2, and H3 begins as follows:

<table>
<thead>
<tr>
<th>Individuals eligible for H1, H2, or H3</th>
<th>Retro coverage in H1, H2, or H3</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 2013</td>
<td>No</td>
</tr>
<tr>
<td>February 2013</td>
<td>January 2013</td>
</tr>
<tr>
<td>March 2013</td>
<td>January and February 2013</td>
</tr>
<tr>
<td>April 2013</td>
<td>January, February, and March 2013</td>
</tr>
</tbody>
</table>
**Aid Codes**

The table below displays current and new aid codes with a description of the population that the aid code serves. Next to each of the current aid codes is the new Medi-Cal Targeted Low-Income aid code and description for the expanded population.

<table>
<thead>
<tr>
<th>Aid Code</th>
<th>Current Description</th>
<th>New Code</th>
<th>Medi-Cal Targeted Low-Income for Children</th>
</tr>
</thead>
<tbody>
<tr>
<td>47</td>
<td>200 Percent FPL Infant (Income Disregard Program – Infant). Provides full Medi-Cal</td>
<td>H1</td>
<td>Title XXI, Medi-Cal Targeted Low-Income for infants. Provides full scope, no-cost Medi-Cal for infants who</td>
</tr>
<tr>
<td></td>
<td>benefits to eligible infants up to 1 year old or continues beyond 1 year when in a</td>
<td></td>
<td>are U.S. citizens, have satisfactory immigration status, or unverified citizenship**. Coverage is up to</td>
</tr>
<tr>
<td></td>
<td>family income is at or below 200 percent of the federal poverty level.</td>
<td></td>
<td>the month of their first birthday or continues beyond one year, when in an inpatient status that began</td>
</tr>
<tr>
<td>0C</td>
<td>Access for Infants and Mothers (AIM) – Infants enrolled in Healthy Families (HF).</td>
<td></td>
<td>before the first birthday. Family income is above 200 percent up to 250 percent of the FPL.</td>
</tr>
<tr>
<td></td>
<td>Infants from a family with an income of 200 to 300 percent of the federal poverty</td>
<td></td>
<td>**Refer to All County Welfare Directors Letter 09-65, December 31, 2009, SSN Data Match For Verification Of</td>
</tr>
<tr>
<td></td>
<td>level, born to a mother enrolled in AIM. The infant's enrollment in the HF program</td>
<td></td>
<td>Citizenship and Identity For Purposes Of Medi-Cal Eligibility.</td>
</tr>
<tr>
<td></td>
<td>is based on their mother's participation in AIM.</td>
<td></td>
<td>** Refer to All County Welfare Directors Letter 09-65, December 31, 2009, SSN Data Match For Verification</td>
</tr>
</tbody>
</table>
133 Percent Program. Provides full Medi-Cal benefits to eligible children ages 1 up to 5 or beyond 5 years when in an inpatient status, which began before 6th birthday and family income is at or below 133 percent of the federal poverty level.

100 Percent Program. Provides full benefits to otherwise eligible children, ages 6 to 19 or beyond 19 when in an inpatient status which began before the 19th birthday and family income is at or below 100 percent of the federal poverty level.

Title XXI, Medi-Cal targeted Low-Income for children. Provides full scope, no-cost Medi-Cal coverage to children with U.S. citizenship, satisfactory immigration status, or unverified citizenship**; ages one through the month of their 6th birthday or continues when in an inpatient status which began before the 6th birthday for family income above 133 up to 150 percent of the federal poverty level or ages 6 to the month of their 19th birthday or continues when in an inpatient status, which began before the 19th birthday for family income above 100 percent up to 150 percent of the FPL.

Specified Aid Code for Premium Payment

Title XXI, Medi-Cal Targeted Low-Income for Children – full scope, subject to premium payment. Provides full scope coverage based on a premium payment to children with U.S. Citizenship, satisfactory immigration status, or unverified citizenship** from age one to the month of their 19th birthday or continues when in an inpatient status, which began before the 19th birthday, with family income above 150 percent up to 250 percent of the FPL.

**Refer to All County Welfare Directors Letter 09-65, December 31, 2009, SSN Data Match For Verification Of Citizenship and Identity For Purposes Of Medi-Cal Eligibility.

Enrollment Access

Children Transitioning from the Healthy Families Program (HFP)

Children that were in HFP prior to January 1, 2013, are being transitioned to Medi-Cal in four phases as stated previously in ACWDL XX. Children in aid codes 5C and 5D remain eligible until

- they reach the date of their HFP annual eligibility review (AER), or
- the RV date of an open Medi-Cal case if it is earlier than the HFP AER date; or
- there is a change in circumstance that warrants a Medi-Cal eligibility redetermination.
Once the county completes the Medi-Cal eligibility review, the county places the children in the appropriate Medi-Cal program according to the Medi-Cal Program hierarchy.

If a transitioned HFP child in aid code 5C or 5D also has an open Medi-Cal case and that case has an annual redetermination date which occurs prior to the child’s HFP AER date, then the county shall conduct an annual redetermination based on the open Medi-Cal case.

Beginning January 2013, if a child in aid code 5C or 5D also has an open Medi-Cal case and that case has a Medi-Cal redetermination date which occurs prior to the child’s HFP AER date but not prior to the phase-in date, the county has the option to either determine the Medi-Cal eligibility of the case and include the HFP child without waiting until the child’s HFP AER date or the county may wait until the HFP AER date and add the child to the open Medi-Cal.

If during the transition Phase the child’s HFP AER is prior to the Medi-Cal family’s RV, the county has the option to reevaluate the child’s eligibility and include the child with the Medi-Cal case at the time of transition without having to wait for the Medi-Cal redetermination date. However, this does not mean that the county changes the RV date for the family’s Medi-Cal case.

Transitioned HFP Child with a closed or no Medi-Cal case

**Example: Child has HFP only:**

HF AER date for Child: July

In this example the child was approved for HFP only. The HFP child does not have a Medi-Cal case. The HFP child transitions to Medi-Cal per the HFP phase schedule. Since there is no Medi-Cal case, no county action is required until the HFP annual eligibility review date. At the HFP AER date, the county will open a Medi-Cal case and determine if Medi-Cal eligible. The child’s next Medi-Cal Annual Redetermination will be July

**Example: Child has SSI. No other family members have Medi-Cal. There is no open case:**

In this example the child, has SSI. The Social Security Administration has responsibility for any redeterminations of eligibility.
Example: Mom and Child have no-cost Medi-Cal through CalWORKs and the Child transitions from HFP to Medi-Cal (Mom applied for HFP for her child prior to applying for CalWORKs):

CalWORKs annual redetermination for Child: November
HFP annual eligibility review date for Child: July

In this example, the mother applied for HFP benefits for her child prior to the county approving the case as eligible for Medi-Cal through CalWORKs. The child has an HFP AER in July. The child transitions to Medi-Cal in January. Since the CalWORKs RV date occurred prior to the transition, the county may process the child as an “add a person” to the Medi-Cal case in January and re-evaluate the case with the new member. The next CalWORKs annual redetermination date for the entire family is November 2013. CalWORKs conducts future eligibility redeterminations.

Enrollment Timeframes
SPE reviews submitted applications for completeness. SPE assigns accelerated enrollment (AE) to those applications qualifying for AE using existing SPE business rules and forwards those applications and the remaining complete applications ineligible for AE to the counties. AB 1494, W&I Section 14005.26 established a new county performance measure to process the applications that did not receive accelerated enrollment and are complete and without client error. Under this new requirement, the county must process 90 percent within 10 working days of receiving the applications.

For applications that are submitted directly to the counties and that do not receive accelerated enrollment the county must process 90 percent of the applications that are complete and without applicant error within 45 days in accordance to W&I Code, subdivision (d) of Section 14154.

Another requirement of W&I Code Section 14005.26 also requires that when the county receives an application with children that also includes adults and the adults require additional information beyond the information provided for the children, the county shall process the eligibility for the children without delay while gathering the necessary information to process eligibility for the adults.

Premiums

Pursuant to AB 1494, W&I Code Section 14005.26, the DHCS shall exercise the option pursuant to Section 1916A of the federal Social Security Act (42 U.S.C. Section 1396o-1) to impose premiums for individuals with family income above 150 percent and up to and including 250 percent of FPL. (Note: This includes the application of income disregard between 200 and 250 percent of FPL). Based on current HFP income information and business requirements, the MAXIMUS Maxe² system determines which children have income over 150 percent FPL and assign the aid code 5D. These children will pay a premium.
Effective January 1, 2013, for applications submitted whether directly to the county or submitted to SPE that are determined eligible for aid code H3 (income above 150 FPL) are subject to a premium. MAXIMUS will collect and maintain case information for tracking payments. When a premium payment is missed MAXIMUS will send notices to the family regarding payment due and potential for discontinuance for non-payment. (This process to be determined.) When the premiums are not paid, MAXIMUS must notify the county. The counties will complete the SB 87 process to determine eligibility under any other Medi-Cal program. If it is still determined that a premium is due then termination for failure to pay can occur and the county will discontinue with timely notice.

**Accelerated Aid Code Impact**

**SPE**
The SPE continues to file clear, process for completion, and send applications to the counties. Accelerated enrollment to Medi-Cal as (8E), continues for individuals screened to full-scope, no share-of-cost Medi-Cal from SPE.

**Gateway**
Accelerated enrollment for children and deeming for infants through the CHDP Gateway to Medi-Cal as 8W, 8U, and 8V continues. Accelerated enrollment to Healthy Families, 8X, is renamed Title XXI Medi-Cal Presumptive Eligibility, Targeted Low-Income for Children. The CHDP Gateway application output verification messages previously identified for the HFP changes; see CHDP Gateway Messages.

**Reporting**
AB 1494 requires the county to report to the department, in a manner and for a time period prescribed by the department, the following:

1.) The number of applications and annual redetermination forms processed on a monthly basis;
2.) A breakout of the applications and annual redetermination forms based on the income using the federal percentage of poverty levels;
3.) The final disposition of each application and redetermination form, including information on the approved Medi-Cal program, if applicable, and;
4.) The average number of days it took to process annual redeterminations and applications submitted directly to the county and from the SPE.

**Notices of Actions**
When it is determined that a child will be eligible for Medi-Cal with a premium payment, the Notice of Action (NOA) should include the following language:
The child(ren) listed on this notice must pay a monthly premium in order to remain eligible for Medi-Cal. The monthly premium for a child is determined by income. You will receive another notice informing you of the monthly premium amount you must pay and your payment options.

Refer to ACWDL XX for details on new aid codes

**Contacts**

If you have any questions concerning this letter or require additional information pertaining to deemed eligibility of children, please contact Ms. Sherilyn Walden at Sherilyn.Walden@dhcs.ca.gov or call (916) 552-9472 or Ms. Karen Hajek at Karen.Hajek@dhcs.ca.gov or call (916) 324-0186.

Robert Sugawara, Acting Chief
Medi-Cal Eligibility Division
Authors: Sherilyn Walden, AGPA
Access Unit
71.4061  552-9472

Karen Hajek, AGPA
Access Unit
71.4061  324-0186

Branch: Clarissa Poole-Sims, Chief
Policy Development Branch
71.4063  552-9453

Division: Robert Sugawara, Acting Chief
Medi-Cal Eligibility Division
71.4063  558-18020

SW/KH:
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