Revision Date:
06/01/2022

Background:
Prior to implementation of the Affordable Care Act (ACA), when a customer's California Work Opportunity and Responsibility to Kids (CalWORKs) eligibility ended, the Human Services Specialist (HSS) redetermined Medi-Cal eligibility to evaluate if the customer still qualified for Medi-Cal under Section 1931(b). When Med-Cal under Section 1931(b), with or without CalWORKs, was discontinued due to an increase in earned income or hours of employment, the HSS would evaluate for eligibility to Transitional Medi-Cal (TMC). When the Medi-Cal discontinuance was due to an increase in child or spousal support, the HSS evaluated for Four-Month Continuing Medi-Cal (FMC). With the implementation of ACA, Modified Adjusted Gross Income (MAGI) methodology is used to determine eligibility for many Medi-Cal groups. As a result, the section 1931(b) program was split into three groups consisting of the MAGI Parent/Caretaker Relative group, Mandatory Children's group, and certain individuals enrolled in the MAGI Pregnancy Coverage group.

Purpose:
The purpose of this section is to provide updated guidance regarding TMC and FMC policies for determining Medi-Cal when CalWORKs is denied or discontinued under the ACA.

Policy:
When a customer is discontinued from the MAGI Parent/Caretaker group, CalWORKs, Mandatory Children's group, or upon the end of the 12-month postpartum period for the MAGI Pregnancy Coverage group, the customer may be eligible for continued Medi-Cal eligibility through TMC or FMC.

Note: A household member between the ages of 18 to 26 years old who is eligible for the Former Foster Youth (FFY) program must be assigned the 4M aid code rather than be assessed for MAGI Medi-Cal, TMC, or FMC. Refer to MPG 05.15.10 for policy guidance regarding the FFY program.

A. Aid Codes with Potential TMC and FMC Eligibility
The chart below illustrates aid codes in the Pregnancy group, Parent/Caretaker Relative group, and Mandatory Children's group which may be eligible for TMC and FMC.

Program	Aid Code
MAGI Parent/Caretaker Relative Full Scope	M3
MAGI Parent/Caretaker Relative, Pregnancy-Related and Postpartum, Emergency, and Long-Term Care (LTC) services	M4
MAGI Expansion Child (6-19 years) Full Scope	M5
MAGI Pregnant Women	M7
MAGI Pregnant Women, Pregnancy-Related and Postpartum, Emergency, and LTC services	M8
MAGI ACA Child (6-19 Years) Full Scope	P5
MAGI ACA Child (1-6 Years) Full Scope	P7
MAGI ACA Child (1-6 Years) Emergency and LTC services	P8
MAGI ACA Infant (0-1 Year) Full Scope	P9

MAGI ACA Infant (0-1 Year) Emergency and LTC services	P0

B. Transitional Medi-Cal (TMC) Eligibility

TMC provides up to twelve months of continued Medi-Cal eligibility. There are two available periods of TMC:

- An initial six-month extension period. Refer to Medi-Cal Program Guide (MPG) 05.07C for guidance.
- An additional six-month extension period. Refer to MPG 05.07D for guidance.

Eligibility Requirements for TMC for Adults

To be eligible for TMC, an adult customer must meet **all** the following criteria:

- The customer is an aided adult on CalWORKs, enrolled in the MAGI Parent/Caretaker Relative group, or the MAGI Pregnancy Coverage group in three of the six months immediately preceding the month of ineligibility.
  - Months of retro Medi-Cal eligibility count towards the 3 months.
- Discontinued solely due to an increase in earnings, loss of earned income disregards, or increased hours of employment.
  - When multiple changes are reported, the HSS must determine if the increase in earned income or hours of employment is the sole reason for the discontinuance.
- Have a dependent child in the household. A dependent child is an individual under the age of 18, or if 18, must be enrolled in school and expected to graduate by their 19th birthday.
  - A dependent child can include a child who is receiving Supplemental Security Income/State Supplementary Payments (SSI/SSP) or Adoption Assistance.

Children and TMC

If a child remains eligible for a Mandatory Children's group, they are to remain in that coverage group. If eligibility ends under the Mandatory Children's group, the HSS must evaluate for Continued Eligibility for Children (CEC) first. When the CEC period ends, the child(ren) must be placed in TMC with any eligible parent/caretaker relative(s) for the remainder of the TMC period.

Additional Household Members when TMC is Active

The following individuals are eligible for the remainder of the extended eligibility period when being added to an active TMC case:

- The other parent of the child returns to the family following a period of absence from the home.
- Any children who are born, adopted into the family, or returning home after a period of absence from the home.

Note: A child who is enrolled in TMC and becomes an adult during the TMC eligibility period may remain in TMC with their parent/caretaker relative(s) unless there is no other dependent child in the household.

Refer to Medi-Cal Processing Guide 41.

C. Processing for the Initial Extended Eligibility Period of TMC for MAGI Medi-Cal

When a customer discontinues from the MAGI Parent/Caretaker Relative group or the MAGI Pregnancy Coverage group, HSS must evaluate the case for continued eligibility by taking the steps outlined below

for these customers. Refer to Medi-Cal Processing Guide 41 for guidance on processing a TMC evaluation.

D. Second Extended Eligibility Period of TMC

Once the initial extended eligibility period of TMC has expired, customers may be eligible for the second extended eligibility period of TMC if the following conditions are met:

- The customer was continuously aided for the entire six-month initial extended eligibility period of TMC.
  - Children who would have been aided under TMC but were aided under the Continuing Eligibility for Children (CEC) or Deemed Eligibility (DE) for Infants programs for part or all the initial TMC period are also eligible.
  - Customers who were placed in Soft Pause or Edward v. Kizer aid code 38 in lieu of a TMC aid are also eligible.
- Earned income is at or below 202 percent of the Federal Poverty Level (FPL).
  - The HSS must determine countable earned income using MAGI Medi-Cal rules.
  - No separate deduction for childcare expenses needs to be included as the income limit takes this into account.
- Have at least one dependent child in the household as outlined in MPG 05.07A.
- The family must be continuously employed with a gross monthly earned income at or below 202 percent of the FPL unless good cause exists.
  - If the family reports a decrease in income or loss of employment, an *ex parte* review must be completed to determine if the family is eligible for a more advantageous program. If eligible, HSS must enroll them into the more advantageous program.
- Complete a quarterly report.
  - The first quarterly report form MC 176 TMC must be submitted during the 4th month of the initial extended period by the 21st day of the month.

E. Processing for the Second Extended Eligibility Period of TMC

The HSS must conduct a MAGI Medi-Cal eligibility determination by the end of the initial period of TMC with the information provided on the first MC 176 TMC quarterly report. If the customer is determined to be ineligible for MAGI Medi-Cal, the HSS must evaluate for the second extended eligibility period of TMC.

- Customers must submit quarterly reports timely to continue to be eligible for TMC. Refer to MPG 05.07F for policy guidance on TMC quarterly reporting and Medi-Cal Processing Guide 41 for guidance on processing a second extended eligibility evaluation for TMC.

Note: If a customer is ineligible for the second extended eligibility period of TMC, the HSS must evaluate for all other Medi-Cal programs before discontinuing a customer from benefits and evaluating them for Advanced Premium Tax Credits/ Cost Sharing Reduction (APTC/CSR).

F. Quarterly Reporting

Families enrolled in TMC must report their income using form MC 176 TMC quarterly report. The MC 176 TMC must be received timely unless there is good cause.

First Quarterly Report

The first quarterly report is submitted during the initial extended eligibility period.

- The report will be used to determine eligibility for the second extended eligibility period of TMC.
- There is no income test during the initial extended eligibility period and a customer cannot be terminated during this period for failure to submit the report.

Second and Third Quarterly Reports

These quarterly reports are submitted during the second extended eligibility period of TMC and must be submitted timely to retain TMC eligibility.

- If the reports are not submitted timely, customers are allowed a 90-day cure period. Refer to MPG 05.07J for guidance on determining TMC or FMC during the 90-day cure period.

The table below outlines the reporting period and due date of each quarterly report:

Quarterly Report	Reporting Period	Due Date
1st Quarterly Report	Months 1-3 of the initial extended eligibility period	21st day of month 4
2nd Quarterly Report	Months 4-6 of the initial extended eligibility period	21st day of month 7
3rd Quarterly Report	Months 7-9 of the second extended eligibility period	21st day of month 10

Good Cause

Good cause exists when a customer cannot be reasonably expected to fulfill the reporting responsibility due to factors outside of their control. Below are some examples of good cause.

- Customer is suffering from a mental or physical condition that prevents timely and complete reporting.
- Customer failed to submit the report timely due to administrative county error.
- Other extenuating circumstances.

When a customer has good cause for not reporting timely, the HSS must rescind the discontinuance. Refer to MPG 05.07J for policy guidance regarding 90-day cures for TMC or FMC.

G. Change of Circumstances Redeterminations

When a family reports any changes that would immediately discontinue eligibility for TMC, such as a child aging out or the family exceeding the 202 percent FPL income limit in the second extended eligibility period of TMC, HSSs must re-evaluate the family as follows:

If a customer is…	Then…
Being discontinued from TMC,	Evaluate for other Consumer Protection Programs (CPPs). Refer to MPG 04.22D for more information on CPPs.
Ineligible for other CPPs,	Evaluate for all other Medi-Cal Programs.
Ineligible for all other MC programs,	Discontinue benefits and evaluate for APTC/CSR.

Note: If a customer is still eligible for Medi-Cal, HSSs must reset the redetermination date based on the effective date of the change.

H. Redetermination at the End of the Transitional Medi-Cal Period

At the end of the TMC period, HSSs will complete a redetermination as outlined in MPG 04.15.02G. Once the redetermination is complete, if the customer is eligible under another Medi-Cal program, HSS will approve the customer and reset the redetermination date based on the effective date of change. If the customer is ineligible, HSSs must evaluate for all other Medi-Cal programs before discontinuing the customer and evaluating for APTC/CSR.

I. Four-Month Continuing (FMC) Medi-Cal

FMC provides customers with continued Medi-Cal eligibility for up to four months if they are discontinued from one of the eligibility groups below due to an increase in spousal support:

- CalWORKs.
- MAGI Parent/Caretaker Relative group.
- MAGI Pregnancy Coverage group.
- Mandatory Children's group.

Note: An increase in child support is no longer a link to FMC.

<u>Eligibility Requirements for FMC</u>

To qualify for FMC, a customer must meet **all** the following requirements:

- An adult aided on CalWORKs or enrolled in the MAGI Parent/Caretaker Relative group or the MAGI Pregnancy Coverage group in three of the six months immediately preceding the month of ineligibility.
  - o Months of retroactive Medi-Cal coverage count towards the three months.
- Be discontinued due to an increase in spousal support.
  - o If multiple changes are reported, HSSs must determine if the increase in spousal support is part of the reason for the discontinuance. If so, then the family is eligible for FMC.
- Have a dependent child as outlined in MPG 05.07A.

<u>Redetermination at the end of the FMC Period</u>

At the end of the FMC period, HSSs must conduct a redetermination as outlined in MPG 04.15.02G by completing an *ex parte* review. If the customer is found to be eligible under another Medi-Cal program, HSSs must reset the redetermination date based on the effective date of change.

<u>Change of Circumstances Redeterminations</u>

When a family reports any change in circumstances that would immediately discontinue FMC, an HSS must immediately evaluate for CPPs. If no eligibility is found under a CPP, then an evaluation for all other MC programs must be completed before discontinuing the family from benefits and evaluating them for APTC/CSR.

J. Evaluating for TMC or FMC Eligibility During the 90-day Cure Period

Customers have 90 days after the discontinuance to provide missing information needed to complete an eligibility determination. Additionally, HSS will treat the information as being received timely if it is received during the 90-day cure period.

K. Medi-Cal after CalWORKs is Denied or Discontinued

When a family or child(ren) are denied or discontinued from CalWORKs, HSSs must determine if continued Medi-Cal eligibility exists. Refer to Medi-Cal Processing Guide 40 for procedural guidance on evaluating Medi-Cal when CalWORKs is denied or discontinued.

Note: During the evaluation process, customers may be transitioned into Edwards v. Kizer aid code 38 while the evaluation for continued Medi-Cal eligibility is being processed. Refer to Desk Aid 121 for guidance on determining if an ex parte is required and whether a customer should be placed in aid code 38.

L. TMC and FMC Aid Codes

Program	Full Benefits Aid Code	Pregnancy-Related (including dental and mental health), Emergency, and Long-Term Care Benefits
TMC- Initial Period	39	3T
TMC- Second Period	59	5T
Four-Month Continuing	54	5W

Action:
Staff must apply the policies in is MPG section when a customer is denied or discontinued from CalWORKs.

Program Impacts:
Refer to CalWORKs PG (CPG) 40-100.F for policy guidance on continuing benefits when CalWORKs ceases.

Automation
Refer to How-To #404: Establishing Prior Aid Code for Transitional Medi-Cal Cases for guidance on entering the proper information necessary for CalWIN to determine TMC eligibility for TMC cases.

References:
ACWDLs 01-36, 09-27, 91-66, 91-79, 96-19, 11-33, 14-05, 14-18, 14-28, 14-31, 14-41, 14-41E, 17-03, 19-23, 21-27

Sunset Date:
This policy will be reviewed for continuance by 06/30/2025.

Approval for Release:

Rick Wanne, Director
Self-Sufficiency Services