

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

December 09, 2013

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

Effective Upon receipt

Reference MEDIL I 13 - 12

Purpose To inform staff of:

- Eligibility requirements for MAGI Medi-Cal and Advance Premium Tax Credit (APTC) programs.
- Special processing requirement for Disability Determination Services Division (DDSD) cases.

Instructions will be provided in future program material on:

- County Medical Services (CMS)
 - Low Income Health Program (LIHP)
 - Refugee Medi-Cal Assistance (RMA)
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Background MPG [SN 13-09](#) provided HCR requirements that affected our application business process and LIHP transition information to Medi-Cal.

Under Health Care Reform, also known as the Affordable Care Act, eligibility to the expanded Medi-Cal programs and APTC will be calculated using a household's Modified Adjusted Gross Income (MAGI).

Beginning January 1, 2014, single adults without children, ages 19-64, with income at or below 138% of the Federal Poverty Level (FPL), will be eligible to MAGI Medi-Cal. Enrollment began October 1, 2013; if eligible, coverage starts as soon as January 1, 2014.

If income exceeds 138% FPL, but is under 400% FPL, individuals may qualify for APTC. APTC is a federal assistance program used to assist individuals and families obtain health insurance by reducing the monthly premium amount. Covered California offers four different

health plan levels that provides a range of premiums and benefit levels with the applicants' share of health care costs ranging from 10% - 40%. These are:

- Platinum
- Gold
- Silver
- Bronze

If enrolled in a silver-level Covered California health plan and their income is above 138% FPL but under 250% FPL, consumers may also receive cost-sharing reductions (CSR).

If an application is submitted to the County, HSS staff are responsible for processing APTC/ CSR applications prior to transferring case information and/or documents to Covered California.

California Healthcare, Eligibility, Enrollment, and Retention System (CalHEERS) is a new web-based portal for applications for MAGI and APTC programs. CalHEERS is used by Covered California and all California Counties. It is expected that effective January 1, 2014, CalHEERS and CalWIN will interface with worker entries completed in CalWIN. The Business Rules Engine (BRE) in CalHEERS is similar to EDBC in CalWIN, with the addition of calling the federal data hub. The program rules are programmed into the BRE to evaluate income and household composition and determine eligibility to the various extended programs. The BRE will call the federal data hub to electronically verify certain data elements reported by the client.

**Required
Action**

If an application for Medi-Cal is dated prior to January 1, 2014, the HSS must evaluate the application for the current Medi-Cal programs. If not eligible to current Medi-Cal, HSS must evaluate for the expanded health care programs.

This evaluation includes:

- Applications assigned to Health Care Reform (HCR) specialized caseload banks
- Applicant immigrants under 5 years of legal permanent resident status who do not qualify for LIHP due to immigration status
- DDSD pending applications that are currently not eligible to Medi-Cal or LIHP

Refer to Processing Guide 11- CalHEERS Application Processing for detailed instructions.

Applications dated January 1, 2014 and later will first be evaluated

under MAGI rules.

Non-MAGI Medi-Cal

Non-MAGI Non-MAGI Medi-Cal is the new term for the existing Medi-Cal programs that will not follow MAGI rules. Asset tests will continue to be required for non-MAGI Medi-Cal.

Undocumented immigrants remain eligible for emergency assistance and restricted scope Medi-Cal if all eligibility requirements are met.

Minor consent continues to exist. There are no changes in eligibility rules for this program at this time.

Sneede v. Kizer continues to apply to the non-MAGI Medically Needy program.

Non-MAGI Categories

Non-MAGI categories includes:

- Supplemental Security Income (SSI)
 - Foster Care
 - Aged (65 or over), Blind, Disabled
 - Long Term Care (LTC)
 - Home and Community Based Waiver
 - Medically Needy (MN)
 - 250% Working Disabled
 - Disabled Adult Child not entitled to Medicare
 - Pickle Program
 - CalWORKs deemed eligible
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MAGI Medi-Cal

MAGI Under MAGI eligibility, the asset test, linkage and deprivation requirements are eliminated.

Below is a table of the MAGI Medi-Cal groups and the new adult category:

MAGI Group	Description
Childless Adults	Individuals between 19 and 64 years of age

Parents and Caretaker Relatives	Parents and caretaker relatives with a dependent child
Children	Infants and children under age 19
Pregnant Women	Pregnant and post-partum women for pregnancy services or full scope benefits

Open enrollment periods do not apply to MAGI Medi-Cal, which can be applied for at any time.

Federal Data Hub

The CalHEERS BRE automatically interfaces with the hub to verify certain data elements. The hub is not a separate system from CalHEERS. The purpose of the hub is to improve reliability.

For MAGI Medi-Cal, the hub will attempt to verify:

- Citizenship
- SSN
- Income

Hub results will either be “Reasonably Compatible” or “Not Reasonably Compatible” for each requirement.

Requirement	If “not reasonably compatible” then ...	If “reasonably compatible” then ...
Citizenship	paper verification of citizenship is required.	No further verification is required.
SSN	verification of SSN is required.	
Income	paper verification of income is required.	

Citizenship:

An individual must be a US Citizen or an Eligible Non-Citizen to receive full scope MAGI Medi-Cal. Current Citizenship and verification requirements will follow existing Medi-Cal rules. Refer to [MPG 07.02.02](#) for a list of acceptable verifications.

SSN:

As a condition of eligibility to full scope MAGI Medi-Cal, each applicant is required to provide a SSN. SSN and verification requirements follow existing Medi-Cal rules. Refer to [MPG 04.11](#) for a list of acceptable verifications.

Note: All current *ex parte* requirements remain the same. If the federal data hub returns a “not reasonably compatible” finding, an *ex parte* review of all available information and verifications already

available to the county must be conducted prior to requesting additional verification. Each *ex parte* review must be documented in case comments. Refer to [MPG 04.07.12](#) for information on the *ex parte* process.

Immigrants

Immigrants eligible to Full-Scope Medi-Cal are:

- Lawful Permanent Residents (LPR's)
- Permanent Residence Under Color of Law (PRUCOL)
- Asylees
- Refugees
- Cuban and Haitian entrants
- Certain battered spouses and children
- Victims of Trafficking
- Individuals granted conditional entry
- Individuals granted withholding of deportation/ removal
- Individuals paroled into the U.S. for at least one year

Qualified Immigrants under 5 years of Legal Permanent Resident status are eligible to receive state-only full-scope Medi-Cal.

Undocumented Immigrants:

- Adults and children will be included in the MAGI Medi-Cal expansion.
- If all other eligibility requirements are met, undocumented immigrants will continue to receive:
 - a) Restricted/ limited scope benefits including State funded Long Term Care (LTC)
 - b) Pregnancy –related services for:
 1. Prenatal care
 2. Labor and delivery
 3. Up to 60 days of post-partum care
 4. Family planning services
- Immigrants with temporary status, temporary visas or those who do not intend to stay permanently such as foreign visitors and students are typically not eligible unless they establish that they intend to reside in California permanently and they meet all other eligibility requirements. If eligible to MAGI Medi-Cal, they may be eligible to the same level of benefits as undocumented aliens.

Self-Attestation

Self-attestation is when an individual is stating that something is true.

Unless questionable, self-attestation is acceptable for MAGI Medi-Cal for:

- Age
- Date of birth
- Family size
- Pregnancy

Self- attestation is not allowed for MAGI Medi-Cal for residency or income (unless income is reasonably compatible with the hub).

Residency

To be eligible, an individual must be a resident of California with the intent to reside.

Residency and verification requirements will follow existing Medi-Cal rules. Refer to [MPG 04.07.05](#) for acceptable residency verification.

Other Documents and Verifications

Current Medi-Cal program requirements for accepting other documents and verifications will still be required for MAGI Medi-Cal, unless otherwise specified.

Eligibility forms such as the MC 13 Statement of Citizenship, CW 2.1 N A Child Support Notice & Agreement, CW 2.1Q Support Questionnaire, etc. will still be required for MAGI Medi-Cal.

Disability Determination Service Division (DDSD)

The DDSD disability compliance process is only related to non-MAGI Medi-Cal. If a client claims disability and is approved for MAGI, the worker will attempt to obtain a DDSD packet. If the applicant refuses to comply or does not comply with the DDSD process, it does not impact their MAGI eligibility.

Current DDSD pending applications cannot be denied if approved for MAGI Medi-Cal. A final DDSD state evaluation must be received and processed prior to HSS taking action on the DDSD case.

Determining Household Composition

Household composition under MAGI methodology is determined differently from non-MAGI Medi-Cal rules.

The following categories need to be identified to determine the size of the MAGI household composition:

- Tax filer
- Tax dependent
- Non-tax filers

If the individual is	Then, the MAGI household includes ...
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the ...	
Tax filer	tax filer and his/ her tax dependents.
Tax dependent	<p>the same individuals as in the household of the tax filer who claimed the tax dependent.</p> <p>Note: The tax dependent rule does not apply to:</p> <ul style="list-style-type: none"> • Tax dependents who are not the children, or spouse of the tax filer • Common children living with both parents who file separately • Children claimed as tax dependent by a non-custodial parent <p>If the above exemptions apply, follow the non-tax filers rules below.</p>
Non-tax filers	adult individual and:
	<ul style="list-style-type: none"> • His/ her spouse • Their natural, adopted and/or step children
	<p>child plus:</p> <ul style="list-style-type: none"> • His/her natural, adopted, and/or step parent • Their natural, adopted, and/or step minor siblings
	Rules for non-filers mirror those for filers

Married couples:

Married couples living together are included in each other's household regardless of their filing status.

Sneede v. Kizer:

Sneede v. Kizer rules do not apply under MAGI Medi-Cal. When determining eligibility for MAGI Medi-Cal, the parent-for-child rules that apply to Medi-Cal will also extend to step-parents. If the step-parent is in the same tax filing household as the stepchild, the step-parent's income **is** counted towards the stepchild for MAGI Medi-Cal purposes.

Determining Income

Income countable for tax purposes will be used to determine eligibility to MAGI Medi-Cal.

To be eligible for MAGI Medi-Cal the applicant's total countable income must be within the following Federal Poverty Levels (FPLs):

MAGI Group	FPL
Childless Adults	Up to 138% FPL
Parents and Caretaker Relatives	Up to 138% FPL

Children	Up to 250% FPL
Pregnant Women	0-138% FPL (full scope) 139% - 200% FPL (pregnancy services only)

Income and income deductions:

Many of the same expense deductions allowed on an income tax return for both self-employment and employer-based taxes are also allowed for MAGI Medi-Cal.

Desk Aid 56: Income and Income Deductions provides a comparison of income and deductions for non- MAGI, MAGI and APTC.

Exempt income:

Many of the income exemptions listed in [MPG 10.3](#), will exist under MAGI rules as long as the income is exempt for tax filing purposes. The following income types are also exempt from MAGI income evaluations:

- Child support received
- Veteran’s Benefits
- Educational Assistance

Unconditionally available income:

Applying for unconditionally available income continues to be a requirement for MAGI Medi-Cal.

If the applicant submits ...	Then verification of application for the unconditionally available income ...
the MC 210, SAWS 2, SAWS 2 Plus or MC 321	is required
the single streamlined application	is not required as DHCS will accept the single streamlined application attestation that the applicant has applied for unconditionally available income based on the Rights & Responsibilities section on the application.

Income Verification:

If verification of income is returned from the hub as “Not Reasonably Compatible” then verification is needed.

Note: *Ex parte* review shall be conducted prior to requesting additional verifications.

Acceptable types of verification have not changed. Refer to [MPG 04.07.02](#).

Self-Employment Income:

The hub may also verify taxable self-employment income.

If individual has ...	Then the worker will determine self-employment income by...
worked long enough to file a federal tax return for the previous year and it represents their current income	using income and deductions claimed on the previous year's taxes (1040, line 12 of schedule C)
worked for less than a year at the business, or not long enough to file a tax return in the previous year, or the tax returns do not reflect current income	<ul style="list-style-type: none"> • adding together gross self-employment income and any profit made from selling business property or equipment over the period of time the business has been in operation within the last year • subtracting business expenses allowed by the Internal Revenue Service

Establishing the Date of Application

The date of application for MAGI Medi-Cal benefits shall be established using the following guidelines based on date received by Covered California from applicant:

If application is submitted...	Then the date of application will be the...
to Covered California and sent to the County as a Quick Sort transfer	<p>date that application is transferred by Covered California.</p> <p><i>Example:</i> Covered California received a call from an applicant on Friday, 10/11/13 at 6pm. Applicant was Quick Sort transferred to San Diego County same day. Date of application will be 10/11/2013</p>
on-line in CalHEERS	<p>date the application was submitted to Covered California.</p> <p><i>Example:</i> Application was submitted electronically through Covered California on Saturday, 10/12/2013. Date of application will be 10/12/2013.</p>
By all other pathways	<p>date of application will follow current application process.</p> <p><i>Example:</i> Application is received at FRC</p>

	<p>as face-to-face. The date of application will be the date the applicant submitted the application to that FRC.</p> <p>Example: Application is received via My Benefits CalWIN. Date of application will follow established processing guidelines. Refer to Medi-Cal SN 10-17 Electronic Medi-Cal and Food Stamp Applications-Phase 2- Benefits CalWIN and One E-App</p>
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Request for Additional Information/ Verification

Timeframe to request additional verifications remain the same including following *ex parte* requirements. Refer to [MPG 04.07.12](#) for process requirements.

Processing Deadlines

Processing deadlines remain the same.

If the application is ...	Then it must be processed within ...
a regular application	45 days
based on disability	90 days

Refer to [MPG 04.02.17 B](#)

Advance Premium Tax Credit Programs

APTC and CSR

APTC helps reduce insurance costs for individuals and families. It may be taken in advance or when taxes are filed. Eligibility for the credit is determined based on the information provided by the applicant.

Starting January 1, 2014, any individual who meets the following requirements may be eligible for APTC:

- No other Health Coverage including Medi-Cal (and no offer of affordable employer coverage)
- Resident of California
- Citizenship/ Immigration
- Household Composition
- Social Security Number
- Income 139% to 400% of FPL

Applicants must file a tax return for the year in which they receive the credit.

Example: if a client receives a premium tax credit in 2014, the client must file a 2014 tax return in spring 2015.

Cost Sharing Reductions (CSR) can provide assistance in paying out-of-pocket costs like deductibles and co-pays.

Enrollment Period

Applicants must apply for benefits during Open Enrollment or experience a qualifying life event.

The initial Open Enrollment started October 1, 2013 and runs through March 31, 2014. If they have enrolled by December 15, 2013, coverage may begin as soon as January 1, 2014. Starting in 2014, annual Open Enrollment will be October 15 through December 7.

A qualifying life event is when an applicant has a life change that may impact eligibility such as:

- Birth of a child
 - Moving to a new state
 - Marriage or divorce
 - Loss of Minimum Essential Coverage
 - Moving to a new plan area
 - Release from incarceration
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Citizenship

To be eligible to APTC, applicants must be U.S. Citizens or Legal Permanent Residents. Undocumented aliens are not eligible to APTC.

Undocumented parents of citizen or lawfully present children are eligible for APTC and subsidies on behalf of their children but not for themselves, if the parents file taxes.

Self-Attestation

Unless questionable, self- attestation is acceptable for:

- Age
 - Date of birth
 - Family size
 - Household income
 - Residency
 - Pregnancy
-

Federal Data Hub

For APTC, the hub will attempt to verify:

- Citizenship
- SSN

- Income

Hub results will either be “Reasonably Compatible” or “Not Reasonably Compatible” for each requirement.

Requirement	If “Not Reasonably Compatible” then ...	If “reasonably compatible” then ...
Citizenship	paper verification of citizenship is required.	No further verification is required
SSN	verification of SSN is required.	
Income	paper verification of income is required.	

Household Income

Countable and excluded income for the APTC program are the same as they are for MAGI Medi-Cal.

Household Composition

While countable and excluded income are based on the same factors for APTC and MAGI Medi-Cal, they may differ for each household based on the members counted in the APTC unit vs. the MAGI Medi-Cal unit.

For APTC/SCR, the household composition is based on the taxpayer and all of his/her claimed tax dependents.

Note: Applicants are ineligible to APTC if they are legally married-filing separately, whether living together or not.

Impact

Aid Codes

A final listing of aid codes will be provided once received from DHCS.

Appeals Impact

A client has the right to request an appeal on any actions taken that affect Medi-Cal eligibility. Appeals will not conduct appeals for APTC and CSR cases.

Automation Impact

The processing of a MAGI/APTC case must be completed in CalHEERS until the CalWIN and CalHEERS interface is available.

Forms Impact Refer to [Medi-Cal SN 13-09 Health Care Reform Medi-Cal and Low Income Health Program](#) for forms impact.

ACCESS Impact No Impact

Imaging Impact Refer to [Medi-Cal SN 13-09 Health Care Reform Medi-Cal and Low Income Health Program](#) for imaging impact.

CalFresh or CalWORKs Program Impact CalWORKs and CalFresh Program will issue guidance under separate cover when information becomes available from the California Department of Social Services (CDSS).

Quality Control (QC) Impact Effective with the January 2014 review month, QC will cite the appropriate error on any case that does not comply with the requirements outlined in this letter.

Approval for Release

EM