CalHHS | DHCS

ISSUE BRIEF

MARCH 2024

California's Journey with Medi-Cal Redeterminations

California began eligibility renewal activities on April 1, 2023, for Medi-Cal (California's Medicaid program) members with a June 2023 renewal date. The unwinding renewal period lasts for 12 months. The first Medi-Cal terminations occurred on July 1, 2023.

California implemented 17 flexibilities approved by the federal Centers for Medicare & Medicaid Services (CMS) through Section 1902(e)14(A) authority or under existing federal Medicaid law to streamline enrollment and keep individuals in coverage as the Medi-Cal redetermination process restarted. These flexibilities include many income-based and administrative waivers and flexibilities that help ease the Medi-Cal member journey through the redetermination process.

In August 2023, California partnered with the United States Digital Services (USDS) to automate income-based waivers in eligibility and enrollment systems, which increased **California's ex parte[1] rates significantly from an average of 34 percent from June to November to 66 percent in December 2023** (month six of the continuous coverage unwinding).

[1] An ex parte renewal is a redetermination of eligibility that states can make based on reliable information available to the agency without requiring information from the individual.

With the increase in ex parte, California's overall Medi-Cal disenrollments dropped from 19-21 percent to 9 percent in December. This dramatic improvement was a direct output of the technical assistance received from USDS from August to September 2023 that identified key strategies and quick implementation steps to automate federal unwinding waivers that would net the largest impact for Medi-Cal redeterminations.

The key waivers that contributed to the dramatic increase in the ex parte rates include:

- 100 percent federal poverty level (FPL) income waiver and zero income waiver: These waivers assist counties with streamlining case processing for Medi-Cal members who have reported or will report income less than or equal to 100 percent FPL or no/zero income, allowing counties to complete, through the waiver period, the income determination without requesting additional income information, documentation, or a signed affidavit when certain criteria are met.
- Stable income waiver: This waiver assists counties with streamlining case processing for members who have reported and continue to report stable sources of income (i.e., retirement, pension income, etc.). This flexibility allows counties to complete, through the waiver period, the income determination for ex parte annual renewals for Non-Modified Adjusted Gross Income (MAGI) Medi-Cal during the continuous coverage unwinding period without requesting additional income information, documentation, or a signed affidavit when certain criteria are met.

The full list of California's federal waivers and flexibilities can be found in *Appendix A* within this document.

CALIFORNIA USED OTHER FEDERAL WAIVERS AND FLEXIBILITIES THAT IMPACTED MEDI-CAL MEMBERS:

- Renewing Medi-Cal members through ex parte even after a renewal packet is sent to a Medi-Cal member. This is especially critical for Non-MAGI Medi-Cal members, whose income verifications from electronic sources often takes weeks to return with a response. Counties can use this flexibility to renew these members without having to wait for the renewal packet to return. This helps to minimize procedural terminations.

- Renewing eligibility based on available information and establishing a new eligibility period whenever contact is made with hard-to-reach populations (such as updating their address, which typically would not qualify as a Medi-Cal verification for purposes of eligibility). This helps to prevent coverage loss and gaps for individuals experiencing homelessness or older individuals who have a harder time providing this information to the county.

- Partnering with the National Change of Address (NCOA) Database and United States Postal Service (USPS) In-State Forwarding Address to update member contact information. This helps to ease both member and county administrative burden to establishing contact and preventing a loss in coverage.

- Extending the timeframe for members to request a State Fair Hearing from 90 to 120 days.

CALIFORNIA'S ENGAGEMENT WITH USDS ALLOWED THE STATE TO ITERATE AND FURTHER REFINE STRATEGIES WHILE LEVERAGING OUTSIDE EXPERTISE:

- From August through September 2023, California collaborated with USDS through a seven-week engagement to look at immediate and long-term approaches and digital solutions to decrease administrative hurdles in the Medi-Cal redetermination journey.

- USDS' technical assistance was provided in support of the federal Executive Order on Transforming Federal Customer Experience and Service Delivery to Rebuild Trust in Government and through an interagency charter between the federal Office of Management and Budget and the United States Department of Health and Human Services on the Facing a Financial Shock Designated Life Experience.

- In August 2023, USDS met with California's policy and system teams in Sacramento to focus on identifying key strategies in two workstreams, improvements in the ex parte process and non-ex parte-related processes to decrease the administrative churn for the disenrolled.

- In the first phase of the engagement, USDS took a holistic data-driven analysis of California's ex parte renewal determination logic through gathering existing data from the state and reviewing related eligibility system information. Through this process, USDS identified opportunities to improve the steps in the ex parte renewal process that would have the greatest impact on the ex parte renewal rate and looked concretely at policy and system "blockers" to enable quick wins.

- USDS led virtual and in person sessions, with state policy and system subject matter experts, and their own in-house engineers and designers to brainstorm and co-design opportunities, specifically focusing on delivering quick viable solutions to automate California's existing continuous coverage unwinding federal waivers (zero and 100 percent FPL waivers) which were previously operationalized manually by county offices prior to August 2023.

- Through this engagement, USDS provided engineering and system design support to the state policy team and state's system vendor teams to expedite implementation timelines.

- California was able to implement this system change within weeks of the USDS engagement (in late September 2023) for the cohort of Medi-Cal members that were coming up for a December 2023 renewal. This change improved California's ex parte rate from an average of 34 percent to 66 percent for the December 2023 month of eligibility, and decreased the Medi-Cal disenrollment rate from the 19-21 percent on a monthly basis to 9 percent in December 2023.

- USDS also identified key opportunities related to the Medicaid member journey by conducting in-person interviews with a local San Francisco-based Health Enrollment Navigator that is currently a grant recipient of the Department of Health Care Services' (DHCS) Health Enrollment Navigators Project. Through this visit, USDS learned of the pain points, user journeys, and member experience through the navigators' lens, and identified key workflow improvements to make the process much more efficient for Medi-Cal members and community-based organizations.

- California adopted the USDS recommendation of optimizing member outreach strategies by navigators and began delivering additional data feeds between DHCS and navigator entities to facilitate more tailored outreach to Medi-Cal members who have an upcoming renewal, or have been disenrolled. This approach, in effect, helped with renewal completion rates and provided DHCS with improved insight into the renewal experience for both community-based organizations and Medi-Cal members.

CALIFORNIA LEARNED SEVERAL IMPORTANT LESSONS THROUGH THIS PROCESS, ALLOWING THE STATE TO BE NIMBLE AND ITERATIVE.

- Extensive operational planning prior to the start of the continuous coverage unwinding prepared California for consistent performance:

  - California published the nation's first Unwinding Operational Plan in April 2022. The Medi-Cal COVID-19 Public Health Emergency and Continuous Coverage Operational Unwinding Plan details California's strategy for resuming normal Medi-Cal operations, including the redetermination strategy and various policy flexibilities that DHCS is using to facilitate unwinding efforts.
  - California conducted seven designated statewide eligibility trainings for county partners from May through September 2022. Each training session included more than 1,500 county eligibility workers. All trainings were recorded and provided to counties for future in-house trainings for new county staff or policy refreshers.
  - California also required the submission of County Readiness Assessments from all 58 county agencies in February 2023 to assess readiness in the areas of workforce, staff training, lobby management, call center, and outreach.
  - California published the Continuous Coverage Unwinding County Readiness Plan Summary to lift county best practices as part of this assessment.
  - All planning efforts resulted in zero findings in CMS review and CMS deeming California fully compliant with renewal requirements.
    - CMS Summary of State Mitigation Strategies for Complying with Medicaid Renewal Requirements
  - California conducted a 58-county tour (remote/in-person) from September through December 2023 to meet with county offices to discuss operational pain points and potential policy and system opportunities for improvement.

- Quick adoption and the automation of critical federal waivers that expanded the use of ex parte helped to decrease procedural terminations for Medi-Cal's most vulnerable:
  - Medi-Cal eligible members who are experiencing homelessness (and therefore unlikely to receive a renewal packet).

- Individuals with income at or below 100 percent of the FPL.
- Individuals with certain types of stable income, such as Social Security payments and disability payments, which includes many members in Non-MAGI, or more commonly referred to as the seniors and persons with disabilities coverage group.

- Understanding redetermination outcomes through data:
    - As part of the data oversight of the continuous coverage unwinding, California publishes a monthly interactive dashboard that tracks total Medi-Cal enrollment, applications from different submission pathways, and redetermination outcomes. The dashboard breaks down Medi-Cal demographic data by race/ethnicity, gender, age, and primary written language, which helps DHCS understand areas of disparity and identify key opportunities for process improvements.

- Meeting Medi-Cal members where they are:
    - In February 2022, California created a new DHCS Coverage Ambassador program to provide all interested organizations with tools to educate and engage their community members on updating their contact information with their local county offices in preparation for the unwinding. DHCS provided resources and regular updates on unwinding for Coverage Ambassadors to share with their community members. In 2022, DHCS had a more than 12 percent returned mail rate. In May 2023, the percentage of returned mail decreased to 8 percent. Coverage Ambassadors are trusted messengers from organizations who can reach members in culturally and linguistically appropriate ways. Coverage Ambassadors also connect Medi-Cal members at the local level with targeted and impactful communications. As of February 2024, there are nearly 5,700 DHCS Coverage Ambassadors.
    - In February 2023, California launched a statewide media campaign in all 19 Medi-Cal threshold languages to help Californians keep their Medi-Cal coverage. The campaign includes direct email and text messages to members alerting them of their renewal month, paid media outreach, and a resource hub (Keep your Community Covered) of new materials and toolkits (flyers, sample letters, social media graphics, etc.) for Coverage Ambassadors and Health Enrollment Navigators, as well as counties, Medi-Cal managed care plans, and other partners to leverage.

APPENDIX A:
FULL LIST OF CALIFORNIA'S FEDERAL UNWINDING WAIVERS AND FLEXIBILITIES

Income-based waivers/flexibilities:

- Renew Medicaid eligibility for individuals with no income and no data returned on an ex parte basis.
- Renew Medicaid eligibility for individuals with income at or below 100 percent FPL and no data returned on an ex parte basis.
- Renew Medicaid eligibility for individuals with only Title II or other stable sources of income (e.g., Social Security, pension income) without checking required data sources.
- Increased reasonable compatibility threshold by 20 percent.

Administrative waivers/ flexibilities:

- Renew Medicaid for individuals for whom information from the Asset Verification System (AVS) is not returned or is not returned within a reasonable timeframe
- Renew Medicaid eligibility without regard to the asset test for Non-MAGI members who are subject to an asset test.
- Renew Medi-Cal members through ex parte even after a renewal packet is sent to a Medi-Cal member.
- Suspend the requirement to apply for other benefits.
- Suspend the requirement to cooperate with child support agencies in establishing the identity of a child's parents and in obtaining medical support.
- Renew eligibility if able to do so based on available information, and establish a new eligibility period whenever contact is made with hard-to-reach populations.
- Use Medi-Cal managed care plans and all available outreach modalities (phone call, email, text) to contact members when renewal forms are mailed and when they should have received them by mail.
- Reinstate eligibility effective on the individual's prior termination date for individuals who were disenrolled based on a procedural reason and are subsequently redetermined eligible for Medicaid during a 90-day reconsideration period.
- Partner with NCOA Database and USPS in-state forwarding address to update member contact information.

- Partner with Program of All-Incisive Care for the Elderly (PACE) organizations to update member contact information.
- Extend timeframe for Medicaid members to request a State Fair Hearing from 90 to 120 days.
- Extend timeframe to take final administrative action on State Fair Hearing requests from 90 to 120 days.
- Expand allowance of reasonable explanation: Permit an applicant or Medi-Cal member to provide a reasonable explanation on why their self-attested information did not align with electronic verification sources to complete the Medi-Cal eligibility determination without requiring an income verification.