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REPRESENTING SENATE DISTRICT 05

SB 299 – Preserving Medi-Cal Coverage

SUMMARY

Current Medi-Cal state law known as the “loss-of-contact” rule, requires county eligibility workers to automatically send a notice of action terminating a Medi-Cal beneficiary’s Medi-Cal case if the county receives returned mail. In this case, the current statute does not require the county to make other attempts to contact the beneficiary based on other information the county may have in the file, and it uses the same method of contact for the notice of termination that has already failed to reach the beneficiary.

BACKGROUND

This August, the federal Centers for Medicare and Medicaid Services (CMS) issued a Notice of Proposed Rulemaking intended to streamline eligibility determinations, enrollment, and retention for the Medicaid and Children’s Health Initiative Programs. In California, these programs are consolidated into the Medi-Cal program. One key change that would benefit Medi-Cal beneficiaries is that when the counties get mail returned due to change in address, the proposed regulations outline additional requirements before terminating coverage for a beneficiary. These requirements include checking with other sources the county has access to (e.g. the beneficiary’s CalFresh file or managed care plan) and requiring an additional form of contact to the beneficiary besides mail.

Although these changes are not yet finalized in the federal rule, they align with recent CMS requirements regarding the end of the public health emergency and the end of the Medicaid continuous eligibility requirement that kept all Medi-Cal beneficiaries covered during COVID-19. In this context, CMS is requiring states to use a good-faith effort to contact beneficiaries for whom they have received returned mail and to use more than one modality to attempt to contact beneficiaries prior to terminating their coverage.

Furthermore, recent Department of Health Care Services guidance interprets the remainder of the existing statute to require county workers to at least review information in the beneficiary’s case file and available electronic databases, even when mail is returned as undeliverable.

THIS BILL

SB 299 would delete the requirement that county eligibility workers automatically terminate a beneficiary’s Medi-Cal coverage when mail is returned to the county as undeliverable. This would conform state law with the direction state and federal agencies are going to ensure that county workers try other available means to contact Medi-Cal beneficiaries in order to preserve their Medi-Cal coverage.

FOR MORE INFORMATION

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