



*California's Protection & Advocacy System  
Toll-Free (800) 776-5746*

## Applying for Medi-Cal & Other Insurance Affordability Programs

---

*March 2014, Pub #5550.01*

Medi-Cal is a health insurance program for people with limited income. The Affordable Care Act (ACA) made some helpful changes to Medi-Cal to make more people eligible. The ACA also created health benefit marketplaces (exchanges) to help people get health care coverage if they do not have it already. The California marketplace is called Covered California. Covered California has insurance affordability programs to help people pay for health care. For some insurance affordability programs like Medi-Cal, Covered California now handles some eligibility decisions while other agencies, including county Medi-Cal offices, still handle the rest.

Under the ACA there is a Single Streamlined Application (SSApp) for Covered California plans and insurance affordability programs including Medi-Cal. People can now apply for Medi-Cal either through Covered California or through the county Medi-Cal office (or the Social Security Administration for SSI recipients). However, Covered California may refer some applications to the county Medi-Cal office for further processing. Likewise, county Medi-Cal offices need to process some Medi-Cal applications through the Covered California computer system.

While the Single Streamlined Application can be used to apply for Medi-Cal, it is not a complete application for all Medi-Cal programs. Sometimes it is best to use only the Single Streamlined Application, sometimes it is best to use the Single Streamlined Application with supplemental forms, and sometimes it is best to use an entirely different application form. It all depends on where you apply for Medi-Cal and which Medi-Cal program you are applying for.

Covered California and the county Medi-Cal offices have to coordinate their handling of Medi-Cal applications. California has established a new computer system to handle eligibility for all of the insurance affordability programs offered through Covered California including some Medi-Cal programs. This system is called CalHEERS (California Healthcare Eligibility, Enrollment and Retention System). CalHEERS works together with other state and county computer systems to help Covered California and the county Medi-Cal offices decide if you are eligible for Medi-Cal.

This memo will describe the various insurance affordability programs including Medi-Cal, how to apply for the various programs, and how the applications are processed by Covered California and the county Medi-Cal offices using the various application forms and computer systems.

## **Eligibility for Affordable Care Act (ACA) insurance affordability programs**

ACA Insurance affordability programs. Several insurance affordability programs are offered through Covered California to individuals with incomes below 400% of the federal poverty level (FPL). Insurance affordability programs offered through Covered California are the Advance Premium Tax Credit (APTC) and Cost-Sharing Reduction (CSR). APTC helps pay monthly premiums for health care coverage. CSR helps pay deductibles, coinsurance, and other costs for medical care. Other insurance affordability programs such as Medi-Cal are administered by county Medi-Cal offices or the California Department of Health Care Services (DHCS). However, you can apply for Medi-Cal through either Covered California or the county Medi-Cal office. If you receive SSI or CalWORKs, you get Medi-Cal automatically—you do not have to file a separate application.

The Affordable Care Act (ACA) lists the following insurance affordability programs:

1. Medicaid (Medi-Cal in California)
2. Children's Health Insurance Program (CHIP)
3. Advance Premium Tax Credit (APTC)
4. Cost-Sharing Reduction (CSR)

MAGI—Modified Adjusted Gross Income. Many Medi-Cal programs and all of the other ACA insurance affordability programs use a simplified income calculation called MAGI to determine your financial eligibility for the programs. MAGI means Modified Adjusted Gross Income. There is no asset test under MAGI. MAGI is the same as the adjusted gross income from your tax return with certain other income added back in. The most important income added back in is the part of your Social Security benefits not subject to income tax. There are also a few exclusions from income for people applying for MAGI Medi-Cal. The most common one is for scholarships, awards, or fellowship grants used to pay for education and not for living expenses. A good, simple description of the MAGI income rules can be found on the U.C. Berkeley Labor Center website at this link: [http://laborcenter.berkeley.edu/healthcare/MAGI\\_summary13.pdf](http://laborcenter.berkeley.edu/healthcare/MAGI_summary13.pdf).

### Medi-Cal/CHIP

Medi-Cal provides health insurance for people with low incomes. CHIP (Children's Health Insurance Program) provides health insurance funding for children with low incomes who do not qualify for Medicaid. The ACA requires that certain parts of the Medi-Cal program, and all of the CHIP program, use MAGI to determine financial eligibility. The rest of the Medi-Cal program uses non-MAGI rules that were used to calculate financial eligibility for Medi-Cal before the ACA became law.

MAGI Medi-Cal. MAGI Medi-Cal means the Medi-Cal programs that use MAGI methodology to calculate financial eligibility. MAGI is used to calculate Medi-Cal eligibility for the new adult expansion group with incomes below 138% of the federal poverty level (FPL). MAGI is also used to determine Medi-Cal eligibility for most of the family groups that used to have eligibility calculated under Section 1931(b) or under the various "percent" programs. The Section 1931(b) categories are the modified Aid to Families to Dependent Children (AFDC) categories that were established when the AFDC cash grant was abolished as of January 1998. The percent programs are the various categories that were used to determine eligibility for various groups based on the FPL.

The following are the MAGI Medi-Cal groups:

1. New adult expansion group (up to 138% FPL):
  - a. Age 19 or older and under age 65
  - b. Not pregnant
  - c. Not entitled to or enrolled in Medicare Part A or Part B
  - d. Not otherwise eligible for and enrolled for mandatory coverage under a Medicaid (Medi-Cal in California) State Plan
2. Parent or caretaker relative (up to 109% FPL)
3. Pregnant—full scope benefits (up to 60% FPL)
4. Pregnant—limited scope benefits (up to 213% FPL)
5. Infant up to age 1 (up to 208% FPL)
6. Child age 1-6 (up to 142% FPL)
7. Child age 6-19 (up to 133% FPL)
8. OTLIC—Optional Targeted Low-Income Children (CHIP program—up to 266% FPL)

See “Attachment A” of this memo for a chart listing the various MAGI Medi-Cal and CHIP programs.

CHIP. In addition, Children up to age 1 with incomes up to 322% FPL can receive MAGI-based benefits under the AIM-Linked Infant and Children’s Program (ALICP). This is part of California’s CHIP program but is not administered through Medi-Cal. The remainder of California’s CHIP program is administered through Medi-Cal as the OTLIC program. These programs replaced California’s Healthy Families Program (HFP) in 2013.

Non-MAGI Medi-Cal. Not all Medi-Cal groups were converted to MAGI Medi-Cal. The following groups do not use MAGI to calculate financial eligibility. They use the financial eligibility rules that predate the ACA. They are referred to as pre-ACA Medi-Cal groups.

The following are most of the remaining pre-ACA Medi-Cal groups:

1. Cash grant recipients—SSI/SSP and CalWORKs
2. SPD—Seniors (65 or older) and people with disabilities
3. MN—Medically Needy (share of cost & no share of cost)
4. Medicare Savings (QMB, SLMB, QI)
5. Foster care/adoption assistance

6. Breast and Cervical Cancer Program (BCCP)
7. State-only Medi-Cal groups

There are also Medi-Cal groups that do not use income in determining eligibility. Therefore, these groups do not use MAGI. These include:

1. FFCC—Former Foster Care Children up to age 26
2. Various presumptive eligibility (PE) groups
3. Various deemed eligibility groups such as continuous eligibility for children (CEC) and continuous eligibility for pregnant women
4. Express Lane Eligibility for individuals who qualify for CalFresh
5. Transitional Medi-Cal (TMC)
6. 4-month continuing eligibility

#### APTC—Advance Premium Tax Credit

APTC is available for individuals who do not qualify for MAGI Medi-Cal and receive insurance through Covered California. It pays a portion of the Covered California health insurance premiums for people with MAGI below 400% of the federal poverty level (FPL). It is a refundable tax credit which is “advanced” by the Internal Revenue Service (IRS) every month to help reduce the amount of the monthly premium. The amount of the annual credit is ultimately determined when people file their income tax returns after the close of the year.

#### CSR—Cost Sharing Reduction

The Cost Sharing Reduction program is also administered through Covered California. It helps pay all or part of the deductibles or co-insurance for people with MAGI below 300% FPL.

### **Single streamlined application**

There is now a single streamlined application for MAGI Medi-Cal, APTC and CSR. It can be submitted in different ways.

Covered California website. Online applications can be submitted on the Covered California website here: <https://www.coveredca.com/>. Sometimes the Covered California website can be slow to load, so you might want to access it from the California Health Benefits Exchange website here: <http://www.healthexchange.ca.gov/Pages/Default.aspx>.

Covered California Telephone. The Covered California call center telephone number is: 1-800-300-1506.

Paper application. The paper version of the Single Streamlined Application can be downloaded here: <http://www.dhcs.ca.gov/services/med-cal/eligibility/Pages/SingleStreamApps.aspx>. It can be submitted in person, by mail or by fax to Covered California or the county Medi-Cal office. If mailed to the county, it's a good idea to call the county call center at the same time and tell them you want to apply for Medi-Cal. The county worker will then fill out a SAWS 1 form which will provide you with a protective filing date while the application is being processed.

Insurance brokers/certified enrollment counselors/navigators/other assistors. The single streamlined application can also be submitted for you by insurance brokers or certified enrollment counselors. You can also get help with the application from navigators or assistors at various agencies. The single streamlined application is supposed to provide a no-wrong-door way of applying for the various ACA insurance affordability programs.

## **Applying for non-MAGI Medi-Cal**

The county Medi-Cal office continues to process applications for non-MAGI Medi-Cal (other than for SSI or CalWORKs recipients who get Medi-Cal automatically). If you apply for Medi-Cal through Covered California, your application will be referred to the county Medi-Cal office for processing for non-MAGI Medi-Cal if you request the referral or if you are not eligible for MAGI Medi-Cal.

Choice of Medi-Cal programs. You continue to have the right to choose any Medi-Cal program that you are eligible for that's best for you regardless of what the county wants. The county continues to have an obligation to determine your eligibility for Medi-Cal programs in a certain order subject to

your choice of program. MAGI Medi-Cal is at the top of the list—the county will first find out whether you are eligible for MAGI Medi-Cal through the CalHEERS system, as described below; then the county will determine your eligibility for non-MAGI Medi-Cal.

The following is the hierarchy that the county has to follow in determining which Medi-Cal program you are eligible for:

1. Seniors and persons with disabilities (SPD) programs
  - a. MAGI Medi-Cal
  - b. Deemed SSI (DAC, Disabled Widow(er), Pickle)
  - c. 133% Aged and Disabled Federal Poverty Level (A&D FPL) & SPD Medically Needy (MN) No Share of Cost
  - d. SPD Medically Needy (MN) Share of Cost
2. Families and children
  - a. MAGI Medi-Cal
  - b. Transitional Medi-Cal (TMC)
  - c. Aid to Families with Dependent Children-Medically Needy (AFDC-MN)
3. Medically needy/medically indigent (MN/MI) programs
  - a. Blindness
  - b. Age
  - c. Disability
  - d. Linkage to AFDC

Senate Bill (SB) 87 redeterminations. In addition, when you become ineligible for Medi-Cal under one Medi-Cal program (including due to loss of SSI or CalWORKs eligibility), the county must determine whether you are eligible for another Medi-Cal program before your eligibility for Medi-Cal can be terminated. (SB 87.) Your eligibility for all Medi-Cal programs, including your eligibility for MAGI Medi-Cal and non-MAGI Medi-Cal, must be considered under SB 87.

Covered California applications. If you apply for Medi-Cal through Covered California, Covered California will first determine whether you are eligible for MAGI Medi-Cal or some other insurance affordability program. If you are not, you will be referred to the county Medi-Cal office for a non-MAGI Medi-Cal determination. Sometimes you will want a non-MAGI Medi-Cal

determination even if you are eligible for MAGI Medi-Cal. You will have to ask for this from Covered California or the county Medi-Cal office.

County Medi-Cal office applications. If you apply for Medi-Cal at the county Medi-Cal office the county will first find out whether you are eligible for MAGI Medi-Cal. Again, you may want a non-MAGI Medi-Cal determination even if you are eligible for MAGI Medi-Cal. You may have to ask the county to do this. The county is supposed to do a screening to find out which Medi-Cal program you want but the county will not always do this. That's why you may have to ask the county for the Medi-Cal program you want.

Online county application. You can also apply for non-MAGI Medi-Cal online on the e-Benefits California website. Here is the link: <http://www.benefitscal.org/>. There are also links from this website to Covered California for individuals who want to apply for MAGI Medi-Cal.

County telephone application. You can also apply for non-MAGI Medi-Cal by telephone. You can find telephone numbers on the e-Benefits California website here: <http://www.benefitscal.org/>.

Paper county application forms. While the single streamlined application is a complete application for the insurance affordability programs offered through Covered California, it is not a complete application for non-MAGI Medi-Cal. This is because many of the non-MAGI Medi-Cal programs continue to have an asset test and other eligibility requirements that are different from the MAGI eligibility requirements. This means that an application for non-MAGI Medi-Cal must include a supplement to the single streamlined application, or you must use a different application altogether.

You can apply for non-MAGI Medi-Cal by either submitting a SAWS 2 Plus form or a single streamlined application with supplements. The following is the list of options available to you:

1. SAWS 2 Plus, or
2. Single streamlined application with supplements—
  - a. Submit the single streamlined application, and
  - b. Submit the following additional forms:



- i. MC 210 ACA Income and Deduction Supplement (DRAFT)2
- ii. MC 322 Real and Personal Property Supplement to Medi-Cal Mail-in Application
- iii. Other forms required by the county

Various Medi-Cal application forms can be found on the Department of Health Care Services (DHCS) website or the California Department of Social Services website. The SAWS 2 Plus form can be found here: <http://www.cdss.ca.gov/cdssweb/entres/forms/English/SAWS2PLUS.pdf>.

The single streamlined application can be found here:

<http://www.dhcs.ca.gov/services/medi-cal/eligibility/Pages/SingleStreamApps.aspx>. The MC 210 ACA Supplement form is not available on line yet. The MC 322 form can be found here: <http://www.dhcs.ca.gov/formsandpubs/forms/Forms/mc322.pdf>.

Various Medi-Cal application forms can be found here:

<http://www.dhcs.ca.gov/formsandpubs/forms/Pages/MCEDFormsMain.aspx>

If you are applying for non-MAGI Medi-Cal, it's best to use the SAWS 2 Plus form. If you are applying for CalFresh or CalWORKs in addition to Medi-Cal, you should use the SAWS 2 Plus form. If you are applying for CalWORKs, an in-person interview with the county is required.

## **Computer systems**

### CalHEERS

CalHEERS (California Healthcare Eligibility, Enrollment and Retention System) is the computer system for determining eligibility for ACA insurance affordability programs that use MAGI, including MAGI Medi-Cal. Eligibility is determined through use of a part of the CalHEERS system called the CalHEERS business rules engine (BRE).

CalHEERS BRE (Business Rules Engine). Any application for Medi-Cal must be processed through the CalHEERS BRE to first determine if you are eligible for MAGI Medi-Cal. If the application is submitted through Covered California, the eligibility information will be entered directly into CalHEERS. If the application is submitted through the county, Medi-Cal

eligibility information can be entered directly into SAWS and ported into CalHEERS for a MAGI Medi-Cal eligibility determination. (See below for a description of SAWS.) The county can also enter MAGI Medi-Cal eligibility information directly into CalHEERS.

CalHEERS-SAWS/MEDS interface. Once eligibility for MAGI Medi-Cal is established by the CalHEERS BRE, the eligibility determination is ported from CalHEERS into SAWS and MEDS. (See below for a description of MEDS.) If you are eligible for MAGI Medi-Cal but you want non-MAGI Medi-Cal instead, your Medi-Cal application has to be processed by the county through SAWS and the CalHEERS eligibility determination has to be cancelled. Non-MAGI Medi-Cal applications cannot be processed through CalHEERS. The county may have to do an override in SAWS to process your application and enter the proper aid code. The county may then have to access MEDS to ensure that the proper aid code has been entered into MEDS. The county may also have to access MEDS in order to finish processing an application for immediate need Medi-Cal.

### SAWS

SAWS is the Statewide Automated Welfare System, but there's really nothing statewide about it. The SAWS system is the system used to determine eligibility for non-MAGI Medi-Cal, CalWORKs, CalFresh and other programs. The systems are county-based and county-developed. Over the years, the systems have been narrowed down to the following three systems which have been developed by three separate county consortia:

CalWIN (California Work Opportunity and Responsibility to Kids Information Network) in Alameda, Contra Costa, Fresno, Orange, Placer, Sacramento, San Diego, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, Tulare, Ventura, and Yolo Counties

C-IV (Consortium IV) in Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Imperial, Inyo, Kern, Kings, Lake, Lassen, Madera, Marin, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Napa, Nevada, Plumas,

Riverside, San Benito, San Bernardino, San Joaquin, Shasta, Sierra, Siskiyou, Stanislaus, Sutter, Tehama, Trinity, Tuolumne and Yuba Counties

LEADER (Los Angeles Eligibility, Automated Determination, Evaluation and Reporting) in Los Angeles County

eHIT (Electronic Health Information Transfer). MAGI Medi-Cal determinations have to be transferred from CalHEERS into the local SAWS because the county must administer Medi-Cal after eligibility has been determined. This is done through an interface called eHIT. Medi-Cal eligibility information can also be transferred from SAWS into CalHEERS through eHIT so that CalHEERS can do the MAGI calculation.

SAWS online and telephone application systems. Each of the three SAWS consortia has an online application website. Each of the websites can be accessed through the following link: <http://www.benefitscal.org/>. Each of the three SAWS consortia has a telephone customer service center. Telephone numbers are available here: <http://www.benefitscal.org/>.

### MEDS

MEDS is the Medi-Cal Eligibility Data System. It is a statewide system. Non-MAGI Medi-Cal eligibility data has to be ported from the various SAWS systems into MEDS. MAGI Medi-Cal eligibility data also has to be ported from the CalHEERS system into MEDS.

MEDS is particularly important for the following Medi-Cal information:

1. Medi-Cal aid code
2. Medi-Cal share of cost (SOC)
3. Medi-Cal managed care plan and primary care provider, except counties with COHS (County-Organized Health Systems)
4. Other health coverage (OHC)

MEDS and Medi-Cal share of cost. MEDS is used to adjust the Medi-Cal share of cost throughout the month as share of cost is met. MEDS is also used by the IHSS program to determine IHSS share of cost.

MEDS and Medi-Cal managed care. MEDS is used for enrollment of Medi-Cal beneficiaries into Medi-Cal managed care plans (except in COHS counties) and selection of primary care providers. It is used to transmit information received from the Medi-Cal managed care enrollment broker, Health Care Options (MAXIMUS), about the beneficiary-chosen or default Medi-Cal managed care plan and primary care provider.

MEDS and various statewide functions. In addition, because MEDS is a statewide system, it is used for certain statewide functions such as generating a unique statewide Client Identification Number (CIN) for all public benefit and Covered California programs, storing certain eligibility information for CalWORKs and CalFresh (as well as for Medi-Cal), and facilitating certain inter-county transfers when individuals move from one county to another.

*Disability Rights California is funded by a variety of sources, for a complete list of funders, go to <http://www.disabilityrightsca.org/Documents/ListofGrantsAndContracts.html>.*