
Overview of the Medi-Cal Program



Prepared by:
Randolph T. Boyle, Manjusha P. Kulkarni and Doreena Wong
National Health Law Program

July 2008

© 2008 National Health Law Program, Inc.

Main Office:

National Health Law Program, Inc.

2639 S. La Cienega Blvd.

Los Angeles, CA 90034

(310) 204-6010

nhelp@healthlaw.org

www.healthlaw.org

Thank you to the following colleagues who reviewed and commented on the drafts of this manual. We are grateful to them for their generous time and invaluable input: Steve Hitov, Deborah Reid, Sarah Lichtman-Spector, Washington, DC office; Jane Perkins, Sarah Somers, Chapel Hill, NC office; Susan Fogel, Los Angeles.

*Preparation of this manual was made possible through the generous support of the
Legal Services Trust Fund Program –Equal Access Fund*



Working for Justice in Health Care for Low-Income People

The National Health Law Program is a public interest law firm that strives to improve health care for America's working and unemployed poor, minorities, children, the elderly, and people with disabilities. NHeLP serves legal services programs, disability advocates, community-based organizations, the private bar, providers and individuals who are preserving a health care safety net for millions of uninsured or underinsured low-income people.

NHeLP offers a variety of publications on Medicaid, children's health, reproductive health, cultural and linguistic rights, and other topics of vital importance to low-income people and their advocates. For more information about our publications, please contact our Los Angeles office. Please also visit our Web site for important information about the latest developments in health law and health care access.

NHeLP is a not-for-profit, 501(c)(3) entity. To continue our high quality work, we rely on grants from foundations and state bar funds, as well as tax-deductible contributions from individuals and organizations that find our services and publications useful.

To offer feedback on *Overview of the Medi-Cal Program*, please contact the authors in the Los Angeles office.

Los Angeles Office
2639 S. La Cienega Blvd.
Los Angeles, CA 90034
Phone: 310/204-6010 Fax: 310/204-0891

Washington, DC Office
1444 I St., NW, Suite 1105
Washington, DC 20005
Phone: 202/289-7661 Fax: 202/289-7724

Chapel Hill, NC Office
211 N. Columbia St., 2nd Fl.
Chapel Hill, NC 27514
Phone: 919/968-6308 Fax: 919/968-8855

Table of Contents

Chapter 1: Introduction to the Medi-Cal Program

Basics of the Medi-Cal Program	1-1
Structural Framework	1-1
Provision of Medi-Cal Service	1-2
Legal Framework	1-3
Finding Information about Medi-Cal	1-4
Whom to Contact for Help	1-4

Chapter 2: Eligibility

Personal Characteristics	2-1
Eligibility Groups	2-1
Mandatory and Optional	2-1
Federal Mandatory Categories of Eligibility	2-2
Federal Optional Categories of Eligibility	2-4
Medically Needy	2-6
Medi-Cal Programs At-A-Glance	2-7
Citizenship and Immigration Status	2-9
Deficit Reduction Act (DRA) Citizenship Documentation Mandate	2-9
Immigration Status	2-11
State Residency.....	2-12
When a Medi-Cal Beneficiary Moves to Another California County	2-14
Definitions of Blind, Aged, and Disabled	2-15

Chapter 3: Income under the Medi-Cal Program

Income under the Medi-Cal 1931(b) Program	3-1
Countable Earned and Unearned Income	3-1
Table A: Earned and unearned Income	3-3
Whose Income Counts or How is Income Treated	3-3
Available Income	3-4
In-kind Income	3-5
Unavailable Income	3-5
Exempt Income	3-6
Table B: Exempt Income	3-7
Table C: Income Deductions	3-10

Chapter 4: Resources

Overview	4-1
Property Rules in the 1931(b) Program	4-1
Availability of a Resource	4-2
Exempt Resources	4-2
Countable Property or the Property Reserve	4-5
Reducing Excess Property	4-5
Transfer or Conversion of Property	4-6
Reverse Mortgages	4-6
Pensions and Retirement Accounts	4-7
Trusts and Annuities	4-7

Chapter 5: Setting up Medi-Cal Family Budget Units, Spending Down and Share of Cost

Setting up MFBUs (Medi-Cal Family Budget Unit Determination)	5-1
Ineligible Members of the Family	5-2
Family Members Excluded From the MFBU	5-2
Determining an MFBU for a Child Who Stays Alternately with Each Parent	5-3
Stepparents	5-4
Special Rules for MFBUs <i>Sneede/Gamma</i>	5-4
1931(b) and Medically Needy <i>Sneede v. Kizer</i> Personal Needs Allowance and Prorated Income Limits	5-5
Low-income People with Higher Income or More Assets	5-5
How Share of Cost is Determined and How it Works	5-6
Medi-Cal Programs That Have s Share of Cost	5-6
Determining the Share of Cost Amount	5-7
Determine Countable Income	5-7
Medically Needy Maintenance Need Income Level Allowance	5-7
Sneede/Gamma Rules	5-8
Family Budget Unit	5-8
Meeting the Share of Cost	5-8
Third Party Payment of Medical Expenses	5-11
Non-Medical Bills: Care Management Bills, Transportation, etc	5-11
Using Bills from Other Family Members	5-11
Share of Cost Rules for Nursing Facility Residents	5-12
Practically, How a Share of Cost Works	5-12
Incorrect Share of Cost or Refusal to Apply Certain Bills to Share of Cost	5-13

Chapter 6: Applying For Medi-Cal Benefits and Retroactive Benefits

Right to Apply	6-1
Reasonable Promptness	6-2
Income/Property Deeming	6-2
Due Process Rights, including Entitlement to Medi-Cal Benefits	6-3
Application Procedures	6-3
No Face to Face/In Person Interview Requirement	6-3
Mail-In Application	6-3
Joint Medi-Cal/Healthy Families Program Mail In Application	6-4
Presumptive Eligibility	6-5
Accelerated Enrollment	6-5
Automatic Enrollment	6-5
Deemed Eligibility for Infants	6-6
CHDP Gateway Enrollment	6-6
Express Lane Eligibility	6-6
Ex-parte Redetermination	6-6
Retroactive Benefits	6-7
<i>Conlan</i> Reimbursement	6-7

Chapter 7: About the Different Medi-Cal Programs

Automatic Eligibility through Cash Related Programs	7-1
Section 1931(b) Medi-Cal	7-4
Section 1931(b) Income Eligibility for “Applicants” vs. “Recipients”	7-5
Section 1931(b) Resource Limits	7-7
Deprivation and the 100-Hour Rule	7-8
Children’s Programs	7-8
Determining Eligibility under the Percent Programs	7-9
Other Medi-Cal Programs for Children	7-10
Pregnancy Related Programs	7-12
Presumptive Eligibility (PE) Program	7-13
Income Disregard and Asset Waiver Program (200% Program for Pregnant Women)	7-14
Postpartum Programs	7-15
Programs for Seniors and People with Disabilities	7-15
Aged and Disabled FPL Program (A&D FPL)	7-15
250% Working Disabled Program	7-18
Other Medi-Cal Program for Seniors and People with Disabilities	7-20
Medically Needy	7-20
Medically Needy for the Aged, Blind and Disabled	7-21
AFDC Medically Needy for Children, Parents, and Caretaker Relatives	7-23
Medically Indigent	7-24
Transitional/Continuing Medi-Cal Coverage	7-25

Transitional Coverage for People who Lose Cash Assistance	7-25
Other Medi-Cal Programs	7-30
Medicare-Related Programs	7-33
A Note of SB 87 and <i>ex parte</i> Redeterminations	7-33

Chapter 8: Waivers and Home- and Community-Based Care

Waivers in California	8-2
IHSS and Personal Care Services Program	8-3
Independence Plus Waiver (IPW)	8-4
Personal Care Services Program (PCSP)	8-4
IHSS Residual Program (IHSS-R)	8-5
IHSS and Share of Cost	8-5

Chapter 9: Medi-Cal, Social Security Title II Benefits & Medicare

Social Security Programs	9-1
Medicare	9-2
Dual Eligibles	9-3
“Pickles” and “DACs”	9-4
Medicare Savings Programs	9-4
PACE Programs	9-5
Additional Resources for Medicare and Social Security Issues	9-5

Chapter 10: Medi-Cal and Other Health Coverage

Overview of Other Health Coverage	10-1
Requirements to Obtain Other Health Coverage	10-1
Order of Payment When a Third Party is Responsible	10-2
Navigating Payment between the OHC and Medi-Cal	10-2
Where to go for help	10-4
Health Insurance Premium Payment Program (HIIPP)	10-5

Chapter 11: Medical Services

Introduction	11-1
Medi-Cal Covered Services	11-2
Amount, Duration, and Scope of Services	11-9
Comparability of Services, Statewideness, & Reasonable Promptness	11-10
Freedom of Choice	11-11
Medi-Cal as Payment in Full	11-12
Payments to Providers	11-12
Direct Payment to Beneficiaries	11-14
Utilization Controls	11-14
Prior Authorization or Treatment Authorization Request (TAR)	11-15
Managed Care	11-16
Limits on Services	11-17

Other Utilization Controls	11-18
Inpatient Services	11-18
“Medically Necessary” Services	11-19
Prescription Drug Coverage	11-21
Medi-Cal Contract Drug List	11-22
Prior Authorization for Prescription Drugs	11-22
Coverage for Drugs not Included on the Contract Drugs List	11-23
When a Prescription Must be Filled Immediately	11-24
Drugs Excluded From Medi-Cal Coverage	11-24
If the Pharmacy Does Not Want to Submit a TAR	11-25
Prescription Drugs for Dual Eligibles	11-26
Non-Emergency Medical Transportation	11-26
Case Management	11-28
Organ Transplants	11-29
Abortion Coverage	11-30
Medi-Cal Services Utilization Control Chart	11-31

Chapter 12: Medi-Cal Services for Children

Early and Periodic Screening, Diagnostic and Treatment (EPSDT) Program	12-1
Introduction	12-1
EPSDT Screenings	12-1
Medical Necessity and Scope of Services	12-4
EPSDT Obligations	12-4
In California, EPSDT=CHDP+Medi-Cal EPSDT Supplemental Services	12-4
Ensuring that Medi-Cal Enrolled Children Get EPSDT Services (Not Well-child Visits)	12-6
Other Programs for Children	12-6
Child Health and Disability Prevention Program (CHDP)	12-6
Other Programs for Children with Special Health Care Needs	12-8
California Children’s Services	12-8

Chapter 13: Women’s Health Services

The Basics	13-1
Medi-Cal Services in General	13-2
Family Planning/Birth Control	13-2
Teenagers and Birth Control	13-3
Emergency Contraception	13-4
Abortion Services	13-5
Sterilization Services	13-6
Pregnancy Care	13-8
Breast and Cervical Cancer	13-8
Testing and Treatment for Sexually Transmitted Diseases And Infections	13-8

**Chapter 14: Medi-Cal Services for Immigrants,
Including Non-Citizen and Undocumented Immigrants**

Restricted or Emergency Medi-Cal, Including Pregnancy-Related Care	14-1
Breast and Cervical Cancer Treatment Programs	14-2
Long-Term Care and Kidney Dialysis	14-3
Family Planning, Access, Care and Treatment (Family PACT)	14-3
Minor Consent Services	14-3
Child Health and Disability Prevention Program (CHDP)	14-4
Refugee Medical Assistance	14-5
Access for Infants and Mothers (AIM) Program	14-6
Emergency Medical Treatment and Active Labor Act (EMTALA)	14-7
Hill-Burton Act	14-8
Federally Qualified Health Centers (FQHCs) & Other Clinics	14-9
Public Health Programs	14-10
County Health Programs	14-11
Immigration-Related Issues	14-11
Sponsor Liability and Affidavits of Support	14-11
Verification of Status, Confidentiality and Reporting	14-12
Public Change Determinations	14-14

Chapter 15: Linguistically Appropriate and Culturally Competent Services

Limited English Proficiency and Language Rights Overview	15-1
Title VI of the Civil Rights Act of 1964	15-2
Medicaid/Medi-Cal Requirements	15-6
Medi-Cal Managed care Requirements	15-7
Nondiscrimination in State-Supported Programs and Activities:	
Cal. Gov't Code §§ 11135 and 11139 and implementing regulations, Cal. Code of Regulations tit. 22, §§ 98000-98413	15-10
Dymally-Alatorre Bilingual Services Act: Cal. Gov't Code §§ 7290-7299.6	15-11
Local Ordinances Adopted Pursuant to Dymally	15-12
Kopp Act: Cal. Health & Safety Code § 1259	15-12
Knox-Keene Act Protections: Cal. Health & Safety Code §§ 1367, 1367.04 & 1367.07	15-13
Culturally Competent Services	15-15

Chapter 16: Denti-Cal for Children and Adults

Administration	16-1
Eligibility	16-1
Services	16-2
Fee-for-Service	16-2
Managed Care	16-2
Children's Dental Health Services	16-3

Services for Pregnant Women	16-3
Cost Sharing	16-4
Appeals Process	16-5
Other Coverage	16-5

Chapter 17: Other Related (non-Medi-Cal) Programs

Medicare	17-1
Healthy Families	17-3
Access for Infants and Mothers (AIM)	17-4
California Children’s Services (CCS).....	17-4
Child Health and Disability Prevention (CHDP)	17-4
County Medical Services Program (CMSP)	17-5
Genetically Handicapped Persons Program (GHPP)	17-6
Major Risk Medical Insurance Program (MRMIP)	17-6
Medically Indigent Adult Program (MIA)	17-7
Children’s Health Initiatives (CHIs)	17-7
AIDS Drug Assistance Program (ADAP)	17-7

Chapter 18: Beneficiary Financial Liability and Protections from Medical Debt

Medi-Cal as Full Payment	18-1
Provider Billing and Late Submission of Claims for Payments	18-1
Medi-Cal Provider Claims Submission	18-2
Out of state claims	18-3
Beneficiary Cost Sharing	18-4
Medi-Cal Premiums	18-5
Beneficiary Liability for the Cost of Medi-Cal Services	18-6

Chapter 19: Notice, Appeals and Fair Hearings

Due Process Basics	19-1
Notice	19-1
Requesting a Medi-Cal Fair Hearing	19-2
Aid Paid Pending	19-3
What an Applicant or Beneficiary May Challenge in a Fair Hearing	19-4
Treatment Authorization Request	19-4
Preparing for a Fair Hearing	19-5
Conditional Withdrawals	19-7
The Fair Hearing	19-7
After a Fair Hearing	19-8
Beneficiaries in Medi-Cal Managed Care	19-9

Chapter 20: Medi-Cal Managed Care

A Brief History	20-1
Types of Managed Care in California	20-3

Two-Plan Model	20-3
Geographic Managed Care (GMC) Model	20-4
County Organized Health System (COHS) Model	20-4
Getting Healthcare Services in Medi-Cal Managed Care	20-4
What to Do When Care is Denied	20-6
Legal Framework for Managed Care	20-8
Other Useful Resources	20-8

Chapter 21: Medi-Cal and Long Term Care

Overview and Types of Long-Term Care	21-1
Overview of Long-Term Care for Elderly People	21-2
Allocation of Income for Individuals or Families With Someone in Long-Term Care	21-2
Allocation of Resources for Individuals or Families With Someone in Long-Term Care	21-3
Income and Resource Transfers for People who Enter Long-Term Care	21-4
Legal Resources for Most Long-Term Care Issues	21-5

Appendix A: Medi-Cal Glossary of Terms

Appendix B: A Basic Medi-Cal Library