



Lessons from California: Halting the Medi-Cal Application Backlog in Court

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THE ISSUE:

California's Medi-Cal application backlog started in January 2014 as the it began to rollout the ACA's coverage expansion and implement other health reform changes. The State's backlog grew to almost one million pending applications, with many of them not being processed within the federally required 45 days. The backlog was mainly caused by IT problems with the new eligibility and enrollment system (CalHEERS) that was initially designed to deal with the new Marketplace coverage program, [Covered California](#), and not to properly interface with the existing Medi-Cal eligibility rules. The federal government (Centers for Medicare and Medicaid Services (CMS) finally took action in June 2014 to the demand the backlog be addressed and California advocates, including the NHeLP, filed a lawsuit ([Rivera v. Douglas](#)) in September 2014 to challenge the State's illegal delay and failure to inform applicants who were waiting of their options.

STRATEGY AND ACTIONS:

After filing a lawsuit and seeking relief for the hundreds of thousands of applicants caught in the backlog, on January 20, 2015 the Court issued a [preliminary injunction](#) order requiring the State to process Medi-Cal applications within the 45 days required by law. The Court also ordered the State to provide every applicant who was still waiting in the backlog after 45 days with a ["notice of inaction"](#) (NOI) to inform the person of their right to seek an administrative hearing rather than wait for the state to process the application.

In order to comply with CMS' requests and the Court action, the State granted [Accelerated Enrollment](#) (AE) for most Medi-Cal applicants when they had applications pending for 45 days while the County processed the application. The Court in *Rivera* also issued a [permanent order](#) in favor of plaintiff applicants on August 14, 2015, requiring the State to continue following the law of processing applications in 45 days and issuing NOIs when it does not. Nevertheless, the State has just [ended the use of this AE](#), claiming the federal approval for it has expired. Advocates will be monitoring the State's volume of applications to make sure the State is complying. Advocates in other states with application backlogs can learn from this California legal action.

ADDITIONAL RESOURCES

[DHCS Policy Letters](#)

[Medi-Cal Eligibility
Division Information
Letter No.: I 14-61](#)

[MEDIL 15-11](#)

[MEDIL I 15-27](#)