

DATE: March 14, 2023

Medi-Cal Eligibility Division Information Letter No.: I 23-17

TO: ALL COUNTY WELFARE DIRECTORS  
ALL COUNTY ADMINISTRATIVE OFFICERS  
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS

SUBJECT: Data Sharing Between MCPs and Counties- Related to [ACWDL 22-19](#)  
and MEDIL [I 22-11](#)  
(Reference: ACWDL [15-30](#), [19-16](#), [22-19](#) and MEDIL [I 22-11](#))

The purpose of this letter is for Department of Health Care Services (DHCS) to provide County Welfare Departments (CWDs) with additional guidance about data sharing between CWDs and Managed Care Plans (MCPs) when performing Medi-Cal redetermination outreach and identifying Medi-Cal beneficiary updated contact information. See, All County Welfare Directors Letter (ACWDL) [22-19](#) and Medi-Cal Eligibility Division Informational Letter (MEDIL) [I 22-11](#).

## BACKGROUND

ACWDL [22-19](#) and [15-30](#) establish policy and processes for CWDs to receive Medi-Cal beneficiary updated contact and demographic information from MCPs. DHCS has encouraged CWDs and MCPs to collaborate on outreach activities related to Medi-Cal redeterminations. MEDIL [I 22-11](#) provided CWDs with instructions to support MCPs when assisting Medi-Cal beneficiaries with retaining coverage and transitioning eligible individuals to Covered California.

While DHCS does not mandate data sharing between CWDs and MCPs, DHCS encourages this collaboration as California prepares to unwind the continuous coverage requirements per the Families First Coronavirus Response Act beginning April 1, 2023. CWDs and MCPs may seek to leverage data sharing to inform beneficiaries that the Medi-Cal renewals process will be resumed and to be prepared to take necessary action to maintain Medi-Cal coverage.

## DATA SHARING AUTHORITY

California Welfare and Institutions Code section 14100.2 and Code of Federal Regulations, tit. 42, sections 431.300 et seq. limits the use or disclosure of Medi-Cal PII only as necessary to administer the Medi-Cal program. Because Medi-Cal redetermination outreach is directly related to the program's administration, CWDs may

share Medi-Cal PII with MCPs or contactors/vendors/agents as permitted by state and federal regulation.

### **DATA SHARING AGREEMENTS BETWEEN MCPS AND CWDs**

ACWDL [19-16](#) released the 2019 Medi-Cal Privacy and Security Agreement (PSA) to protect Medi-Cal applicant and beneficiary personally identifiable information (Medi-Cal PII). Each CWD was required to sign a PSA with DHCS agreeing to the rules and limitations for Medi-Cal PII use and disclosure. Further, CWDs were required to enter into written agreements with any contactor/vendor/agent accessing Medi-Cal PII and impose, at a minimum, the same restrictions and conditions that apply to CWDs regarding Medi-Cal PII. A data sharing agreement template is enclosed for CWDs to use as a starting point for establishing data sharing agreements with their MCP(s). The use of this template is optional and CWDs can modify it to conform to the CWD and MCPs' business and legal needs.

As noted in ACWDL [19-16](#), CWDs may share data related to the administration of Medi-Cal and establish data sharing agreements with appropriate business partners to support Medi-Cal administrative functions. Given the lengthy development and execution process necessary to finalize a data sharing agreement, DHCS recognizes that some CWDs may have a business need to establish data sharing procedures with MCP partners prior to formalizing an agreement. While a formalized agreement is required by the PSA to share PII, CWDs can establish data sharing procedures with MCPs while the agreements are being developed. CWDs are encouraged to work with their County Counsels to assess legal requirements necessary to share PII.

A CWD that initiates data sharing before executing a formalized data sharing agreement would be out of compliance with the PSA and shall notify DHCS so that the PSA compliance gap can be documented in a corrective action plan (CAP). The CAP will outline the compliance gap and the steps the CWD will take to mitigate/resolve it. The CAP ensures that DHCS and the CWD have taken steps to document the issue and have a mechanism to track the CWD's action to address it. A CAP can be submitted to DHCS's PSA team via email at [CountyPSA@dhcs.ca.gov](mailto:CountyPSA@dhcs.ca.gov).

If you have any questions, or if we can provide further information, please contact DHCS by email at [CountyPSA@dhcs.ca.gov](mailto:CountyPSA@dhcs.ca.gov) and [MCED.COVID@dhcs.ca.gov](mailto:MCED.COVID@dhcs.ca.gov).

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Original Signed By

Yingjia Huang  
Assistant Deputy Director  
Health Care and Benefits  
Department of Health Care Services

Enclosure

**MEDI-CAL PRIVACY AND SECURITY AGREEMENT BETWEEN**

**The County of \_\_\_\_\_,**  
**Department/Agency of \_\_\_\_\_**  
**and \_\_\_\_\_.**

The County of \_\_\_\_\_,  
Department/Agency of \_\_\_\_\_  
(County Department) and \_\_\_\_\_

(Managed Care Plan) enter into this Medi-Cal Privacy and Security Agreement (Agreement) in order to ensure the privacy and security of Medi-Cal Personally Identifiable Information (Medi-Cal PII).

The Department of Health Care Services (DHCS) receives federal funding to administer California’s Medicaid Program (Medi-Cal). The County Department assists in the administration of Medi-Cal, in that DHCS and the County Department access DHCS eligibility information for the purpose of determining Medi-Cal eligibility. DHCS and County Department have entered into a Medi-Cal Privacy and Security Agreement (PSA) to protect Medi-Cal PII accessed, used, and disclosed by County Department in for the administration of Medi-Cal.

The Managed Care Plan assists in the administration of Medi-Cal, in that the Managed Care Plan contracts with DHCS to provide health care services to Medi-Cal beneficiaries. Managed Care Plan is a covered entity under the Health Insurance Portability and Accountability Act (HIPAA) and its implementing privacy and security regulations at 45 Code of Federal Regulations, Parts 160 and 164. Managed Care Plan is also a HIPAA business associate of DHCS, as it performs certain activities in behalf of DHCS pursuant to the contract between Managed Care Plan and DHCS.

**AGREEMENTS**

County Department and Managed Care Plan mutually agree as follows:

1. County Department and Managed Care Plan may share Medi-Cal PII to allow Managed Care Plan to assist in the administration of Medi-Cal, specifically to inform beneficiaries that: (1) the Medi-Cal renewals process will be resumed, and (2) to be prepared to take necessary action to maintain Medi-Cal coverage.
2. Managed Care Plan shall treat Medi-Cal PII as Protected Health Information subject to HIPAA and the requirements of Managed Care Plan’s contract with DHCS, incorporated herein by reference. Managed Care Plan shall provide

County Department with duplicate notice of any security incidents involving Medi-Cal PII reported to DHCS.

3. County Department shall comply with PSA for all Medi-Cal PII.

**TERMINATION**

This Agreement shall expire upon the earlier of: (1) expiration or termination of the PSA between DHCS and the County Department (DHCS/County PSA), unless County Department has (a) signed a successor PSA with DHCS, or (b) both DHCS and County Department are relying on the survival language in the DHCS/County PSA; or (2) the termination of the business associate relationship between Managed Care Plan and DHCS.

Either party may terminate this Agreement upon sixty (60) days' notice to the other party. Upon knowledge of a material breach or violation of this Agreement, the non-breaching party may immediately terminate this Agreement.

All provisions of this Agreement that provide restrictions on disclosure of Medi-Cal PII and that provide administrative, technical, and physical safeguards for Medi-Cal PII shall continue in effect beyond the termination or expiration of this Agreement, and shall continue until the Medi-Cal PII is destroyed or returned to DHCS.

**SIGNATORIES**

The signatories below warrant and represent that they have the competent authority on behalf of their respective agencies to enter into the obligations set forth in this Agreement.

The authorized officials whose signatures appear below have committed their respective agencies to the terms of this Agreement. The contract is effective on

\_\_\_\_\_.

For the County of

\_\_\_\_\_.

Department/Agency of \_\_\_\_\_.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

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(Name)

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(Title)

For the Managed Care Plan,

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(Signature)

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(Date)

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(Name)

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(Title)