

State of California—Health and Human Services Agency  
Department of Health Services



California  
Department of  
Health Services



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Director

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October 22, 2004

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 04-31  
ALL COUNTY WELFARE ADMINISTRATIVE OFFICERS  
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS  
ALL COUNTY HEALTH EXECUTIVES  
ALL COUNTY MENTAL HEALTH DIRECTORS  
ALL COUNTY MEDS LIAISONS

SUBJECT: QUESTIONS AND ANSWERS – ON MEDI-CAL SENATE BILL 87  
REDETERMINATION PROCESS FOR ALL DISCONTINUED  
SUPPLEMENTAL SECURITY INCOME/STATE SUPPLEMENTARY  
PAYMENT BENEFICIARIES AS ORDERED IN THE CRAIG vs. BONTÁ  
LAWSUIT  
(Reference: All County Welfare Directors Letters Nos.: 01-17, 01-33,  
01-36, 01-39, 02-40, 02-45, 02-48, 02-54, 02-59, and 03-24)

This All County Welfare Directors Letter (ACWDL) provides answers to county questions on Senate Bill (SB) 87 (Chapter 1088, Statutes of 2000) and adds clarity to the policy directives in ACWDL 03-24. The county questions (in bold) on the SB 87 Redetermination process for beneficiaries who are discontinued from Supplemental Security Income/State Supplementary Payment (SSI/SSP) are grouped by the *Craig* policy topic provided in ACWDL 03-24.

**SB 87 REDETERMINATION PROCESS**

**Step Two – Direct Contact – ACWDL 03-24, Pages 2 and 3**

1. **The counties were instructed to inform the beneficiary that his/her continued eligibility can be established under various avenues of eligibility, including the allegation of a disability. If the Social Security Administration (SSA) discontinuance reason is “no longer disabled” can the beneficiary still use a disability allegation to obtain Medi-Cal eligibility?**

Yes, but only if the person alleges to have a disability different from the disability under which the SSI/SSP was granted. Policy direction on disability allegations are found in ACWDL, 02-59 and in the Medi-Cal Eligibility Procedures Manual, Article 22, C-9 on reexaminations, redeterminations, and reevaluations for disability allegations and referrals to the State Programs-Disability and Adults Program Division (SP-DAPD). A recipient may be referred to SP-DAPD if they had a previous disability, are discontinued from Medi-Cal for a reason other than their alleged disability (such as, income) and are reapplying for Medi-Cal based on the allegation the disability continues to exist.

ACWDLs 01-36 and 02-40 provide county instructions to pursue a disability-based link to Medi-Cal through SP-DAPD when no other link to the Medi-Cal program exists and when the recipient alleges to have a disability during an SB 87 Redetermination process. The client must be placed in aid code 6J, 6R, 5J, or 5R, as appropriate, while the disability claim is pending.

#### **NOTICE OF ACTION - ACWDL 03-24, Page 4**

2. **Upon completing the SB 87 Redetermination, the county finds that the beneficiary continues to remain eligible for full-scope coverage, but under another Medi-Cal program. Is the county required to send a notice of action?**

Yes. Title 22, California Code of Regulations, 50179, Notice of Action - Medi-Cal Only Determinations or Redeterminations stipulates under item (a) that "the county shall notify beneficiaries in writing of their Medi-Cal only eligibility or ineligibility, and of any changes made in their eligibility status or SOC and that this notification shall be called the "Notice of Action."

#### **CRAIG RECORDS – ACWDL 03-24, Page 5 and 6**

3. **Are Craig beneficiary's dual-aid type eligibles? For example, if the county receives an application April 15, 2003, and determines eligibility on May 28, 2003, does the county grant eligibility back to the date the application was received or does the county grant eligibility on July 1, 2003, after the June 2003 Medi-Cal Eligibility Data System (MEDS) renewal process?**

*Craig* beneficiaries are not dual-aid type eligibles nor can the county require a *Craig* eligible person to complete an application for Medi-Cal benefits. If, however, the application is voluntarily mailed or provided to the county before an

SB 87 Redetermination is processed, the application can be used to complete the SB 87 Redetermination. However, continuous eligibility in the State assigned *Craig* aid codes on MEDS remains until the county redetermines the eligibility and submits a transaction update to MEDS. At this point, the eligibility outcome is applied only to the MEDS pending month of eligibility. Establishing retroactive eligibility on MEDS is not necessary, as the person never lost full-scope eligibility during the redetermination process.

For example, if the county receives an application on April 15, 2003, and an SB 87 Redetermination is completed on May 28, 2003, the update transaction to MEDS would be processed after the June 2003 MEDS renewal, so the update would be applied to July 2003, pending month of eligibility.

#### **MEDS TRANSACTIONS – ACWDL 03-24, Page 6**

4. **After we send an online AP 18 transaction to MEDS, and we then find the *Craig* beneficiary has moved into another county, we were told to follow-up with an EW 12 transaction (intercounty transfer) to remove the person off our Exception Eligible Report (EER). We were also told that MEDS would recognize the new resident county and the beneficiary would be moved onto their EER the following month. Why is the EW 12 MEDS transaction not removing the *Craig* beneficiary off of our county EER?**

The Intercounty Transfer instructions in ACWDL 03-12 and the previous *Craig vs. Bontá* ACWDLs provide instructions on how to transmit cases from one county to another county. These ACWDLs instruct the county to send an Eligibility Worker (EW) 12 transaction to MEDS, after an Application Program (AP) 18 transaction, in order for MEDS to move an individual from one county's EER to another county's EER by establishing the new residence address. The MEDS logic, however, will not process the EW 12 transaction until the active application date on the inquiry pending screen is shutdown with an AP 34 transaction. Some counties were shutting the application down with the appropriate AP 34 transaction, but instead of using a code "P" denial reason in the transaction, they were using a code "Y." The AP 34 transaction sent to MEDS must contain a code "P" denial reason and it must be followed with an EW 55 transaction to ensure the beneficiary's old residence address is changed on MEDS to the new county residence. The EW 55 transaction is also the safety net for ensuring that the beneficiary is removed off the old resident county's EER and added to the new resident county's EER for the upcoming month.

5. **When the county sends a MEDS AP 18 or AP 34 transaction to discontinue Craig eligibility well in advance of MEDS monthly cut-off date or renewal date, we are finding that some of these cases are not being discontinued on the date we expect them to be discontinued. For example, we sent an AP 34 transaction to MEDS on August 15, 2003, and the effective date of the discontinuance was supposed to be August 31, 2003. MEDS did not discontinue the eligibility until September 30, 2003. An audit would find the county in error because of the late discontinuance. We understand that a MEDS transaction must be submitted at least ten days prior to the MEDS renewal date, but most of these transactions fell well within the ten-day reporting requirement.**

The MEDS logic was designed to use the notice date submitted in the county transaction first and if the notice date was not there, then to use the denial date in the transaction. The AP 18 transaction and the AP 34 transactions have a data field for inputting the denial date in the transaction but these transactions do not have a field for inputting the notice date. Thus, current MEDS logic for the AP 18 and the AP 34 transactions will always use the denial date field as the trigger point for discontinuance.

For example, if the county sends an AP 18 or an AP 34 transaction to MEDS on March 15, 2004, with a March 31, 2004, denial date in the transaction, MEDS will use the March 31, 2004, as the actual denial date.

The county may believe that the AP 18 or AP 34 transaction to MEDS was sent in time to discontinue by the end of the month, (March 15, 2004). However, the trigger for discontinuing the case on MEDS, in the example provided above, is the denial date (March 31, 2004). Unfortunately, March 31, 2004, is after the MEDS renewal when the calendar month rolls into April 2004 month of eligibility. Because of the ten-day notice requirements, MEDS logic will not shut down eligibility on a record if the denial date is after the MEDS calendar renewal.

It is important to remember to submit the AP 18 or AP 34 transactions ten days before MEDS renewal. The denial date in the transaction must be early in the month in order to allow for the ten-day notice requirement prior to denying benefits and in order to be within the ten-day MEDS renewal cutoff date which is usually on the 24th or 25th of the month.

**STATE DATA EXCHANGE (SDX) – ACWDL 03-24, Page 9**

6. **Can the counties receive a current SDX manual in order to interpret some of the SDX codes that are placed in the MEDS fields?**

An electronic version of the SDX Manual is available. To request a copy, send an e-mail to Ms. Maureen McCreary at [mmccrear@dhs.ca.gov](mailto:mmccrear@dhs.ca.gov) or to Ms. Debra Hader at [dhader@dhs.ca.gov](mailto:dhader@dhs.ca.gov).

7. **Is it possible to obtain a guide that will help to interpret the data elements SDX places in the MEDS inquiry screens and what it means?**

The SDX manual in combination with the MEDS Manual Quick Reference Guide are useful resources when translating data in the SDX transfer process and in the MEDS fields. To request a copy, send an e-mail to Ms. Maureen McCreary at [mmccrear@dhs.ca.gov](mailto:mmccrear@dhs.ca.gov) or to Ms. Debra Hader at [dhader@dhs.ca.gov](mailto:dhader@dhs.ca.gov).

**MEDI-CAL ANNUAL REDETERMINATION DATES – ACWDL 03-24, Page 9**

8. **After conducting an SB 87 Redetermination, it is determined that the beneficiary is eligible to Medi-Cal and that they are part of an existing Medi-Cal Family Budget Unit (MFBU). Do we realign the *Craig* individual's SB 87 Redetermination date to the family's annual redetermination date or do we realign the MFBU to the SB 87 Redetermination date?**

If a *Craig* individual is being added to an existing MFBU, realign his or her annual redetermination date so it is the same annual redetermination date as the other family members in the MFBU. If, however, under the continuous eligibility for children (CEC) provisions, the *Craig* individual happens to be a child, under age 19, the county must determine if the child's eligibility goes beyond the family's annual redetermination date.

**SHARE-OF-COST – Attachment A, Page 8**

9. **When the county contacts the client and provides the correct forms for the Medi-Cal transaction, do we apply an SOC to the current month or the following month?**

Stipulations on notices and negative actions require the share-of-cost be applied following the month of full-scope eligibility and after a ten-day notice of adverse action has been mailed.

**OTHER – Attachment A, Page 9**

- 10. ACWDL 02-54, states that beneficiaries who receive Personal Care Services (PCS) as a Medi-Cal benefit under their SSI/SSP based Medi-Cal program will continue to be eligible for PCS until their Medi-Cal eligibility has been redetermined by the county as long as they continue to meet other requirements for the PCS benefit. What are the instructions for the PCS?**

The individuals discontinued from SSI/SSP who may or may not have received In-Home Support Services (IHSS) or PCS benefits while receiving SSI/SSP benefits, will be placed under the category of "other" on the Exception Eligible Report (EER).

Meanwhile, individuals receiving non-SSI/SSP IHSS residual services will remain in aid codes 14, 24, and 64, until three new aid codes are established in the MEDS table and until a new Medi-Cal eligibility policy letter is released providing specific instructions on beneficiaries receiving SSI/SSP and PCS benefits. A PCS assessment may have been completed. A *Craig* beneficiary is not eligible to receive PCS benefits if a PCS assessment has found that the beneficiary is no longer eligible for PCS. In such a situation the PCS benefits are discontinued, but the Medi-Cal review process continues for purposes of establishing ongoing Medi-Cal eligibility.

- 11. The worker who will be doing the *ex parte* review for Medi-Cal is not necessarily the worker handling the PCS case. How will the PCS worker be notified if the individual has been approved for or discontinued from Medi-Cal or if an action can be taken on the case? Is it possible to identify the *Craig* individuals who also received PCS services? The Medi-Cal worker would find it beneficial during the *ex parte* to be able to obtain information from the PCS file, if he or she knows one existed.**

The Department of Health Services is unable to identify *Craig* individuals who also received PCS services. Meanwhile, the *ex parte* review process must include contacting the internal county staff overseeing the IHSS/PCS case files.

- 12. Under the old *Ramos* process, individuals discontinued from IHSS continued to receive Medi-Cal for one month, then MEDS automatically termed the record. Can counties get a run of these individuals? It was not specifically stated in ACWDL 03-24, but is it correct to assume that an SB 87 Redetermination must be completed on these clients?**

The old *Ramos* business rules or programming requirements on MEDS that allowed only one month of eligibility have been replaced to allow ongoing eligibility until the county completes the redetermination for Medi-Cal. Individuals discontinued from SSI/SSP and IHSS are dropped into the general category of "other" on the EER, therefore, special report runs are no longer possible for these individuals. Non-SSI individuals who are discontinued from IHSS will continue to be listed on a separate special county report.

The following Medi-Cal Eligibility program specialists are available to discuss program issues in the areas indicated below.

<i>Craig</i> Lawsuit	Maureen McCreary	(916) 552-9515
Pickle, DAC, and Disabled Widows	Cecelia Kelley	(916) 552-9485
No Longer Disabled	Betty Mosher	(916) 552-9494
Long Term Care/Property	Sharyl Shanen-Raya	(916) 552-9449

If you have any questions on the information contained in this letter, please contact Ms. Maureen McCreary, at (916) 552-9515.

Original signed by

Tameron Mitchell, R.D., M.P.H.  
Chief  
Medi-Cal Eligibility Branch