



TOBY DOUGLAS
Director

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



EDMUND G. BROWN JR.
Governor

May 24, 2011

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 11-25
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: UNCONDITIONALLY AVAILABLE INCOME

The purpose of this All County Welfare Director's Letter is to clarify the treatment of Title II Retirement benefits (OASDI) in regard to the applicant's or beneficiary's responsibility to obtain unconditionally available income.

California Code of Regulations, Title 22, Division 3, Section 50186(a) states: "An applicant or beneficiary shall, as a condition of Medi-Cal eligibility, take all necessary actions to obtain unconditionally available income. This includes applying for such income and cooperating in supplying the information requested by the agency making the award." In addition, Section 50186 (b) states: "Income shall be considered unconditionally available if the applicant or beneficiary has only to claim or accept the income. Such income includes, but is not limited to: Disability insurance benefits, benefits available to veterans of military service, OASDI benefits, and unemployment benefits; public assistance benefits shall not be considered unconditionally available income."

Public Law 98-21 made comprehensive changes to OASDI. One such change gradually increases the age of eligibility from 65 to 67 years old, with workers born in 1938 to be the first group affected by the gradual increase. As a result of this change, beginning in 2003, and to date, individuals subject to this change have had a significant loss of income when filing for early benefits.

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Although Medi-Cal applicants and beneficiaries may file for OASDI as early as 62 years of age, benefits are reduced a fraction of a percent for each month short of full retirement age. These individuals must do more than simply claim or accept OASDI; they must also agree to incur a significant loss of OASDI income during the remaining years of their life. As a result, counties are instructed that the California Code of Regulations, Title 22, Division 3, Section 50186, does not apply to OASDI for Medi-Cal beneficiaries or applicants, until they reach full retirement age as prescribed by the Social Security Administration.

If you have any questions, please contact Harold Higgins at (916) 327-0412 or by e-mail at harold.higgins@dhcs.ca.gov.

Original signed by

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