

DEPARTMENT OF HEALTH SERVICES

14744 P STREET
SACRAMENTO, CA 95814
(6) 445-1912



November 20, 1981

To: All County Welfare Directors

Letter No. 81-53

IMPACT OF AFDC CHANGES ON MEDI-CAL

Reference: Department of Social Services' (DSS) Telegram and Letter Dated November 10, 1981.

This is to provide you with instructions for the processing of Medi-Cal-only eligibility for families discontinued from AFDC cash due to the 150 percent cap limitation and the change in the earned income deductions.

Background

Special legislation, SB 1X, gave DSS the authority to file emergency regulations to implement those provisions of PL 97-35 which do not require state statute change. This authority was not extended to any other department.

Another piece of special legislation (AB 2X), which has not yet passed and been signed by the Governor, contains the statutory changes necessary to implement the remaining PL 97-35 AFDC changes. This bill will give this department the authority to file emergency regulations implementing the provisions of the bill itself or provisions of PL 97-35. It is anticipated that this bill will be signed into law shortly.

Four Month Continuing

Families with earnings who are discontinued from AFDC cash are not entitled to receive Medi-Cal under the Four Month Continuing category (CAC, Title 22, Section 50243) because the reason for discontinuance is a change in the law defining treatment of earnings. Only families who are discontinued solely due to increased earnings, i.e., pay raise, or hours of employment, are entitled to Four Month Continuing coverage. Therefore Medi-Cal-only eligibility should be evaluated under the AFDC-MN program.

Intra Program Transfers (IPTs) to AFDC-MN

PL 97-35 impacts Medi-Cal-only because existing state statute and federal Medicaid regulations require that the AFDC income deductions also be applied to the income of AFDC-MN and MI persons and families. Thus, once AB 2X becomes law we will be filing emergency regulations to implement the AFDC earned income deductions in the Medi-Cal program.

November 20, 1981

We recommend that you pend processing IPTs until our regulations are filed. This will save the county staff time that would be required to convert the share-of-cost computations for these families if their cases were first processed using the income deductions currently in regulations.

It is not, however, our intent to preclude you from processing IPTs under current regulations when a member of the family has an immediate medical need. Such cases should be processed flagged so that the case can be converted once our regulations are filed.

Notice of Action

All discontinuance notices of action must indicate that cash-based Medi-Cal is being discontinued and must include one of the statements in CAC, Title 22, Section 50179.5 regarding Medi-Cal-only eligibility.

If you have any questions contact your Medi-Cal program consultant.

Sincerely,

Original signed by

Madalyn M. Martinez, Chief
Medi-Cal Eligibility Branch

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

Complete the following for each case denied or discontinued due to transfer of property. If some of the information is not contained in the case record please indicate "not available"

1. Case name (this is confidential information and will not be supplied to the plaintiff):

2. Type of Action -- Denial or Discontinuance _____

3. Aid category -- AFDC-MN, ABD-MN, MI, Mixed (explain) _____

4. Date of transfer: _____

5. Date of action: _____

6. Number of months in period of ineligibility:

7. Description of property transferred and its use at time of transfer -- (e.g., other real property valued at \$30,000 -- served as home 2 months prior to transfer):

8. For property transferred, where some compensation was received, nature and value of compensation (e.g., mobile home with net market value of \$2,000; or, \$2,500 cash) :

APR 1982

DEPARTMENT OF HEALTH SERVICES

147744 P STREET
SACRAMENTO, CA 95814
(916) 445-1912



December 1, 1981

To: All County Welfare Directors of Los Angeles, San Diego, Alameda, Orange,
Sacramento, San Francisco, San Bernardino, Santa Clara, Riverside, Fresno

BELTRAN vs MYERS

Reference: All County Welfare Director's Letter No. 81-37

Part of the plaintiff's interrogatories in the subject litigation requests information concerning cases denied or discontinued since July, 1981 due to transfer of property. Since we must provide the information to the plaintiff's attorneys by mid-January we are requesting that you review the affected cases in your county and provide us with the information requested in the attachment by January 2, 1982.

If you have any questions or need assistance in reviewing the cases, contact Ruthell Ussery at (916) 445-1707.

Sincerely,

Original signed by

Barbara V. Carr for
Madalyn M. Martinez, Chief
Medi-Cal Eligibility Branch

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

Beltran vs Myers Case Information

To: Medi-Cal Eligibility Branch
California Department of Health Services
714 P Street, Room 1692
Sacramento, CA 95814

ATTN: Ruthell Ussery

From: _____ County

Attached is the information requested in your letter of _____.

County Contact person:

Name: _____

Phone: _____