

## DEPARTMENT OF HEALTH SERVICES

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P.O. BOX 942732  
SACRAMENTO, CA 94234-7320

January 24, 1992



To: All County Welfare Directors  
All County Administrative Officers  
All County Medi-Cal Program Specialists/Liaisons  
All Pickle Coordinators

Letter No.: 92-10

SUBJECT: REVISED "SECOND 503 LEADS NOTICE"

The purpose of this letter is to advise the counties of a change in the Pickle procedures (Section 3, page 3-1) and to transmit a copy of the revised "Second 503 Leads Notice". This letter designates the counties instead of the Department of Health Services (DHS) to mail the Second 503 Leads Notice on April 1 to April 10 to potential Pickle eligibles who: 1) are listed on the 503 Leads Report, and 2) have had no contact with the county with respect to a Pickle Medi-Cal determination.

## Background:

In January each year, counties are sent the Pickle 503 Leads File Report which lists individuals who received a Title II cost of living adjustment (COLA) which resulted in the loss of SSI/SSP benefits. Counties are required to contact these potential Pickle eligible individuals within 30 days according to the procedures in the Pickle Handbook, Section 3-1 through 3-3, and once contact is made, to determine Pickle eligibility.

If no telephone contact is made, counties must send a contact letter. If contact is made, the counties update MEDS to reflect this contact. Then, once the Pickle determination is completed, the counties again update MEDS to reflect eligibility or ineligibility.

However, if by March 1, MEDS did not indicate that a contact was made or a Pickle determination completed, then DHS sent a "Second 503 Leads Notice" to those remaining of the 503 Leads listing requesting that the potential Pickle eligible contact the county. This meant that a potential Pickle eligible could receive two letters requesting that he/she contact the county. If the potential Pickle eligible did not contact the county, then a notice of discontinuance is sent.

If the county fails to initially contact the potential Pickle eligible or complete the Pickle redetermination once contact is made, counties are to ensure that the potential Pickle eligible continues to receive Medi-Cal from May and ongoing until appropriate action is taken.

Revised Procedure: (See attached)

DHS no longer will send the Second 503 Leads Notice, but counties still will continue to contact (by telephone and/or letter) those on the 503 Leads Report. Then, if the potential Pickle eligible has not contacted the county by March 31, 1992, the county shall send the Second 503 Leads Notice of

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Action between April 1 to April 10, 1992. The Second 503 Leads Notice has been revised to be a formal Notice of Action and there is no need to send another notice of discontinuance unless there is an intervening contact which is lost thus requiring another 10 day notice of discontinuance. However, as specified above, if no action is taken by the county to contact the potential Pickle eligible or to complete the Pickle determination, the county shall continue the beneficiary's Medi-Cal coverage from May and ongoing until such action is taken.

You should also note that the requirement to send the contact letter (described at paragraph 1.b (p.3-2) of the Pickle Handbook) is not affected by the merger of the Second 503 Leads Notice and the Notice of Discontinuance as directed in this ACWDL.

For your convenience, bulk quantities of the Second 503 Leads Notice (DHS 7025) will be available the end of February 1992. Please submit Order Form DHS 2031 (9/89) to the Department of Health Services Warehouse, 1037 North Market Boulevard, Suite 9, Sacramento, California 95834 in advance of the April 1, 1992 deadline.

If you have any questions regarding the Section 3 procedures or notice, please call Sylvia Finberg at (916) 657-0080/CALNET 437-0080.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief  
Medi-Cal Eligibility Branch

Enclosures

REVISED  
(Second 503 Leads Notice)  
Notice of Action

DATE:

TO: Medi-Cal Beneficiaries Discontinued  
From SSI/SSP On January 1

FROM: County Welfare Department

RE: Your Medi-Cal Benefits Will End

You were notified by the Social Security Administration (SSA) in December that your SSI/SSP was discontinued as of January 1 of this year. The reason your SSI/SSP checks were stopped is because you received an increase in your Social Security benefits. Although this increase made you ineligible for your SSI/SSP checks, you also were notified by the State Department of Health Services that you would continue to receive Medi-Cal until the county welfare department determines whether you will be able to get a zero share of cost Medi-Cal card under the Pickle Amendment. The county must evaluate your Pickle eligibility for Medi-Cal.

However, you have not responded to the State Department's notice and we were unable to reach you by telephone. Therefore, your Medi-Cal will automatically be discontinued on April 30. You will not receive a May Medi-Cal card.

If you have information that you would like to be considered, please contact your county eligibility worker immediately.

IF YOU DISAGREE WITH THIS ACTION AND YOU WANT TO APPEAL THE DISCONTINUANCE, YOU MAY REQUEST A STATE HEARING BY FOLLOWING THE INSTRUCTIONS ON THE BACK OF THIS NOTICE.

NOTE: THIS NOTICE WILL NOT AFFECT ANY MEDI-CAL BENEFITS YOU MAY ALREADY BE RECEIVING UNDER ANOTHER MEDI-CAL PROGRAM.

If your SSI/SSP checks have been started again since January 1 of this year, please ignore this letter.

This notice is a result of a court decision in the case of Lynch v. Rank, U.S. District Court, Northern District of California, No. C-83-2340 WHO.

For additional information contact:

DHS 7025(1/92)

SECTION 3--503 LEADS

Listing and Notices

Each year at the time of the Title II cost-of-living increase, the Department of Health Services (DHS) receives a special SDX tape (the "503 Leads Tape") that provides the names of all persons who have been discontinued from Supplemental Security Income/State Supplementary Payment Program (SSI/SSP) as a result of an increase in Title II benefits. This list is then provided to county welfare departments (CWDs) (January through November). Instructions on the procedures to be used when determining Pickle eligibility are sent to counties prior to January of each year. At the same time the list is provided, notices are sent by DHS to the affected Medi-Cal beneficiaries telling them to contact their CWD. Unless the CWD has not taken action to contact potential Pickle individuals as described in paragraph 1b on page 3-2, a Notice of Action (NOA) shall be sent by the counties between April 1st and April 10th to individuals who have not responded to attempts to reach them by telephone or the county contact letter. This NOA will advise them of their discontinuance effective April 30. The May "503 Leads" report will indicate those individuals who (1) need a county-issued Medi-Cal card for the month of May, and (2) have not yet had a redetermination completed. A copy of the beneficiary notices and a sample listing are included in this section.

County Responsibilities

Each year DHS will issue zero share-of-cost Medi-Cal cards through the April month of eligibility (MOE) for this group of Medi-Cal beneficiaries. Beginning with May MOE, DHS will discontinue issuing these Medi-Cal cards. At that time, the appropriate county of residence must assume responsibility for issuing a Medi-Cal card to persons on this list unless they have been determined ineligible through the redetermination process described below. Therefore, in order for these beneficiaries to continue to receive a Medi-Cal card, it is necessary for CWDs to establish a Medi-Cal case for these individuals.

As soon as possible, but no later than 30 days from the date the CWD receives the listing from DHS, CWDs are required to make personal contact and to complete a redetermination of the Medi-Cal eligibility of each person on the list and of his/her family. Eligibility must be redetermined using the Pickle eligibility determination procedures in this Handbook.

If counties have taken action to contact these individuals and have received no response, counties must submit an EW60 transaction to MEDS to update the Pickle status to show loss of contact (status 3). Submission of this transaction will indicate that the county has attempted to contact the beneficiary and has been unable to determine Pickle eligibility for Medi-Cal at this time. The county shall send the April discontinuance Notice of Action (NOA) described in paragraph 1 above.

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Pursuant to the Lynch v. Rank order, counties must ensure that the eligibility redetermination on these 503 Leads individuals is completed prior to discontinuance. If there has been some kind of delay that has prevented the county from contacting or completing a redetermination on the remaining individuals, they must continue to receive their Medi-Cal cards through the appropriate county of residence until such time as a redetermination is completed but no sooner than the April MOE. Counties should follow the instructions below for extending Medi-Cal eligibility for May MOE and ongoing until a redetermination is completed.

Upon receipt of the 503 Leads Report in April, counties must verify that every individual on the list has been contacted and a redetermination completed. If a redetermination has not been completed, counties must submit the appropriate MEDS transaction to establish continuing Pickle eligibility for May and ongoing until a redetermination is completed. Normal reporting procedures should be followed in this instance. Also, since the Pickle status code will be automatically updated by these transactions, no EW60 transaction is necessary.

Anyone determined ineligible must have his/her name placed in the MEDS Pickle Tickler system for review at the next COLA. For detailed instructions, see the "Tickler System" section of this Handbook.

In processing a redetermination of a person on this list, CWDs are required, by the terms of the Lynch v. Rank court order, to proceed as follows:

1. With respect to personal contact, the requirements contained in Title 22, California Code of Regulations (CCR), Sections 50163, 50165, and 50167, are applicable. Additionally, in accordance with Section 50165, when the MC 210 is not returned in a timely manner, the county shall attempt to contact the beneficiary to determine the reason for the delay. In counties that use redetermination appointment notices, the same procedure must be followed if the beneficiary fails to make an appointment in a timely manner. The minimum effort in attempting contact shall be:
  - a. In cases where a telephone number for the beneficiary can be ascertained, an eligibility worker shall attempt, on at least two separate dates, to reach the beneficiary by telephone. An ascertainable telephone number is one that can be determined by matching the name and address on the 503 Leads Tape list with a name and address in a current local telephone book.
  - b. In all cases where telephone contact is not established or the beneficiary has no telephone number that can be ascertained, a letter must be sent by the CWD, no later than March 1, to the address appearing on the 503 Leads Tape list. The letter shall inform the beneficiary that he/she must contact the CWD immediately or he/she will not receive a May Medi-Cal card. The

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letter shall contain the name and a local telephone number of the eligibility worker.

2. The counties must assist beneficiaries in completing the redetermination process as required by Title 22, CCR, Section 50101 (a) (6) and (7). If a recipient is unable, due to a mental or physical disability, to complete the MC 210, the county shall attempt to have a relative or friend do so. If that is not possible, the county will assist in completing the form during a face-to-face interview. If the recipient is homebound, the county has the option of a home visit to complete the form, or of completing it over the telephone.

While the information may be obtained by telephone, the recipient is still required to sign the form, unless he or she is within the categories set forth in Section 50163. However, if the signed form is not returned, the county must make a personal contact, in accordance with the procedures mentioned in 1 above, to find out why the form was not returned, and to assist as necessary.

3. If, after following the procedures in 1 and 2 above, the CWD does not receive a completed MC 210 from a beneficiary whose name appears on the 503 Leads Tape list, the county shall discontinue the beneficiary from the Medi-Cal program in accordance with Title 22, CCR, Section 50175.
4. All efforts by the county to make personal contact with these individuals must be documented in the case file.
5. In cases in which former SSI/SSP recipients have representative payees, all notices and forms must be sent to both the recipient and the payee. If the representative payee's address is the only one available, notices and forms for the recipient and the representative payee must be sent to the same address. Applications must be processed by the county in which the applicant or beneficiary resides.

REPORT NO. 4R-MED820-R003 REPORT DATE 12/15/87 TITLE 503 LEADS FILE REPORT DISTRICT 999 WORKER A1

BASE-NAME JOE COUNTY-ID 99-99-9999999-9-99 MEDS-ID 999-99-99999 BIRTHDATE 11-08-955 SEX F ELIG-STATUS 001  
 JOE PLACE ANY STREET ANY TOWN, CALIFORNIA ZIP A PICKLE-TICKLER CO SSI-LAST-RECEIVED 12-87 LAST-PICKLE-CHG 12-11-87

BASE-NAME SMITH COUNTY-ID 99-99-9999999-9-99 MEDS-ID 999-99-99999 BIRTHDATE 09-30-944 SEX M ELIG-STATUS 001  
 SMITH JOHN Z PICKLE-TICKLER CO SSI-LAST-RECEIVED 12-86 LAST-PICKLE-CHG 12-10-86  
 44 P STREET SACRAMENTO CA 95814

BASE-NAME TEUMAN COUNTY-ID 99-99-9999999-9-99 MEDS-ID 999-99-99999 BIRTHDATE 04-01-936 SEX M ELIG-STATUS 003  
 TEUMAN ALFRED E PICKLE-TICKLER CO SSI-LAST-RECEIVED 12-87 LAST-PICKLE-CHG 12-11-87  
 14 P STREET SACRAMENTO CA 95814

BASE-NAME QND COUNTY-ID 99-99-9999999-9-99 MEDS-ID 999-99-99999 BIRTHDATE 04-19-927 SEX M ELIG-STATUS 596  
 QND JAMES PICKLE-TICKLER CO SSI-LAST-RECEIVED 12-87 LAST-PICKLE-CHG 12-11-87  
 44 P STREET SACRAMENTO CA 95814

SAMPLE