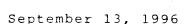
Letter No.: 96-52

## DEPARTMENT OF HEALTH SERVICES

714/744 P Street P.O. Box 942732 Sacramento, CA 94234-7320 (916) 657-2941





TO: All County Welfare Directors

All County Administrative Officers

All County Medi-Cal Program Specialists/Liaisons

Denial of New Medi-Cal Applications Based on Disability Where Drug Addiction and/or Alcoholism (DA&A) is a Contributing Factor Material to Disability

Ref: All County Welfare Directors Letter (ACWDL) Nos. 96-23 and 96-30

The purpose of this ACWDL is to provide instructions to counties on how to process Medically Needy Only (MNO)-Disabled cases that have been denied by State Programs Disability Evaluation Division (SP-DED) when DA&A is material to the applicant's disabling condition. A sample copy of the newly developed denial Notice of Action (NOA) MC 313, DA&A (8/96) is enclosed (see Enclosure 1).

As mentioned previously in the above-referenced ACWDLs, Public Law 104-121 prohibits Medicaid coverage to drug and/or alcohol dependent individuals whose cases are finally adjudicated on or after March 29, 1996. SP-DED has been holding a small number of these cases pending further instructions from the Social Security Administration (which have now been received) and pending release of these county instructions.

## SP-DED Action

SP-DED will send the MC 221s back to the counties informing them that an applicant is not disabled when the primary impairment is DA&A. Counties will be able to identify these cases when the following fields of the MC 221 contain all of the following information:

Item 14.

Reg-Basis Code N39;

Item 15.

Diagnosis of Alcoholism and/or Drug Addiction;

Item 16 (Comments):

"Denial--DAA is Material--P.L. 104-121, A-Alcoholism", or

"Denial--DAA is Material--P.L. 104-121, D-Drug", or

"Denial--DAA is Material--P.L. 104-121, B-Both."

A sample MC 221 is enclosed (see Enclosure 2). SP-DED will also submit a Rationale or Personal Denial Notice indicating that DA&A was considered.

All County Welfare Directors
All County Administrative Offices
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## SP-DED Adoption of Federal Denials

Where appropriate, SP-DED will adopt a federal denial on a DA&A case. In these cases, SP-DED will return the MC 221 indicating "Z53" in the Reg-Basis Code (Item 14). If there is no other basis for establishing Medi-Cal eligibility, the counties will process these denials in the same manner as any other "Z53" denial. They will issue an MC 239 SD, "Medi-Cal Notice of Action, Denial of Benefits Due to A Federal Social Security Disability Determination," along with the MC Information Notice 13, "Important Information Regarding Your Appeal Rights, Social Security Information."

## **County Action**

As indicated earlier, the county must determine whether an applicant can be linked under some category other than disability whenever a MC 221 is received from SP-DED indicating that the applicant was found not disabled. If no other linkage exists and DA&A was a material factor, the county must deny the case using the newly developed MC 313 DA&A (8/96) or a county generated denial NOA with similar language. When an applicant disagrees with the denial, county staff should instruct the applicant to appeal the denial in the usual manner.

Due to the 90-day processing time requirement, it is urgent that counties process these denied cases as quickly as possible. Department of Health Services (DHS) has completed the English version of the MC 313 DA&A and camera-ready copies will be sent to each county Medi-Cal program liaison. The Spanish language version will be ready in the near future and the camera-ready copy will also be mailed to the Medi-Cal program liaison in each county. Due to the small number of cases which will be affected, DHS will be printing a small supply of these NOAs, therefore, we are requesting that each county order only a very limited supply. A supply of the English MC 313 DA&A should be available in the DHS Warehouse about mid-September.

If you have any questions regarding the above information or the MC 313, DA&A denial NOA, please contact Marie Taketa of my staff at (916) 657-1250. Additional information regarding treatment of MNO-Disabled DA&A Medi-Cal beneficiaries will be issued in a future ACWDL. This ACWDL will NOT be followed by a Medi-Cal Eligibility Procedures Manual Section.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief Medi-Cal Eligibility Branch

Enclosures

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Department of Health Services Medi-Cai Program

MEDI-CAL NOTICE OF ACTION DENIAL OF BENEFITS

(County Stamp)

		Notice Date: Case Number:	
		Worker Name/Number:	
L		Worker Telephone Number:  Denial For:(Name)	
Your applica	ition for Medi-Cal dated	has been denied.	

The law says that a person cannot be found eligible for Medi-Cal benefits based on disability if the main reason for his/her disability is due to drug addiction and/or alcoholism (DA&A). This means that a person would not be disabled if he/she stopped using drugs and/or alcohol.

Because it was found that

- 1) Drug addiction and/or alcoholism is the main condition(s) contributing to your disability; AND
- 2) You have no other severe physical and/or mental condition(s) to find you disabled, we cannot grant you Medi-Cal eligibility.

You also do not meet any of the other basic rules for Medi-Cal which are the following:

- Over 65 years old or blind
- Under 21 years old
- Pregnant
- The parent/caretaker relative of a child whose parent(s) is/are absent from the home, deceased, incapacitated or unemployed (not working or working less than 100 hours per month and who meet federal unemployment requirements)
- Eligible for the refugee program
- Recipient of Aid to Families With Dependent Children or Supplemental Security Income/State Supplementary Payment

If you do not agree with this decision and you have other physical and/or mental condition(s) that could find you disabled, you have a right to appeal. You also have a right to appeal if you feel you meet any of the other rules for Medi-Cal stated above. The back of this notice tells you how.

If you have any questions about this action or if there is additional information about your situation which you have not reported to us, please write, or call to make an appointment to see us right away.

The regulation which requires this action is California Code of Regulations, Title 22, Sections 50005, 50006, 50167, 50201, 50205, 50209, 50211, 50213, 50215, 50219, 50221, 50223, 50251.

PLEASE READ THE REVERSE SIDE OF THIS NOTICE

\* SEE BACK OF COPY 4 MC 221 (6/93)