STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY

GRAY DAVIS, *Governor*

DEPARTMENT OF HEALTH SERVICES
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October 23, 2000

Letter No.: 00-53

TO: All County Welfare Directors
All County Administrative Officers
All County Medi-Cal Program Specialist/Liaisons
All County Outstationed Eligibility Workers Coordinators
All County Public Health Directors
All County Mental Health Directors

Subject: Temporary Disregard of Annual Social Security Cost-of-Living Adjustments (COLAs)

The Governor's new budget has approved language allowing the Department of Health Services (DHS) to temporarily disregard Social Security COLAs when determining eligibility for the Section 1931 program.

Beginning with the January 2001 Social Security COLAs, counties are instructed not to apply the Social Security COLAs to the Section 1931 program cases until the new Federal Poverty Levels (FPLs) are released and applied (usually in April of each year). By synchronizing this process, DHS hopes to eliminate the hardship imposed on beneficiaries and the administrative costs associated with terminating Section 1931 Medi-Cal eligibility in January because of the Social Security COLAs and then restoring benefits in April when the FPLs are released.

If you have any questions regarding this All County Welfare Director's Letter, please contact Mr. Armando Martinez at (916) 657-1487.

Sincerely,

ORIGINAL SIGNED BY

Glenda Arellano, Acting Chief
Medi-Cal Eligibility Branch