STATE OF CALIFORNIA–HEALTH AND WELFARE AGENCY

PETE WILSON, Governor

DEPARTMENT OF HEALTH SERVICES
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December 7, 1995

TO: All County Welfare Directors
All County Administrative Officers
All County Medi-Cal Program Specialists/Liaisons

Letter No.: 95-79

TINOCO LITIGATION: FLAGGING CASES WITH STATE DISABILITY INSURANCE PAYMENTS

Ref.: E-Mail No. 95128

This All County Welfare Directors Letter (ACWDL) is to inform counties to begin "flagging" certain Medi-Cal cases in which State Disability Insurance payments (SDI) --also called disability insurance benefits (DIB)-- are being received. Counties must flag cases in which SDI was received in any month from October 1995 onwards. Continuing cases may be flagged through manual or electronic searches. Counties using electronic systems whose ability to provide income-code data is restricted to a few past months must finish the flagging of continuing cases in December 1995. All flagging of continuing SDI cases should be completed by January 31, 1996. Counties must ensure that all SDI intake cases which were not flagged as continuing cases are flagged by December 31, 1995. Flagging of intake cases should continue until counties begin treating the SDI of such cases as earned income.

On October 30, 1995, the judge presiding over the Tinoco v. Belshe litigation ordered the Department of Health Services (DHS) to begin counting SDI as earned income. DHS is in the process of determining how to implement this order. The treatment of SDI as earned income for new and continuing cases will be the topic of a future ACWDL.

Please contact Dave Rappolee of my staff at (916) 657-0163 if you have any questions regarding this matter.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch