DEPARTMENT OF HEALTH SERVICES
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November 11, 1998

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

Letter No.: 98-51

BENO V. SHALALA AND WELCH V. ANDERSON PAYMENTS ARE EXEMPT RETROACTIVE CORRECTIVE AID

The purpose of this letter is to provide instructions to exempt payments made as a result of the settlement reached in the cases of Beno v. Shalala and Welch v. Anderson. The cases challenged the legality of the grant cuts in the Aid to Families with Dependent Children (AFDC) program between December 1992 and May 1996.

Class members received warrants from the State Controller's Office in the amount of $39.31 during the month of September 1998. This payment is retroactive corrective aid. Retroactive corrective aid is exempt property in the month of receipt and the month following the month of receipt under the AFDC program and under the California Work Opportunity and Responsibility to Kids program. The same rule also applies under the Medi-Cal program.

If you have any questions on this issue, please feel free to call Sharyl Shanen-Raya at (916) 657-2942.

Sincerely,

ORIGINAL SIGNED BY

ANGELINE MRVA, Chief
Medi-Cal Eligibility Branch