STATE OF CALIFORNIA--HEALTH AND HUMAN SERVICES AGENCY

GRAY DAVIS, Governor

DEPARTMENT OF HEALTH SERVICES
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June 2, 1999

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

Letter No.:99-28

SUBSTANTIAL GAINFUL ACTIVITY (SGA) AMOUNT INCREASED FROM $500 PER MONTH TO $700 PER MONTH EFFECTIVE JULY 1, 1999

The purpose of this letter is to notify counties of a change that increases the SGA level to $700 per month. On April 15, 1999, the Social Security Administration published final rules implementing an increase in the SGA level for non-blind disabled individuals (SGA rules do not apply to legally blind individuals who meet the Supplemental Security Income criteria or to Medi-Cal beneficiaries who return to work after disability has been approved). As a reminder, the term SGA is used to describe a level of work activity that is both substantial and gainful and is the first factor in determining whether an applicant will be considered disabled under federal disability rules. A person who performs SGA is not considered disabled, even if a severe physical or mental impairment exists.

Substantial work activity involves the performance of significant physical or mental duties, or a combination of both, which are productive in nature. For work activity to be substantial, it need not necessarily be performed on a full-time basis. Changes to the Medi-Cal Eligibility Procedures Manual and all county forms used in evaluating SGA will be updated in the near future. Until these forms are updated and available, counties may continue to use current forms after the effective date of July 1, 1999, but must manually change the SGA level to $700.

If you have questions regarding program policies on SGA, please contact Terry Durham of my staff at (916) 657-2701.

Sincerely,

ORIGINAL SIGNED BY

Glenda Arellano
Angeline Mrva, Chief
Medi-Cal Eligibility Branch