STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY

GRAY DAVIS, *Governor*

DEPARTMENT OF HEALTH SERVICES
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February 01, 2002

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

Letter No.: 02-08

INCREASE IN THE SUBSTANTIAL GAINFUL ACTIVITY (SGA) AMOUNT

Ref.: E-Mail C2 DHS No. 2001-55

This letter is to inform counties that effective January 1, 2002, the new SGA amount for non-blind individuals will be increased to $780. All SGA determinations made on/or after January 1, 2002, should utilize the new amount. This information was distributed to counties via E-Mail in December 2001. The Social Security Administration published final regulations in the Federal Register that require annual adjustments to the SGA amount based on the average wage index.

Since the SGA amount is likely to change annually, future reference to the actual SGA amount in the Medi-Cal Eligibility Procedures Manual (MEPM) will only be indicated on pages 22C-2.1 and 22C-2.2. All other reference to the SGA amount in the MEPM will only state "Current SGA Amount" and no dollar figure will be noted. County staff preparing SGA determinations will insert the current SGA amount on the MC 272 (SGA worksheet) and MC 273 (SGA work activity form). Both forms were recently revised reflecting this change and are available in the warehouse.

Counties are instructed to retroactively redetermine Medi-Cal eligibility based on disability if a case has been denied erroneously due to a delay in implementing the new SGA amount.

If you have questions regarding the information provided, please contact Mr. Terry Durham of my staff at (916) 657-2701.

Sincerely,

ORIGINAL SIGNED BY

Richard Brantingham
Acting Chief
Medi-Cal Eligibility Branch