STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

GEORGE DEUKMEJIAN, Governor

DEPARTMENT OF HEALTH SERVICES
714/744 P STREET
SACRAMENTO, CA 95814

April 18, 1983

To: All County Welfare Directors

Letter No. 83-30

IBARRA V. DAWSON PRELIMINARY INJUNCTION

This letter is to provide you with detailed procedural information to comply with the court order in the Ibarra v. Dawson lawsuit.

Beginning with the April 1983 month of eligibility and for all subsequent months counties must determine the share of cost for all AFDC-MN and specific MI cases by subtracting the following from the gross earned income for the case:

1. Federal, state, and local taxes, social security (FICA), and state disability insurance;

2. $75 (full time) or $50 (part time) for work-related expenses; and

3. Any other applicable deductions (dependent care, court ordered alimony or child support, thirty dollars plus one-third, health insurance premiums).

No other mandatory deductions have been specified by the court. These deductions apply to the earned income of all persons in an AFDC-MN case. If a stepparent's income is included in determining the share of cost for an AFDC-MN case, the mandatory deductions and the work-related expenses must be subtracted from the stepparent's gross earned income. They must also be deducted from the income used to determine the share of cost for MI pregnant women, and MI children.

When this computation is completed, issue either a zero share of cost Medi-Cal card or a revised MC 177S, whichever is appropriate. If a revised MC 177 is issued, please indicate that the change is due to the Ibarra case by writing IBARRA on the upper right hand corner of the form.

To minimize problems with payment of claims, we request that counties submit weekly listings of cases which were originally determined in accordance with present Title 22 income determination methodology and must be redetermined in accordance with the Ibarra methodology.

These listings should include only those ongoing cases that were originally computed without allowing mandatory deductions and were recomputed using the Ibarra case ruling. The listings must include beneficiary name, Medi-Cal identification number, former aid code, new aid code (if appropriate), former share of cost, and new share of cost including zero.

Please submit your weekly listings to:

Connie Farmer, Chief
Medi-Cal Eligibility Operations Unit
DHS
714 Street, Room 1692
Sacramento, CA 95814

In MEDS counties, please be sure that you have changed the share of cost to the reduced amount on the MEDS data base.

If current mandatory deduction information is not available in the case file, counties should contact the Medi-Cal beneficiary and request the information be provided as soon as possible in order to reduce the April share of cost.

Some beneficiaries may have already met or obligated their share of cost for April. In those instances you should provide them with a letter of explanation (sample wording attached) that they can present to the provider along with the zero share of cost Medi-Cal card for April. Adjustments to the share of cost of persons affected by this lawsuit should be processed in accordance with Title 22, CAC, Section 50653.3.

The order requires that DHS report back to the court during the week of April 25 specifying the number of ongoing cases identified during this review as having a reduced share of cost and the number of cases having a zero share of cost as a result of this lawsuit. In addition, DHS must identify all steps which the counties have taken to comply with the order, and the names of the counties that have achieved total compliance and those that have not.

To comply with this portion of the order we are asking that you record the number of cases with either reduced or zero share of cost. Please record only those cases that are included on your weekly listings. In addition, please record the total number of AFDC-MN share of cost cases for April. Your program consultant will be contacting you, by telephone on April 25 to gather this information. Also, please have available at that time the number of cases that have been completed and the number left to be done, along with specific details giving any reason why the recomputation has not been completed.

Thank you for your cooperation in this matter.

If you require further information concerning this lawsuit, contact Kristi Banion (916) 445-1797.

Sincerely,

ORIGINAL SIGNED BY

Jo Ann Wray
Acting Deputy Director
Health Care Policy and
Standards Division

Attachment

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants