STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

GEORGE DEUKMEJIAN, Governor

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

March 21, 1985

To: All County Welfare Directors
County Administrative Officers

Letter No. 85- 18

IMPLEMENTATION OF AB 3891 -- TREATMENT OF REPARATION PAYMENTS FROM THE FEDERAL REPUBLIC OF GERMANY

The purpose of this letter is to instruct you to immediately implement the provisions of AB 3891 (copy attached) which exempts for Medi-Cal purposes reparation payments made by the Federal Republic of Germany pursuant to the Federal Law on the Compensation of Victims of the National Socialist Persecution.

Background:

Subsection (b) of the legislation requires that this new income exemption be implemented upon receipt of federal approval or July 1, 1985, whichever is earlier. We have initiated action to incorporate the reparation payments exemption into Medi-Cal regulations, however federal approval has been received prior to the completion of the formal regulation adoption process. Since the statute is self-executing we are authorizing the implementation of its provisions via this letter pending the filing and issuance of regulations.

If you or your staff have any questions regarding this issue, contact Ruthell Ussery of my staff at (916) 324-4970.

Sincerely,

Original signed by

Doris Z. Soderberg, Chief
Medi-Cal Eligibility Branch

Attachment

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

Assembly Bill No. 3891

CHAPTER 1181

An act to add Section 14005.10 to the Welfare and Institutions Code, relating to Medi-Cal.

[Approved by Governor September 15, 1984. Filed with Secretary of State September 17, 1984.]

LEGISLATIVE COUNSEL'S DIGEST

AB 3891, Margolin. Medi-Cal: eligibility.

Existing law provides for the Medi-Cal program under which various categories of low-income persons are provided with basic health care services.

This bill would provide that in determining Medi-Cal eligibility, available income shall not be deemed to include specified reparation payments by the Federal Republic of Germany made to victims of the Nazi persecution.

The bill would also provide that the State Director of Health Services shall seek federal waivers in order to ensure federal financial participation. The bill would provide that if the Secretary of the United States Department of Health and Human Services makes a final determination that any provision of this bill conflicts with federal law, the State Director of Health Services shall request the Attorney General to seek judicial review of this determination. The bill would specify, however, that even if waivers are not obtained, or if a final judicial decision is rendered holding any provision of this bill in conflict with federal law, the bill should be implemented by July 1, 1985, or the date upon which waivers are obtained, whichever is earlier.

The people of the State of California do enact as follows:

SECTION 1. Section 14005.10 is added to the Welfare and Institutions Code, to read:

14005.10. (a) In determining eligibility pursuant to Section 14005.4 or 14005.7, reparation payments received by victims of the Nazi persecution from the Federal Republic of Germany pursuant to the Federal Law on the Compensation of Victims of the National Socialist Persecution (Federal Compensation Law), as enacted by that government on June 29, 1956, shall not be deemed as available income.

(b) The director shall seek federal waivers from the Secretary of the United States Department of Health and Human Services, in order to ensure federal financial participation. In the event of an initial determination by the Secretary of the United States Department of Health and Human Services that any provision of this

section is in conflict with any federal statute or regulation, the department shall take all available and necessary steps to obtain a final determination reversing that decision. In the event that a final determination is made which finds a conflict with federal law, the director shall immediately request the Attorney General to seek judicial review of the determination, and the director shall notify the appropriate policy and fiscal committees of both houses of the Legislature of its request. Notwithstanding the outcome of the director's efforts to obtain waivers under this subdivision, or a final judicial decision holding that any provision of this section is in conflict with federal law, subdivision (a) shall be implemented on July 1, 1985, or the date upon which waivers are obtained under this subdivision, whichever is earlier. Failure to obtain waivers pursuant to this subdivision shall not affect implementation of subdivision (a).