STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

GEORGE DEUKMEJIAN, Governor

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

October 31, 1985

To: All County Welfare Directors
County Administrative Officers

Letter No. 85-70

POST HEARING DEFRA CHANGES

Reference: All County Welfare Directors Letters No. 84-14 and 85-32.

The Deficit Reduction Act (DEFRA) of 1984 - Public Law (P.L.) 98-378 which was effective October 1, 1984, made several changes to Medi-Cal income and resource provisions. Title 22, California Administrative Code (CAC) was amended April 15, 1985 to conform with these changes and implementing instructions were issued to counties on April 29, 1985 in All County Welfare Directors Letter (ACWDL) No. 85-32.

The public hearing on the DEFRA emergency regulations was held on June 26, 1985 and as a result the following three Medi-Cal regulation sections were revised:

TITLE 22, CAC, SECTION 50243.

Title 22, CAC, Section 50243 provided that persons or families discontinued from AFDC due to the collection or increased collection of child/spousal support are entitled to four months of continuous no cost Medi-Cal coverage, as long as other conditions of eligibility are met.

As a result of testimony provided at the June 26 public hearing and federal clarification of the specific intent of P.L. 98-378, Title 22, CAC, Sections 50243 has been further amended to provide that persons/families discontinued from AFDC due "wholly or in part" to the collection or increased collection of child/spousal support are entitled to four months of continuous no cost Medi-Cal coverage, "regardless of whether other conditions of eligibility are met".

- EXAMPLE: The Barnes family was discontinued from AFDC due to an increase in child support and an increase in retirement benefits. The family is eligible for four months of no cost Medi-Cal regardless of whether the family continues to meet all conditions of eligibility.

Title 22, CAC, Sections 50379 and 50657

Title 22, CAC, Section 50379 provided that Nine Month Continuing eligibles be considered ineligible members of the MFBU. As an ineligible member of an MFBU, the income and resources of the Nine Month Continuing member is to be used to determine eligibility and the share of cost of other family members. Additionally, Title 22, CAC, Section 50657 was originally revised to provide that the health services of the Nine Month Continuing eligible cannot be listed on the MC 177 and therefore cannot be used to meet the share of cost of other eligible family members.

As a result of testimony provided at the public hearing, Title 22, Sections 50379 and 50657 have now been revised to provide that persons/families eligible for either Four or Nine Month Continuing and who are included as ineligible members of an MFBU, may list their non Medi-Cal covered health care costs on the MC 177 and therefore help meet the share of cost of other family members.

- EXAMPLE: The Briare family is eligible as medically needy and has a share of cost of $100. In December, 20 year old Frances Briare who is receiving nine months of no cost Medi-Cal rejoins her family and is determined an ineligible member of her family's MFBU effective January. As an ineligible member, Frances' income and property is included in determining the other family members' eligibility and share of cost (Title 22, CAC Section 50379). Although Frances' property does not cause other family members to be ineligible for Medi-Cal, Frances' income increases the family's share of cost to $200.00.

  Frances has medical expenses in January which totaled $400. Of this $400, only $200 was paid by the Medi-Cal program, therefore, the remaining $200 was paid by Frances. These health care costs not paid for by the Medi-Cal program are listed on the 177S and are used to meet the January $200 share of cost of other family members.

Revisions to the Medi-Cal Manual will be available within the near future. Questions may be addressed to Catherine Buber-Chatten at (916) 324-4972.

Sincerely,

Original signed by

Doris Z. Soderberg, Chief
Medi-Cal Eligibility Branch

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

Expiration Date: December 31, 1985