TATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

GEORGE DEUKMEJIAN, Governor

DEPARTMENT OF HEALTH SERVICES
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CRAMENTO, CA 95814

July 28, 1987

TO: All County Welfare Directors
All County Administrative Officers

Letter: 87- 40

MEDI-CAL DISABILITY -- SUBMISSION OF REEXAMINATION REQUESTS AND REQUIRED ELIGIBILITY WORKER ACTION FOLLOWING REJECTION OF A PACKET BY THE DISABILITY EVALUATION DIVISION (DED)

The purpose of this letter is to discuss several serious problems which have arisen with respect to Medi-Cal disability reexamination cases and eligibility worker (EW) procedures following rejection of a disability packet by DED. These problems are resulting in increased workload to county staff, delays in eligibility determinations and may adversely affect the applicant/beneficiary.

REEXAMINATION REQUESTS

The moratorium on development of reexamination cases by DED was recently lifted following promulgation of regulations by the Social Security Administration (SSA). Therefore, DED is in the process of developing the previously shelved cases as well as any current reexamination cases. It is anticipated that the backlog will be cleared within six to eight months.

During departmental review of disability hearing cases, it has been determined that many cases denied disability by DED as initial applications were instead reexamination cases submitted to DED by the county pursuant to an established reexamination date. In most of these cases DED was not informed on the MC 221 (DED Transmittal) that these cases were current beneficiaries due for reexamination. Instead, the FED MN box on the MC 221 was checked by the EW. As a result, DED developed the case as a new application case using initial disability rather than reexamination criteria and denied the case. At the hearing it is established that the incorrect standard has been applied, the claimant is reinstated and the case is remanded to the county with an order to properly submit the case to DED for reexamination. This causes unnecessary work for the EW and the county appeals worker.

In addition, the beneficiary's Medi-Cal is inappropriately terminated unless the appeal was filed timely and causes the beneficiary to attend an unnecessary hearing. Many beneficiaries will find this extremely difficult due to their poor physical and/or mental conditions.

Identification of reexamination cases is imperative as reexamination cases require that DED apply a different set of disability standards. Initial disability standards used for new applications place the burden of proof on the applicant. The applicant must prove that he/she qualifies under federal disability criteria. However, pursuant to the Ninth Circuit Court order in Lopez v. Heckler and the Disability Benefits Reform Act of 1984 (DBRA), once disability has been established, the burden of proof no longer rests with the beneficiary. Instead, DED must compare the beneficiary's condition at the time disability was initially established with the beneficiary's current condition and determine whether medical improvement has occurred. Therefore, all disability reexaminations must be appropriately identified in accordance with Medi-Cal Eligibility Procedures Manual (MEPM) Section 4F.

REJECTED PACKETS

Recently it has been determined that some EWs have been mailing disability packets rejected by DED directly to applicants along with the cover letter from DED explaining the reason for the rejections. No cover letter from the EW to the applicant is enclosed which would explain in more detail the required action. As a result, the applicant calls the analyst at DED whose name appears on the letter asking for instructions. This procedure is unacceptable for the following reasons:

1. The telephone call made by the applicant may be long distance, resulting in an unnecessary expenditure and extreme frustration to the applicant as DED no longer has the packet and, thus, cannot answer any questions.

2. Title 22, CAC, Section 50101(a)(7) requires the county to assist the applicant in establishing eligibility. The procedure outlined above is in conflict with regulatory requirements. Section 50167(a)(1)(D) requires the county to follow DED procedures in order to verify disability. A rejected packet is accompanied by a letter from DED informing the EW of the error(s) in that packet. Established procedure requires the EW to contact the applicant and arrange for correction.

3. This procedure erroneously places the burden of obtaining correct information from the applicant onto DED. DED is not a public access agency and is not to receive inquiries which would be more appropriately addressed by an EW. In addition, direct contact between DED and the applicant on packet problems excludes the EW who will then be unaware of case status. All information is to be coordinated by the EW to ensure the county case file is accurate and current.

4. Sending the entire packet to the applicant and awaiting a reply could result in loss of documents or a time delay sufficient to render the MC 220 forms (Release of Medical Information) obsolete. Any MC 220 which would be more than 90 days old when the medical provider receives the form from DED is legally invalid and will thus be rejected again by DED.

While the above problem does not appear to be a matter of county policy this procedure is being followed by individual EWs or district offices who may not be aware of the consequences. Therefore, please advise staff members that this procedure is unacceptable. DED will contact this office on future cases so that more individual corrective action may be taken on a county by county basis.

If you have any questions regarding these issues, please contact Toni Bailey at (916) 324-4953.

Sincerely,

Original signed by

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

Expiration Date: July 1, 1988