

## DEPARTMENT OF HEALTH SERVICES

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May 14, 1991

Letter No.: 91-43

TO: All County Welfare Directors  
 All County Administrative Officers

SUBJECT: STATE ASSUMPTION OF EDWARDS QC ERRORS

The purpose of this letter is to inform counties the state will assume responsibility for all Quality Control (QC) errors pertaining to Edwards v. Kizer cases for the period July 1, 1990 thru January 31, 1991.

Beginning with the July 1990 month of eligibility, MEDS automatically began placing all AFDC cash-based Medi-Cal records which are in hold status or being terminated with other than eight specific termination reasons into ongoing Aid Code 38 after each month's renewal. Aid Code 38 continues until terminated by the county via a MEDS transaction with the appropriate termination reason. The eight specified termination codes and reasons are:

<u>Code</u>	<u>Reason</u>
01	Discontinuance due to Death
03	Discontinued at Recipient Request (Medi-Cal and AFDC or Medi-Cal only)
04	Failure to Cooperate (Medi-Cal only)
20	Terminated from Medi-Cal (concurrent with or subsequent to AFDC discontinuance) because only basis for continued eligibility is allegation of disability.
38	Determined ineligible for Medi-Cal only (concurrent with or subsequent to AFDC Discontinuance).
44	Resident of a Public Institution.
48	Loss of legal residence.
98	Whereabouts Unknown.

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It was necessary to define four new termination reasons (03, 04, 20 and 38) in order to meet the requirements of the judgment. As the counties became familiar with all the termination reasons, systems problems arose. Worker alerts were not sent timely and in some instances the batches of worker alerts were sent to the wrong worker/location. Additionally, there were internal system problems identified within counties. For these reasons, counties were unable to monitor and process these new Edwards cases.

Most MEDS problems dealing with Edwards have now been corrected. We believe counties have now had sufficient time to address and correct internal problems. In addition, State Quality Control has revised its procedures for reviewing Edwards QC cases (See All County Welfare Director Letter Number 91-42). Because of these reasons counties will be fully responsible for any Edwards QC errors cited beginning with the February 1991 review month.

The state is continuing to monitor Edwards cases. As of April 15, 1991, there were nearly 259,000 Edwards recipients statewide. Approximately 60 percent of those have been in Edwards status ninety days or longer. As the number of Edwards eligibles increases, the number of these cases reviewed by QC will increase, leading to an increased risk of avoidable county QC errors.

In order to bring this problem under control, county management must place a greater emphasis on coordinating the processing and transfer of these cases between their AFDC and Medi-Cal Programs. Emphasis must also be placed on ensuring AFDC program staff have knowledge of and correctly use the appropriate AFDC termination codes. Otherwise, the risk of QC dollar errors leading to federal fiscal sanctions is greatly increased.

If you have any questions or concerns regarding this letter, please contact Darryl Smith of the Operations Assessment and Review Unit at (916) 322-3393 or Bonnie Kinkade of the Systems Unit at (916) 322-2777.

Sincerely,  
ORIGINAL SIGNED BY

Frank S. Martucci, Chief  
Medi-Cal Eligibility Branch

cc: Medi-Cal Liaisons  
Medi-Cal Program Consultants