



JENNIFER KENT  
*Director*

State of California—Health and Human Services Agency  
Department of Health Care Services



EDMUND G. BROWN JR.  
*Governor*

April 14, 2017

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 17-13  
ALL COUNTY ADMINISTRATIVE OFFICERS  
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS  
ALL COUNTY HEALTH EXECUTIVES  
ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: Change in Federal Law Regarding Special Needs Trusts

The purpose of this letter is to inform counties of a change in federal law made by the 21<sup>st</sup> Century Cures Act, enacted on December 13, 2016. This Act expands the categories of individuals authorized to establish a trust, described in Section 50489.9 of Title 22 of the California Code of Regulations (CCR) (also known as a self-settled Special Needs Trust).

Prior to this change in law, the disabled beneficiary's parent, grandparent, legal guardian, or a court had to establish such a trust. In addition, third party nonprofit organizations could also establish and manage trusts for disabled beneficiaries. The Act now allows the disabled trust beneficiary to establish such a trust for him or herself.

Accordingly, trusts established by a disabled individual or a disabled spouse, him or herself, shall be in compliance with 42 United States Code, Section 1396p(d)(4)(A) and are deemed to be in compliance with the Title 22 of the CCR Section 50489.9 (a)(3)(B).

This change is effective for trusts established on or after December 13, 2016. The Department of Health Care Services (DHCS) will make the corresponding change to the Medi-Cal Eligibility Procedures Manual, Article 9J.

As a reminder, per Section 50489.9 (d)(1), county staff is required to notify the DHCS Third Party Liability and Recovery Division whenever they become aware of a Medi-Cal applicant or beneficiary who is a Special Needs Trust beneficiary. County staff should submit notifications through <http://dhcs.ca.gov/SNT> by selecting the quick link titled, "County Referral Form," or via email to [SNT@DHCS.CA.GOV](mailto:SNT@DHCS.CA.GOV).

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If you have any questions, or if we can provide further information, please contact Phoua Moua at (916) 324-0958 or by email at [Phoua.Moua@dhcs.ca.gov](mailto:Phoua.Moua@dhcs.ca.gov).

Original Signed By

Sandra Williams, Chief  
Medi-Cal Eligibility Division