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Director

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



ARNOLD SCHWARZENEGGER
Governor

June 17, 2009

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 09-28
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALIST/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: CHANGES AS A RESULT OF JULY 1, 2009 2.3 PERCENT PAYMENT
STANDARD REDUCTION FOR THE SUPPLEMENTAL SECURITY
INCOME / STATE SUPPLEMENTARY PAYMENT (SSI/SSP) PROGRAM

The purpose of this letter is to inform counties of the changes that will be required to mitigate the effect to Medi-Cal as a result of the 2.3 percent reduction to the payment standards for SSI/SSP effective July 1, 2009. These reductions are in addition to the May 1, 2009, rollback to December 2008 SSI/SSP payment standards. For Medi-Cal eligibility purposes, the 2.3 percent reduction to SSI/SSP payment standards will not be implemented, although SSI/SSP recipients will see their monthly grant amounts reduced beginning in July, 2009. Counties shall continue to use the SSI/SSP payment standards in effect on May 1, 2009, until further notice. Individuals who lose eligibility for SSI/SSP, or who are currently eligible for no cost full-scope Medi-Cal-only under any of the programs listed below, should continue to receive no cost full-scope Medi-Cal as long as there has been no other change in their circumstances that would affect their eligibility.

The reason that the reductions will not be implemented for Medi-Cal purposes is to ensure that the State receives the increased Federal Medical Assistance Percentage available under the American Recovery and Reinvestment Act of 2009. To ensure that these additional funds are received, the Medi-Cal program cannot employ any more restrictive standard, methodology or procedure than that which was in effect on July 1, 2008, unless otherwise required by federal law.

Aged and Disabled Federal Poverty Level Program (A&D FPL)

State law requires that the A&D FPL program income limits be the greater of: 1) the SSI/SSP payment standard; or 2) 100 percent of the FPL plus \$230 for individuals or \$310 for couples. As of May 1, 2009, the higher of the two limits for both individuals and couples was 100 percent of the FPL plus the \$230 or \$310 (\$1133 for individuals, \$1525 for couples).

This change was implemented via All County Welfare Directors Letter Number 09-20. Because the SSI/SSP payment standards are lower and are not being used as A&D FPL program limits, there will be no change to these income limits on July 1, 2009, and no applicant or beneficiary should lose eligibility for no-cost full scope Medi-Cal under this program solely as a result of SSI/SSP payment standard reductions beginning on July 1, 2009.

Pickle, Disabled Adult Children (DAC), Disabled Widow(er)s (DW) and 250 Percent Working Disabled Programs

There will be no changes on July 1, 2009, to the SSI/SSP payment standards used to establish eligibility for these Medi-Cal programs. ACWDL 09-18 implemented SSI/SSP reductions effective May 1, 2009. Counties shall continue to employ the May 1, 2009 SSI/SSP payment standards for purposes of determining eligibility for these groups beginning on July 1, 2009, until further notice. No individuals should lose eligibility under these programs due solely to SSI/SSP payment standard reductions beginning July 1, 2009.

Blind Individuals Who Would Otherwise Be Eligible For SSI/SSP

A new program, the Federal Poverty Level Program for the Blind (FPLB) will be effective July 1, 2009. This program will exactly replicate the eligibility criteria for the A&D FPL program, except that linkage is based on blindness. The aid code for this program will be 2H. It will be available for the following blind individuals, whether they previously applied for or received SSI/SSP and were denied or discontinued, or applied for Medi-Cal-only.

- (1) Individuals who have not yet met, or who cannot meet, the Title II criteria for disability based upon blindness. Individuals, who meet the Title XVI criteria for blindness, shall be placed in this program.

- 2) Blind individuals who allege that they have blindness as a disability and who are waiting for disability evaluations, shall also be placed in this program until their disability evaluations are completed, as otherwise eligible.
- 3) As of May, 2009, there were less than 75 blind Medically Needy individuals statewide in aid code 27. Counties shall review the blind Medically Needy individuals in aid code 27 in their respective counties to determine whether they may be eligible under the new FPLB.

Examples:

- Example 1: If disability is determined, and the individual in 2H becomes employed and would be eligible under the 250 Percent Working Disabled program, for example, then the budget and aid codes shall be changed prospectively upon 10-day notice for adverse action.
- Example 2: If the individual is determined not to be disabled then he/she would remain in aid code 2H.
- Example 3: If an individual applies on July 15, 2009 and alleges blindness as a disability, he/she would be placed in aid code 2H effective July 1, 2009, if otherwise eligible. A DDSD referral is submitted and on September 14, 2009, the individual is determined to be disabled by DDSD. The individual is prospectively evaluated for the A & D FPL program.
- Example 4: If an individual was eligible as a Medically Needy Blind individual under aid code 27 with a share-of-cost and, as of July 1, 2009, could be eligible under the new FPLB program, then the change in the eligibility of the individual to the FPLB would not be an adverse action. The Notice of Action shall be sent and the county shall follow currently existing procedures for assisting the individual in seeking reimbursement from providers for any out-of-pocket medical expenses that he/she may have paid.

Any disability determination based upon blindness would have retroactive effect only if the change would be positive for all family members living in the home. The effective date of the positive retroactive change would go back to the most recent of 1) the onset date of disability for a Medi-Cal recipient, or 2) July 1, 2009.

Individuals Discontinued From SSI/SSP Effective July 1, 2009

Less than 20,000 individuals in California will be discontinued from SSI/SSP as a result of the 2.3 percent SSI/SSP payment standard reduction on July 1, 2009. These individuals will continue to receive no-cost full-scope Medi-Cal benefits pursuant to Craig v. Bonta until the counties complete redeterminations pursuant to the Senate Bill (SB) 87 at which time most may be eligible under the A&D FPL program or the new FPLB program, unless there have been other changes in their circumstances. Counties will receive information for completion of these redeterminations from the "Exception Eligibles List" just as they do currently for Craig v. Bonta cases. Counties should follow the existing Craig v. Bonta procedures.

Individuals Denied SSI/SSP Due To Excess Income Effective July 1, 2009

Counties shall complete the Medi-Cal eligibility determinations begun by the Social Security Administration (SSA) based on the data collected by the SSA for individuals who were denied SSI/SSP due to excess income on or after July 1, 2009. The Department of Health Care Services (DHCS) expects that there will be approximately 5,000 cases denied per month based upon excess income that will be referred to the counties for completion of Medi-Cal eligibility determinations.

These denied SSI/SSP cases are new applications, so the county will not be conducting SB 87 redeterminations; instead they will be completing the application process started by SSA. The SSA stops their eligibility determinations with the "first fatal flaw" (the first SSI/SSP eligibility criteria that the applicant does not pass). Therefore, counties may have to initiate and/or complete identity, citizenship, income, property, and disability evaluations and receive and review all necessary verifications in order to complete the eligibility determination begun by SSA. Although counties may send the MC 355 or MC 210 PS, the MC 210 shall not be sent because the application for Medi-Cal was made with the application for SSI/SSP. All avenues of eligibility, including Medicare Savings Program eligibility, shall be considered.

The date of application for Medi-Cal will be the most recent of the SSI/SSP application date or the date California residency began. If eligible in the month of application, the county shall grant eligibility back to the first of that month.

Counties will need to send these applicants the same information that is sent with all new application packets. The following list serves as a reminder of the forms and information that need to be sent to these applicants:

- MC 219 “Important Information for Persons Requesting Medi-Cal”,
- MC 13 “Statement of Citizenship, Alienage, and Immigration Status” for each member applying for Medi-Cal benefits,
- MC 007 “Medi-Cal General Property Limitations,
- Postage paid pre-addressed return envelope,
- List of verifications that the applicant will need to submit for the approval of Medi-Cal benefits, with the date the application and verifications are to be returned to the county office included,
- Child Health Disability Prevention (CHDP) Information Publication,
- Medi-Cal “What It Means To You” Brochure (Pub 68),
- MC 003 Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Brochure,
- DHS 7077 “Notice Regarding Standards for Medi-Cal Eligibility”,
- DHS 7077-A “Notice Regarding Transfer of a Home for Both a Married and an Unmarried Applicant/Beneficiary”, and
- WIC Brochure.

As usual, to request retroactive coverage for any of the three months immediately preceding the month of application, individuals have to have medical expenses for the month requested. They then have up to one year from the month in which they had medical expense(s) to make their request for coverage for that retroactive month. Counties should inquire with the applicant about any need for retroactive Medi-Cal in any of those three months and process that part of the application accordingly.

As indicated earlier, in conducting eligibility determinations and redeterminations, counties must also consider eligibility for Medicare Savings Programs. Counties should follow all eligibility requirements and Buy-In procedures necessary and appropriate to ensure any potential reimbursement from the Social Security Administration for Medicare premiums for these individuals.

Some of the SSI/SSP application dates may be more than a year ago. When the SSI/SSP application date is 11 months prior to the current month and counties have already established eligibility in the application month and ongoing, counties must send an MC 210 RV. State regulations also require that the disability referral be made within 10 days of the date of application. For purposes of meeting performance standards, the county shall narrate any delays between the SSI/SSP application date and the date that the information was sent to the county, and/or the date the disability referral was made. These narrations will be taken into consideration by the DHCS Program Review Section.

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The DHCS Information Technology Services Division is developing a series of Medi-Cal Eligibility Data System (MEDS) inquiry screens to display relevant data from the State Data Exchange (SDX) file that will be needed by counties to initiate processing of the application filed with SSA. A new daily alert will be issued to alert counties to the need to complete processing of applications filed with SSA when SSI/SSP has been denied for excess income. The new alert will be issued only when the client is not currently full scope Medi-Cal eligible. When a client is currently full scope Medi-Cal eligible, a message is already issued advising the county worker of the change in SSI/SSP status. These MEDS changes will be installed July 1, 2009. Information on the new inquiry screens and messages will be posted on the MEDS website with notification to County MEDS Coordinators no later than June 22, 2009. The consortia and counties **MUST** be ready and able to receive and work the new alert no later than July 2, 2009.

If you have other questions please call:

- Craig Yagi at (916) 445-4062 regarding Income or the A&D FPL or FPLB program changes,
- Cecilia Kelley at (916) 552-9485 regarding Pickle, DACs or DWs,
- Harold Higgins at (916) 552-9522 regarding Income or Pickle, DACs or DWs,
- Tammy Kaylor at (916) 552-9496 regarding Buy-In or Income, or
- Debra Hader at (916) 552-449-5280 regarding Medicare Savings Program eligibility.

Sincerely,

Original Signed By

Vivian Auble, Chief
Medi-Cal Eligibility Division