

## DEPARTMENT OF HEALTH SERVICES

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March 15, 1996

TO: All County Welfare Directors  
All County Administrative Officers  
All County MEDS Coordinators

Letter No.: 96-14

GAMMA v. BELSHÉ: IMPLEMENTATION

There will be a future All County Welfare Directors Letter (ACWDL) revising Sneede v. Coye (Sneede) procedures pursuant to the U.S. District Court order in Gamma v. Belshé (Gamma). We advise counties to immediately begin flagging cases in all Sneede cases in preparation for the changes which will be necessary to meet the implementation date. Counties need only flag cases now that are identified during routine casework. However, counties will need to identify all Sneede cases at a later date.

## BACKGROUND

Under the U.S. District Court's order in Sneede dated January 5, 1990, the Department of Health Services (DHS) was prohibited from including the income and resources belonging to persons other than a spouse or natural/adoptive parent when determining Medi-Cal eligibility and share of cost for anyone applying for or receiving Medi-Cal benefits.

The Gamma lawsuit challenges the validity of specific aspects of the procedures enacted by DHS to comply with court orders issued in the case of Sneede. On November 16, 1995, the U.S. District Court issued an order in Gamma concluding that current Sneede methodology does not contain reasonable standards to take into account only that income which is available to children with separate income in mini-budget units. Basically, income deemed to a child under current procedures is not "available" to the child to the extent that it includes income that should have been allocated to first meet the parent's need standard.

More information on the above changes will be explained in a future ACWDL. Counties should continue to allow current Sneede procedures until receipt of the new instructions.

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Page 2

If you have any further questions, please contact Margie Buzdas at (916) 657-0726 or  
Kathy Harwell at (916) 657-0146.

Sincerely,

ORIGINAL SIGNED BY  
Frank S. Martucci, Chief  
Medi-Cal Eligibility Branch