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TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 15-36  
ALL COUNTY ADMINISTRATIVE OFFICERS  
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS  
ALL COUNTY HEALTH EXECUTIVES  
ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: Guidance to Counties on Treatment of Applications/Redeterminations in Disaster Areas and Treatment of Disaster Assistance for Modified Adjusted Gross Income and Related Information  
(Reference: Medi-Cal Eligibility Procedures Manual Articles 9E, 9M and 10C; All County Welfare Director's Letters 89-92, 92-08, 92-25, 05-30, 05-30E, 05-31, 06-03 and 06-33 and Medi-Cal Eligibility Information Letter I 14-59)

The purpose of this All County Welfare Directors Letter (ACWDL) is to provide instructions for treatment of various disaster assistance related payments for Modified Adjusted Gross Income (MAGI) and Non-MAGI Medi-Cal. This letter also contains reminders regarding verification procedures and information for counties to assist disaster victims with access to Medi-Cal managed care plan coverage. The guidance in this letter is applicable to any disaster designated as a qualifying disaster by federal, state or local agencies or certain other personal hardships.

### **Background**

California Code of Regulations (CCR) §§50481 and 50535.5, Medi-Cal Eligibility Procedures Manual (MEPM) Article 9M, and ACWDL 92-08 provided information on the treatment of various disaster assistance payments, payments from charitable organizations and payments for lost, stolen or damaged property. These instructions remain applicable for non-MAGI cases. Also, in the past when disasters occurred, instructions were issued to remind counties on how to verify information when hard copy verifications might not be available.

This letter expands those instructions to include the handling of disaster assistance payments from all sources for MAGI Medi-Cal cases. Updates include verification instructions and other useful reminders to help counties assist disaster victims.

### **Verification Requirements for Eligibility Determination**

Counties are reminded that they shall accept application and renewal forms and information through all available channels including in-person, online, mail, fax, and telephone. Counties should use self-attestation, when appropriate, electronic verification, and ex parte to attempt to confirm eligibility. In situations where the applicant or beneficiary is unable to provide the necessary verifications due to the unusual circumstances such as earthquake, fire, flood or other natural disasters, Title 22, CCR §50167(c) provides that a signed and dated affidavit, under penalty of perjury can be used in place of the requested verification documentation. Additionally, counties are reminded that applicants who do not have a fixed address may provide a written statement indicating that they are a resident of the state.

Counties may wish to remind applicants of where immediate temporary Medi-Cal eligibility may be obtained. Persons with severe or immediate medical needs should be advised of resources such as Presumptive Eligibility (PE) programs available through participating hospitals, PE for pregnant women providers, and Child Health Disability Prevention Program providers. However, it is important to expedite the eligibility determinations whenever possible for any Medi-Cal applicant or beneficiary who has immediate medical needs and has been impacted by the disaster.

### **Treatment of Disaster Assistance Relief Payments**

#### **MAGI Eligibility**

Under MAGI, most disaster assistance received by disaster victims of federally recognized disasters are exempt as income. Whether the payments are exempt depends on the source of the payment. See below for list of the different types of payments and the treatment under MAGI.

Payments from charitable organizations (not employer sponsored):

- Payments individuals receive as a result of a disaster or emergency hardships are considered gifts and are excluded from the gross income of the tax household.

Payments from insurance:

- Payments from insurance in federally declared disaster areas are exempt as income.
- Insurance payments for losses in non-federally declared disaster areas may count under certain circumstances, depending on whether they are taxable.

Payments from federal or state government:

- Payments disaster victims receive from federal or state government that are based on need are exempt.
- Payments to disaster victims of qualified disasters from federal, state or local government are also exempt. A qualified disaster is defined by federal tax law as a disaster that:
  - Results from terrorist or military actions
  - Results from an accident involving a common carrier
  - Is a Presidentially declared disaster
  - Is an event that the Secretary of the Treasury determines is catastrophic

Qualified disaster relief payments include payments received (regardless of the source) for the following expenses:

- Reasonable and necessary personal, family, living, or funeral expenses incurred as a result of a qualified disaster.
- Reasonable and necessary expenses incurred for the repair or rehabilitation of a personal residence due to a qualified disaster (a personal residence can be either a rented residence or owned).
- Reasonable and necessary expenses incurred for the repair or replacement of the contents of a personal residence due to a qualified declared disaster. Payments by a federal, state, or local government, or their agencies, to persons affected by a qualified disaster in order to promote general welfare are also considered qualified disaster relief payments. For purposes of such payments by federal, state, or local governments, a qualified disaster includes the events listed above, as well as a disaster determined by a federal, state or local authority to warrant governmental assistance.

### **Non-MAGI Eligibility**

Please see ACWDL 92-08 for the treatment of federal, state and local disaster assistance payments for non-MAGI cases. MEPM Article 9M provides references to insurance and payments for lost, stolen or damaged property, For treatment of disaster assistance from non-governmental disaster relief agencies, see Title 22 CCR §50481 and §50535.5.

### **Assistance with Access to Medi-Cal Managed Care Plan Coverage**

Counties are reminded that they shall assist any beneficiaries temporarily residing outside of the counties affected by a disaster who need services urgently to submit the on-line fillable forms to the Office of the Ombudsman as directed in Medi-Cal Eligibility Information Letter I 14-59. The online, fillable form should be used when requesting expedited:

- Plan Changes;
- Plan Enrollments;
- Plan Disenrollments; or
- Removal of 59 Holds.

Counties shall submit the form to the website located at:  
<http://dhcs.ca.gov/MCOmbudsman> or contact the Office of the Ombudsman by phone at 1-888-452-8609.

If you have questions regarding this letter, please contact Leanna Pierson at (916) 327-0408 or by email at [Leanna.Pierson@dhcs.ca.gov](mailto:Leanna.Pierson@dhcs.ca.gov) .

Original Signed By:

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