January 15, 2003

TO: ALL COUNTY WELFARE DIRECTORS
    ALL COUNTY ADMINISTRATIVE OFFICERS
    ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
    ALL COUNTY HEALTH EXECUTIVES
    ALL COUNTY MENTAL HEALTH DIRECTORS
    ALL COUNTY QMB/SLMB/QI COORDINATORS

Letter No.: 03 - 02

SUBJECT: QUALIFYING INDIVIDUAL PROGRAM SUNSET DATE AND
TEMPORARY EXTENSION OF THE QI-1 PROGRAM

Ref.: All County Welfare Directors Letter Nos.: 98-08, 98-15, 98-47, 98-60, 99-14,
99-61, and 99-43)

This letter is to notify the counties of the temporary extension of the QI-1 program and
the discontinuance of the QI-2 program.

The QI-1 and 2 programs are Medicare Savings programs that pay all or reimburse a
portion of the Medicare Part B premium. According to federal law, both programs are
scheduled to sunset effective December 31, 2002. The Department of Health Services
(Department) was first instructed by the Centers for Medicare and Medicaid Services to
discontinue QI coverage by the effective sunset date.

The Department has since been informed of a Congressional Continuing Resolution
(CR) to continue the QI-1 program and its federal funding through March 13, 2003. This
is an interim solution until Congress can either extend or remove the sunset date from
federal law. The QI-2 program will not continue. If Congress still has not taken action
to continue the QI-1 coverage, another CR may be passed.

The Department will discontinue the QI-2 coverage on the Medi-Cal Eligibility Data
System, send the QI-2s a notice of discontinuance and instruct them to contact their
county welfare department if they wish to apply for Medi-Cal coverage.

Do your part to help California save energy. To learn more about saving energy, visit the following web site:
www.consumerenergycenter.org/flex/index.html
The Department will also send listings of the discontinued QI-2 individuals to the counties, so that the county can close their case files. The county is not responsible for redetermining these individuals for Medi-Cal coverage unless they have been contacted by the former recipient.

Counties are to continue accepting applications and setting up cases for the QI-1s. The Department will keep county staff updated on the status of the QI-1 program. If you have any questions regarding this letter, please call Ms. Vicki Partington, of my staff, at (916) 654-5909 or e-mail her at Vparting@dhs.ca.gov.

Original signed by

Richard Brantingham for
Beth Fife, Chief
Medi-Cal Eligibility Branch