Letter No.: 00-14

DEPARTMENT OF HEALTH SERVICES

714/744 P Street P.O. Box 942732 Sacramento, CA 94234-7320 (916) 657-2941



March 24, 2000

TO: All County Welfare Directors

All County Administrators Officers

All County Medi-Cal Program Specialist/Liaisons

All County Mental Health Directors
All County Public Health Directors

All County QMB/SLMB/QI Program Coordinators

EXPANDING THE EXEMPTION FOR JAPANESE REPARATION PAYMENTS

Ref.: All County Welfare Directors Letter (ACWDL) No. 90-96

Welfare and Institutions Code, Section 11008.17 has been amended (Chapter 471, Statutes of 1999) and expands Medi-Cal's treatment of Japanese Reparation payments made to redress the injustice done to United States citizens and resident aliens of Japanese ancestry who were interned during World War II. Formerly Section 11008.17 exempted such payments from consideration by Medi-Cal as income and resources. The exemption did not carry over to property acquired with these payments.

The new amendments, effective January 1, 2000, require counties to exempt as income and resources any Japanese Reparation payments made by the Canadian government.

In addition, counties shall exempt an amount of otherwise nonexempt property equal to the amount of the payment received by the individual or inherited by the spouse of the individual, or both, whenever Japanese Reparation payments have been converted to another form. This exemption shall apply, effective January 1, 2000, to Japanese Reparation payments made by both the United States and Canadian governments.

When a county becomes aware of an individual who has received a Japanese Reparation payment, or where a spouse has inherited such a payment, the county shall verify the receipt of the payment by first checking the case record for previously submitted verification. If there is no prior case record indicating that verification of such a payment occurred, then in accordance with the original ACW DL Number 90-96, "the Medi-Cal applicant/beneficiary is responsible for verification of the payment by providing a grant award letter, a copy of the check or other documentation" sufficient to verify the receipt, of a Japanese Reparation payment.

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Page 2

The county shall rescind any discontinuance or denial occurring on or after January 1, 2000 for excess property whenever the eligibility worker becomes aware that a Japanese Reparation payment was made or inherited by the spouse. The county shall then reevaluate the case applying this new property exemption. The county shall also reevaluate any share of cost (SOC) in cases where Japanese Reparation payments were made to an individual or inherited by the individual's spouse, or both, on or after January 1, 2000, whenever the eligibility worker becomes aware that such a payment was made in the case. The county shall apply the new income exemption and retroactively adjust the SOC.

Finally, Japanese Reparation payments or, where Japanese Reparation payments have been converted to another form, amounts of resources equal to the amount of these reparation payments, received by the deceased Medi-Cal beneficiary or inherited by the deceased spouse of that beneficiary, or both, shall be exempt from estate recovery by the Department of Health Services

If you have any questions on this issue, please call Sharyl Shanen-Raya at (916) 657-2942 for answers to property questions, Dave Rappolee at (916) 657-0163 for answers to income questions, or Pam McBroom at (916) 324-3725 for answers to estate recovery issues.

Sincerely,

ORIGINAL SIGNED BY

Angeline Mrva, Chief Medi-Cal Eligibility Branch