Letter No.: 00-23

DEPARTMENT OF HEALTH SERVICES

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



April 10, 2000

TO: All County Welfare Directors

All County Administrative Officers

All County Medi-Cal Program Specialists/Liaisons

All County Outstationed Eligibility Workers Coordinators

All County Public Health Directors
All County Mental Health Directors

COST OF LIVING ADJUSTMENTS ASSOCIATED WITH RETIREMENT PROGRAMS

The subject was previously addressed in All County Welfare Directors (ACWDL) Letter No.: 88-48, dated July 15,1988.

The purpose of this letter is to advise counties that cases subject to Cost of Living Adjustments (COLAs) continue to be an ongoing problem as shown by quality control reviews. A large number of beneficiaries and/or their representatives fail to notify the county welfare departments (CWDs) in ten days when a COLA is received and benefits increase. Instead, the increase is not reported until the next annual redetermination, resulting in many cases having an understated share of cost.

In addition to the Social Security COLA addressed in separate annual ACWDLs there are five large retirement programs subject to COLAs which should be monitored. We recommend counties monitor these cases by establishing manual and/or automated tickler systems in order to verify that the expected COLA changes are reported. We also recommend that counties consider issuance of reminder letters to beneficiaries/representatives prior to the month of the COLA receipt, asking them to report their new benefit amount and to keep documents which can be used to verify their new payment amount (i.e., award letter, photo copy of check, checking statement which shows direct deposit entries, or similar documents).

The retirement programs of particular concern are as follows:

State Teachers Retirement (STRs)
Public Employees Retirement System (PERS)
Civil Service Annuities
Railroad Retirement
Veteran's Administration Benefits

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Medi-Cal staff called the organizations referenced above and confirmed the COLA receipt dates as shown below:

<u>Program</u>	Month of Receipt
State Teachers Retirement (STRs)	October*
Public Employee Retirement (PERs)	May
Civil Service Annuities	January
Railroad Retirement	January
Veterans Administration	January

*As a result of Senate Bill 713, enacted into law and effective January 2000, certain retired STRS members, optional beneficiaries and surviving spouses will receive minimum annual allowances. These individuals are to receive notification regarding these benefits in April 2000, and will receive a retroactive payment for January to May 2000, in June 2000. The lump-sum portion for January to May 2000 not income but should be included in their property reserve. In addition to the October COLA, STRS payment are subject to regular quarterly adjustments which need to be prorated.

If you have questions regarding this ACWDL, please contact Mr. Craig Yagi of my staff at (916) 657-1182.

Sincerely,

ORIGINAL SIGNED BY

Angeline Mrva, Chief Medi-Cal Eligibility Branch