



DAVID MAXWELL-JOLLY
Director

State of California—Health and Human Services Agency
Department of Health Care Services



ARNOLD SCHWARZENEGGER
Governor

December 28, 2009

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 09-61
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALIST/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS
ALL COUNTY PICKLE COORDINATORS

SUBJECT: RETROACTIVE SUPPLEMENTAL SECURITY INCOME (SSI) TITLE XVI
BENEFIT PAYMENTS.

The purpose of this letter is to inform counties of a change to the exclusion of retroactive Title XVI, Supplemental Security Income.

Retroactive SSI/State Supplementary payments are issued after the calendar month for which they are paid. For example, a benefit intended for January, but issued in February, would be retroactive. Regular monthly benefits are issued in the month for that month.

Pickle, Disabled Adult Child(ren)s and Disabled Widow(er)s Programs

The Social Security Act, as amended by the Social Security Protection Act of 2004 (Public Law 108-203), increased the exemption period for the SSI program from six months to nine months following the month of receipt. (They are excluded in the month of receipt.) The effective date is the date of enactment, which is March 2, 2004.

Enclosed are the corresponding amendments to the Pickle Handbook Section 13-5 (Income Flowcharts-Excluded) and Section 9-5 (Resource Flowcharts).

Due to the delay in implementing this change, the county shall rescind any discontinuance or denial due to excess property as a result of applying only a six-month exemption. The county shall redetermine eligibility and share-of-cost (SOC) as appropriate and issue corrected notices-of-action (NOA) whenever:

- A case is known to the county to have been denied or discontinued in error, or
- As soon as a case is brought to the county's attention, or
- When reopening a case which was closed since March 2, 2004.

**Medically Needy Program/Medically Indigent Program and Other Programs
Following Medically Needy Property Rules**

Currently, California Code of Regulations Title 22, Division 3, §50455 provides that retroactive Title XVI payments are exempt for six months following the month of receipt. However, the former Aid to Families with Dependent Children program exempted these payments without a time limit. Therefore, effective October 1, 1990, retroactive Title XVI (SSI payments) shall be exempt and not considered income or property.

Due to the delay in implementing this change, the county shall rescind any discontinuance or denial due to excess property as a result of applying only a six-month exemption. The county shall redetermine eligibility and SOC as appropriate and issue corrected NOAs whenever:

- A case is known to the county to have been denied or discontinued in error, or
- As soon as a case is brought to the county's attention, or
- When reopening a case which was closed since October 1, 1990.

Section 1931(b) Program

Important Reminder: This change does not affect the unlimited exemption for the Section 1931 (b) program (see All County Welfare Directors Letter 98-43, Section 50491(n) (2) of that letter).

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If you have any questions regarding this letter, please contact Mr. Bob Laederich at (916) 552-9486 or Mr. Harold Higgins at (916) 552-9522.

Original Signed By

Robert Sugawara, Acting Chief
Medi-Cal Eligibility Division

Enclosures

PICKLE HANDBOOK

SECTION 13—INCOME FLOWCHARTS—EXCLUDED

SOURCE	TREATMENT	REQUIRED VERIFICATION
Infrequent or irregular income.	Excluded up to \$20 per month of unearned income; \$10 per month of earned income.	Applicant's/beneficiary's statement.
Nonrecurring lump sum. Ref: SI 01130.600	Excluded the month of receipt. Retroactive SSI/SSP and RSDI payments are excluded for nine months (following the month of receipt), with the exception of the periods listed below. If received between October 1, 1989 through March 1, 2004, or prior to October 1, 1987, the excluded period is six months.	Applicant's/beneficiary's signed statement.
Older Americans Assistance Act of 1965 payments (other than wages, free meals, or reduction in price of meals).	Excluded. Wages are considered income; free meals or a reduction in the price of meals are considered unearned income.	Pay stubs; statement from agency.

PICKLE HANDBOOK

SECTION 9 -- RESOURCE FLOWCHARTS

SOURCE	TREATMENT	REQUIRED VERIFICATION
Keogh, IRA, pension accounts, time deposits.	Counted. Deduct penalty for early withdrawal. If verified that funds <u>cannot under any circumstances</u> be withdrawn, the funds are excluded until maturity.	Examine the time deposit certificate or statement from financial institution.
Child--IRAs, Keoghs, and pensions of an ineligible parent.	Exclude from potentially eligible Pickle child, the IRAs, Keoghs, and pensions of ineligible parent.	None
Loans which require repayment.	Counted, if funds are retained more than 30 days from date of receipt. Exempt first 30 days.	Copy of loan documents.
Nonrecurring lump sum. Ref: SI 01130.600	Excluded the month of receipt. Retroactive SSI/SSP and RSDI payments are excluded for nine months (following the month of receipt), with the exception of the periods listed below. If received between October 1, 1989 through March 1, 2004, or prior to October 1, 1987, the excluded period is six months	Applicant's/beneficiary's signed statement.
Replacement of lost, stolen, destroyed, or damaged property (previously excludable property only).	If property was previously excluded, exclude payment for nine months from date of receipt. An additional nine-month extension may be granted for circumstances beyond applicant's/beneficiary's control.	Copy of written evidence showing the source, amount, date, and intended purpose. If written evidence is unavailable, use applicant's/beneficiary's statement under penalty of perjury.
Income tax refunds.	Counted as a resource the first day of the month following the month of receipt. (Excluded as income the month of receipt.)	Copy of tax return. (Obtain a copy of bank statement if in a financial institution).