



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



EDMUND G. BROWN JR.
Governor

May 12, 2016

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 16-13
ALL COUNTY WELFARE ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS
ALL COUNTY MEDS LIAISONS

SUBJECT: Increase in Substantial Gainful Activity Wage from \$1,090 per month to \$1,130 per month for non-blind individuals, Effective January 1, 2016

The purpose of this letter is to notify counties that the federal Substantial Gainful Activity (SGA) amount for non-blind individuals increased to \$1,130 effective January 1, 2016. All SGA determinations made on or after January 1, 2016, shall utilize the new amount. Counties must retroactively re-determine Medi-Cal eligibility based on disability if a case has been denied erroneously or budgeted incorrectly on or after January 1, 2016.

The SGA amount is set by the Social Security Administration and may be changed annually based on the national average wage index. The SGA level is the maximum amount of wages a person can earn in a month and still be considered disabled.

Calculation detail:

Amounts in formula	2000 monthly SGA amount	\$700
	1998 average wage index	\$28,861.44
	2014 average wage index	\$46,481.52
Computation	\$700 times (46,481.52 divided by 28,861.44) equals \$1,127.35, which rounds to \$1,130	
Higher amount	\$1,130 exceeds the corresponding amount for 2015 (\$1,090), so the amount for 2016 is \$1,130	

Applicants who have average monthly earnings at or above the SGA amount cannot be considered disabled even if severe physical or mental impairments exist. However, SGA rules do not apply to legally blind individuals who meet the federal Supplemental Security Income criteria, Medi-Cal beneficiaries who return to work after disability has

All County Welfare Directors Letter No.: 16-13
Page 2
May 12, 2016

been approved, or to persons applying for Medi-Cal under the 250 Percent Working Disabled Program.

Furthermore, for work activity to be considered substantial, it does not require the work be performed on a full-time (eight hours per day) basis. SGA is the first consideration in determining whether an applicant will be disabled under federal disability guidelines. If additional information is needed on SGA, please contact Jimin Yun at (916) 552-9467 or by email at jimin.yun@dhcs.ca.gov.

Sandra Williams, Chief
Medi-Cal Eligibility Division
California Department of Health Care Services