

## DEPARTMENT OF HEALTH SERVICES

714/744 P STREET  
SACRAMENTO, CA 95814

December 28, 1982

To: All County Welfare Directors

Letter No. 82-75

TRANSFER OF MEDICALLY INDIGENT ADULTS TO COUNTIES AS REQUIRED BY AB 799  
AND SB 2012

AB 799 (Chapter 328, Statutes of 1982), modified by SB 2012 (Chapter 1594, Statutes of 1982), mandated the state to eliminate medically indigent adults from the Medi-Cal Program and to provide funding to counties for their health care by January 1, 1983. The purpose of this letter is to provide an overview of the transfer.

Persons Affected by the Transfer

Beginning January 1, 1983, the health care for persons between the ages of 21 and 65 (who would be MIAs) will be the responsibility of the counties, with the exception of the following individuals:

1. Persons residing in skilled nursing or intermediate care facilities (SNF/ICF).
2. Women with confirmed pregnancies.
3. Refugees during the first 18 months of residence in the United States.

Persons falling in these three categories will continue to be eligible for Medi-Cal as follows:

1. MIA Persons in SNF/ICF:

MIAs residing in SNF/ICFs are entitled to Medi-Cal eligibility with a limited scope of benefits. While a person is a resident of an SNF/ICF, he/she will receive a red Medi-Cal card with aid code 53 and will receive all Medi-Cal benefits except for services rendered during an acute stay in an inpatient hospital. The red card will contain the following statement regarding the limited benefits to alert providers of its special nature:

"Services to acute hospital in-patients are not covered."

EXAMPLE: Mr. Smith, age 58, enters a skilled nursing facility February 7. He applies for and receives a Medi-Cal card for February. On February 12 Mr. Smith falls, injures himself, and is sent by ambulance to the hospital for acute care. On February 15 Mr. Smith is returned to the SNF where he remains until his release on March 25. Benefits covered by Medi-Cal for February (assuming medical necessity is established for all services)

include any outpatient services received by Mr. Smith during February, the care he received in the SNF from February 7 to 12, ambulance service, bed-hold at the SNF for a maximum of three days during Mr. Smith's stay in acute care, and any other care (e.g., pharmaceuticals, therapy) provided to Mr. Smith while he was in the SNF. Services received during Mr. Smith's stay at the acute care hospital are not covered by Medi-Cal, including the services of his physicians, podiatrists or dentists, even though Mr. Smith remained on Medi-Cal for the entire month of February. Mr. Smith receives a March Medi-Cal card because of his continued residence in the SNF. He also receives an April Medi-Cal card since there was insufficient time for the county to issue a notice of action for discontinuance after his release on March 25.

In summary, indigent SNF/ICF patients are eligible for Medi-Cal benefits, except for services rendered during an acute stay in an inpatient hospital, and will receive red Medi-Cal cards with a 53 aid code.

## 2. Pregnant MIA Women:

MIA women with confirmed pregnancies are entitled to Medi-Cal with the full scope of benefits. Verification must be obtained by a letter from either a physician or a person certified as a nurse practitioner, midwife or physician's assistant. Pregnant women who have been approved for Medi-Cal will receive a regular Medi-Cal card with an aid code of 86 (no share of cost) or 87 (share of cost). Pregnancy-related services are no longer covered under aid codes 84, 85, 88 or 89, effective January 1, 1983.

A timely ten day notice is required in order to discontinue a woman after the birth of the child. Therefore, if a woman delivers within ten days of the end of the month, a ten day notice cannot be sent and she will receive a Medi-Cal card for the following month. In this instance, the newborn child may receive services authorized by the mother's Medi-Cal card for the month of delivery and the following month in accordance with Section 50733(c). If a timely ten day notice can be mailed and the woman is discontinued at the end of the month of delivery, application must be made for the newborn child to continue Medi-Cal eligibility beyond the month of delivery. If other persons in the family are on Medi-Cal, the newborn is added to the MFBU in accordance with regular procedures for the appropriate aid code.

Abortion services are also provided for aid codes 86 and 87. A timely ten day notice after an abortion is required to discontinue the person from the Medi-Cal program.

Aid codes 86 and 87 may be used for pregnant women seeking retroactive coverage for the months of November and December 1982. Aid codes 84 and 85 must be used for any month prior to November 1982.

## 3. Refugees:

Detailed information on the treatment of refugees will be provided in an All County Welfare Directors Letter to be provided in the near future.

### Aid to Totally Disabled (ATD) Pending Applications

Counties will assume responsibility for persons with ATD pending applications until disability is confirmed. When ATD confirmation is received these persons are eligible for Medi-Cal, and counties and other providers may claim reimbursement for the months of pending disability by billing the Medi-Cal program using the appropriate aid codes.

In order to accomplish a smooth transition from pending disability to Medi-Cal, counties should complete a pending Medi-Cal application (using aid code 64 or 67) when the county application is taken. If a pending Medi-Cal application is not taken and the confirmation of disability is not received within three months, Medi-Cal funding for the months preceding the three months allowed for retroactive eligibility would be lost. After confirmation is received, the Medi-Cal application can be processed quickly. If an ATD application is denied, the person's health care remains the responsibility of his county of residence.

### Medi-Cal Special Treatment Programs

The W&I Code and Title 22 regulations provide for special medical benefits for persons needing dialysis and parenteral hyperalimentation treatments and related services. At the present time, to receive services under these programs persons must meet eligibility requirements as MN or MI except for income and resources. The transfer of MIAs to the counties will affect MIA persons currently eligible for Medi-Cal Special Treatment Programs--Supplement (aid codes 72 and 74). As of January 1, 1983, MIAs participating in STP-Supplement will become the responsibility of the counties. Persons (including MIAs) not eligible for county programs because of excess resources will continue to be eligible for STP-Only services under Medi-Cal.

### Calculating Shares of Cost for Mixed Caseloads

MFBU's which include MI children and their MIA parents who are on a county program are calculated according to Section 50653(a)(1). Example:

1. The MFBU consists of children and their parents as ineligible members.
2. Determine the net nonexempt income for the entire MFBU and round to the nearest dollar.
3. Determine the appropriate maintenance need for all MFBU members.
4. Subtract the maintenance need from the total rounded net nonexempt income.
5. The remainder, if any, is the share of cost.

Counties not contracting with the State Department of Health Services for administration of the county program shall issue an MC 177S, "Record of Health Care Costs--Share of Cost" form, which includes all members of the

MFBU who have not received a full complement Medi-Cal card. The ineligible parents are included on the MC 177S.

Counties contracting with DHS shall issue an MC 177S along with the appropriate corresponding county form (CMSP 177S). Both forms are to contain the names of all members of the MFBU and CFBU, shall be presented to each provider when the cost of services provided will be used to meet the share of cost (including services provided by county facilities), and, after normal county processes are completed, shall be submitted to Benefits Review Unit (BRU). To ensure accurate and timely certification, it is important that the Medi-Cal and county forms be completed and submitted simultaneously. County certification will not be established from the MC 177S, nor will Medi-Cal certification be established from the county form, CMSP 177S.

#### Erroneous Discontinuances

In the event persons whose aid codes should have been reclassified from 84, 85, 88 or 89 are erroneously discontinued from Medi-Cal, counties are to notify those persons of the mistake by sending individual notices containing the following wording:

"Through a computer processing problem, you were inadvertently discontinued from the Medi-Cal Program. You are still eligible for state medical benefits and will be receiving a Medi-Cal card by mail within 15 days.

"It is not necessary for you to reapply for Medi-Cal nor to contact your eligibility worker in order to receive your card. However, if you have not received your card within 15 days of this notice, you should contact your eligibility worker."

#### Amended Regulations

Draft amendments to Title 22 Sections 50251, 50379, and 50703 are attached. These draft amendments specify that persons who may be eligible as medically indigent for Medi-Cal must be under 21 years of age, reside in an SNF/ICF, or be pregnant. Persons who are not eligible members of the MFBU are considered ineligible members of the MFBU when other family members are eligible as medically needy or medically indigent. The revisions designate the period of eligibility for those persons eligible as medically indigent.

Regulations for MIA refugees will be filed separately.

Please note that the attached regulations are draft and subject to revision. The final versions will be effective January 1, 1983.

MIA Discontinuance Register

On December 15, 1982 the State sent the counties two copies of a listing of MIA persons for whom notices of discontinuance have been generated by the state. This document will provide an adequate audit trail for MIA discontinuances, and it will not be necessary to place a copy of the discontinuance notice in each case file.

The register will be in computer printout format. It will be sorted by the county use code, which in most instances is the eligibility worker number. Beneficiary identification numbers will be sorted within each county use code column.

Other All County Welfare Directors Letters on Related MIA Issues

Information on the following subjects will be provided by separate All County Welfare Directors' Letters:

1. AFDC-U Discontinuance for Nonfederal Persons (ACWDL 82-70)
2. Impact of Edwards v. Myers (ACWDL 82-66)
3. Refugees
4. Fair Hearings and Aid Paid Pending. (ACWDL 82-73)

If you have any questions, please contact your Medi-Cal program consultant.

Sincerely,

Original signed by

Madalyn M. Martinez, Chief  
Medi-Cal Eligibility Branch

Attachment

50251. Medically Indigent Program. (a) A person's eligibility under 21 years of age shall be have eligibility determined under the Medically Indigent program if that person is under 65 years of age and any of the following:

(1) A person who cannot meet the eligibility requirements as a PA or Other PA recipient, an MN person, or an MN family member.

(2) A person who is not an MN family member because of the exclusion of a child from the MFBU.

(3) A child who is not living with a parent or relative and for whom a public agency is assuming financial responsibility in whole or in part.

(4) A child receiving assistance under Aid for Adoption of Children.

(5) A child who is not eligible as an AFDC-MN person because the child is not living with a relative.

(6) A person under 21 years of age who can qualify as an MN blind or disabled person but chooses to apply as an MI person. The choice may be made by a person acting on behalf of the person under 21 years of age.

~~(7) Not yet determined eligible for Medi-Cal as a PA or Other PA recipient or as an MN person because of a pending application based on blindness or disability and blindness or disability has not yet been determined.~~

(b) A person age 21 years or older shall have eligibility determined under the Medically Indigent program if that person is all of the following:

(1) Under age 65.

(2) Unable to meet the eligibility requirements as a PA or Other PA recipient, an MN person, or an MN family member.

(3) Either pregnant or residing in a skilled nursing or an intermediate care facility.

~~(e)~~ (c) In order to be eligible under this program, the persons listed in (a) (1), (2), (5), (6) and (7), (b) shall meet the property, citizen, residence, institutional status and cooperation requirements specified in these regulations.

~~(e)~~ (d) In order to be certified and receive a Medi-Cal card under this program, the persons listed in (a) (1), (2), (5), (6) and (7), (b) be determined eligible and meet the income and share of cost requirements specified in these regulations.

~~(e)~~ (e) Children specified in (a) (3) shall be eligible and certified for Medi-Cal:

(1) On the basis of the information provided by the public agency on form MC 250.

(2) Without considering the property or income of the child or the child's parents.

~~(e)~~ (f) The children specified in (a) (4) above shall be eligible and certified for Medi-Cal without any additional determinations by the county department.

~~(e)~~ (g) For purposes of this section:

(1) Persons are considered 21 years of age on the first day of the month following the month in which they reach age 21.

(2) Persons are considered 18 years of age on the first day of the month in which they reach age 18.

Note: Authority cited: Sections 10725 and 14124.5, W & I Code;  
Section 57(c), AB 799, Chapter 328, Statutes of 1982;  
Section 87(c), SB 2012, Chapter 1594, Statutes of 1982.

Reference: Section 14005.4, W & I Code.

50379

50379. Ineligible Members of the Medi-Cal Family Budget Unit. (a)

Persons who are ineligible for Medi-Cal for any of the following reasons shall be ineligible members of the MFBU, as limited by (b).

- (1) Refusal to apply for a Social Security number.
- (2) Refusal to apply for a health insurance claim number.
- (3) Refusal to apply for and accept unconditionally available income.
- (4) Alien status.
- ~~(5) Inability to establish retroactive eligibility in accordance with Section 50710.~~
- (5) Inability to meet the basic eligibility criteria for any of the Medi-Cal programs.
- (6) Parents who reside outside the state and claim their children residing in the state as dependents in order to receive a tax credit or deduction for state or federal income tax purposes.

(b) A child ineligible for Medi-Cal for any of the reasons listed in (a) who has separate income or property may be treated as an ineligible member of the MFBU or be excluded from the MFBU in accordance with Section 50381. This choice is the option of the person who has legal responsibility for the child.

(c) Persons who are eligible for four month continuing eligibility shall be ineligible members of the MFBU.

(d) Unmarried minor parents living with their parents shall be ineligible members of the MFBU that includes the unmarried minor parent's children except when the unmarried minor parent wishes to receive only minor consent services. Unmarried minor parents who wish to receive Medi-Cal, other than minor consent services, shall be included in the MFBU with their parents.

(e) The parent of the separate children in a stepparent case who are the only family members who wish to receive Medi-Cal in accordance with Section 50375 shall be:

- (1) An ineligible member of the separate children's MFBU.
- (2) Included in the stepparent unit.

(f) The following persons shall be ineligible members of the MFBU when a married child is claimed by his/her parent as a dependent in order to receive a tax credit or deduction for state or federal income taxation:

(1) The spouse, children, and parent(s) of the married child claimed as a tax dependent shall be ineligible members of the MFBU which includes the married child.

(2) The married child claimed as a tax dependent shall be an ineligible member of the MFBU which includes:

- (A) His/her parent(s).
- (B) His/her spouse and children.

~~(f)~~ (g) Ineligible members of a MFBU shall:

(1) Be included in the MFBU for the purpose of determining eligibility based on property and share of cost.

(2) Be listed on the MC 177 and have their health care costs used to meet the share of cost, except for four month continuing eligibles who shall not be listed on the MC 177.

(3) Not be issued a Medi-Cal card.

NOTE: Authority cited: Sections 10725 and 14124.5, Welfare and Institutions Code; Section 57(c), Chapter 328, Statutes of 1982; Section 87(c), Chapter 154, Statutes of 1982.

Reference: Section 14005.4 of the Welfare and Institutions Code.

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50703

50703. Period of Eligibility. (a) The period of eligibility for Medi-Cal for persons eligible for AFDC, BSA, PCA or SSI/SSP shall begin with the date specified in Section 50701 (a) and (b), and shall continue through each successive month during which the person is determined to be eligible.

(b) The period of eligibility for Medi-Cal for persons eligible as Other PA recipients shall begin with the date specified in Section 50701 (e), and shall continue through each successive month during which the person meets all eligibility requirements of the appropriate Other PA category.

(c) The period of eligibility for Medi-Cal for persons eligible as MN, except as specified in (d), shall begin with the date specified in Section 50701 (c), and shall continue through each successive month during which the beneficiary meets the appropriate basic program requirements in article 5 of this chapter and all of the following conditions:

(1) Has cooperated with the county department to the extent required by Sections 50185 and 50187.

(2) Has met the property requirements specified in Article 9 at some time during the month.

(3) Has met the citizenship, residence and institutional status requirements specified in Articles 6 and 7 at some time during the month.

(d) The period of eligibility for Medi-Cal for a child applying on his or her own behalf in accordance with Section 50147.1 (a) shall begin with the date specified in Section 50701 (c), and shall continue through each successive month during which the child meets both of the following conditions:

(1) Has met the conditions specified in (c).

(2) Has submitted a completed and signed form MC 4026 to the county department during the month in question which states that the child has a need for services related to sexual assault, drug or alcohol abuse, pregnancy, family planning or venereal disease.

(e) The period of eligibility shall be modified for any portion of a month in which a person is ineligible due to institutional status.

(f) A final date of eligibility shall be established when the county department determines that the person or family will no longer meet all eligibility requirements as of the first of the following month. The final date shall be the last day of the:

(1) Current month, if the discontinuance is not an adverse action as defined in Section 50015.

(2) Current month, if the discontinuance is an adverse action and the ten day advance notice requirements of Section 50179 (e) will be met in the current month.

(3) Following month, if the discontinuance is an adverse action and the ten day advance notice requirements will not be met in the current month.

NOTE: Authority cited: Sections 10725 and 14124.5, Welfare and Institutions Code; Section 57(c), AB 799, Chapter 328, Statutes of 1982; Section 87(c), SB 2012, Chapter 1594, Statutes of 1982.

Reference: Section 14005.4, Welfare and Institutions Code.