

DEPARTMENT OF HEALTH SERVICES

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August 11, 1992

TO: All County Welfare Directors
All County Administrative Officers
All County Medi-Cal Program Specialists/Liaisons

Letter No.: 92-53

SUBJECT: UPDATE ON THE SYSTEM TO ISSUE RESTRICTED CARDS AND BASIC
LANGUAGE FOR NOTICES OF ACTION FOR RESTRICTED BENEFITS

The purpose of this memo is to advise counties of the basic language for ensuring adequate notices of adverse action for the cases which have a period of ineligibility for nursing facility level of care. Although counties need not use this specific language word-for-word, the notices must, at a minimum, show the calculations and contain the same basic elements which are included in this letter.

Please remember, do not calculate overpayments on flagged cases. Simply determine whether or not any time remains in the period of ineligibility.

The following is the basic language for the notice of action for restricted benefits resulting from a disqualifying transfer of property.

"We have reviewed all information available to us about your circumstances, and we find that:

The transfer of property you made on _____ (date) of _____ (item/\$) with a fair market value of \$ _____ was transferred for which you received _____ (item/\$/nothing) in return. This transfer for less than fair market value will result in a period of ineligibility for nursing facility level of care.

The Medi-Cal cards that you will receive for the months remaining in your period of ineligibility for nursing facility level of care will say, "Long-Term Care Services Are Not Covered" to let providers know that you are not eligible for long-term care. You will still be eligible to receive all other Medi-Cal services.

The period of ineligibility for nursing facility level of care was calculated as follows:

1. The fair market value of the item/money transferred was: _____.
2. The amount which you received in return was: --- _____.
3. The amount transferred for less than fair market value is: _____.
(Line 1 minus line 2)
4. The amount of your (and your spouse's if applicable)
property which would have been countable by Medi-Cal at
the time of the transfer was: _____.
5. The total of the amount transferred for less than fair
market value and countable property is: _____.
(Line 3 plus line 4)
6. The Medi-Cal property limit: --- _____.
7. The amount that would have been transferred to be
eligible for Medi-Cal is: _____.
(Line 5 minus line 6)
8. The average monthly rate for a private patient in a
nursing facility at the time of your transfer was: _____.

By dividing the amount you transferred to be eligible for Medi-Cal (line 7) by the average monthly rate (line 8), your period of ineligibility for nursing facility level of care is _____. The period cannot be more than 30 months."

Counties should then check and complete one of the following paragraphs.

"_____ You will receive restricted cards for _____ month(s) beginning on _____ and ending on _____."

All County Welfare Directors
All County Administrative Officers
All County Medi-Cal Program Specialists/Liaisons
Page 3

_____ Because you did not receive a notice about this before, you will receive restricted cards for only _____ month(s) beginning on _____ and ending on _____. No other penalty will be added."

NOTE: Remember to include the MC 239 BACK, "Your Right to Appeal This Action", on the back of the notice of action.

In the future, when there has been a disqualifying transfer before or after the county implementation date, and the county has not been notified of the transfer, a potential overpayment may have occurred for benefits received on or after the county implementation date. Do not calculate overpayments for benefits received before the county implementation date. For these cases the following paragraph is applicable:

" _____ Because you did not tell your worker that you made this transfer, you will receive restricted cards for only _____ month(s) beginning on _____ and ending on _____. However, you may have received nursing facility level of care for which you were not eligible during the period beginning on _____ and ending on _____. If this is found to be true, you will be contacted."

If you have any questions on this issue, please feel free to call Sharyl Shanen-Raya at (916) 657-2942.

Sincerely,
ORIGINAL SIGNED BY

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch