

**DEPARTMENT OF HEALTH SERVICES**

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October 04, 2001

To: All County Welfare Directors  
All County Administrative Officers  
All County Medi-Cal Program Specialists/Liaisons  
All County MEDS Coordinators/Liaisons  
All County Mental Health Directors  
All County Health Executives

Letter No.: 01-55

**FORMER SUPPLEMENTAL SECURITY INCOME/STATE SUPPLEMENTARY  
PAYMENT (SSI/SSP) "NO LONGER DISABLED CHILDREN"**

Ref: All County Welfare Director Letter(s) (ACWDL) No. 97-40, 97-49, 01-32

The purpose of this letter is to provide counties with information regarding implementation of the new Medi-Cal only category group "No Longer Disabled Children" (NLDC). This new program was implemented June 2001. Refer to ACWDLs 97-40 and 97-49 for historical information. Please disregard instructions in ACWDL 98-01 dated January 2, 1998, as the instructions no longer apply.

This new category group is composed of children who became ineligible for SSI cash benefits due to the 1996 change in the SSI disability rules. As a result of the change, the Balanced Budget Act of 1997, Section 4913 Public Law 105-33 specified that this group would be grandfathered into Medicaid effective July 1, 1997. The Center for Medicare and Medicaid Services, formerly the Health Care Financing Administration, requires that states determine if individuals were terminated from Medicaid either without adequate consideration of their eligibility or without proper redetermination, and if so to reinstate these individuals.

The Department of Health Services (DHS) received a Data Exchange tape from Social Security Administration (SSA) listing the names of the beneficiaries who have been discontinued from SSI as a result of the change in the SSI childhood disability rule definition. This new category group is entitled to full scope, zero share of cost Medi-Cal up to the age of 18 years. This grandfathered enrollment status continues even if the beneficiary establishes a new disability with SSA.

## **IMPLEMENTATION OF NEW AID CODE 6N**

### **I. Conversion Process**

- DHS converted approximately 1500 former SSI/SSP no longer disabled children from Aid Code 64 to two new Aid Codes 6N and 6P.

Aid Code 6N – No Longer Disabled Adults and Children  
State controlled grandfathered or non-grandfathered former SSI  
no longer disabled recipients with SSI appeals pending.

Aid Code 6P – No Longer Disabled Children SSI/SSP  
Grandfathered no longer disabled children whose SSI appeal has  
been closed and the county has determined that the recipient still  
meets the current SSI income and resource requirements and has  
taken over the record.

- The no longer disabled children converted cases were assigned a new Special Pickle indicator of "D4." The special indicator code "D4" will remain in the "Pickle" field as long as the SSA appeal is pending. If the individual turns age 18 while in the appeal process, the Pickle indicator will automatically be changed to "D5" and will remain until the appeal process has ended.

### **II. End of SSA Appeal Process**

At the time the SSA appeal becomes final (a denial decision is made at a certain level of the appeal, 65 days pass and the recipient does not file to the next level of appeal, or the Appeals Council denies the claim), the recipient no longer retains a disability linkage. When this happens, DHS will send a Notice Type 27, Discontinuance of SSI/SSP recipient Medi-Cal NLDC, and Medi-Cal redetermination packet to the former SSI/SSP recipient (See Section V for more details about the Notice Type 27). The packet is to be returned to the county's Ramos coordinator within 30 days from the date of the notice. The MEDS INQP screen will show the date that the Notice Type 27 was mailed. This information is located in the fields identified as "NOA-DATE" and "NOA-TYPE."

### **III. County Responsibility**

Counties will be responsible for processing the redetermination of NLDC individuals who were terminated due to the loss of SSI disability cash benefits and who were reinstated at implementation of the NLDC program. Pursuant to Federal regulations (42 CFR 435.902 and 435.916) States must limit the scope of redetermination to information that is necessary to determine ongoing eligibility and that which is related to circumstances that are subject to change, such as income and residency.

Counties must report receipt of the redetermination forms to Medi-Cal Eligibility Data System (MEDS) no later than the Ramos cutoff date two months after the Notice Type 27 was mailed. Failure to report the receipt of the redetermination forms will cause DHS to issue a Notice Type 23 informing the beneficiary that eligibility for SSI based Medi-Cal will be discontinued for failure to return the redetermination forms. If the county fails to report the redetermination to MEDS and discovers that a Notice Type 23 was erroneously sent and eligibility was terminated, the county must rescind the DHS Notice of Action (NOA), restore Medi-Cal eligibility to the beneficiary, and report month-to-month eligibility to MEDS until the redetermination is completed. If the county determines that the NLDC beneficiary still meets the current SSI/SSP income and resource requirements criteria for eligibility they will be placed in Aid Code 6P by the county. If the county determines that the beneficiary is eligible for Medi-Cal under another program, the county will grant Medi-Cal under the appropriate program. If it is determined that the beneficiary is not eligible under any other program, the county should send a timely NOA, the MC 318 (4/97), "Discontinuance of SSI/SSP-Based Medi-Cal/Denial of Medi-Cal No Linkage" and discontinue the case.

If disability is the only linkage to establish Medi-Cal eligibility and the beneficiary alleges a NEW period of disability and a NEW impairment(s) not previously considered by SSA, the county will discontinue benefits. A complete disability packet will be sent to the State Programs-Disability and Adult Programs Division (SP-DAPD) with an annotation in item No. 10 of the MC 221, "Disability Determination and Transmittal" form. "Former SSI Status N07 Recipient, Alleges New Impairment."

### **IV. Periodic Aging Reports**

Counties will receive periodic aging reports for redetermination forms that were reported to MEDS but are still pending in Aid Code 6N. These reports will be

generated until the county either takes over the MEDS record as an approved case under a different category or reports a discontinuance to MEDS. These reports will be sent to the Ramos coordinator in each county until the county takes action on the case.

**V. New MEDS Programming and New Notice Type 27, 28, and 29**

- Notice Type 27

DHS will send Notice Type 27 at renewal. The NOA Type 27 is for statutorily protected no longer disabled children to notify them that their appeal for the loss of their disability status has been denied and the individual did not timely request the next level of appeal.

Additional MEDS programming has been initiated so that if a county determines an SSI/SSP no longer disabled recipient to be eligible for CalWORKs, for example, and later discontinues the case, the system will determine whether the beneficiary continues to have an appeal pending at SSA. If there is an SSA appeal still pending, the beneficiary will automatically be restored under Aid Code 6N, GRC3, ESC ending in 6, and a new Notice Type 28 will automatically be mailed to the beneficiary.

- Notice Type 28

The Notice Type 28 rescinds the county action to discontinue Medi-Cal eligibility. The Notice Type 28 informs the beneficiary that the previous notice from the county to discontinue Medi-Cal benefits has been rescinded because the beneficiary continues to have an appeal pending with SSA. If a Notice Type 28 is sent, it will appear on the MEDS INQP screen similar to the Notice Type 26, 22, and 23.

- Notice Type 29

DHS will send a Notice Type 29, Reinstatement of Medi-Cal SSI/SSP No Longer Disabled Children, to statutorily protected no longer disabled children to notify them that their Medi-Cal is restored because their SSA appeal is still pending. This NOA is sent one time only when MEDS is updated with these records, effective June 2001 month of eligibility. The counties will receive a report listing the individual(s) in their county.

If you have any questions regarding this letter, please contact Ms. Janeen Jimenez of my staff at (916) 657-1248. Questions regarding no longer disabled "non-grandfathered" adults and children should go to Ms. Betty Mosher at (916) 654-0630.

Sincerely,

ORIGINAL SIGNED BY

Shar Schroepfer, Chief  
Medi-Cal Eligibility Branch