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



GRAY DAVIS  
Governor

September 10, 2003

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 03-45  
ALL COUNTY ADMINISTRATIVE OFFICERS  
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS  
ALL COUNTY MENTAL HEALTH DIRECTORS  
ALL COUNTY PUBLIC HEALTH DIRECTORS

SUBJECT: THE ELIMINATION OF THE SECOND YEAR OF TRANSITIONAL  
MEDI-CAL  
(Ref.: All County Welfare Directors (ACWDL) Nos. 98-56, 01-33, 02-02)

The purpose of this letter is to inform counties that AB 1762 (Chapter 230, Statutes of 2003) eliminated the state-only second year of Transitional Medi-Cal (TMC) program as of October 1, 2003.

Counties should prepare to (1) terminate second-year TMC benefits for all beneficiaries in aid codes 5X and 5Y, (2) follow Senate Bill 87 ex-parte procedures for such beneficiaries, and (3), send the Discontinuance of Benefits Notice of Action (NOA) MC 239 TMC-2 in September to ensure that beneficiaries receive a ten-day notice. Counties should check the "other" box and state that the "funding for this program has ended" or other similar language. Counties should determine whether a terminated family contains a parent(s) who may have linkage to other Medi-Cal programs, e.g., disabled, incapacitated, or whose child(ren) have an absent or deceased parent. If a family member is eligible for another Medi-Cal program, counties should check the box indicating that a separate notice will be sent about eligibility for another program. If it has been determined that one or more family members are not eligible for any other Medi-Cal program, this should also be indicated by checking the appropriate box. A copy of the MC 239 TMC-2 is enclosed for your information.



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[www.consumerenergycenter.org/flex/index.html](http://www.consumerenergycenter.org/flex/index.html)

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Counties were instructed to report a pregnant woman who was also receiving second year TMC under aid codes 5X or 5Y to the Medi-Cal Eligibility Data System (MEDS) under a secondary aid code of 44 or 48, if income eligible, to ensure federal financial participation. Counties should continue aiding the pregnant woman under these aid codes.

If the county did not determine coverage under aid codes 44 or 48, the pregnant woman should be evaluated for a pregnancy related program unless she has other linkage. This determination is made as of the date her pregnancy was established.

A terminated second year TMC person who is age 19 or 20 may continue to be eligible as a Medically Needy child if deprived and living with a parent or caretaker relative, or as a Medically Indigent person under age 21, if otherwise eligible.

Counties will no longer be able to report new persons in aid codes 5X and 5Y to MEDS after September 30, 2003. Any provider claims billed after that date will continue to be paid for services rendered in a month in which the person was reported eligible in aid codes 5X and 5Y.

The Information Technology Systems Division (ITSD) has provided a list of persons in these aid codes by county. You may access the list through the Business Objects report facility: <https://www.dhsreports.ext.dhs.ca.gov/wi>. The report is titled: Second Year TMC Report. All County Coordinators were given access and instructions for Business Objects with the MEDS Online Stats and Online Recon Report projects. If a coordinator would like assistance or needs another copy of the instructions, please contact Ms. Nancy King at ITSD: (916) 440-7115 or email her at [nking2@dhs.ca.gov](mailto:nking2@dhs.ca.gov).

The MC 239 TMC-1 and the MC 239 TMC-2 NOAs will be revised to delete all references to the second year of TMC. Corrected camera-ready copies will be sent to counties at a later date. The TMC flyer and form MC 325 have been revised and are enclosed.

The first year of federal TMC has a sunset date of September 30, 2003, and unless Congress extends this program, persons who are found eligible after this date will be allowed to continue only for four additional months under the federal law that allows four months of continuing Medi-Cal for persons with increased hours or income from employment. These persons would be aided under Four-Month Continuing aid codes (54 or 5W). It is our understanding that persons who are determined eligible for TMC aid codes (39, 3T, 59, and 5T) prior to September 30, 2003, will continue to be eligible for a full year if they meet the TMC criteria. It is expected that Congress will extend this

sunset date as they have in the past; however, counties will be notified if for some reason this program will end on that date.

If you have any further questions, please contact Ms. Margie Buzdas of my staff at (916) 657-0726.

Original signed by

Richard Brantingham for  
Beth Fife, Chief  
Medi-Cal Eligibility Branch

Enclosures