



California
Department of
Health Services

SANDRA SHEWRY
Director

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



ARNOLD SCHWARZENEGGER
Governor

December 29, 2004

**TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALIST/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS**

Letter No.: 04-40

**SUBJECT: EFFECTIVE JANUARY 1, 2005, SUBSTANTIAL GAINFUL ACTIVITY
AMOUNT WILL INCREASE FROM \$810 PER MONTH TO \$830 PER
MONTH FOR NON-BLIND INDIVIDUALS**

The purpose of this letter is to notify counties that the federal Substantial Gainful Activity (SGA) amount will increase to \$830 effective January 1, 2005. All SGA determinations made on/or after January 1, 2005, should utilize the new amount. Counties are instructed to retroactively redetermine Medi-Cal eligibility based on disability if a case has been denied erroneously due to a delay in implementing the new SGA amount.

As a reminder, SGA rules do not apply to legally blind persons who meet the Supplemental Security Income criteria, Medi-Cal beneficiaries who return to work after disability has been approved, or to individuals applying for Medi-Cal under the 250 Percent Working Disabled Program.

Further, for work activity to be considered substantial, it need not necessarily 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 rules. A person who performs SGA is not considered disabled, even if a severe physical or mental medical condition exists.

All questions regarding SGA procedures should be directed to Mr. Terry Durham at (916) 552-9483.

Original signed by

**Tameron Mitchell, R.D., M. P. H., Chief
Medi-Cal Eligibility Branch**