



SANDRA SHEWRY
Director

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



ARNOLD SCHWARZENEGGER
Governor

December 19, 2005

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 05-42
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: INCREASE IN SUBSTANTIAL GAINFUL ACTIVITY AMOUNT FROM
\$830 PER MONTH TO \$860 PER MONTH EFFECTIVE JANUARY 1,
2006

The purpose of this letter is to notify counties that the federal Substantial Gainful Activity amount (SGA) amount will increase to \$860 effective January 1, 2006. All SGA determinations made on or after January 1, 2006, 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 individuals who meet the Supplemental Security Income criteria, Medi-Cal beneficiaries who return to work after disability has been approved, or to persons 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 guidelines. If an applicant has average monthly earnings at the SGA level, they cannot be considered disabled, even if a severe physical or mental medical condition exists.

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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