



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



ARNOLD SCHWARZENEGGER  
Governor

November 18, 2008

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 08-50  
ALL COUNTY ADMINISTRATIVE OFFICERS  
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS  
ALL COUNTY HEALTH EXECUTIVES  
ALL COUNTY MENTAL HEALTH DIRECTORS  
ALL COUNTY QMB/SLMB/QI COORDINATORS

SUBJECT: INCREASE IN SUBSTANTIAL GAINFUL ACTIVITY FROM \$940 PER  
MONTH TO \$980 PER MONTH EFFECTIVE JANUARY 1, 2009, FOR  
NON-BLIND INDIVIDUALS

The purpose of this letter is to notify counties that the federal Substantial Gainful Activity (SGA) amount will increase to \$980 effective January 1, 2009. All SGA determinations made on or after January 1, 2009, 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 federal 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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If additional information is needed, please contact Mr. Warren Jorgensen at (916) 322-8494 or E-Mail [Warren.Jorgensen@dhcs.ca.gov](mailto:Warren.Jorgensen@dhcs.ca.gov).

Original Signed By:

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