



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



EDMUND G. BROWN JR.  
Governor

December 11, 2012

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 12-38  
ALL COUNTY WELFARE ADMINISTRATIVE OFFICERS  
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS  
ALL COUNTY HEALTH EXECUTIVES  
ALL COUNTY MENTAL HEALTH DIRECTORS  
ALL COUNTY MEDS LIAISONS

SUBJECT: Increase in Substantial Gainful Activity From \$1,010 Per Month to \$1,040 Per Month Effective January 1, 2013

Substantial Gainful Activity (SGA) is the maximum amount of wages a person can earn in a month and still be considered disabled. SGA is set by the Social Security Administration and may be changed annually based on the national average wage index.

The purpose of this letter is to notify counties that the federal SGA amount will increase to \$1,040 effective January 1, 2013. All SGA determinations made on or after January 1, 2013, shall utilize the new amount. If counties are unable to implement this change in SGA by January 1, 2013, once the change is implemented, counties must retroactively redetermine Medi-Cal eligibility based on disability if a case has been denied erroneously.

Applicants who have average monthly earnings at the SGA level cannot be considered disabled even if severe physical or mental medical impairments exist. However, 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.

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If additional information is needed, please contact Warren Jorgensen at (916) 440-7855 or by email at [Warren.Jorgensen@dhcs.ca.gov](mailto:Warren.Jorgensen@dhcs.ca.gov).

Original Signed By

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