

## DEPARTMENT OF HEALTH SERVICES

714/744 P STREET

SACRAMENTO, CA 95814

May 23, 1985



To: All County Welfare Directors  
County Administrative Officers

Letter No.: 85-38

RETROACTIVE MEDI-CAL CARD ISSUANCE DUE TO LOPEZ V. HECKLER

On December 7, 1984, the Ninth Circuit Court issued the final order in the case of Lopez v. Heckler. This order redefined the disability reexamination criteria for the Title II (Retirement Survivor's Disability Insurance, RSDI) and Title XVI (Supplemental Security Income, SSI) programs. The court further ordered the Social Security Administration (SSA) to offer retroactive reinstatement to individuals in the Ninth Circuit who were discontinued from Title II or Title XVI as the result of a disability reexamination. Those individuals who request reinstatement will be reinstated pending a new disability reexamination based on the revised criteria established in the court order. Only those individuals reinstated under Title XVI will be entitled to retroactive Medi-Cal benefits.

Background

On February 15, 1985, SSA sent notices to approximately 23,000 potential class members in California informing them of: 1) their potential eligibility under Lopez v. Heckler; 2) the right to retroactive reinstatement pending reexamination; and 3) the requirement that a request for case review must be made to SSA within 120 days of the notice date in order to qualify. The notice further stated that repayment would be required if retroactive benefits were requested and paid by SSA and the subsequent reexamination determined that the individual was not disabled.

Title XVI Reinstatement Process

The retroactive reinstatement of these cases will be a two step process. Upon request for retroactive reinstatement, SSA will determine an effective date for each individual based upon the original discontinuance date, the date of the request for reinstatement and the period for which the individual is requesting reinstatement. In no case will the effective date of the initial reinstatement be earlier than August 1, 1983. If the individual requests retroactive Medi-Cal at the time of the initial reinstatement to Title XVI, SSA will provide the individual with a written referral to the county welfare department. This referral will indicate that the individual is

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being reinstated due to Lopez v. Heckler, provide the effective date of that reinstatement and serve as verification that the individual should be issued retroactive Medi-Cal cards for that period. Upon reinstatement, SSA will refer the individual's case to the Disability Evaluation Division (DED) for reexamination under the new Lopez v. Heckler criteria. If DED determines that the individual is no longer disabled under the new reexamination criteria, the individual's benefits will be discontinued by SSA. If DED determines that, under the new reexamination criteria, the individual was and continues to be disabled, the second step of the reinstatement process will be performed as follows.

Individuals who have been initially reinstated and subsequently reexamined by DED and determined to be disabled under the new criteria, will be further examined by SSA to determine if entitlement to benefits existed prior to the initial reinstatement date. If such entitlement exists, SSA will reinstate benefits retroactive to the later of the date of discontinuance or the date required by the court order as follows:

- a. County transferred ATD cases "grandfathered" on to SSI -- June 1, 1980.
- b. SSI cases -- application for aid made to SSA -- June 1, 1981.

If the individual requests retroactive Medi-Cal coverage for the retroactive period prior to the initial reinstatement, SSA will provide a written referral to the county welfare department. This referral will indicate the effective date of the Title XVI reinstatement due to the Lopez v. Heckler court order and serve as verification that the individual is entitled to retroactive Medi-Cal cards for that period.

#### Medi-Cal Card Issuance

Upon receipt of a written referral from SSA for either the initial reinstatement period or the period prior to the initial reinstatement, the county must issue retroactive Medi-Cal cards for the entitlement period in accordance with Title 22, CAC, Sections 50743 and 50746. In those cases where the cards issued are beyond the one year billing limitation, the beneficiary must be provided with a copy of the attached letter. County staff should inform the beneficiary that a copy of this letter must be given to each provider along with the Medi-Cal labels. Provider claims for services provided more than one year ago which are not

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accompanied by a copy of this letter will be rejected without payment. Beneficiaries should be encouraged to submit labels and, where appropriate, the attached letter to all providers as quickly as possible.

Please note that the beneficiary must be given a letter for his/her providers at each reinstatement period (initial and subsequent) and that the reinstatement period must be noted on the letter. Example:

Joe Smith applied and was approved for SSI on June 30, 1981 with a disability reexamination date of June 30, 1982. His SSI was discontinued July 30, 1982 due to cessation of disability. In February, 1985 he received a Notice of Action from SSA informing him of potential eligibility due to Lopez v. Heckler. In March, 1985 he requests and receives reinstatement of his SSI retroactive to August 1, 1983. He also requests and receives a referral from SSA verifying his eligibility for Medi-Cal due to Lopez v. Heckler and presents it to his local county welfare department. The welfare department issues retroactive SSI based Medi-Cal cards and the attached letter to providers stating he is eligible for the period August 1, 1983 forward. SSA then refers his case to DED for reexamination under the new criteria. DED reviews the case and determines that Joe is and has been disabled continuously since July 30, 1982. SSA will then reinstate Joe's SSI benefits for the period August 1, 1982 through July 30, 1983 and, as requested, provides Joe with a welfare department referral for Medi-Cal cards for that period. Upon receipt of the second referral the welfare department must provide Joe with Medi-Cal cards for August 1, 1982 through July 30, 1983 and another letter for his providers verifying eligibility for those months.

If you have any further questions, please contact Toni Bailey at (916) 324-4953.

Sincerely,

Original signed by

Tom J. Elkin, Acting Chief  
Medi-Cal Eligibility Branch

Attachment

cc: Medi-Cal Liaisons  
Medi-Cal Program Consultants

Expiration Date: April 1, 1986

SUGGESTED LETTER

Dear \_\_\_\_\_:

Attached is a replacement Medi-Cal card for \_\_\_\_\_  
for the month(s) of \_\_\_\_\_. This card was issued in  
accordance with the court order in Lopez v. Heckler which  
entitles certain individuals to retroactive benefits. County  
welfare departments have been instructed to issue Medi-Cal cards  
more than one year after the date of service to these  
individuals.

To ensure that your claims will be processed, code the billing  
limit box on the claim form with an "8", mark the attachment box  
on the claim with an "X" and indicate the date proof of  
eligibility was received in the remarks section of the claim.  
Additionally, attach all the necessary documentation required to  
process the claim (e.g., Treatment Authorization Request (TAR)  
form or TAR control number inserted in the appropriate box on the  
claim form; Sterilization Consent Form (PM 330); Operative Report  
or Medi-Cal Justification if necessary; etc.) When requesting a  
retro-TAR from the Medi-Cal field office, it will facilitate  
processing if you attach a copy of this letter with the TAR  
request.

A copy of this letter, along with the patient's replacement Medi-Cal label, must be attached to your completed claim form for the month of service. The completed claim form should then be submitted to:

Department of Health Services  
Fiscal Intermediary Management Division  
Provider Services Section  
714 P Street, Room 950  
Sacramento, CA 95814

Should you have any questions regarding this matter, please contact the welfare department at \_\_\_\_\_.

Sincerely,

\_\_\_\_\_  
Medi-Cal Program Manager