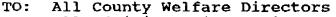
DEPARTMENT OF HEALTH SERVICES

714/744 P STREET

CRAMENTO, CA 95814

May 2, 1988

Letter: 88-30



All Administrative Officers

SUBJECT:

PREDICTING BUY-IN WHEN THE MONTH OF APPROVAL

IS AFTER THE FIRST MONTH OF ELIGIBILITY

This letter is to revise instructions concerning when Buy-In is to be predicted. Its purpose is to ensure that the determination of a beneficiary's share of cost in a month most accurately reflects actual income in that month.

Please note that we are not indicating in this letter that we are revising our Buy-In agreement with the federal government. Our Buy-In agreement with them still provides that Buy-In coverage generally occurs on a retroactive basis and the beneficiary receives a retroactive check from the Social Administration for reimbursement of beneficiary paid premiums in those months.

Background:

Previous ACWD letters informed counties to predict that Buy-In begins in the third month of eligibility. The purpose was to avoid the significant number of quality control (QC) understated share of cost errors which were occurring because counties were failing to predict Buy-In timely. However, as counties are now pointing out, predicting Buy-In in the third month of eligibility is causing a significant number of overstated share of cost errors because, in actuality, the beneficiary's Social Security check still indicates the beneficiary is paying the Buy-In premiums him/herself. This means that counties are having to continually adjust for underpayments while waiting for Buy-In to begin, despite the fact that the beneficiary will receive a retroactive check for premiums he/she made in the months ultimately covered under the Buy-In agreement.

Revised Instructions:

Buy-In is to be predicted in the second month after the month of approval, notwithstanding the beginning date of eligibility. Any Social Security reimbursement made to the beneficiary should be considered an exempt lump-sum Title II payment.

For example, in many cases, the date the County notifies DHS to implement Buy-In falls in the first month of eligibility. The applicant signs the CA 1 and is approved for eligibility beginning the first of the same month. Buy-in should then be predicted in the second month after the month of approval, which in this example, would be the third month of eligibility.



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If however, the date of approval is not within the first month of eligibility (excluding retroactive eligibility), Buy-In still should be predicted in the second month after the month of approval. If the applicant signs the CA 1 in May but eligibility is not approved until June effective May 1, Buy-In should be predicted for the month of August. If the applicant signs the CA 1 in May, also requests three months of retroactive coverage, and eligibility is not approved until July, Buy-In should be predicted for the month of September. Any Social Security reimbursement made to the beneficiary should be considered an exempt lump-sum Title II payment.

If you have any additional questions, please call Bill Fernandez at (916) 445-6855 or ATSS 8-485-6855.

Sincerely,

Original signed by

Frank S. Martucci, Chief Medi-Cal Eligibility Branch

cc: Medi-Cal Liaisons Medical Program Consultants

Expiration Date: 12/31/88