

DEPARTMENT OF HEALTH SERVICES

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March 21, 1994

TO: All County Welfare Directors
All County Administrative Officers
All County Medi-Cal Program Specialists/Liaisons

Letter No.: 94-32

**5.8 PERCENT BENEFICIARIES, 2.7 PERCENT-PICKLE BENEFICIARIES, 2.7 PERCENT BENEFICIARIES, AND
IHSS-ONLY MEDI-CAL BENEFICIARIES**

This letter provides basic information on the 5.8 percent beneficiaries, the Lynch v. Rank (Pickle) program, the 2.7 percent beneficiaries, and the discontinued IHSS-Only Medi-Cal beneficiaries. Counties have requested this information to clarify the differences between these four programs.

1. 5.8 Percent Beneficiaries

- On November 1, 1992 approximately 26,000 Supplemental Security Income/State Supplementary Program (SSI/SSP) beneficiaries were discontinued from SSI/SSP because of the 5.8 percent SSI/SSP total payment level reduction. Beneficiaries who were discontinued effective November 1, 1992 through January 1993 because of the 5.8 percent cut were given up to three months of share-of-cost (SOC)-Medi-Cal automatically. The 5.8 percent beneficiaries were given a Notice of Action and application packets during the first month of their extended eligibility and were told to mail the forms to the county. Counties were instructed to process these applications as soon as possible in order to determine ongoing Medi-Cal eligibility;
- The last 5.8 percent beneficiaries completed their state-generated Medi-Cal eligibility at the end of April 1993; and
- The 5.8 percent eligibles were accidentally included in the Pickle Tickler file and had a Pickle indicator of "SO".

2. Lynch v. Rank—Regular Pickle Provisions

Potential Pickle beneficiaries must be ALL of the following:

- Currently receiving Social Security Title II Retirement Survivors Disability Insurance (RSDI) benefits;
- Received or were entitled to receive both RSDI benefits and SSI/SSP benefits concurrently in any month since April 1977;

- No longer receiving SSI/SSP benefits;
- The Department of Health Services (DHS) annually sends a stuffer to potential Pickle beneficiaries who have a SOC;
- Each January, DHS provides counties with the 503 Leads File Report listing beneficiaries who were discontinued from SSI/SSP due to the Title II Social Security cost of living adjustment (COLA) increase. At the same time, Pickle 503 Leads Notices (Type 51 Notices) are sent by DHS to these potentially eligible Pickle individuals; and
- Counties must determine eligibility prior to April 30. If there is a delay in completing the determination, counties must continue issuing Medi-Cal cards for May month of eligibility (MOE) and thereafter until a determination has been made or inability to make contact has been verified.

3. 2.7 Percent Pickle Beneficiaries

- Certain Pickle beneficiaries fall within the grandfathering provisions of Welfare and Institutions Code section 14005.21. This section applies to Pickle beneficiaries who were receiving zero-SOC Medi-Cal in August 1993 and who would have lost zero-SOC Medi-Cal in September 1993 due to the 2.7 percent reduction in the SSI/SSP payment standard levels. Normally these beneficiaries would have been discontinued from Pickle-based Medi-Cal and evaluated for other Medi-Cal eligibility;
- DHS instructed counties not to redetermine these beneficiaries' Pickle eligibility from September 1993 to December 1993;
- The grandfathering provision means that when Pickle redeterminations are made for this group in 1994, the SSI/SSP levels which were in effect in August 1993 are to be used, e.g., \$620 for a single person; and
- No other Pickle requirements have been changed, e.g., the property limits are still \$2000 for an individual or \$3000 for a couple and appropriate Title II COLA'S continue to be disregarded. Counties should flag these cases and change their aid codes to zero-SOC aid codes 14, 24, or 64.

4. 2.7 Percent Beneficiaries

- State legislation (SB 35) cut SSI/SSP benefits by 2.7 percent effective September 1, 1993;
- SSI/SSP beneficiaries who lost their SSI/SSP due to this cut are receiving zero-SOC Medi-Cal until their incomes, aside from any COLA'S, exceed the SSI/SSP benefit levels had the September 1, 1993 benefit reduction not occurred or their living arrangements, resources and/or residency change in a way that would render them ineligible; and
- DHS is in the process of adding a new aid code for these 2.7 percent beneficiaries.

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5. IHSS-Only Medi-Cal

- Discontinued IHSS-Only Medi-Cal beneficiaries (aid codes 18, 28, and 68) will receive one month of zero-SOC Medi-Cal while in the process of completing a Medi-Cal application. This will apply to all IHSS terminations except those for death, institutionalization, or loss of state residence;
- DHS is in the process of designing and implementing a system of notifying these beneficiaries of their IHSS-based Medi-Cal discontinuance and their one-month extended Medi-Cal. DHS will also provide these beneficiaries with Medi-Cal application forms along with instructions to complete and return the application to the county for ongoing Medi-Cal; and
- Until this system is in place, DHS has requested county assistance in providing interim, uninterrupted Medi-Cal coverage for these beneficiaries.

If you have any questions on Pickle, please contact Sylvia Finberg at (916) 657-0080. If you have any questions on the 2.7 percent or 5.8 percent beneficiaries, please contact Bonnie Kinkade at (916) 657-1469. If you have any questions on the discontinued IHSS-Only Medi-Cal beneficiaries, please contact Helen Vaughn at (916) 654-5435.

Sincerely,

ORIGINAL SIGNED BY,

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

Enclosure

PROGRAM	IDENTIFYING FACTORS	DHS ACTION	COUNTY ACTION
PICKLE - 2.7 PERCENT	<ol style="list-style-type: none"> 1. Currently receiving RSDI but no longer receiving SSI/SSP because of a COLA; and received RSDI and SSI/SSP concurrently in any month since April 1977. 2. Pickle eligible in August 1993 and would have lost Pickle eligibility due to 2.7 percent cut effective September 1, 1993. 3. Placed in 14, 24 or 64 aid codes. 	<ol style="list-style-type: none"> 1. DHS told counties to extend Pickle eligibility from September 1993 until December 1993 despite the 2.7 percent SSI/SSP reduction. 2. DHS told counties that August 1993 Pickle eligibles are grandfathered in under SB 35. 	<ol style="list-style-type: none"> 1. For Pickle eligibles in August 1993 determine eligibility for Pickle based on SSI/SSP levels in effect without the 2.7 percent cut, e.g. \$620 for a single. 2. Send NOA to those who were discontinued in December 1993 under the 2.7 percent program. 3. Flag and place in aid codes 14, 24 or 64.
2.7 PERCENT BENEFICIARIES	<ol style="list-style-type: none"> 1. Lost SSI/SSP benefits due to 2.7 percent cut effective September 1, 1993 2. Placed in 14, 24 or 64 aid codes September 1, 1993; RO in Pickle field on MEDS. 	<ol style="list-style-type: none"> 1. Developing new aid code. 	<ol style="list-style-type: none"> 1. None at this time. Counties will be informed when 2.7 percent beneficiaries are to be terminated. Counties will receive Medi-Cal applications from these beneficiaries.
IHSS-ONLY MEDI-CAL	<ol style="list-style-type: none"> 1. Discontinued IHSS-Only Medi-Cal beneficiaries (aid codes 18, 28, 68) beginning January 1994. 	<ol style="list-style-type: none"> 1. Developing procedure similar to Ramos. Will be sending discontinuance NOA and application forms to beneficiaries with instructions to complete and return to counties. 	<ol style="list-style-type: none"> 1. Provide one month extended Medi-Cal coverage. 2. Process applications mailed in by beneficiaries and determine ongoing eligibility as soon as possible when procedure is in place.
5.8 PERCENT BENEFICIARIES	<ol style="list-style-type: none"> 1. Lost SSI/SSP benefits due to 5.8 percent cut effective November 1, 1992. 2. Were eligible for share-of-cost Medi-Cal automatically for up to three months. If an application was received timely, these beneficiaries were given continuing Medi-Cal eligibility until their eligibility was evaluated by the county. If no application was received, the beneficiary lost his/her Medi-Cal eligibility. 3. SO in Pickle field on MEDS. 	<ol style="list-style-type: none"> 1. Sent NOA's, application packets, and MC 177's to beneficiaries. 2. Waived face-to-face interviews. 	<ol style="list-style-type: none"> 1. Process applications mailed in by beneficiaries. 2. Determine ongoing eligibility as soon as possible.