

DEPARTMENT OF HEALTH SERVICES

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March 28, 1995

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

Letter No.: 95-21

INCOME EXEMPTIONS FOR AUSTRIAN SOCIAL INSURANCE PAYMENTS

Exemption Criteria: The purpose of this All County Welfare Directors Letter (ACWDL) is to inform counties that payments made to Medi-Cal beneficiaries pursuant to paragraphs 500-506 of the Austrian General Social Insurance Act (GSIA) are exempt from income and not counted for purposes of determining the Medi-Cal share of cost (SOC). These payments are comprised of "wage credits" due to individuals who suffered a loss, presumably due to unemployment, resulting from the individuals imprisonment, flight from Austria, or other reasons relating to political, religious or ethnic persecution, during the period from March 1933 through May 1945. The GSIA does not specify what entity, government or employer, is responsible for the payments. Not all Austrian social insurance payments are based on paragraphs 500-506. Austrian social insurance payments arising for other reasons are not exempt. This exemption does not cover interest accruing from retained GSIA payments, although such interest may qualify for some other Medi-Cal exemption such as irregular or infrequent income (see Title 22 Section 50542.)

Implementation: The Department of Health Services expects that these payments are rare and that few Medi-Cal cases will be impacted. Counties should recompute case budgets as they become aware that such payments are received by someone in the case, and should be alert to such payments during the face-to-face interview, when reviewing the Quarterly Status Report, and at redetermination. This exemption is applicable to prior months as follows: any reductions in the Medi-Cal SOC for a case resulting from this exemption applicable to months in which the beneficiary has previously met his/her pre-adjustment SOC will be made in accordance with Title 22, California Code of Regulations, Section 50653.7. Counties must implement the provisions of this ACWDL no later than June 1, 1995.

GSIA Verification: Verification is established when the following conditions have been satisfied:

- 1) The beneficiary presents (i) an award notice from an Austrian pension insurance agency (may be written in German) in favor of the Medi-Cal beneficiary or applicant (individual), which contains the language "Die Beguenstigungsvorschriften fuer geschaedigte aus politischen oder religioesen gruenden oder aus gruenden der abstammung wurden angewendet (Section 500FF ASVG)," translated "the regulations which give preferential treatment for persons who suffered because of political or religious reasons or reasons of origin were applied (Section 500FF ASVG)," and presents (ii) a check copy or stub showing an Austrian pension payor. If the award letter does not contain the quoted language, or some equivalent, the beneficiary may attest to the fact that the award was made under Section 500FF ASVG according to the instructions provided in paragraph 2, below.

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- 2) If the beneficiary does not produce the award letter described in paragraph 1, above, he/she must make a reasonable attempt to obtain it. If the beneficiary is still unable to obtain the award letter, he/she may attest, under penalty of perjury, that (i) he/she was imprisoned or unemployed in, or forced to flee from, Austria during the period 1933-1945 because of political or religious reasons, and that (ii) the check copy or stub represents compensation for these events pursuant to Section 500FF ASVG of the GSIA.
- 3) If the beneficiary does not produce a check stub or copy described in paragraph 1, above, he/she must make a reasonable attempt to obtain it. If the beneficiary is still unable to obtain the check stub, he/she may attest, under penalty of perjury, that a particular account deposit represents such payment, if there is corroborating evidence matching that deposit with the award letter. Such corroborating evidence might be identification in the award letter of an award amount, and the month in which it was paid, which match the month and amount of the deposit.
- 4) In cases where the beneficiary submits an attestation, the county judges, after weighing all the facts and the individual's credibility, that the attestation is reasonable and believable.
- 5) The beneficiary must produce either a check copy/stub or award letter. In the absence of both such documents, the beneficiary's attestations do not suffice as verification for purposes of this exemption.

Please direct question regarding this income exemption to Dave Rappolee of the Medi-Cal Eligibility Branch staff at (916) 657-0163.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch