

DEPARTMENT OF HEALTH SERVICES

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May 22, 1996

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

Letter No.: 96-23

**NEW FEDERAL LAW ON DRUG ADDICTION AND/OR ALCOHOLISM (DA&A) AND
REVISIONS TO ALL COUNTY WELFARE DIRECTORS LETTER (ACWDL)
NO. 96-02**

Ref.: ACWDL No. 96-02

The purposes of this ACWDL are to:

1. Notify counties of new federal changes affecting people who receive Social Security Disability Insurance (Title II) and Supplemental Security Income (SSI) disability benefits because of drug addiction and/or alcoholism (Public Law 104-121 signed on March 29, 1996). The Department of Health Services (DHS) is awaiting formal instructions from the Health Care Financing Administration (HCFA) on how these changes will affect the Medi-Cal program.
2. Revise instructions previously provided in ACWDL No. 96-02 regarding when a disability packet is required for persons who are terminated from SSI due to 12 continuous months of suspension/sanction for noncompliance with mandatory treatment.
3. Clarify instructions provided in ACWDL No. 96-02 on treatment of Medically Needy Only (MNO)-Disabled individuals whose Title II benefits have been suspended, sanctioned, or terminated due to noncompliance with DA&A treatment.

I. New Federal DA&A Changes

The following is an excerpt from a fact sheet released by the Social Security Administration (SSA) to their regional and district offices describing the new changes. Most of the changes are effective immediately. (The bracketed information has been added by DHS to provide clarity and/or other information received from SSA.)

"The new law prohibits Social Security and SSI disability [cash] benefits and Medicare and Medicaid coverage to people who are disabled because of drug addiction and/or alcoholism [DA&A]. This provision applies immediately to persons who file for benefits or whose cases are finally adjudicated [i.e., cleared] on or after March 29, 1996.

Persons who are currently receiving disability benefits based on DA&A will have their cash benefits and health coverage terminated on January 1, 1997. [For persons whose benefits terminate effective January 1, 1997, the last regular monthly SSI payment will be the check dated November 29, 1996, and the last Title II check will be dated January 3, 1997.]

Until then:

- o Their cash benefits will continue to be paid to a representative payee;*
- o They must still undergo appropriate treatment for their addiction and/or alcoholism, if available; and*
- o Their cash benefits will be suspended if they fail to comply with their treatment plan.*

Within 90 days [of enactment] (no later than June 28, 1996), SSA must notify all persons who are currently receiving benefits because of DA&A about the new law; and that they must file a new application if they believe they would be disabled even if they stopped using drugs and/or alcohol.

[SSA has advised that the notices will be mailed out on a staggered basis starting at the end of May 1996 through June 28, 1996, in order to mitigate impact to the SSA offices. In addition to reapplying for benefits, an individual may also appeal this notice. Enclosed with this letter is a SSA listing on the number of DA&A cases by county. SSA anticipates that at least one-half of these individuals will continue to be eligible for Title II and/or SSI under another medical impairment.]

If a person whose benefits would terminate January 1, 1997, reapplies by July 28, 1996, SSA must make a new medical determination on this claim no later than January 1, 1997. This [medical] determination may be appealed; but if DA&A is still found to be material, benefits would terminate January 1, 1997."

County Action: There is no new action to be taken now as a result of this new law. Counties will continue to follow the instructions contained in ACWDL No. 96-02, "Restrictions in Social Security Payments for Persons Disabled Due to Drug Addiction or Alcoholism" (and as amended by this letter) until January 1, 1997. Until then, SSA will continue to refer individuals for treatment and to suspend/sanction individuals for noncompliance with mandatory treatment.

Until further notice, counties will continue to follow normal procedures on new and pending disability applications when drug addiction and/or alcoholism is alleged (or approved) as the primary impairment. Counties will continue to accept applications from individuals who state they are disabled due to substance addiction. DHS has advised State Programs-Disability Evaluation Division (SP-DED) to also follow normal case processing up to the point in which it is determined that a case will be allowed with a primary diagnosis of DA&A. **SP-DED will hold these cases pending further instructions from DHS and will issue Radcliffe notices, when applicable.**

Informational Only: To identify a MNO DA&A case, the county should refer to the MC 221 (Disability Determination and Transmittal form). The term, "Drug Addiction" and/or "Alcoholism" must be specified as the primary diagnosis in the "Diagnosis" field (i.e., item 15) on the MC 221. In addition, the "Reg-Basis Code" must show "A61" with a listing code of "12.09", "A62" with or without a listing code, or "A63."

II. Changes to Current Disability Packet Instructions Issued Under ACWDL No. 96-02 (NO revisions to Article 22 of the Medi-Cal Eligibility Procedures Manual regarding DA&A will be issued since there will not be any DA&A recipients on Title II or SSI disability effective December 31, 1996. Counties will follow these additional instructions to ACWDL No. 96-02.)

ACWDL No. 96-02 instructs the counties to complete a full Disability Evaluation Division (DED) disability packet on individuals who have been terminated from SSI cash aid for 12 continuous months of suspense/sanction. HCFA changed its policy on when a DED packet is needed because DA&A is still considered to be a disabling condition. The only reason these individuals have been terminated is because of noncompliance with mandatory treatment. Therefore, a full DED packet may not be needed. **Effective immediately, the county will implement the following changes:**

A. Individual Contacts the County on a TIMELY Basis Under Ramos Procedures

1. First determine whether the individual is eligible for Medi-Cal under any linkage factor other than disability. If not eligible under any other linkage category, counties will take one of the following actions based upon the individual's response in item number 18 of the MC 210, Statement of Facts (Medi-Cal):
 - o *Individual alleges he/she continues to have substance addiction which is his/her only disabling condition.* Counties will determine whether the

individual is otherwise eligible and continue Medi-Cal for the client, if eligible, under the appropriate disability aid code. NO disability packet is required.

Counties will need to flag or identify these individuals as DA&A since they will likely be discontinued by December 31, 1996, under the new federal law. Medi-Cal Eligibility Data System will display a Payment Status Code of T31 for these individuals.

- o *Individual states that he/she no longer has any type of disabling condition (including substance addiction).* Counties will deny the client's Ramos application and send the appropriate denial notice of action.
- o *Individual alleges that he/she now has a different impairment which is other than or in addition to DA&A (e.g., mental, kidney, liver, or heart disease, etc.).* Counties will determine whether the individual is otherwise eligible and continue Medi-Cal for the client, if eligible, under the appropriate disability aid code. Counties should also refer the client to SSA as there can be potential eligibility for Title II and/or SSI disability benefits under the new impairment.

In addition, a full disability packet must be completed and submitted to SP-DED to determine whether the individual's disability can be reclassified under a new impairment.

Counties will annotate in item number 10 of the MC 221, "Title II and/or Title XVI Terminated for DA&A Noncompliance--Alleges New Impairment."

If SP-DED disallows the case, counties will NOT discontinue benefits until DHS instructions are issued regarding the impact of the new federal law on the Medi-Cal program. Thus, counties will need to flag or identify these cases for future discontinuance.

If SP-DED approves the case under a new impairment, counties will treat the case like any other MNO-Disability case and not apply any DA&A procedures.

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B. Individual Does Not Contact the County Timely Under the Ramos Procedures

When a terminated SSI beneficiary does NOT file timely under the Ramos procedures, the county will treat the individual as a new applicant. If the applicant alleges to be disabled, and Medi-Cal eligibility cannot be established under another linkage category, the applicant will complete a "full" DED packet, and the county shall refer the disability packet to SP-DED as a new case.

III. Clarification of Instructions Provided in ACWDL No. 96-02 Regarding Treatment of MNO-Disabled Individuals Who Received Title II Benefits Based on DA&A

The intent of ACWDL No. 96-02 was to provide instructions only about SSI/SSP recipients who are suspended, sanctioned, or terminated from cash aid due to noncompliance with mandatory treatment. The federal law which precipitated those changes also applies to Title II beneficiaries. These individuals, if also receiving MNO-Disability benefits, should be reporting Title II income changes to the county. The county will recompute the share of cost and a disability packet is NOT required. Counties will also need to flag or identify these individuals as DA&A since they may also need to be discontinued effective December 31, 1996. (These instructions may be subject to revision when DHS issues new instructions on Public Law 104-121.)

As DHS receives additional information from HCFA and/or SSA regarding the new federal law on DA&A, it will be shared with counties. This ACWDL will not be followed by procedures. If there are any questions, please contact Marie Taketa of my staff at (916) 657-1250.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

Enclosure

ENCLOSURE

Listing of SSI and Title II/SSI Drug Addiction and Alcoholism Recipients by County (Including Recipients Not in Current Pay Status as of April 4, 1996)

Alameda	2,344	San Francisco	2,587
Amador	21	San Joaquin	1,882
Butte	530	San Luis Obispo	275
Calaveras	32	San Mateo	387
Colusa	8	Santa Barbara	521
Contra Costa	1,369	Santa Clara	625
Del Norte	130	Santa Cruz	191
El Dorado	154	Shasta	449
Fresno	2,909	Sierra	1
Glenn	28	Siskiyou	123
Humboldt	581	Solano	495
Imperial	84	Sonoma	621
Inyo	23	Stanislaus	1,371
Kern	1,938	Sutter	70
Kings	209	Tehama	91
Lake	233	Trinity	37
Lassen	37	Tulare	823
Los Angeles	5,616	Tuolumne	75
Madera	226	Ventura	603
Marin	260	Yolo	279
Mariposa	20	Yuba	261
Mendocino	297		
Merced	326		
Modoc	14		
Mono	15		
Monterey	354		
Napa	185		
Nevada	79		
Orange	326		
Placer	174		
Plumas	32		
Riverside	751		
Sacramento	3,991		
San Benito	13		
San Bernardino	1,031		
San Diego	2,144		

(Only those counties which have DA&A recipients are listed.)