

DEPARTMENT OF HEALTH SERVICES

714/744 P Street
P.O. Box 942732
Sacramento, CA 94234-7320
(916) 657-2941



June 10, 1996

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

Letter No.: 96-32

SAWYER POLICY AND PROCEDURES: PHASE II

Ref.: All County Welfare Directors Letter (ACWDL) No. 95-63

SECTION I. INTRODUCTION

History of the Sawyer Litigation: Since the inception of the Medi-Cal program, the Department of Health Services (DHS) has interpreted federal Medicaid law as requiring Worker's Compensation temporary disability indemnity (TDI) payments to be counted as unearned income. These payments will be referred to throughout these instructions as Temporary Worker's Compensation payments (TWC). In 1994, the Sawyer lawsuit was filed against DHS and the Department of Social Services (DSS) for the purpose of changing DHS and DSS policy to one of counting TWC payments as earned income. During the pendency of this litigation, the federal Aid to Families with Dependent Children (AFDC) administrator reinterpreted its AFDC-eligibility rules to require that TWC be counted as earned income in those instances where the TWC recipient continued to be employed by the employer for whom he/she was working when the injury was incurred. In accordance with federal law, which requires the application of many of the AFDC eligibility rules to certain categories of Medi-Cal eligibles, Medi-Cal is applying the four AFDC-MN and MI earned income deductions to its AFDC-MN and MI persons.

SECTION II. OVERVIEW

Overview Of Sawyer Second Phase II Implementation: This ACWDL implements Phase II of the Sawyer benefit. Under this ACWDL, counties will evaluate cases which are identified through Sawyer Applications submitted by persons during the August 1, 1996 through October 31, 1996 application period who are responding to posted Sawyer Notices (Poster Notices). The purpose of this Phase II reimbursement is to identify and reimburse qualified cases not previously identified and reimbursed through the flagging and Quarterly Status Report process established under ACWDL 95-63.

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Under this ACWDL, counties will evaluate qualified cases (see definition, Section III) identified through Sawyer Reimbursement Applications submitted by former or current beneficiaries responding to the Sawyer Poster Notices. The procedure for evaluating cases, converting case budgets, and calculating reimbursements is the same as that set forth in ACWDL 95-63 and is reiterated in this ACWDL. After the reimbursement for a case has been calculated, counties will complete a Sawyer Reimbursement Request (Exhibit A) and transmit it to DHS. DHS will issue a reimbursement check, and an accompanying notice, to the reimbursee.

Summary of Previously Issued Sawyer Policy: Under the previous Sawyer policy letter, ACWDL 95-63, new and continuing qualified cases identified via the Quarterly Status Reports or the flagging process (ACWDL 94-49) had their share of cost (SOC) calculated for prospective months to reflect that TWC was earned income. Qualified, continuing and discontinued cases having received TWC in or after May 1994 were evaluated for reimbursement for the months within the Sawyer Reimbursement Period, and, if determined eligible, were reimbursed.

SECTION III. DEFINITIONS

Qualifying Temporary Worker's Compensation Payments: Under the terms of the settlement agreement, TWC qualifies as earned income when verified TWC is received by an AFDC-MN or MI person in a Qualified Case.

Qualified Case: For purposes of determining eligibility for the reimbursement described in this ACWDL, a case is a qualified case for any month from July 1992 through April 1994 (first retroactive period) in which (1) an eligible or ineligible AFDC MN or MI person in the case Medi-Cal Family Budget Unit (MFBU) received verified TWC, 2) the case had, and was certified as having met (see Section IX, subheading "Medical Expense Verification"), its pre-Sawyer SOC, and 3) the case was not previously identified and evaluated for reimbursement under ACWDL 95-63. The case must first be an identified case: a case for which the county has received a properly completed Sawyer application from an eligible or ineligible member of an MFBU.

Individuals receiving TWC who are on Medi-Cal as ABD-MN persons do not have their TWC counted as earned income, and a case containing such a person and no AFDC-MN or MI person with TWC is not a qualified case. Qualified cases must be evaluated under this ACWDL to determine whether they are eligible for a reimbursement.

If the county determines that a case will receive a reimbursement under this ACWDL during the first retroactive period, then that case also must be evaluated to determine whether it is a

qualified case in any months from January 1991 through June 1992 (second retroactive period.) In making this determination, the county is not required to seek additional documentation or verification, but may use what is present in the case file or has already been obtained from the applicant.

Reimbursement Period (Reimbursement Period): This period is composed of two periods, the first retroactive period, July 1992 through April 1994, and the second retroactive period, January 1991 through June 1992. As delineated in the "Qualified Case" definition above, cases are first evaluated to determine whether they are eligible for reimbursement in the first retroactive period. The county is required to evaluate the case for reimbursement in the second retroactive period only if the case will receive a reimbursement during the first retroactive period.

This ACWDL provides for reimbursement of cases which were not reimbursed under the previous Sawyer policy letter, ACWDL 95-63. As previously discussed, the only qualified cases not reimbursed under ACWDL 95-63 are cases which could not have been previously identified under the former Sawyer ACWDL, either because the cases were discontinued previous to the month of May 1994, in which counties began flagging cases with TWC or, although continuing cases through this month, were not flagged because they only received TWC in months previous to May 1994. Any continuing qualified cases receiving TWC in May 1994 or a later month will have been previously reimbursed. However, if in the course of determining eligibility for reimbursement under this ACWDL, the county becomes aware that a case is eligible for reimbursement for month(s) later than the April 1994 cut-off, and was not previously reimbursed, the case must be reimbursed for those months under this ACWDL.

Reimbursable Case: A qualified case certified as having met its pre-Sawyer SOC for which an applicable earned income deduction(s) results in a decreased SOC (the post-Sawyer SOC).

Discontinued Case: A case which was discontinued before May 1994.

Qualifying Individual: The person in a qualified case who received the qualifying TWC.

Case Conversion And Calculation of Post-Sawyer SOC: Case conversion means recalculating the qualified case's SOC to reflect that the case's qualifying TWC payment(s) is earned income by applying the Medi-Cal \$90 Work Expense Deduction (Title 22, California Code of Regulations (CCR), Section 50553.1) to the case's qualifying TWC payments. The recalculated SOC is the case's Post-Sawyer SOC.

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Applicant: Former or current beneficiaries who, after responding to the Sawyer Poster Notice, submit a properly completed Sawyer Reimbursement Application form (Exhibit A) to the appropriate county welfare office.

SECTION IV. SAWYER POSTER NOTICES AND OTHER PUBLIC NOTICES

Posting Notices At CWDs: Pursuant to the settlement agreement, beginning August 1, 1996 through October 31, 1996, counties must display Sawyer Poster Notices (Exhibit B) in visible locations at their county welfare department (CWD) locations serving Medi-Cal applicants and beneficiaries. The purpose of these posters is to provide notice regarding the availability of Sawyer reimbursement benefits to persons in cases which were discontinued previous to May 1994 and which were therefore not flagged under the instructions provided in ACWDL 94-49, nor identifiable through the Quarterly Status Report process described in that ACWDL. The posters will advise persons that if they met certain requirements during the Sawyer Reimbursement period they may contact their county welfare office for a Sawyer Reimbursement Application. Counties will issue the Sawyer Reimbursement Application to persons who request one on or before October 31, 1996.

Duplication of Poster Notice And Reimbursement Application: This ACWDL transmits "camera-ready" originals of the Sawyer Poster Notice (Exhibit B) and the Sawyer Reimbursement Application (Exhibit C). Counties will use the originals provided in these two Exhibits to make copies. The Poster Notice is on 11" by 17" paper. Exhibit B contains this notice on a 11" by 17" sheet, and on two 8 ½" by 11" sheets. The latter configuration may facilitate the duplication process in those counties which are not able to easily duplicate an 11" by 17" sheet. The Sawyer Reimbursement Application is on an 8 ½" by 11" sheet and should pose no duplication problems. DHS expects that counties will not need to duplicate great numbers of these applications.

Other Public Notices: Pursuant to the settlement agreement, are requested to have the Sawyer Poster Notice posted at food stamp outlets visited by the public. Please follow the duplication instructions provided in the sub-heading above. Pursuant to the settlement agreement, DHS also will request the State Compensation Insurance Offices to display these posters at their public offices.

SECTION V. , SAWYER APPLICATIONS AND IDENTIFICATION OF CASES FOR REIMBURSEMENT

Beginning August 1, 1996 counties may expect to receive requests for Sawyer Reimbursement Application forms from persons responding to posted Sawyer Notices. For properly completed

application forms received by the county no later than October 30, 1996, the county must review case files and any other pertinent records to determine whether the Application corresponds to a qualified case within the Sawyer Reimbursement Period (see definition) which was not previously identified and reimbursed pursuant to ACWDL 95-63. Sawyer Applications received after October 31, 1996 are not eligible for reimbursement and counties need not review case files for these late claims.

SECTION VI. CONVERTING THE CASE BUDGET FOR QUALIFIED CASES; ADJUSTING SOC

Converting The Continuing Case Budget And Adjusting SOC: Beginning August 1, 1996, after (I) receiving a timely properly completed Sawyer Application for a Medi-Cal case, (ii) determining that the case was not previously reimbursed under Phase I of Sawyer (ACWDL 95-63), (iii) identifying the months within the Sawyer Reimbursement Period, if any, in which the case is a qualified case (see definition of qualified case in Section III), (iv) and obtaining the necessary verification (see Section IX), the county will recalculate and adjust the case's SOC for those months in which the case met its pre-Sawyer SOC by applying the \$90 Work Expense deduction to the person's qualifying TWC, to the extent this deduction has not already applied to the person's other earned income.

As discussed in the "Qualified Case" definition in Section III, the Sawyer Reimbursement Period consists of two sub-periods. A case need not be evaluated for reimbursement for the January 1991 through June 1992 period unless it will receive a reimbursement in the July 1992 through April 1994 period.

In the event the county requests verification from the applicant, he/she has 30 days to provide such verification. In addition, beneficiaries have another 15 days to provide this verification if there is good cause for the beneficiary being unable to provide the verification within 30 days. The items requiring verification are discussed in Section IX. Once the county has fulfilled its obligations to obtain verification, and 45 days have elapsed since the county has requested verification from the applicant, the county must commence recalculation of the case's SOC with the verification the county has in its possession.

SECTION VII. DETERMINING THE REIMBURSEMENT FOR QUALIFYING CASES

Calculating The Reimbursement: After the case budget has been converted (see Section VI) for those months in the Sawyer Reimbursement Period in which the case is a qualified case, counties

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will determine the monthly reimbursement. The monthly reimbursable amount will be equal to the amount by which the case's pre-Sawyer SOC for the month exceeds the case's post-Sawyer SOC for the month. Because this amount will be equal to the portion of the \$90 deduction which is applicable to that month's qualifying TWC, counties may wish to use the shortcut of deriving the monthly reimbursable amount as that portion of the \$90 deduction applicable to the month's qualifying TWC. The total reimbursable amount for the case is equal to the sum of the monthly reimbursable amounts. Counties will enter the total reimbursement amount on the "Sawyer Reimbursement Request" form (see Exhibit A), and then send this completed form to DHS. This Reimbursement Request form is discussed below.

SECTION VIII. COMPLETING AND TRANSMITTING THE SAWYER REIMBURSEMENT REQUESTS

The "Sawyer Reimbursement Request" (Exhibit A) is the vehicle which DHS will use to issue Sawyer reimbursement checks. Counties will complete and transmit to DHS a "Sawyer Reimbursement Request" form for each case which the county determines will receive a Sawyer reimbursement. For cases which the county determines will receive a reimbursement, counties must transmit the completed Reimbursement Requests to DHS within 30 days of calculating the reimbursement for the case. DHS will use this information to issue Sawyer reimbursement checks.

Mail the Sawyer Reimbursement Requests to:

Department of Health Services
Medi-Cal Eligibility Branch
Attn: Sawyer Reimbursement, Phase 2
714 P Street, Room 1719
Sacramento, CA 95814

SECTION IX. VERIFICATION

Verification of TWC: Before converting the case budget or adjusting SOC under the Sawyer remedies, counties must verify (1) that the payments in question are qualifying TWC payments, and (2) the months in which such payments were received. Issuance of a TWC award letter from the insurance company or other entity making the TWC payment, which letter will identify that the payment is a temporary disability indemnity payment (temporary disability indemnity payment is the term-of-art used to denote a TWC payment), the amount of the payment due, and the duration and schedule of payments, is required by workers compensation law.

An outline of a TWC award letter is included in Exhibit D. Section-9812(a)(1) of this Exhibit outlines the required content of a TWC award letter. Other sections in this Exhibit provide background to counties regarding other kinds of Workers Compensation notices. A TWC award letter provides sufficient verification of the TWC payment amount and of the date the TWC payments began. A TWC check or check stub for a month is sufficient verification that TWC payment was received in that month if the check or check stub clearly states that the payment is a TWC payment. The check or check stub is not verification that TWC was received in previous months. Notations in the case record establishing the months and amounts in which TWC was received are sufficient verification of the months in which TWC was received. In the absence of verification that a payment received in a month is a TWC payment, and the amount of that payment, the case is not eligible for Sawyer benefits in that month.

The first TWC payment may contain a lump sum component to cover the period between the TWC recipient's application for worker's compensation and the determination of the recipient's eligibility for TWC. A TWC award letter should separately identify this retroactive TWC component by amount and indicate the retroactive period it is intended to cover. The portion of the total TWC payment paid in a month that is attributable to the lump sum payment is not income because it is considered to be property pursuant to Title 22, CCR, Section 50455. Ongoing TWC payments are paid bimonthly.

TWC is paid for temporary partial or total disability arising from a work-related injury. The TWC recipient's injury is considered temporary while the treating physician believes his/her condition may improve. At the point where the disability is classified as "permanent and stationary," TWC payments should terminate and permanent disability payments begin. Permanent disability payments continue to be treated as unearned income for Medi-Cal purposes.

Customarily, permanent disability payments are also frequently paid bimonthly. Permanent disability payment amounts paid bimonthly are usually considerably less than the TWC payments. While the TWC recipient must report when his/her TWC payments change to permanent worker's compensation payments, a reduction in income for a case in which TWC is being received should alert counties to a possible transition of TWC payments to permanent disability payments. Counties may require beneficiaries to corroborate TWC at any time by submitting a check stub from the TWC payor which matches the TWC award letter amount.

Applicable Earned Income Deduction Verification: The \$90 Work Expense Deduction (Title 22, CCR, Section 50553.1) is always applicable to TWC, to the extent it has not been applied to other earned income of the TWC recipient. The other earned income deductions are not applicable for purposes of determining the Sawyer Reimbursement under this ACWDL.

Medical Expense Verification: Because under this ACWDL, only cases which have met their pre-Sawyer SOC can be qualified cases, the amount of the case's medical expenses will be equal to the case's SOC. Therefore, verification of the case's medical expenses consists of verifying that the case was certified as having met its SOC. Verification that the case was certified as having met its SOC may be accomplished as follows:

1. For counties in which the Benefits Identification Card (BIC) has replaced the paper card (called BIC counties), medical expenses incurred by a case will be verified by inspecting the Medi-Cal Eligibility Data System (MEDS) screens. The MEDS screen will show whether the SOC has been met for the month.
2. For all counties, for months in which the MC 177 "Record of Health Care Costs" was in use, this form may be used to ascertain whether the case met its SOC for the month.
3. For all counties, for months previous to the 15 month limit applicable to the MEDS or SOCR screens, continuing back through January 1, 1991, the Data Systems Branch of DHS will provide SOC-verification reports for cases for which counties have requested this information (see ACWDL 96-16). For each month within the Reimbursement Period for which the county has requested SOC-verification for a case, the report will show whether the case was certified as having met its SOC. These reports will be the only means for ascertaining whether a case's SOC was met during the "GAP" months: those months subsequent to the period covered by the MC-177 but prior to the 15 months covered by MEDS. Counties may also use this option in place of inspecting MC-177s even for the period for which the county has MC-177s.

SECTION X. MEDI-CAL EXPENSES FROM SAWYER-REIMBURSED CASES NOT APPLICABLE TO SOC UNDER HUNT

A medical expense may not be applied both toward SOC in the month of eligibility and in a later month under Hunt v. Kizer. It follows that once medical expenses are counted in determining a Sawyer reimbursement such expenses may not be applied toward SOC in any later month under the Hunt v. Kizer old medical bill remedy. Such bills either have already been reimbursed under the Sawyer remedy or were used to certify SOC for purposes of providing such reimbursement. Similarly, if medical expenses incurred in the month of eligibility have already been applied toward SOC in a later month under Hunt v. Kizer, they cannot be re-applied in any other month for purposes of obtaining a Sawyer reimbursement.

SECTION XI. IDENTIFICATION OF THE SAWYER REIMBURSEMENT RECIPIENT

The Sawyer reimbursee is the applicant provided he/she was an eligible or ineligible member of the MFBU of a qualified case during the Sawyer reimbursement period whose income was counted for purposes of determining the MFBU's SOC. The reimbursee's address will be that stated on the claim form. When completing the "Sawyer Reimbursement Request," counties will include the name and address of the reimbursee. DHS will issue the Sawyer reimbursement in the name of the reimbursee to the reported address. Occasionally DHS may issue the reimbursement to another person in the MFBU, if appropriate. DHS reimbursement to any person in the case MFBU fulfills DHS' liability for Sawyer reimbursement for the case.

SECTION XII. MAINTAINING RECORDS OF CASES WHICH QUALIFIED FOR SAWYER REIMBURSEMENT

For the purpose of settling potential disputes regarding Sawyer benefits, counties must maintain records of the calculations used to determine the post-Sawyer SOC and reimbursement amount for all cases which were evaluated for a Sawyer reimbursement. Counties must keep copies of all Sawyer-related documents issued to, or received from, the beneficiary. Counties must keep Sawyer-related documents received from any source used for verification purposes. Counties must also compile and maintain a log of cases which will receive a Sawyer Reimbursement. A sample log form is provided in Exhibit E. The retention period for the documentation described in this paragraph is one year.

SECTION XIII. PROVISION OF NOTICE OF ACTION REGARDING APPROVAL/DENIAL

Counties will issue Sawyer NOA's (enclosed as Exhibit F) to all persons submitting a Sawyer Reimbursement Application. For Applications for which the county has determined that there is either no Medi-Cal case, or no qualified Medi-Cal case, the "denial" NOA will be issued within 30 days of the county's making that determination. For Applications for which the county has determined that there is qualified case, the appropriate NOA, a "denial," or an "approval," will be issued within 30 days of the county's making the determination whether the qualified case will receive a reimbursement. The Sawyer NOA2.1 will be issued to cases which will not receive any reimbursement. The Sawyer NOA2.2 will be issued to cases which will receive a reimbursement. These NOAs will not be available on SAWS. This ACWDL does not alter the standard NOA notification issued to new cases.

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Counties may make copies of these NOAs for manual distribution from the "camera-ready" originals provided in Exhibit F , or counties may use these originals as templates for the issuance of county-automated NOAs.

SECTION XIV. STATISTICAL REPORTING

By February 15, 1997, counties will submit the following statistical information to DHS on the form provided in Exhibit G: (1) a tally of the number of cases which qualified for a retroactive reimbursement under this ACWDL for any months beginning January 1991 through December 31, 1995, and (2) a tally of the total number of months which these cases qualified for retroactive reimbursement under this ACWDL for the period January 1991 through December 31, 1995. Counties will send these tallies to:

Department of Health Services
Medi-Cal Eligibility Branch
Attn: Sawyer Statistics
P.O. Box 942732
Sacramento, CA 94234-7320

If you have questions regarding the subject matter of this ACWDL, please contact Dave Rappolee of my staff at (916) 657-0163.

Sincerely,

ORIGINAL SIGNED BY
GLENDA ARELLANO for

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

Enclosures

EXHIBIT A

DHS Address: Attn: Sawyer Reimbursement, Phase 2
Dept. of Health Services
M.E.B. Clerical Unit, Rm 1719
714 P Street
Sacramento, CA 95814

Issuing County (Address)

SAWYER REIMBURSEMENT REQUEST, PHASE 2

To: Carol O'Bryant
DHS Accounting
8/1080

From: Medi-Cal Eligibility Branch
8/1650

This is to advise you that the following individual qualifies for a reimbursement under the settlement agreement for the Sawyer v. Anderson, Belshe, et al. litigation, U.S. District Court, Eastern District of California, case #CIV S-94-0228 GEB JFM. Please prepare and issue a reimbursement check for the amount shown below to the address provided.

TO BE COMPLETED BY THE COUNTY - PLEASE PRINT

Reimbursee Name: _____ SSN _____
(MFBU/Household Head)

Address: _____

TWC Recipient's Name and SSN _____
(Name) (SSN)

Reimbursement Total: _____

Reimbursement Months, From _____ To _____;
Other Reimbursement months _____

Case ID Number _____

Signature of County Preparer: _____ Date: _____

Phone Number: _____ Title: _____

FOR STATE USE ONLY

Certified by: _____ Date: _____

Authorized M.E.B reviewer

Phone Number: _____

EXHIBIT B

INFORMATION ABOUT THE SAWYER POSTER NOTICES

Translations of the English version of the Sawyer Poster Notice were not completed in time to include the complete, multi-language Sawyer Poster Notice in this Exhibit. The complete Notice will be separately transmitted. The enclosed English-only version, showing the final language of this poster, is provided for informational purposes only and is NOT for posting.

The separate transmission will include a single-sheet 11" by 17" version and a two sheet version of this translated Poster to facilitate duplication.

Display August 1, 1996 through October 31, 1996

WELFARE MAY OWE YOU MONEY

Were you on Medi-Cal from July, 1992 through April, 1994 in a family which had a Medi-Cal share-of-cost and at least one child, or in which someone in the household was pregnant? If so, did you or any person in your Medi-Cal family budget unit receive Temporary Disability Indemnity (TDI) during this time? TDI payments are paid due to an job-related injury or illness. If you can answer yes to these questions, you may be eligible for money because the Medi-Cal program did not treat your TDI as earned income. If you feel that you meet these requirements and wish to be considered for this benefit, obtain a Sawyer Reimbursement Application from the county welfare office. You must complete, and turn-in the Sawyer Reimbursement Application to the county welfare office by October 31, 1996 in order to be considered for the money benefit. If your household is eligible for the money for the period starting July 1, 1992 you may also be eligible for money for the period of January 1, 1991 through June 30, 1992.

EXHIBIT C

SAWYER REIMBURSEMENT APPLICATION

Were you on Medi-Cal from July, 1992 through April, 1994 in a family which had a Medi-Cal share-of-cost and at least one child, or in which someone in the household was pregnant? If so, did you or any person in your Medi-Cal family budget unit receive Temporary Disability Indemnity (TDI) during this time? TDI payments are paid due to an job-related injury or illness. If you can answer yes to these questions, by completing this application you may be found to be eligible for money because the Medi-Cal program did not treat your TDI as earned income. Money you receive as a result of this application will not be counted toward your Medi-Cal share-of-cost. You must complete and turn-in this application your county welfare office by October 31, 1996 to be considered for the money benefit.

For purpose of the application below:

SSN = Social Security Number; DOB = Date Of Birth; TDI = Temporary Workers Compensation

Name _____ SSN _____ Age _____

Phone Number _____ DOB _____

Current Address _____

Name of person who received TDI _____ SSN _____ DOB _____
 (If other than yourself)

Indicate the approximate period of
 time TDI was received: Beginning month/year _____ Ending month/year _____

Indicate the approximate period of time you
 were on Medi-Cal with a SOC: Beginning month/year _____ Ending month/year _____

During this period, did you have children, were you
 pregnant, or were you a minor (less than 21) ? Yes ____ No ____

During this period, was the person getting
 TDI 65 or older, blind, or disabled? Yes ____ No ____

During the period that you were on Medi-Cal and receiving TDI, what county(ies) were you living in:
 _____?

I declare under penalty of perjury that I am the applicant who has completed this form and that the
 information I have provided is true: Signed _____
 Date _____

EXHIBIT D

Quick Reference to Notice Contents

Benefit Notice Letters

§9810(c)

- Benefit notice letters may be produced on claims administrators letterhead.

General Benefits Information Pamphlet

§9810(d)

- A general information pamphlet shall be sent with first notice of benefits.

Temporary Disability Indemnity Notices

§9812(a)(1) Notice of First Temporary Disability Indemnity Payment -- Required elements:

- Amount of TD indemnity due
- How it was calculated
- Duration and schedule of payments
- That additional information may be obtained from an Information and Assistance Officer of the Division of Workers' Compensation

When to send: No later than the 14th day after the employer's date of knowledge of injury and disability.

§9812(a)(2) Notice of Delay in Any Temporary Disability Indemnity Payment-- Required elements:

- That there will be a delay
- The reasons for it
- The need, if there is one, for additional information required to make a determination
- When a determination is likely to be made
- That additional information may be obtained from an Information and Assistance Officer of the Division of Workers' Compensation

When to send: Within 14 days of the date of knowledge of injury and disability.

Additional Notice(s) of Delay in Any TD Indemnity Payment--Required elements:

- That there will be a further delay
- The reasons for it
- The need, if any, for additional information required to make a determination
- When a determination is likely to be made
- The employee's remedies

When to send: Within 5 days after the determination date specified in the prior delay notice.

§9812(a)(3) Notice of Denial of Any Temporary Disability Indemnity Payment--Required elements:

- That liability for a period of claimed TD has been denied
- Reasons for it
- The employee's remedies

When to send: Within 14 days after the determination to deny is made.

Notices of Resumption, Change, and Ending of Benefits

§9812(b) Notice of Resumed Benefit Payments (TD, SC, PD, VRTD/VRMA)--Required elements:

- Amount of indemnity due
- Duration and schedule of payments
- That additional information may be obtained from an Information and Assistance Officer of the Division of Workers' Compensation

When to send: Within 14 days after the employer's date of knowledge of the entitlement to additional benefits.

§9812(c) Notice of Changed Benefit Rate or Schedule (TD, SC, PD, VRTD/VRMA)--Required elements:

- Amount of the new benefit rate or description of new benefit payment schedule
- Reason why the rate is being changed, if applicable
- That additional information may be obtained from an Information and Assistance Officer of the Division of Workers' Compensation

When to send: Before or with the new payment.

Quick Reference--Resumption, Change, Ending & PD Notices

§9812(d) Notice that Benefits Are Ending (TD, SC, PD, VRTD/VRMA)--Required elements:

- That benefit payments are ending
- Reason for it
- Accounting of all benefits paid in that species of benefit, including dates and amounts paid and any related penalties
- The employee's remedies

When to send: With the last payment of TD, SC, PD, VRTD/VRMA. If the decision to end payments is made after the last payment, within 14 days of the last payment.

Permanent Disability Notices

§9812(e)(1) Injury Before Jan. 1, 1991 and Existence and Extent of Permanent Disability is Known--Required elements:

- Amount of the weekly PD indemnity payment
- How it was calculated
- The duration and frequency of payments
- Total amount to be paid
- The employee's remedies if he or she disagrees

When to send: Within 14 days after the claims administrator knows that the injury has caused permanent disability and its extent.

§9812(e)(2) Injury Before Jan. 1, 1991 and Existence of Permanent Disability is Known, Extent is Uncertain--Required elements:

- Amount of the weekly PD indemnity payment
- How it was calculated
- The duration and schedule of payments
- Reasonable estimate of the amount of PD indemnity to be paid
- That the employee's medical condition will be monitored until the extent of PD can be determined and that PD payments will be revised then, if appropriate
- That additional information may be obtained from an Information and Assistance Officer of the Division of Workers' Compensation

When to send: Within 14 days after the last payment of TD indemnity or, if there was no compensable TD, within 14 days after knowledge that the employee's injury has resulted in PD.

Quick Reference--PD Notices

§9812(e)(3) Injury Before Jan. 1, 1991 and Existence of Permanent Disability is Uncertain--Required elements:

- That the claims administrator cannot yet determine whether the injury will cause PD
- Reasons for the delay in this determination
- The need, if any, for additional information required to make a determination
- When a determination is likely to be made
- If the reason for the delay is that the employee's medical condition is not permanent and stationary, that the employee's medical condition will be monitored until it is P&S, at which time an evaluation will be performed to determine the amount of PD indemnity, if any, that is due
- That additional information may be obtained from an Information and Assistance Officer of the Division of Workers' Compensation

When to send: Within 14 days after the last payment of TD indemnity or, if the claims administrator paid no TD indemnity, within 14 days of receiving a claim or medical report alleging the existence of PD.

§9812(e)(4) Injury Before Jan. 1, 1991--Notice That No Permanent Disability Exists--Required elements:

- That the injury has caused no PD
- The employee's remedies

When to send: Within 14 days after the claims administrator makes the determination.

§9812(f)(1) Injury in 1991-1993, Condition Not Permanent and Stationary, May Cause PD, Monitoring Until P&S Date--Required elements:

- That PD is or may be payable but the amount cannot be determined
- That the employee's condition will be monitored until P&S, at which time a medical evaluation will be performed to determine the existence and extent of permanent impairment and need for continuing medical care
- Estimated date when this determination is likely to be made
- The employee's remedies

When to send: Together with the last payment of TD indemnity

Injury in 1991-1993, Condition Still Not Permanent and Stationary, Additional Notice(s)--Required elements:

- That there will be a further delay in determining existence and extent of PD
- Same as required for original such notice

When to send: Within 5 days after the determination date last specified.

§9812(f)(2) Injury in 1991-1993, Condition Becomes P&S, May Cause Permanent Disability--Notice of QME Procedures--Required elements:

- That the employee's condition is permanent and stationary
- Procedures for evaluating PD and need for continuing medical care
- The employee's remedies

When to send: Within 5 working days after receiving information indicating that the employee's condition is P&S and has caused or may have caused permanent disability.

§9812(f)(3) Injury in 1991-1993, Notice of Permanent Disability Advances--Required elements:

- That the employee will receive a weekly PD indemnity payment
- How it was calculated
- The duration and schedule of payments
- The claims administrator's reasonable estimate of PD indemnity to be paid
- That additional information may be obtained from an Information and Assistance Officer of the Division of Workers' Compensation

When to send: When the claims administrator knows that the employee has sustained permanent disability: within 14 days after the last payment of TD indemnity, or within 14 days after knowledge that the injury has resulted in PD, whichever is later.

§9812(f)(4) Injury in 1991-1993, Notice That No Permanent Disability Exists--Required elements:

- That no PD indemnity is payable
- Process to obtain a formal medical evaluation to contest the determination that the employee has no PD
- The employee's remedies

When to send: Within 14 days after the claims administrator determines that the injury has caused no PD.

§9812(g)(1) Injury on or after Jan. 1, 1994, Condition Not Permanent and Stationary, May Cause PD--Notice of Monitoring Until P&S Date--Required elements:

- That PD indemnity is or may be payable but the amount cannot yet be determined
- That the employee's condition will be monitored until it is P&S, at which time a medical evaluation will be performed to determine the existence and extent of permanent impairment and need for continuing medical care

Quick Reference--PD Notices

- Estimated date when a PD determination is likely to be made
- Mandatory language of §9812(g) which the claims administrator may preface with the statement:
"Even though you're represented by an attorney, State Law requires us to advise you of the following."

When to send: With the last payment of TD indemnity, if the injury may result in PD but the employee's condition is not P&S.

Condition Still Not P&S--Additional Notice(s)--Required elements:

- That there will be a further delay in the PD determination
- All other elements included in the original notice
- The employee's available remedies

When to send: No later than 5 days after the determination date last specified.

§9812(g)(2)(A), (B), and (C) Injury on or after Jan. 1, 1994, Condition P&S, Causes PD, Notice of QME Procedures to Unrepresented Employee--Required elements:

- The claims administrator's determination of the amount of PD indemnity payable
- Basis for the claims administrator's determination of that amount
- Whether there is need for continuing medical care
- Statement that if either party disagrees with the treating physician's report, the employee must request a comprehensive medical evaluation from a QME panel
- Indication of whether or not the claims accepts the treating physician's evaluation of PD
- QME panel request form
- Statement that the employee may contact an Information and Assistance Officer to have the treating physician's evaluation rated by the Disability Evaluation Unit, if the claims administrator is not requesting a rating from the DEU
- Statement that the employee will be receiving a DEU rating on the treating physician's evaluation, if the claims administrator *is* requesting such a rating
- Mandatory language of §9812(g)
- The employee's other available remedies

When to send: Together with the last payment of TD indemnity or within 14 days of determining the amount of PD indemnity payable.

Quick Reference--PD Notices

§9812(g)(2)(D) Injury on or after Jan. 1, 1994, Condition P&S, Causes PD, Notice of QME Procedures to Represented Employee--Required elements:

- The claims administrator's determination of the amount of PD indemnity payable
- Basis for the claims administrator's determination of that amount
- Whether there is need for continuing medical care
- That the employee may obtain an additional medical evaluation by an Agreed Medical Examiner
- That if no agreement can be reached on an AME, he or she may obtain an evaluation by a Qualified Medical Evaluator of the employee's choice, and that the arrangements for such an evaluation should be discussed with his or her attorney
- Indication of whether or not the claims administrator disputes the treating physician's evaluation of the employee's permanent disability
- Mandatory language of §9812(g), which the claims administrator may wish to preface with the statement:
 "Even though you're represented by an attorney, State law requires us to advise you of the following."
- The employee's other available remedies

When to send: Together with the last payment of TD indemnity or within 14 days of determining the amount of PD indemnity payable.

§9812(g)(3)(A), (B), and (C) Injury on or after Jan. 1, 1994, Notice to Unrepresented Employee That No Permanent Disability Exists--Required elements:

- That no PD indemnity is payable
- That if the employee disagrees with the treating physician's report on which the claims administrator made its determination, he or she may request a comprehensive medical evaluation by a QME panel physician
- Advice regarding the procedure for requesting a QME panel
- QME panel request form
- That the employee may contact an Information and Assistance Officer to have the treating physician's report rated by the Disability Evaluation Unit
- That the employee will be receiving a DEU rating on the treating physician's report, if the claims administrator has requested such a rating
- Mandatory language of §9812(g)
- The employee's other available remedies

When to send: Together with the last payment of TD indemnity or within 14 days after the claims administrator determines that there is no permanent disability.

Quick Reference--PD & Death Benefit Notices

§9812(g)(3)(D) Injury on or after Jan. 1, 1994, Notice to Represented Employee That No Permanent Disability Exists--Required elements:

- That no PD indemnity is payable
- That an additional evaluation may be obtained from an Agreed Medical Evaluator
- That if no agreement can be reached on an AME, the employee may obtain an additional evaluation by a Qualified Medical Evaluator of his or her choice, and that arrangements for such an evaluation should be discussed with the employee's attorney
- Indication of whether or not the claims administrator disputes the treating physician's evaluation of the employee's permanent impairment
- Mandatory language of §9812(g), which the claims administrator may preface with the statement:
"Even though you're represented by an attorney, State law requires us to advise you of the following."
- The employee's other available remedies

When to send: Together with the last payment of TD indemnity or within 14 days after the claims administrator determines that there is no permanent disability.

§9812(g)(4) Injury on or after Jan. 1, 1994, Notice of PD Indemnity Advances--Required elements:

- That the employee will receive a weekly PD indemnity payment
- How it was calculated
- Duration and schedule of payments
- The claims administrator's reasonable estimate of PD indemnity to be paid
- Mandatory language of §9812(g) which the claims administrator may preface with the statement:
"Even though you're represented by an attorney, State law requires us to advise you of the following."

When to send: Within 14 days after the last payment of TD indemnity, or within 14 days after knowledge that the injury has resulted in PD, whichever is later.

Notices in Death Cases

§9812(h)(1) Notice of Benefit Payment Schedule to Dependents in Death Case--Required elements:

- Amount of the death benefit payable
- How it was calculated
- Duration and schedule of payments
- That additional information may be obtained from an Information and Assistance Officer of the Division of Workers' Compensation

EXHIBIT E

— — —

County Address and Identification Number[illegible]

EXHIBIT F

PLEASE READ BEFORE USING THESE NOTICES OF ACTIONS

The English language NOAs in this Exhibit are ready for use. DHS was unable to translate these NOAs into Spanish in time to include it with this ACWDL. DHS will transmit the Spanish language versions via a separate All County Information Letter as soon as they become available. DHS apologizes for the inconvenience.

NOTICE OF ACTION

County name and address:

County of:

Notice Date:
Case Name:
Case Number:
Worker Name:
Telephone:
Address:

Addressee:

You do not qualify for a reimbursement under Sawyer. This is because:

- ☐ 1. No Medi-Cal case could be identified from your application.
- ☐ 2. No AFDC MN or MI person in your case received Temporary Workers Compensation (TWC) during the July 1992 through April 1994 Reimbursement Period.
- ☐ 3. Your case has already received a Sawyer Reimbursement.
- ☐ 4. Your case did not meet its share of cost (SOC) in any month in which your case received TWC.
- ☐ 5. The \$90 deduction was fully applied to your other earned income and you qualified for no other AFDC MN/MI deduction.
- ☐ 6. Your application was submitted after the October 31, 1996 due date.
- ☐ 7. Other; explanation:

Rules: These rules apply; you may review them at your welfare office: 50781, 50782, 50783.

Questions? Ask your worker.

If you do not understand English, ask your worker.

បើសិនជាមិនយល់នូវភាសាអង់គ្លេស សូមទាក់ទងជំនួយ

ពីភាគី គ្រប់គ្រងការងារសង្គម, ឡើយការព្យាយាម ដើម្បី ឧទ្ទេសក៍.

如你不懂英語, 請問你的資格審查員 (WORKER)

Si no entiende el inglés, hable con su trabajador(a)

Nếu quý vị không hiểu tiếng Anh, xin hỏi nhân viên xã-hội

State Hearing: If you think this action is wrong, you can ask for a hearing. The back of this page tells how.

NOTICE OF ACTION

County of:

County name and address:

Notice Date:

Case Name:

Case Number:

Worker Name:

Telephone:

Address:

Addressee:

The county has determined that your share of cost (SOC) has decreased as a result of the fact that Medi-Cal now counts your case's temporary workers compensation (TWC) as earned income.

Your SOC has been changed to \$_____ from \$_____ for _____.

Your new SOC was determined as follows:

Gross income:	\$ _____
Net nonexempt income:	\$ _____
Maintenance need:	\$ _____
Excess income:	\$ _____
Share of cost:	\$ _____

You will receive a reimbursement of \$ _____

Questions? Ask your worker.

If you do not understand English, ask your worker.

ບັນລັອນຕາອື່ນຢ່າງສູງກວ່າສະເລ່ຍ ສູງຈາກທີ່ຈະເຖິງຜູກ

ຖ້າຫາກ ທ່ານບໍ່ເຂົ້າໃຈພາສາອັງກິດ, ເຊີນທ່ານຖາມ ເຈົ້າໜີ້ ຂອງທ່ານ.

如你不懂英語, 請問你的資格審查員 (WORKER)

Si no entiende el inglés, hable con su trabajador(a)

Nếu quý vị không hiểu tiếng Anh, xin hỏi nhân viên xã hội

State Hearing: If you think this action is wrong, you can ask for a hearing. The back of this page tells how.

Rules: These rules apply; you may review them at your welfare office: 50653.5(B), 50781, 50782, 50783.

EXHIBIT G

SAWYER, STATISTICS REPORTING FORM --PHASE 2

By March 15, 1997 please submit this form, summarizing the statistics for all converted cases, to the Department of Health Services at the following address:

Dave Rappolee
Department of Health Services
Medi-Cal Eligibility Branch
714 P Str., Room 1650
P.O. Box 942732
Sacramento, California 95814

County Name _____

1. Number of cases which qualified for a reimbursement under Sawyer, Phase 2: _____.
2. The total number of months for which persons qualified for reimbursement under Sawyer, Phase 2: _____.

Name of Person Completing Form (Print/Typed) _____

Signature of Person Completing Form _____

Date _____ Phone Number _____