

**DEPARTMENT OF HEALTH SERVICES**

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January 9, 1998

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

Letter No.: 98-05

**SUSAN WALKER v. BAYER CORPORATION PAYMENTS ARE EXEMPT FROM  
CONSIDERATION AS INCOME AND PROPERTY UNDER ALL MEDI-CAL PROGRAMS  
UNDER TITLE XIX**

The purpose of this letter is to inform counties that in accordance with Section 3424 of the Balanced Budget Reconciliation Act of 1997, payments made from any fund established pursuant to the settlement in the case of Susan Walker v. Bayer Corporation (N.D. Ill.) shall not be considered property, and shall be considered exempt income, when determining eligibility for, or the amount of benefits under, a State plan of medical assistance approved under Title XIX of the Social Security Act. This class action lawsuit involved individuals who received contaminated blood products in the process of medical treatments.

Therefore, as soon as a county becomes aware of such a case that may have been denied or discontinued due to the receipt of such payments and the delay in issuing this letter, counties must rescind the denial or discontinuance and establish eligibility as otherwise eligible.

Regulations are currently being processed. If you have any questions on this issue, please call Sharyl Shanen-Raya of my staff at (916) 657-2942 regarding property or Dave Rapollee at (916) 657-0146 regarding income.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief  
Medi-Cal Eligibility Branch