

## County Medical Services Program Guide (CMSPG) Letter #04

September 9, 2011

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**Subject** COUNTY MEDICAL SERVICES (CMS) AND LOW INCOME HEALTH PROGRAM (LIHP) UNCONDITIONALLY AVAILABLE INCOME REQUIREMENT UPDATE

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**Effective Date** Upon receipt

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**Reference** County Policy; ACWDL 11-25

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**Purpose** The purpose of this letter is to inform staff with an update to the requirement to apply for Title II Retirement (OASDI) benefits.

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**Background** California Code of Regulations, Title 22, Division 3, Section 50186(a) states: "An applicant or beneficiary shall, as a condition of Medi-Cal eligibility, take all necessary actions to obtain unconditionally available income. This includes applying for such income and cooperating in supplying the information requested by the agency making the award." In addition, Section 50186 (b) states: "Income shall be considered unconditionally available if the applicant or beneficiary has only to claim or accept the income. Such income includes, but is not limited to: Disability insurance benefits, benefits available to veterans of military service, OASDI benefits, and unemployment benefits; public assistance benefits shall not be considered unconditionally available income."

Currently, at initial application, recertification or reapplication, as a condition of eligibility and in alignment with Medi-Cal policy, all LIHP/CMS applicants/beneficiaries, who appear eligible for any unconditionally available income, are required to apply for the unconditionally available income to which they may be entitled.

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**Change** Public Law 98-21 made comprehensive changes to OASDI which gradually increases the age of eligibility for retirement benefits from 65 to 67 years old, with workers born in 1938 to be the first group affected by the gradual increase. Individuals may file for OASDI retirement as early as 62 years of age but benefits are reduced a fraction of a

percent for each month short of full retirement age. These individuals agree to incur a significant loss of OASDI income during the remaining years of their life. California Code of Regulations, Title 22, Division 3, Section 50186, does not apply to OASDI for Medi-Cal applicants or beneficiaries until they reach full retirement age as prescribed by the Social Security Administration (SSA).

As a condition of eligibility, all LIHP/CMS applicants/beneficiaries will be required to apply for OASDI when they reach full retirement age as prescribed by SSA.

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| Required Action | The worker will not require LIHP/CMS applicants/beneficiaries to apply for OASDI until they reach full retirement age as prescribed by SSA. |
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| Forms Impact | No impact. |
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| CMS IT System Impact | No impact. |
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| ACCESS Impact | No impact. |
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| Quality Assurance Impact | <u>CMS</u><br>Effective with the September 2011 sample month, Quality Assurance (QA) will cite with the appropriate error any case that does not follow the requirements of this letter. |
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|  | <u>LIHP</u><br>Effective with the September 2011 sample month, Health Care Policy Administration (HCPA) staff will cite with the appropriate error any LIHP case that does not follow the requirements of this letter. |
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Summary of  
Changes

The table below shows the change made to CMSPG.

| Section          | Change  |
|------------------|---|
| <u>06.01.10C</u> | Deleted from section the requirement for applicants/beneficiaries age 62 through 64 to apply for early SSA Retirement benefits. |

Manager  
Approval



Janya Bowman, Assistant Deputy Director  
Health Care Policy Administration  
Strategic Planning and Operational Support Division

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## 06.01.10 Unconditionally Available Income

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### 06.01.10C Applicant Beneficiary Responsibility

The applicant/beneficiary must take all actions necessary to obtain any unconditionally available income to which he/she appears eligible as determined by the worker. This includes applying for the income and cooperating in supplying the information requested by the agency making the award determination.

#### 1) CMS Only

At initial application, recertification or reapplication, as a condition of eligibility and in alignment with Medi-Cal policies, all applicants/beneficiaries, who appear eligible for any unconditionally available income (e.g. Unemployment Insurance Benefits (UIB), State Disability Insurance (SDI) benefits, SSA Title II Retirement (OASDI) benefits, etc.), are required to apply for the unconditionally available income to which they may be entitled. CMS benefits shall be approved upon receipt of verification of the application for unconditionally available income as long as all other eligibility requirements are met.

**Note:** Title II Retirement Benefits is not considered unconditionally available income until the applicant/beneficiary reaches full retirement age as prescribed by SSA.

**Note:** Applicants or beneficiaries who do not have a potential claim present on the IEVS EDD on-line real time match should not be referred to EDD to apply for UIB or DIB (State Disability) unless it is an out of state claim. **A copy of the screen is required in the case record for documentation.**

#### 2) Dual CMS/Medi-Cal DDSD Applications

CMS applicants who have a Medi-Cal DDSD application being processed by an HOS worker must apply for and provide verification of having applied for unconditionally available income to meet Medi-Cal eligibility requirements. CMS is NOT approved until all eligibility and verification requirements have been met for the Medi-Cal application.

#### 3) Recovery Home Residents

Recovery home residents who are not allowed to seek employment during their drug treatment program are not required to apply for UIB. EDD requires a person to be actively seeking employment in order to get UIB benefits. In these situations, the worker is to inquire and document how long the applicant is

prohibited from seeking employment. The worker must inform the applicant that upon release to seek employment, the applicant must apply for UIB before CMS benefits are recertified.

CMSPG LTR 04 (09/11)

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