

Medi-Cal Program Letter #671

March 30, 2009

Subject **ARTICLE A – A REVISION TO THE COUNTY MEDICAL SERVICES (CMS) QUESTIONS AND ANSWERS (Q&A's) FOR SHARE OF COST (SOC), REIMBURSEMENT AGREEMENT AND LIENS**

Effective Date March 25, 2009

Reference County Policy

Purpose This letter is to provide an update to the Q&A document and revise instructions regarding documentation requirements for liens when an applicant states they are divorced, legally separated, or that their spouse is deceased.

Background MPG Letter #659 issued a Question and Answer document (Q&A) to assist CMS workers and must be provided to all applicants. This document included questions and answers for SOC, Reimbursement Agreement, and Liens.

Change The CMS Q&A's have been revised to provide additional clarification regarding CMS liens. Staff should take time to read through the Q&A's to familiarize themselves with the frequently asked questions in order to respond applicant concerns. The following Lien Q&A's have been revised or added: Q19, Q20, Q22, Q24 and Article A, Section 5.5C.

Forms Impact CMS Q&A forms (CMS-112/CMS-112SP) attachments A and B have been revised to reflect the updated answers to frequently asked questions. The previous versions of these forms shall be discarded and the revised forms shall be used immediately. These forms have been added to iWAY and the CMS website has been updated.

Quality Assurance Impact No change

Automation Impact None

Summary of Changes The table below shows the changes made to the MPG.

Article/Section	Changes
Article A, Section 5	Lien requirements updated.
Article A, Section 5, Appendix D	Q&A's updated.

Manager Approval



for

Jaye Yoshonis, Assistant Deputy Director
Self-Sufficiency Programs
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SB

- Q17: Do I have to repay CMS if I get a new job?
A: No.
- Q18: Is interest added on to what I owe?
A: No.
- Q19: For married couples, do both spouses have to sign the Lien?
A: Yes, the applicant and spouse both have to sign the lien in front of either a Deputy County Clerk or Notary Public.
- Q20: For applicants who are legally separated or divorced, do both spouses have to sign the Lien?
A: No. Only the applicant needs to sign the Lien, but **legal** documentation regarding the legal separation or divorce must be provided. If you are unable to provide legal documentation, notify your worker. Your worker will advise you of alternate documentation that CMS may accept.
- Q21: If an unmarried couple owns a home together, do both owners have to sign the Lien or just the applicant?
A: Just the applicant.
- Q22: If my spouse is deceased, is documentation required?
A: Yes, documentation is required. If you are unable to provide legal documentation, notify your worker. Your worker will advise you of alternate documentation that CMS may accept.
- Q23: Can I pay the lien with credit cards?
A: No, payments to clear a Lien must be made by certified funds.
- Q24: If a married couple applies for CMS on separate occasions, do the lien forms need to be signed again by both applicant and spouse.
A: Yes.

- P17: ¿Tengo que reembolsarle al Condado si tengo un nuevo trabajo?
R: No.
- P18: ¿Se le añade interés a lo que debo?
R: No.
- P19: Para parejas casadas, ¿ambos cónyuges tienen que firmar el Gravamen?
R: Sí, ambos cónyuges tienen que firmar el Gravamen delante de un Agente Diputado del Condado o delante de un Notario.
- P20: Para parejas casadas que están legalmente separadas o divorciadas, ¿ambos cónyuges tienen que firmar el Gravamen?
R: No. Sólo el solicitante necesita firmar el Gravamen, pero se debe proporcionar documentación legal sobre la separación o el divorcio. Si no hay documentación legal disponible, el programa CMS aceptará documentación alterna. Su trabajador(a) le puede aconsejar sobre qué documentación alterna acepta el programa CMS.
- P21: Si una pareja no casada es dueña de un hogar, ¿ambos dueños tienen que firmar el Gravamen o solamente el solicitante?
R: Solamente el solicitante.
- P22: Si mi cónyuge ha fallecido, ¿se requiere documentación?
R: Sí, se requiere documentación. Comuníquese con su trabajador(a) si es incapaz de proporcionar la documentación legal. Su trabajador(a) le aconsejará sobre documentación alterna que el programa CMS aceptará.
- P23: ¿Puedo pagar el Gravamen con tarjeta de crédito?
R: No, los pagos para liquidar el Gravamen deben ser hechos por medio de fondos documentados.
- P24: Si una pareja casada solicita el programa CMS en ocasiones separadas, ¿necesita el solicitante y el cónyuge firmar de nuevo las formas del Gravamen?
R: Sí.

APPENDIX 5D

Questions and Answers for Share of Cost/Reimbursement Agreement/Liens



COUNTY MEDICAL SERVICES

QUESTION AND ANSWERS SHARE OF COST/REIMBURSEMENT AGREEMENT/LIENS

All applicants who apply for County Medical Services (“CMS”) after April 10, 2008, are required to sign a Lien. As of July 1, 2008, all applicants for CMS Hardship are also required to sign a Reimbursement Agreement. Applicants who get CMS without the Hardship Waiver do not need to sign the Reimbursement Agreement. The Lien and Reimbursement requirements are about when and how you may have to pay back the County after you stop receiving CMS.

Some CMS Hardship applicants will also be sent bills for a Share of Cost for any month they used CMS services. Share of Cost is a regular charge you pay each month you receive CMS services.

This document answers common questions about these three different requirements.

If you have any other questions, ask your CMS worker. You may also ask for help with your CMS application at the Consumer Center for Health Education and Advocacy at 1-877-734-3258.

SHARE OF COST (SOC)

(applies only to those who have applied for the CMS hardship)

Q1: What is Share of Cost (“SOC”)?

A: Share of Cost is the amount that you must pay or be obligated to pay toward the cost of CMS covered health care services (including CMS approved prescriptions) each month you receive CMS services. This is different from the Reimbursement Agreement and Lien described below, which might not be collected until some time in the future.

Q2: How much will my SOC bill be?

A: Your worker will determine the amount of your monthly SOC, and you will be notified of this amount and how it was calculated.

Q3: Am I required to pay my share of cost every month?

A: Only if you receive CMS services every month. You will not be responsible for paying your share of cost in months you do not receive CMS services. Please do not send payments to CMS until you receive a statement.

Q4: How do I pay my SOC?

A: You will be billed the amount of your SOC or the amount of CMS services, whichever is less. You will not be billed for any months in which you do not receive CMS services. The billing statement will include the address where to send the monthly payment. Do not send payments to CMS until you receive a billing statement. Do not send cash. The County will not accept cash payments.

Q5: When will I be required to make payments?

A: When you receive a bill from the County it is due. If you have questions regarding share of cost billing and collection, you can call our share of cost billing representative at 1-877-702-6508.

Q6: I just saw my physician, when will I receive a statement?

A: Once all claims are received from your health care provider.

- If your share of cost has been satisfied for the month, a monthly statement will be sent.
- If your share of cost is not satisfied for the month, a quarterly statement will be sent.

Q7: Can I pay the SOC with credit cards?

A: Yes, the County accepts Master Card, Visa, and Discover. You may also make payments with personal checks, cashiers checks or money orders. The County does not accept cash payments.

Q8: Why did I receive a statement?

A: Based on your recent CMS and CMS Hardship applications, you were approved CMS with a share of cost. You received a statement because you received CMS services and are responsible for paying your share of cost.

Q9: Is interest added on to what I owe?

A: No.

REIMBURSEMENT AGREEMENT

(applies only to those who have applied for the CMS hardship)

Q1: What is the purpose of the Reimbursement Agreement?

A: It allows the County to seek reimbursement from you for:

- Your monthly share of cost obligation for those months which you receive CMS services, and/or
- Any health care related costs CMS paid on your behalf.

Q2: When can I be required to make payments to the County?

A: While you are eligible for CMS you will receive a bill from the County for your SOC for each month you receive CMS services. You are obligated to pay the SOC when you receive a bill. After you are no longer eligible for CMS, you will receive a bill from the County for the balance due on your account for all amounts paid by CMS on your behalf stating that payments are due.

Q3: What is the difference between the Lien and the Reimbursement Agreement?

A:

- Lien – The Lien attaches to real property to secure the amounts owed to

- the County for payments made by CMS on your behalf.
- Reimbursement Agreement – Once you are no longer eligible for CMS, the County may bill you for the balance due on your account and seek reimbursement from your assets or surplus income.

Q4: If I sign the Reimbursement Agreement do I still have to sign the Lien?

A: If you are applying for a CMS Hardship, then yes, you must sign both documents.

Q5: Can you take my inheritance and/or lottery winnings with the Reimbursement Agreement?

A: Yes, if you have surplus money from these sources after meeting your support needs and those of your family. If part of what you inherit is a home that you, your spouse, your minor children, or any dependent child of any age who is incapable of self-support because of a mental or physical disability lives in, the County cannot foreclose on that home.

Q6: When do I have to reimburse the County?

A: When you stop getting CMS or when you die, the County can collect reimbursement from those assets you obtained after you applied for CMS, if there is surplus after meeting the support needs of yourself and your family.

Q7: How will signing the Reimbursement Agreement with the County affect my credit?

A: Signing the Reimbursement Agreement will not affect your credit. It is not a recordable document.

Q8: Will my wages be garnished?

A: No, unless the County obtains a judgment and you fail to pay the judgment. Even then, the County may only garnish your wages if you have surplus money after meeting the support needs of yourself and your family.

Q9: How long does the Reimbursement Agreement last?

A: Until you have fully repaid the amount you owe the County.

Q10: Does the Reimbursement Agreement include my children's assets (property, lottery winnings...)?

A: No.

Q11: Can my children be held responsible for repaying the County?

A: No.

Q12: Do I have to repay the County just because I get a new job?

A: No.

Q13: Is interest added on to what I owe?

A: No, unless the County obtains a judgment.

Q14: Can I pay what I owe the County with credit cards?

A: Yes, the County accepts Master Card, Visa, and Discover. You may also make payments with personal checks, cashiers checks or money orders. The County does not accept cash payments.

LIENS

Q1: Do I have to sign a lien agreement?

A: Yes. Everyone who applies for CMS starting April 11, 2008, is required to sign a Lien. If you applied for CMS before April 11, 2008, you do not have to sign a Lien. If you are confined to the hospital for tuberculosis ("TB"), you may not have to sign the Lien. If you are confined to the hospital for TB and you are also receiving services not related to TB, you may not have to sign the Lien. If you are in the hospital for other reasons, but are not confined to the hospital for TB, the fact that you have TB does not exempt you from signing the lien.

Q2: What is the purpose of the Lien?

A: It attaches to real property to secure the amounts you owe the County for amounts paid by CMS on your behalf. It allows the County to seek reimbursement for such amounts from your real property.

Q3: If I sign the Lien, do I have to sell my home?

A: No.

Q4: If I sign the Lien, will I be forced to move out of my home?

A: No.

Q5: I am a renter and own no real property. Do I have to sign the Lien?

A: Yes. The Lien will attach to real property you may own in the future.

Q6: Can you take my inheritance and/or lottery winnings with the Lien?

A: No, the Lien is effective only against your real property.

Q7: Can the County foreclose on the Lien on my home while my family lives in our home?

A: No. The County cannot foreclose on your home during your lifetime or your spouse's lifetime. The County also cannot foreclose on your home while your minor children live in your home or during the lifetime of any dependent child of any age who lives in the home who is incapable of self-support because of a mental or physical disability.

Q8: Can I sell my home and buy another one?

A: Yes, you can sell your home and buy another one as long as the County's Lien is transferred to the new home. The County will release the Lien on the original home and transfer it to the new home, provided that it finds its security will not be impaired.

Q9: Can I refinance my home?

A: Yes, as long as the County's Lien is not compromised, you can refinance. You can also use your home for security to borrow money for the purpose of making improvements on your home as long as the County finds that its security will not be impaired.

Q10: How will signing the Lien affect my credit?

A: The recording of a Lien is a matter of public record, and will appear on credit reports the same way a mortgage or other loan is listed.

Q11: Will my wages be garnished?

- A: No.
- Q12: How long does the Lien last?
- A: Until you have repaid the amount owed to the County.
- Q13: If I sign the Lien, does it prevent me from buying real property in the future?
- A: No, but the Lien would attach to any real property you buy in the future.
- Q14: Does the Lien include my children's real property?
- A: No.
- Q15: What if I own my home with someone else?
- A: The lien will not attach to the other person's interest in the home.
- Q16: When will I be required to make payments on the Lien?
- A: After you are no longer eligible for CMS you may be required to make payments to the County. Such payments would reduce the amount secured by the Lien. The County cannot require you to use equity in your home to pay the Lien. If you sell your home and do not buy a new one that you, your spouse, your minor children, or any dependent child of any age who is incapable of self-support because of a mental or physical disability lives in, or if you refinance your home the lender or the County may require you to pay all or a portion of the amounts owed the County. Also, if real property is purchased after the Lien is signed, the Lien will have priority (based on recording date) over a Deed of Trust issued by the lender. A lender may require that the Lien be satisfied before making the loan.
- Q17: Do I have to repay CMS if I get a new job?
- A: No.
- Q18: Is interest added on to what I owe?
- A: No.
- Q19: For married couples, do both spouses have to sign the Lien?
- A: Yes, the applicant and spouse both have to sign the lien in front of either a Deputy County Clerk or Notary Public so that the form can be properly witnessed.
- Q20: For applicants who are legally separated or divorced, do both spouses have to sign the Lien?
- A: No. Only the applicant needs to sign the Lien, but legal documentation regarding the separation or divorce must be provided. If you are unable to provide legal documentation, notify your worker. Your worker will advise you of alternate documentation that CMS may accept.
- Q21: If an unmarried couple owns a home together, do both owners have to sign the Lien or just the applicant?
- A: Just the applicant.
- Q22: If my spouse is deceased, is documentation required?
- A: Yes, a copy of a death certificate or other evidence of death must be provided. If you are unable to provide documentation, notify your worker. Your worker

will advise you of alternate documentation that CMS may accept.

Q23: Can I pay the lien with credit cards?

A: No, payments to clear a Lien must be made by certified funds.

Q24: If a married couple applies for CMS on separate occasions, do the lien forms need to be signed again by both applicant and spouse.

A Yes.

MPG Letter #671 (03/09)

A.5.5

Liens

C. Completion of the Grant of Lien

1. Each CMS applicant must sign a Grant of Lien form (CMS-122) or aid will be denied. A married couple is only required to sign one lien form, but both spouses must sign in front of either a Deputy County Clerk or Notary Public so that the form can be properly witnessed.
 - a) If the applicant states he/she is divorced, legally separated or their spouse is deceased, legal documentation is required.
 - b) In circumstances where the applicant cannot obtain the verification, a sworn statement may be signed under penalty of perjury. The sworn statement must state the circumstances surrounding why verification cannot be obtained.
 - 1) If documentation can be obtained from another source such as a county or state office, then the sworn statement will not be acceptable.
 - 2) If documentation cannot be obtain from another source such as a state or county office; for example, immigrant applicant's spouse died in their home country before applicant immigrated to the US, then it is possible that the sworn statement is acceptable.
2. The worker must submit the sworn statement to Health Coverage Access (HCA) Manager for review and approval. In the HCA Manager's absence, the sworn statements are to be submitted to the HCA Program Specialist for review and approval. The case will remain in pending status until a response is received.
3. If the applicant claims he/she is a victim of Domestic Violence and provides a restraining order against their spouse (expired restraining orders are acceptable), the spouse's signature is not required. If the applicant never obtained a restraining order, but provides a police report (regardless of how old the police report is) regarding the domestic violence, the spouse's signature is not required.