

# MEDI-CAL PROGRAM GUIDE (MPG) LETTER # 699

July 8, 2010

**Subject** LYNCH V. RANK (PICKLE) TICKLER SYSTEM, UPDATES TO THE 2010 INCOME STANDARD AND RESOURCE LIMIT, INCOME IN-KIND FOR CLOTHING, RETROACTIVE SUPPLEMENTAL SECURITY INCOME (SSI) TITLE XVI BENEFIT PAYMENTS, RETROACTIVE SOCIAL SECURITY (RSDI) TITLE II BENEFIT PAYMENTS, SUPPLEMENTAL SECURITY INCOME STATE SUPPLEMENTARY PAYMENT (SSI/SSP) CASH GRANT LEVELS AND 2010-2011 MEDI-CAL ELIGIBILITY QUALITY CONTROL (MEQC) GEOGRAPHIC SAMPLING PLAN (GSP) PILOT PROJECT

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**Effective Date** Upon Receipt

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**Reference** ACWDLs 09-59, 09-60, 09-61, 09-64 and 10-01

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**Purpose** The purpose of this letter is to inform workers of the:

- Department of Health Care Services (DHCS) Pickle Tickler Notices of Action and Pickle Tickler System.
- DHCS 503 Lead File Reviews
- DHCS Disabled Adult Children (DAC) discontinued from SSI/SSP
- Centers for Medicare and Medicaid Services (CMS), approved extension of the GSP pilot project.
- Change to the 2010 income standard and resource information for use in the Medi-Cal Tuberculosis program.
- Exclusion of retroactive Title XVI SSI payments.
- Exemption of retroactive Title II RSDI payments.
- Treatment of clothing as Income-In-Kind and In-Kind Support and Maintenance.
- Corrected dollar amount listed for "Independent Living Arrangement Without Cooking Facilities", as listed on the SSI/SSP Payment chart for May 1, 2009.

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**Background**

- Pursuant to the *Lynch v. Rank* lawsuit, each potentially eligible Pickle individual must receive a Pickle Medi-Cal notice for three consecutive years. Individuals on the Pickle listing who submit the notice to the County to apply for Medi-Cal under the Pickle amendment shall have an eligibility determination completed in accordance with Title 22, California Code of Regulations.

- The Social Security Administration notifies DHCS of all SSI/SSP recipients scheduled for discontinuance as a result of the annual COLA. DHCS forwards those individual names to the counties by way of the 503 Lead Reports. Individuals who submit their notices to the County shall have a Medi-Cal eligibility determination completed.
- Public Law 99-643 amended the Social Security Act to provide categorical zero Share of Cost Medi-Cal to a limited group of former SSI/SSP recipients who receive Title II benefits as "Disabled Adult Children".
- Geographic Sampling Plan MEQC case reviews continue to be conducted in the 25 large counties which comprise approximately 94 percent of the statewide MAO population. CMS's approval of the GSP pilot project freezes the MEQC dollar error rate for the State of California at 0.635 percent.
- The TB Program income standard is adjusted annually, effective January 1<sup>st</sup> of each year.
- The Social Security Protection Act of 2004, increased the exemption period to nine months for Retroactive SSI and RSDI payments following the month of receipt.
- In order to remain no more restrictive than the SSI program effective March 9, 2005, In-Kind Clothing was eliminated from the definition of In-Kind Support and Maintenance.
- The SSI/SSP Payment Chart in ACWDL 09-18 and 09-50 displayed an incorrect dollar amount of Independent Living Arrangement Without Cooking Facilities.
- MPG Special Notice 09-10 alerted workers to changes in the property limits for Medicare Savings Programs (MSP), Medicare premiums, and the Substantial Gainful Activity (SGA) income limit.
- SN 09-10 outlined the changes effective January 1, 2010 to the Medicare premiums.

**Changes**

FRC workers are responsible for Pickle eligibility determinations on cases with addresses within their assigned zip codes.

### **Pickle**

There was no Title II COLA in 2010; therefore the names that appear on the Pickle Tickler System list are left over from the previous 2 years. Upon receipt of the Pickle Tickler listing by the FRC's, the worker will review the report, contact the persons listed and complete an eligibility determination. When an applicant/beneficiary contacts the County and indicates that he/she received the DHCS annual Pickle letter, the worker shall screen the applicant for potential Pickle eligibility and determine if the applicant has an active Medi-Cal case following procedures outlined in MPG 5.10.2.

### **503 Lead File Review**

There was no Title II COLA in 2010; as a result there will be no 503 leads list provided to the FRC's for 2010. When a beneficiary responds to the DHCS letter and applies for Medi-Cal, the worker will screen for potential Pickle Medi-Cal eligibility following procedures outlined in MPG 5.10.3.

### **SSI DAC Discontinuance**

Upon receipt of the monthly DAC report by the FRC's, the worker will review the report, contact the persons listed and complete an eligibility determination. DHCS will mail a discontinuance letter to the individual being discontinued from SSI/SSP. When the individual submits the letter to the County, the worker shall complete an eligibility determination for categorically eligible SOC Medi-Cal.

### **Updating Pickle Notification Reports**

DAC and Disabled Widows discontinued from SSI/SSP due to the annual COLA are placed in Craig v. Bonta aid codes 1E aged, 2E blind and 6E disabled. These individuals will remain as Exception Eligibles until an eligibility determination has been completed. When an eligibility determination has not been completed by the second month, MEDS Alert 9548 OVER 2 MONTHS EXTENDED ELIG - MEDI-CAL DETERM OVERDUE will be generated. The worker must review their MEDS alerts daily and process them within the timelines specified in MPG 20.01.04.

### **GSP Pilot Project**

CMS's approval of the GSP pilot project freezes the MEQC dollar error rate for the State at 0.635 percent. As a part of the extension effective July 1, 2010, the dollar threshold level for a citeable Medi-Cal error will remain at \$400.

### **Various Standards**

Effective January 1, 2010 the standards below have changed.

- TB Income Standard is \$1433.
- Resource limit for an individual is \$2,000.
- Resource limit for a child in a 2 parent household is \$3,000.
- SSI Standard Allocation to an eligible child from an ineligible parent(s) is \$337.
- Federal Benefit Rate (used to determine the Parental Deduction) has been revised as follows:
  - Individual \$674
  - Couple \$1,011
- Resource limit for MSP (QMB/SLMB/QI-1) is:
  - Individual \$6,600
  - Couple \$9,910
- Medicare Part A premium is:
  - \$461 for individuals with less than 30 quarters
  - \$254 for individuals with quarters between 30 and 39
- Medicare Part B premium for most beneficiaries will remain at \$96.40. It has changed to \$110.50 for newly Medicare eligible beneficiaries.
- SGA limit:
  - increased to \$1,000 for non-blind individuals
  - remains \$1640 for blind individuals.

**Exemption of Retroactive Title XVI SSI Payments**

Effective March 2, 2004, the Social Security Administration increased the exemption period for Retroactive SSI and RSDI payments from six months to nine months.

**Income-In-Kind**

Effective March 9, 2005, In-Kind income amounts for clothing must be eliminated from the Medically Needy eligibility categories.

**Independent Living Arrangement Without Cooking Facilities**

Effective May 1, 2009 SSI/SSP Independent Living Arrangement Without Cooking Facilities allocations are as follows:

- Individuals \$954
- Couple \$1692

**Required Action**

Pickle Screening	The worker will request that the applicant/beneficiary answer the questions on the DHCS 7020, then determine eligibility following the procedures outlined in MPG 5.10.2
DAC discontinued from SSI/SSP	The worker will determination SOC Medi-Cal benefits following the procedures outlined in MPG 5.10.4.
RSDI/SSI	Pickle, Disabled Adult Child(ren)s, Disabled

<p>exemption exclusion</p>	<p><u>Widow(er)s Programs and Section 1931(b) Program</u> The worker will redetermine eligibility and SOC as appropriate and issue corrected NOA whenever:</p> <ul style="list-style-type: none"> <li>• A case is known to the worker to have been denied or discontinued in error; or</li> <li>• As soon as a case is brought to the worker's attention; or</li> <li>• When reopening a case which was closed since March 2, 2004.</li> </ul> <p><u>Medically Needy Program/Medically Indigent Programs and Other Programs Following Medically Needy Property Rules</u> The worker will redetermine eligibility and SOC as appropriate and issue corrected NOA's whenever:</p> <ul style="list-style-type: none"> <li>• A case is known to the worker to have been denied or discontinued in error; or</li> <li>• As soon as a case is brought to the worker's attention; or</li> <li>• When reopening a case which was closed since October 1, 1990.</li> </ul>
<p>SSI/SSP Payment Chart "Independent Living Arrangement Without Cooking Facilities"</p>	<p>The worker will review cases from electronic list emailed to FRC's and when necessary re-run EBDC back to May 2009 with the Discrepancy switch set to 'Y'. The worker will rescind any incorrect discontinuance, denial or SOC NOA.</p> <p>The worker shall retroactively redetermine eligibility and SOC as appropriate and issue corrected NOA's whenever:</p> <ul style="list-style-type: none"> <li>• A case is known to the worker to have been denied or discontinued in error; or</li> <li>• As soon as a case is brought to the worker's attention; or</li> <li>• When reopening a case which was closed since May 1, 2009.</li> </ul>
<p>Income In- Kind for clothing</p>	<p>The worker will review Medically Needy eligibility categories cases whenever:</p> <ul style="list-style-type: none"> <li>• A case is known to the worker to have been denied or discontinued in error; or</li> <li>• As soon as a case is brought to the worker's attention; or</li> <li>• When reopening a case which was closed since March 9, 2005.</li> </ul> <p>When necessary, the worker will remove In-Kind</p>

	<p>clothing amounts previously entered into CalWIN and re-run EDBC with the Discrepancy switch set to 'Y' back to March 9, 2005. The worker will rescind any discontinuance or denial due to counting In-Kind amounts for clothing.</p> <p>On new applications, the worker will not enter In-Kind clothing into CalWIN for Medically Needy eligibility categories.</p> <p><u>Note:</u> The Income In-Kind for clothing for the Section 1931(b) remains the same.</p>
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**Automation Impact**

The annual 503 Lead File Report and Pickle Tickler System is generated by SPOS Automation section and posted in Share Point for FRC's to access.

The monthly Exception Eligible (EE) Tracking Reports-Recipient List Without Worker Numbers is generated by SPOS Automation section. Beneficiaries on these listing are in an exception aid status and must be evaluated by the worker. DAC and potential Pickle Individuals are included in the EE Tracking Report.

Timely processing of these Exception Eligibles must be emphasized because processing times are subject to Quality Control review, and Application Tracking allows the State Department of Health Care Services to monitor our progress in completing these evaluations timely. Not processing EE timely causes the 9548 MEDS error subject to DHCS performance standards review.

**ACCESS Impact**

ACCESS agents will process calls from individuals with questions regarding the State annual Pickle Letter. The agent will screen the caller for potential Pickle eligibility following procedures outlined in MPG 5.10.2.

**Imaging Impact**

The DHCS 7020 form is not on the approved forms listing for Kofax. The workers must image the DHCS 7020 using template 16-141 SOF.

**Forms Impact**

None

**Quality Assurance**

Effective with the August 2010 review month, Quality Assurance will

**Impact**

cite the appropriate error on any case that does not comply with the requirements outlined in this letter.

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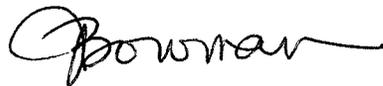
**Summary of Changes**

The table below shows the changes made in the MPG.

<b>Section</b>	<b>Summary of Change</b>
<u>Article 5 Section 10</u>	<ul style="list-style-type: none"><li>• Infomapped Article</li><li>• Deleted BDLM entry information</li><li>• Updated worker procedures for completing Pickle, 503 Leads and DAC applications.</li><li>• Updated Appendix G, H and I</li></ul>
<u>Article 10 Section 5</u>	<ul style="list-style-type: none"><li>• Infomapped Article</li><li>• Updated In-Kind Income</li><li>• Updated Appendix A</li><li>• Deleted BDLM entry information</li><li>• Updated CalWIN entry screens</li></ul>
<u>Article 11 Section 1A</u> <u>Appendix A</u>	<ul style="list-style-type: none"><li>• Updated MN Income In-Kind Values</li><li>• Updated TB Standards</li><li>• Updated the Medicare premium amounts</li></ul>

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**Manager Approval**



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Strategic Planning and Operational Support Division

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