
The IRS has no requirements for minimum mandatory distributions from Roth IRAs. Thus in order for a Medi-Cal applicant/beneficiary to maintain eligibility for Medi-Cal and have the principal in the Roth IRA considered unavailable, the individual must receive periodic payments from the account that must constitute principal and interest. The individual must provide a letter from the financial institution verifying that interest and principal are being distributed.

If an applicant/beneficiary elects to defer payments from a work-related pension plan, IRA, Keough or other retirement fund, the cash surrender value (i.e., the value of the account less withdrawal penalties) is considered available property. Such property is included in the property reserve.

*California Department of Social Services - State Hearings Division
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CDSS ACWDLs 02-45 -- August 21, 2002 and 02-54 November 8, 2002 -- *Craig v. Bonta*

These two ACWDLs discuss the Craig v. Bontá case. ACWDL 02-45 advises that the CDHS was found in violation of Welfare and Institutions Code (W&IC) § 14005.37 by failing to follow the SB 87 redetermination of eligibility process for persons who were discontinued from SSI/SSP benefits. Under the terms of Craig, the CDHS was required to develop an implementation plan within 120 days of June 24, 2002. That plan must provide a process that insures that beneficiaries who lose SSI/SSP have their Medi-Cal eligibility reevaluated to determine if they are eligible for Medi-Cal on any other basis aside from receipt of SSI/SSP benefits. Medi-Cal may not be discontinued until that redetermination process takes place.

The SB 87 redetermination process does not apply when SSI/SSP was discontinued due to death or incarceration.

ACWDL 02-54 reminds counties not to terminate or discontinue Medi-Cal for anyone whose SSI/SSP and linked Medi-Cal was discontinued on or after June 30, 2002. These former SSI/SSP linked Medi-Cal recipients are eligible for full scope Medi-Cal without a share of cost until the CDHS provides counties with further instructions.

This ACWDL also provides questions and answers regarding Craig and the redetermination process. Question and answer 6 indicate that the Ramos procedures in Medi-Cal Eligibility Procedures Manual Section 5E are obsolete and will be revised. Question and answer 9 establish that the SB 87 process applies to persons in long-term care who have lost SSI/SSP linked Medi-Cal.

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