

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, California 95814



June 25, 2004

ALL COUNTY INFORMATION NOTICE NO. I-44-04

TO: ALL COUNTY WELFARE DIRECTORS  
ALL CalWORKs PROGRAM SPECIALISTS  
ALL FOOD STAMP COORDINATORS  
ALL COUNTY DISTRICT ATTORNEYS  
ALL COUNTY WELFARE TO WORK COORDINATORS  
ALL COUNTY WELFARE FRAUD CHIEF INVESTIGATORS  
ALL CONSORTIUM PROJECT MANAGERS  
ALL MEDI-CAL PROGRAM SPECIALISTS

**REASON FOR THIS TRANSMITTAL**

- State Law Change
- Federal Law or Regulation Change
- Court Order
- Clarification Requested by One or More Counties
- Initiated by CDSS

SUBJECT: CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CalWORKs) AND FOOD STAMP (FS) PROGRAMS  
QUARTERLY REPORTING AND PROSPECTIVE BUDGETING  
(QR/PB) QUESTIONS AND ANSWERS (Q&As)

REFERENCE: ASSEMBLY BILL (AB) 444, (CHAPTER 1022, STATUTES OF 2002);  
AB 1402, (CHAPTER 398, STATUTES OF 2003); ALL COUNTY  
LETTER (ACL) 03-18; ALL COUNTY INFORMATION NOTICES (ACIN)  
I-54-03; I-84-03; I-09-04; I-10-04 AND I-29-04

The purpose of this letter is to transmit another series of Q&As regarding the QR/PB System in the CalWORKs and FS programs. As questions are submitted by county and consortia representatives, the California Department of Social Services (CDSS) program and management staff review the questions and develop QR/PB policies and responses with input from members of the California Welfare Directors Association (CWDA) who participated with staff from the CDSS in a Quarterly Reporting (QR) Workgroup. As additional QR/PB questions are received and responses developed by CDSS, they will be released in subsequent ACIN and posted on the QR website which allows counties to view responses to questions they have regarding QR.

If you have any questions regarding the QR/PB system, you may contact the following CDSS staff:

QR/PB Q & As  
CalWORKs Policy  
CalWORKs QR Forms, Notices  
Food Stamp Quality Control  
Medi-Cal Eligibility  
Food Stamps QR Policy  
FS Forms and Notices  
CMSP Branch

Rosie Avena (916) 654-1514  
Paulette Dreher (916) 654-3386  
Paulette Dreher (916) 654-3386  
Michael Bowman-Jones (213) 833-2260  
Helen Cahueque (916) 552-9482  
LeAnne Torres (916) 654-2135  
Frederick Hodges III (916) 653-7973  
Gary Varner (916) 552-8029 or  
Gennie Fleming (916) 552-8041

Sincerely,

*Original signed on 6/25/04*

CHARR LEE METSKER, Chief  
Employment and Eligibility Branch

*Original signed on 6/25/04*

RIGHTON YEE, Chief  
Food Stamp Branch

Attachment

c: CWDA  
CSAC

# **CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CalWORKs) AND FOOD STAMP (FS) PROGRAMS QUARTERLY REPORTING/PROSPECTIVE BUDGETING (QR/PB) QUESTIONS AND ANSWERS**

1. **In the event that a recipient makes a voluntary mid-quarter report stating there has been a change in household composition and adding the person to the case would not result in an increase:**

**Is potential eligibility used to add the new person to cash-linked Medi-Cal effective the month the change occurred, or do we need to establish and verify eligibility first?**

Answer: In order to approve cash-linked Medi-Cal effective the month the change occurred, the county welfare department (CWD) is required to establish and verify eligibility for cash aid for that month before approving Medi-Cal for the new assistance unit/household (AU/HH) member. If adding the person to the CalWORKs case results in ineligibility at the beginning of the new quarter due to excess income, property, or lack of deprivation, etc., then the case would be evaluated by the county for other continuing Medi-Cal benefits.

**Example:** An AU consisting of Mom and 2 children with absent parent deprivation. Mom voluntarily reports in month 2 that Dad returned to the home in month one of the current quarter. Mom requests that Dad be added to cash aid and food stamps. Dad is full-time employed. The CWD determines there is no continued eligibility for cash aid and will wait until the QR 7, reporting Dad in the home, is received to send a discontinuance notice of action (NOA) for no continuing eligibility. Because the request to add dad is a request for cash aid and Medi-Cal, the CWD will refer Dad to the Medi-Cal worker to determine if Dad is eligible for Medi-Cal Only under some other category for the month he moved into the home, and ongoing.

2. **If a client reports a household composition change mid-quarter that results in a supplement, is the beginning date of aid (BDA) for cash and Medi-Cal for the new person the first of the month following the reported change? If the client waits to report the change on the QR 7 report, is the BDA for the new person the first of the following month after the QR 7 report is received?**

Answer: 1) The CalWORKs and Food Stamps (FS) BDA for new AU/HH members added mid-quarter is the first of the month following the report of the change, if adding the person would result in increased benefits. Medi-Cal BDA is the first of the month in which the new person joined the AU/HH provided the CWD determined the recipient would have been CalWORKs eligible.

2) If the recipient waits to report the information on the timely QR 7 the new member is authorized Medi-Cal effective the date they joined the AU/HH and are determined that they would have been CalWORKs eligible. For CalWORKs and FS, when eligibility is verified for the month, the BDA is effective the beginning of the next QR payment quarter following receipt of the reported information whether the grant increases or decreases.

A) If the recipient AU/HH fails to report the new person on the QR 7 timely, the BDA for Medi-Cal eligibility shall be effective the month the information is received and when all eligibility criteria is met and verified.

B) If all eligibility criteria are not met in the month the new member moves into the home then the BDA is the following month in which CalWORKs eligibility criteria is met during the month. Unless the QR 7 is received on the extended filing deadline, then the new AU/HH member is added the first of the month of the QR payment quarter in which the QR 7 is used to determine eligibility.

3. **Page 51 in ACL 03-18 states recipients are not required to report changes in household composition within 10 days. However, recipients must eventually report the person moving in or out of the home on the QR 7 that follows the change. The ACL goes on to state the timeliness of the report will be important in determining when benefits may be increased, as well as, in determining eligibility for cash-linked Medi-Cal for the new AU/HH member. How is timeliness a factor here?**

Answer: To be timely, the recipient is required to report a change of household composition on the first QR 7 due following the month the change occurred. If the QR 7 is received too late to increase benefits, a supplement would be issued for the first month of the new QR payment quarter following receipt of the information. If the report is received too late to decrease benefits the first of the month of the new QR payment quarter, the case is subject to an Overpayment (O/P) or Overissuance (O/I) until benefits can be decreased with a 10-day timely notice.

In order for the CWD to approve cash-linked Medi-Cal effective the month in which the new AU/HH member moved in, the recipient must meet his/her reporting responsibility. If the recipient fails to report the new AU/HH member timely, the cash-linked Medi-Cal would not be effective until the first of the month the information is reported and CalWORKs eligibility is verified. Refer to the Department of Health Services (DHS) for questions regarding retroactive Medi-Cal eligibility.

4. **Currently the SAWS 7 is an accepted reporting form for all programs, CalWORKs, Food Stamps (FS), Medi-Cal (MC), and County Medical Services Program (CMSP). With the introduction of QR/PB and Mid-Year**

**Status Reporting (MSR) and potential changes to CMSP reporting, changes can be reported by any means, however, the SAWS 7 cannot take the place of the MSR. QR/PB will use the QR 7, Medi-Cal will use the MC 176 S, and CMSP will use the SAWS 7 or QR 7 or potentially a new form.**

- A. If a case is CalWORKs, FS, MC, and CMSP are they required to submit the QR 7, the MC 176 S, and the SAWS 7 when all programs have the same submit month?**

Answer: No. When an AU/HH is determined eligible for CalWORKs the family is deemed eligible for Medi-Cal and categorically eligible for public assistance food stamps (PAFS). In these situations a separate MC status report is not required and the family must report quarterly on the QR 7. The CMSP provides care to medically indigent adults who are not eligible for Medi-Cal. Questions regarding CMSP should be referred to the county Medi-Cal Program Specialist or the DHS-CMSP Branch who oversees these county medical programs.

- B. If recipients are required to submit all the separate forms as mentioned in 4A above, what actions would the CWD take on the MC 176 S or QR 7? Would the CWD treat these as voluntary mid-quarter reports?**

Answer: See response to 4A above.

- C. Can a CalWORKs/FS case be discontinued for non-receipt of the QR 7 if the recipient turned in a MC 176 S or a SAWS 7?**

Answer: Yes. If a recipient does not submit a complete QR 7 by the first working day of the first month following the submit month in which the QR 7 is due, the CalWORKs and FS case shall be discontinued for failure to submit the QR 7 timely.

Under Section 1931(b) Medi-Cal program, discontinuance of CalWORKs cases for reasons such as, but not limited to, failure to provide the income report, is not considered a change in circumstances that affects Medi-Cal eligibility. Therefore, discontinuance of Medi-Cal is not appropriate and a Medi-Cal Only eligibility determination (ex parte) is not required [refer to DHS All County Welfare Director's Letter 01-36].

- D. If the submit month for CalWORKs/FS QR 7 is different than for Medi-Cal or CMSP, can we align the renewal dates for all programs to align to the submit months since not aligning could result in the CWD needing to take action on the case every time they receive a SAWS 7, MC 176S, or a QR 3 (which could result in the county acting on changes almost every month)? If we can align the renewal dates, does one program's renewal date take precedence over another?**

Answer: QR requires that CWDs align CalWORKs redeterminations with FS recertifications to the extent possible. All existing regulations relevant to CalWORKs redeterminations at Manual of Policies and Procedures (MPP) Section 40-181.2 and FS program recertifications at MPP Section 63-504 will continue to apply in the QR system. Only DHS regulations govern Medi-Cal renewal requirements. Refer to DHS for information on the Medi-Cal annual redetermination date and questions regarding Medi-Cal renewal dates.

5. **Under QR/PB, there are situations in which the income reported may not be used in CalWORKs if it is a mid-quarter voluntary report which decreases the cash grant. Should income determined as not reasonably anticipated for CalWORKs be included in Medi-Cal budgeting (especially for mixed cases: cash-linked Medi-Cal eligible persons + Medi-Cal Only eligible persons)?**

Answer: There is no separate eligibility or income determination of Medi-Cal for individuals determined eligible for CalWORKs. When a recipient reports a new person mid-quarter and the CWD determines that the individual would be CalWORKs eligible but cannot be added to the existing cash AU because a decrease in the grant would occur, the individual would be authorized as a CalWORKs Medi-Cal eligible.

Medi-Cal would be authorized using aid code 3N (pending programming of 3D aid code) effective the first of the month in which the individual returned to the home. CDSS will be issuing an ACL regarding aid code 3D which has been established to identify individuals that have been determined eligible for CalWORKs but the BDA for CalWORKs differs from the BDA for Medi-Cal.

When the county determines that the new person to be added to the AU would not be eligible (denied or discontinued for any reason) for CalWORKs, the CWD shall make a separate determination of Medi-Cal Only eligibility. Because of the differences in Medi-Cal and CalWORKs rules, the DHS Medi-Cal staff requests that questions regarding rules governing Medi-Cal cases be referred to the appropriate county program specialist or if necessary, to the DHS analyst.