STATE OF CALIFORNIA-HEALTH AND WELFARE AGENCY

# DERARIMENT, SECRAL, SERVICES

I-07-96

ALL-COUNTY INFORMATION NO.

TO: ALL COUNTY WELFARE DIRECTORS



REASON FOR THIS TRANSMITTAL

- [x] State Law Change
- [x] Federal Law or Regulation Change
- [x] Court Order or Settlement Agreement
- [X] Clarification Requested by One or More Counties
- [] Initiated by CDSS

SUBJECT: Revisions of CA 7 and SAWS 7

REFERENCE: All County Letters (ACL) 95-74, 95-49, 95-63, 95-61; Department of Health Services (DHS), All County Welfare Director's Letter (ACWDL) 95-63; and Sawyer v. Anderson and Tinoco v. Belshe Court Cases

This notice transmits copies of the revised Monthly Eligibility Report, CA 7 (11/95), and Monthly Eligiblity/Status Report, SAWS 7 (11/95). Discussed are regulation changes that impact the current and pending revisions to these forms. The revisions in this All County Information Notice (ACIN) reflect specific program changes; update narrative; reformat and renumber items; and resequence examples of unearned income and family/household composition. Attachment A details the changes on the CA 7/SAWS 7.

The CA 7/SAWS 7 (11/95) may be revised in a few months in order to implement regulation packages for: (1) self-employment compatibility for the AFDC and Food Stamp (FS) Programs; (2) the new FS IPV penalties for firearms, amnunitions, explosives, and/or controlled substances; and (3) the Tinoco v. <u>Belshe</u> court case regarding the treatment of state disability insurance in the Medi-Cal program.

# AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC)

The Certification sections in the CA 7/SAWS 7 have been revised to address an issue regarding fraudulent applications identified in the strategic plan, "Bringing Integrity to Welfare in California." Clients are informed that AFDC Intentional Program Violation (IPV) penalties will stop benefits for two years, four years, or forever, if they submit multiple applications or submit documents for nonexistent or ineligible children. ACL 95-74 transmitted the emergency regulations to implement these new AFDC IPV penalties.

#### AFDC AND MEDI-CAL

Because of the <u>Sawyer</u> v. <u>Anderson</u> court case, Temporary Workers Compensation (TWC), which is also known as Temporary Disability Indemnity Payment (TDI), is treated as <u>earned</u> income in the AFDC and Medi-Cal Programs. The implementation

plans were transmitted via ACL 95-61 for AFDC and DHS's ACWDL 95-63 for Medi-Cal. TWC will continue to be treated as **unearned** income in the FS Program.

#### FOOD STAMPS

These revisions accommodate new FS regulations related to reporting changes for child support payments and medical deductions for the elderly/disabled. See ACL 95-49 regarding child support deductions and ACL 95-61 for medical deductions.

#### STOCK

The California Department of Social Services will reproduce six months of stock. CWDs are advised to keep inventories small as they may not be able to deplete stock when the early 1996 revisions are implemented.

## CAMERA-READY COPIES AND TRANSLATIONS

CWDs that need a camera-ready copy of the CA 7 or SAWS 7 may call the Forms Management Bureau at (916) 657-1907 for English and Spanish. For the Asian language versions (Chinese, Cambodian, and Vietnamese), call the Language Services Bureau at (916) 654-1282 or CALNET at 323-1282 or FAX the request to (916) 657-3429 or CALNET at 473-3429.

#### CONTACTS

- For questions about this letter or the revised CA 7/SAWS 7: Elizabeth Allred of the AFDC Policy Implementation Bureau at (916) 657-3350 or CAINET at 437-3350.
- For FS issues: Melissa Buchanan, of the Food Stamp Program Bureau at (916) 654-8467 or CALNET at 464-8467.
- For IPVs: the Fraud Bureau at (916) 445-0031 or CALNET at 485-0031.
- For questions about the Spanish or Asian language translations: Shirley LuKing at (916) 645-1277 or CALNET at 464-1277.

Sincerely,

Bruce Utagotat

BRUCE WAGSTAFF Deputy Director Welfare Programs Division

## Attachments

CWDA

c:

Frank Martucci, State Department of Health Services