DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814 (916) 322-5387

January 25, 1985

ALL-COUNTY LETTER 85-13

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: STEPHENS V. MCMAHON: IMPLEMENTATION INSTRUCTIONS

REFERENCE: ACIN 1-106-84 ACL 84-125

Attachment I to this letter contains the instructions the County Welfare Departments must use to implement the retroactive portion of the November 8, 1984 San Diego County Superior Court order in the Stephens v. McMahon case. The court order, in part, provides for benefits back to October 1, 1984 for otherwise eligible AFDC recipients who received "windfall" money and as a result had lump-sum actions taken on their grants or applications after April 1, 1982. These actions must have resulted in periods of ineligibility or grant adjustments that continued past October 1, 1984.

Attachment II contains a copy of the Medi-Cal stuffers that will be mailed to designated recipients of Medi-Cal (see Attachment A in the instructions) on March 1, 1985 informing them of the court order and how to apply for benefits.

Finally, Attachment III contains reproducible copies of the posters (English and Spanish) which notify potentially eligible persons of the availability of benefits under the <u>Stephens</u> court order and how to apply for them. Instructions for the displaying of these posters are contained in Attachment I, "<u>Stephens</u> v. <u>McMahon</u> Instructions", Page 1 and 2.

We expect a final order in <u>Shaw v. McMahon</u> within several weeks (<u>Shaw</u> would prohibit us from applying the federal lump-sum rule when determining eligibility for State-only U). If the plaintiffs prevail in <u>Shaw</u> we will be issuing instructions as soon as possible after the order becomes effective. Potentially, all lump-sum cases not covered by <u>Stephens</u> will be eligible for some relief under <u>Shaw</u>. <u>Stephens</u> denial cases should therefore be retained so that they can be considered under <u>Shaw</u> when these instructions are released.

If you have any questions, please contact Bob Stipe at (916) 324-2012.

ROBERT A. HOREL Deputy Director

cc: CWDA

Attch.

GEN 654 (9/79)