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May 4, 1973

bcc: Director's File

Reading File

P. Manriquez

V. Binsacca

M. L. Schuster

17-5

17-14

17-5

Honorable Anthony C. DeLamson, Chairman
Senate Committee on Health and Welfare
State Capitol, Room 4040
Sacramento, California 95814

file

Dear Tony:

I share your commitment that family planning legislation be fully implemented. To date 56 out of 59 counties have signed purchase of service contracts with Department of Public Health for the provision of family planning services by public or private clinics under medical supervision. (Two counties indicated that current programs are adequate to the needs.) Members of my staff have participated on the task force chaired by the Department of Finance which is developing the means for covering family planning services under Medi-Cal, thus making full use of that federal funding source and reducing use of the limited social services funding.

It is the department's intention to collect and submit to the Legislature the quarterly statistical report required by the Welfare and Institutions Code. Our initial experience revealed inadequate and inaccurate reporting. A management analysis study indicated that the weakness appeared to be in the reporting form and instructions which were revised in a December 22, 1972 directive to the county welfare directors. Data from Department of Public Health has been lacking as well because it could not be reported until all local contracts were in actual operation. Therefore, the summary interim report which was submitted to you on February 21 is far from complete.

Reports for the January-April quarter are being received within the next few weeks these will be tabulated and analyzed. Should errors continue at the county level I will immediately take corrective action. As you know, the sources of the data are the Department of Public Health, the provider agencies, and the county welfare departments. If the data collection problems seem to be related to the legislative directive, I will want to discuss the matter with you.

We are in complete agreement that family planning is an essential social and medical service which must be made available to the eligible welfare population. In addition to the basic data collection issues, I am asking that an overall program analysis be undertaken immediately to further our efforts in this area.

Sincerely,

Original signed by DAVID B. SHOAP

DAVID B. SHOAP
Acting Director

Senate Health & Welfare Committee

bcc: Earl Brian, M.D., Secretary, Health and Welfare Agency

Dennis Platt, Health and Welfare Agency

Dave Withstrom, Health and Welfare Agency

February 21, 1973

Honorable Anthony C. Beilenson
California State Senate
State Capitol, Room 5072
Sacramento, California 95814

Dear Tony:

I know you have been informed of the recent changes in federal law affecting family planning services and of the actions by the Department of Finance, through a study group of the involved agencies, to develop a plan that will insure delivery of services and maximum federal funding. This plan also will put direction of the program under one department with simplified reporting and billing procedures.

Attachment A is a chronological statement of the actions taken to date by this department to implement Code Sections 10053.2 and .3.

In response to your specific questions on statistical reports, may I point out that Section 10053.3 is ambiguous in that the reporting requirements are confusing because the data for Section 10053.3 (d) must be reported to the county welfare departments or to Public Health by the provider of services; the data for Section 10053.3 (f) must be reported by the Department of Public Health from its Bureau of Vital Statistics, and remaining data for Section 10053.3 (a, b, c, e) is reported directly by the counties.

An interim report on family planning services (Attachment B) is attached for your information. However, no firm conclusions can be drawn because of the incompleteness of the data and lack of clarity of definitions and reporting requirements. We anticipate more complete and reliable data as a result of the December 22, 1972, release of more definitive reporting instructions and a revised report form.

May I point out that counties have been busy with the development and delivery of family planning services at the local level and thus reporting has received low priority. We have placed continuous effort on statewide implementation of the program and believe that the early reports, though incomplete, indicate that emphasis on the offer of family planning to all who come to welfare departments, and the referral to and use of family planning services is increasingly achieving desired program results.

If you have further questions, please let me know.

Sincerely,

Original Signed By Robert E. Carleson

ROBERT B. CARLESON
Director of Social Welfare
MLS:bj

bcc: Dr. Earl W. Brian, Secretary, Health and Welfare Agency
Frederick B. Hodges, M.D. Director,
cc: Director's File /Dept. of Public Health
Reading File
M. L. Schuster 17-3
P. Manriquez 17-5 ✓
J. Macias 16-32
E. Barnett 16-32

Senate Health & Welfare Committee

CHRONOLOGICAL STATEMENT OF
STATE DEPARTMENT OF SOCIAL WELFARE ACTIONS
RE IMPLEMENTATION OF FAMILY PLANNING SERVICES

- 22/72 To County Welfare Directors: Revised Quarterly Report on Family Planning Services.
- 12/20/72 Request to Public Health for data on Section 10053.3 (d) and (f).
- 12/18/72 Response to Public Health re incomplete master contracts in certain counties.
- 12/15/72 Opinion from Attorney General re impact of HR 1.
- 10/20/72 Director's letter to counties reiterating responsibilities under Welfare and Institutions Code Sections 10053.2 and .3.
- 5/5/72 Exchange between Social Welfare and Public Health on reporting
4/19/72 requirements.
- 3/14/72 Acknowledgment by Public Health of release of information to counties.
- 2/25/72 Instructions to counties re delivery of family planning services and certification procedures.
- 1/3/72 To County Welfare Directors: New report requirement on family planning.
- 12/31/71 Request to Public Health from Social Welfare for data for reporting.

INTERIM REPORT ON
 FAMILY PLANNING SERVICES IN ACCORDANCE
 WITH W&I CODE SECTION 10053.3

(a) In the first quarter of the year county welfare departments reported use of the following methods to inform former, current, and potential recipients of child-bearing age of their eligibility for and the availability of Family Planning Services: posters in offices, handouts in waiting rooms, and informational material submitted with recipients' warrants.

	First Quarter Ending <u>3/31/72</u>	Second Quarter Ending <u>6/30/72</u>	Third Quarter Ending <u>9/30/72</u>	Fourth Quarter Ending <u>12/31/72</u>
(b) Number of current recipients offered family planning service	34,200	24,973	55,440	271,628
(c) Number of referrals to family planning clinics	3,600	3,731	20,954	58,767
(e) Number of live births among female recipients	5,055	4,738	6,757	6,200
Number of female recipients of child-bearing age	233,355	292,645	644,679	482,494

Information on the following will be forwarded as soon as available from the Department of Public Health:

(d) The number of visits to family planning clinics and the medical contraceptive and other services provided at those visits, categorized according to former, current, or potential recipients.

(f) The number of live births per 1,000 females of child-bearing age resident in the county during the quarter.

* Several major county welfare departments have not provided complete data: Alameda, Los Angeles, Sacramento, San Diego, San Mateo, and Santa Clara. However, reporting is improving and more adequate and complete reporting is anticipated with the release of the more definitive instructions and a revised report form on 12/22/72.

June 1, 1973

Mr. Larry Agran, Consultant
Senate Health and Welfare Committee
State Capitol, Room 440
Sacramento, CA 95814

Dear Mr. Agran:

This is in response to your recent request for a description of the methodology used by the department to arrive at the cost-of-living increase for grants to Aid to Families with Dependent Children.

Welfare and Institutions Code Section 11453 requires an annual adjustment in AFDC to reflect increases or decreases in the cost-of-living so that the first adjustment becomes effective July 1, 1973. The law requires the Department of Social Welfare to select a comparison month for computation of the percentage change in the cost-of-living after April 1, 1972. The comparison month selected by the department was December 1972.

The March 1972 Consumer Price Index statewide average is 122.05. (This is based on the U. S. Bureau of Labor Statistics Data for March 1972 of 121.2 for Los Angeles-Long Beach and 122.9 for San Francisco-Oakland.) The Consumer Price Index for California for the selected comparison month of December 1972 was 125.35. (This is based on the Consumer Price Index released by the U. S. Bureau of Labor Statistics of 124.4 for Los Angeles-Long Beach and 126.3 for San Francisco-Oakland for December 1972.) The base from which the percentage increase is to be computed is the Consumer Price Index for March 1972. The percentage increase of the December 1972 Consumer Price Index over the March 1972 Consumer Price Index is 2.7 percent. The 2.7 percent was applied to the maximum aid table as given in Section 11450(a) of the Welfare and Institutions Code as added by Chapter 1406 of the Statutes of 1972 and to the minimum basic standards of adequate care table as given in Section 11452 of the Welfare and Institutions Code. All adjustments were to the nearer dollar.

Senate Health + Welfare Committee

The Consumer Price Indices (CPI) are issued on a quarterly basis. The December CPI was used instead of the CPI for the next quarter for the following reasons:

1. The State Department of Finance must have the May revisions for the budget by the second week of May. In addition, a number of counties surveyed indicate that by May 1 they must know the actual amount of cost-of-living increase to be provided in order to finalize their budgets. The BLS quarterly index for March is not available until approximately May 1. Two weeks at the minimum are required for administrative processing at the state level (grant and income computations, cost estimating, regulation drafting, and agency and Finance clearance). In view of these constraints, it was therefore necessary to select December as the base month in order to meet both state and county requirements on a timely basis.
2. In addition to the above, Welfare and Institutions Code Section 10800.1 requires boards of supervisors to submit a report to the Legislature concerning their county's public assistance caseload and cost projections. To make this possible, the State Department of Social Welfare is required to give the counties basic assumptions upon which to base their estimates. The statute requires that such assumptions be issued on or before January 1 and supplemental assumptions issued prior to April 1 of each year.

This requirement, in addition to those outlined above, does not make usage of the March index feasible.

3. The first cost-of-living adjustment in the Old Age Security and Aid to the Disabled Program reflected only a six-month rather than a 12-month period. In the present situation, the first COL adjustment for AFDC reflects a nine-month period.

Using December provides the same six month lead time in AFDC as provided in the Adult Aids. Adult aid cost-of-living adjustments are based upon June data and go into effect in December. In addition, in the adult categories, the law specifically requires a 90-day period after the State Department of Social Welfare takes action to provide counties with sufficient lead time to implement the cost-of-living changes.

In our judgment, the language of the statute permitted and the exigencies of both state and county schedules required the use of December as the base month. I adopted this only after the most careful exploration of using March as an alternative.

I hope that the above sets forth the exploration of this issue that was undertaken here, and please call with further questions you may have on the methodology.

Sincerely yours,

† Original signed by David B. Swoap ;
DAVID E. SWOAP
Director

bcc: Director's File, 17-11
Reading File, 17-11
P. Manriquez, 17-5 ✓

PM:mb

DEPARTMENT OF SOCIAL WELFARE

744 P STREET
SACRAMENTO 95814

June 29, 1973

The Honorable Anthony C. Beilenson, Chairman
Senate Committee on Health and Welfare
State Legislature
State Capitol, Room 4040
Sacramento, California 95814

Dear Tony:

This is a followup to my letter of May 4, 1973, relating to the Family Planning program.

Since I last wrote you the attached data on the family planning report has been tabulated, analyzed, and suggestions made for improvement in the program. The report indicates:

1. Several county welfare departments have submitted incomplete data, reducing the validity of the report. I have written the welfare departments concerned asking that they submit complete data.
2. Efforts of the county welfare departments have not been adequate in making increased family planning services available to recipients and other eligible persons. I am making the following recommendations to the Department of Health for the improvement of both quality and quantity of service through enforcement of regulations, increased training of county staff, and ongoing evaluation - monitoring county performance in the provision of family planning services.
3. Significant data from the State Department of Public Health is not included in the report because it has not been provided to us. As you know, Dr. George Cunningham has been designated by Dr. Stubblebine to coordinate the implementation of the family planning services within Department of Health. My department will cooperate in every possible way in this effort.
4. The Department of Health, Education, and Welfare has recently proposed regulations which would authorize the Federal Government to pay 90% of the cost of providing family planning services and supplies to Medi-Cal patients. The services and the supplies would include diagnosis, treatment, drugs, supplies, devices and related counseling. The proposed regulations, issued June 13, are presently open for public comment to Department of Health, Education, and Welfare until July 13.

Senate Health & Welfare Committee

5. The family planning report would have been more meaningful if information could have been available on the number of persons receiving family planning services through the Medi-Cal program. It is my understanding such will be available in the future as a result of the spot bill which you introduced to amend Welfare and Institutions Code Section 10053.3.

You may be assured of my continuing interest in seeing that family planning services be directed to all recipients and other eligible persons.

Sincerely,

Original signed by David B. Swoap
DAVID B. SWOAP
Director

Attachment

EWB:MLS:bj

bcc: Director's File	17-11
Reading File	
P. Manriquez	17-5 ✓
C.P. Devereaux	17-1
J. Macias	11-98
E. Barnett	11-98
H. Reusch	12-87
Subject Files	15-53
M. L. Schuster	17-3

111L >

Memorandum

To : David B. Swoap 17-11

Date : May 23, 1973

cc: C. P. Devereaux 17-1
Jesse Macias 11-98
H. Reusch 12-87
E. W. Barnett 11-98

Subject: Family Planning Program

6-26
MKS: look fine -
update &
release
-DBS

From : Department of Social Welfare - Mary Lee Schuster

[Handwritten signature]

The attached material is prepared in response to your request of May 4, 1973.

The report consists of four parts:

- I - Current Status of State/County Reports and Program Characteristics.
- II - Description of the steps which might be undertaken to enhance and step up our joint Family Planning efforts and responsibilities.
- III - Summary

Attachments:

- A - Revised Quarterly Report on Family Planning Services
- B - Proposed letter to Senator Beilenson along with Quarterly Report
- C - Proposed Circular Letter - Family Planning - Not Released
- D.- Proposed letter to county welfare departments on failure to report data
- E - Proposed letter to Dr. Cunningham
- F - Family Planning Report to the Legislature

JM/mr

FAMILY PLANNING PROGRAM
1st Quarter 1973

This is a report to the Legislature on the Family Planning Services Program as required by the W&I Code Section 10053.3 for the period January 1, 1973 through March 31, 1973.

Analysis of the data indicates that several major counties have not provided the department with complete information. In addition, the State Department of Public Health has not provided two items required for the report which they agreed to provide. The items are:

- (d) Number of visits to family planning clinics and the medical contraceptive and other services provided at those visits, categorized according to former, current, or potential recipients.
- (f) The number of live births per 1000 females of childbearing age resident in the county during the quarter.

Summary of the available data is shown along with an attachment giving information on each of the counties:

- (a) Description of procedures used to inform former, current and potential recipients of childbearing age of their eligibility for and the availability of family planning services. All county welfare departments inform eligible persons of the service through discussion at the time of application for assistance or service via "informational notices" in payment warrants, posters, and bulletins in welfare department reception areas.
- (b) 1. Number of female recipients - - - - - 709,930
- (b) 2. Number of female recipients and others offered FPS - - 105,242
- (c) Number of female/male recipients and others referred to family planning clinics - - - - - 26,939
- (e) Number of live births among female recipients - - - - 11,411

S 40 - REPORT ON FAMILY PLANNING SERVICES
Quarter ending March 1973

Counties	Chg in pro	No. of female recipients	No. of female recipients offered family planning services (15-44)		No. of live births among female recipients (15-44)	No. of recipients referred to planning clinics			
			CG & MAO	Other		Females		Males	
						CG & MAO	Other	CG & MAO	Other
GRAND TOTAL		704,930	98,674 ^{c/}	6,568	11,411	25,526 ^{c/}	1,137	220 ^{c/}	56
ALAMEDA		NA ^{d/}	1,684	--	NA ^{c/}	282	--	--	--
ALPINE		10	5	0	2	5	0	0	0
AMADOR		56	4	NA ^{c/}	1	1	NA ^{c/}	0	NA ^{c/}
BUTTE		2,165	133	0	62	40	0	1	0
CALAVERAS		231	47	0	11	--	0	1	0
COLUSA		209	NA ^{c/}	NA ^{c/}	6	NA ^{c/}	NA ^{c/}	NA ^{c/}	NA ^{c/}
CONTRA COSTA		21,256	2,026	0	77	124	0	10	0
DEL NORTE		255	26	0	10	17	0	0	0
EL DORADO		1,042	148	0	17	104	0	9	1
FRESNO		25,310	1,266	--	1,244	258	--	0	--
GLENN		218	23	10	5	11	0	0	0
HUMBOLDT	/	2,349	524	--	49	51	--	5	--
IMPERIAL		2,081	752	4	28	733	4	5	0
INYO		43	70	0	0	2	0	0	0
KERN		8,320	5,881	1,108	217	96	3	1	0
KINGS		1,912	430	0	54	80	0	0	0
LAKE		669	128	0	17	59	0	1	0
LASSEN		300	20	0	8	6	0	1	0
LOS ANGELES		242,204	26,051	350	NA ^{d/}	15,811	17	4	1
MADERA	/	3,043	875	0	32	875	0	35	0
MARIN		1,002	331	0	45	400	0	0	0
MARIPOSA		68	1	0	1	1	0	0	0
MENDOCINO		1,632	666	0	42	57	0	6	0
MERCED	/	3,411	230	0	70	124	28	3	0
MODOC		121	18	1	6	8	1	0	0
MONO		45	5	13	0	2	0	0	0
MONTEREY	/	5,425	1,739	768	66	211	203	0	50
NAPA	/	1,221	105	--	52	5	--	2	--
NEVADA		610	209	0	12	62	0	15	0
ORANGE		13,803	5,441	--	47	2,025	--	--	--
PLACER		2,408	404	13	78	101	25	6	0
PLUMAS		322	125	0	5	10	0	2	0
RIVERSIDE		9,800	1,000	275	180	275	0	20	0
SACRAMENTO	/	16,144	17,200	0	580	107	88	0	0
SAN BENITO	/								
SAN BERNARDINO		12,865	628	2,682	448	393	--	--	--
SAN DIEGO		45,852	1,402	0	2,176	87	0	0	0
SAN FRANCISCO		25,620	2,322	0	533	1,246	0	0	0
SAN JOAQUIN		12,500 ^{b/}	1,642	0	250	311	115	0	0
SAN LUIS OBISPO		1,160	78	14	34	23	22	0	0
SAN MATEO	/	16,657	6,247	1,226	650	NA ^{c/}	NA ^{c/}	NA ^{c/}	NA ^{c/}
SANTA BARBARA		12,150	673	5	241	166	20	2	1
SANTA CLARA		40,755	204	0	1,051	12	0	0	0
SANTA CRUZ		6,010	525	0	206	224	0	32	0
SHASTA		2,768	64	4	101	60	6	2	0
SIERRA		21	3	0	2	2	0	0	0
SISKIYOU		403	10	0	3	5	0	0	0
SOLANO		7,264	1,685	0	324	32	0	0	0
SONOMA		10,653	174	NA ^{c/}	426	164	309	1	0
STANISLAUS		5,838	334	--	267	267	33	0	0
SUTTER		1,325	204	10	20	21	5	0	0
TEHAMA		520	26	0	8	8	0	0	0
TRINITY		160	18	0	4	2	0	0	0
TULARE		14,140	10,486	NA ^{c/}	949	156	231	0	0
TUOLUMNE		222	10	60	6	0	12	0	0
VENTURA		7,364	2,989	0	245	158	15	2	0
YOLO		2,008	121	15	25	142	0	54	3
YUBA		1,121	169	0	15	4	0	0	0

^{a/} County did not submit report
^{b/} Data estimated by county

^{c/} Includes an undetermined amount of "other" for "--" co's.
^{d/} Data reported "Not available" by county

5/1/73

STAT 40 - Recap Sheet

GRAND TOTAL	
ALAMEDA	Items 2, 3 (Other), 4 & 5 A (other) and B both Col. NA - T.D. more likely Sept., possibly June
ALPINE	
AMADOR	Items 3 & 5 Other NA - T.D. 5/2
BUTTE	
CALAVERAS	
COLUSA	Items 3 & 5 both columns NA - No signed contract
CONTRA COSTA	
DEL NORTE	
EL DORADO	
FRESNO	Item 3-5 "Other" NA's (Combined with cash grant and MAO) - T.D. possibly June report
GLENN	
HUMBOLDT	Item 3 & 5 "Other" NA's (Combined with cash grant and MAO) - T.D. June report
IMPERIAL	
INYO	
KERN	
KINGS	
LAKE	
LASSEN	
LOS ANGELES	
MADERA	
MARIN	
MARIPOSA	
MENDOCINO	
MERCED	
MODOC	
MONO	
MONTEREY	
NAPA	Item 3-5 "Other" NA (Combined with cash grant and MAO) - T.D. June report
NEVADA	
ORANGE	
PLACER	
PLUMAS	
RIVERSIDE	
SACRAMENTO	
SAN BENITO	Data inaccurate this report - T.D. June report
SAN BERNARDINO	5A "Other" and 5B NA - T.D. June report
SAN DIEGO	
SAN FRANCISCO	
SAN JOAQUIN	
SAN LUIS OBISPO	
SAN MATEO	Item 5A and B NA - T.D. June report
SANTA BARBARA	
SANTA CLARA	
SANTA CRUZ	
SHASTA	
SIERRA	
SISKIYOU	
SQLANO	
SONOMA	Item 3 Other NA - No T.D.
STANISLAUS	Item 3 Other NA (They are combined with cash grant and MAO) T.D. June report
SUTTER	
TEHAMA	
TRINITY	
TULARE	Item 3 Other NA (Not combined, unable to count) - No T.D.
TUOLUMNE	
VENTURA	
YOLO	
YUBA	

XXXXXXXXXXXXXXXXXXXX

March 6, 1974

Mr. William E. Barnaby, Consultant
California Legislature
Senate Committee on Health
and Welfare
State Capitol
Sacramento, California 95814

Dear Mr. Barnaby:

Please refer to your December 6, 1973 letter to Dave Swoap in which you asked a number of questions prompted by our press release #44-73. I hope you will accept my apology for letting your request fall through the proverbial crack in the floor (of my office).

Costs to EDD and DBP to produce the Earnings Clearance System amount to approximately \$10,000 per quarter.

To date, the best information we have to judge the value of the ECS Program is the data furnished by Los Angeles County and used in press release #44-73.

We have developed an improved means of evaluating the Earnings Clearance System through monthly reports of discoveries and recoveries by counties on our form 266.1, a copy of which is attached. Further, our program assessment analysts began to perform quarterly statewide reviews of the productivity of ECS with the modified ECS data provided to the counties in early December 1973. These reviews and the monthly reports will result in a complete cost benefit analysis of ECS in January 1975.

As stated in the press release, of the more than 1,500 cases in Los Angeles County in which discrepancies were detected, fraud or overpayments existed in 1,170. The remaining cases involved administrative errors or differences which when corrected or reconciled did not affect the recipient's grant.

No data are available which will permit me to respond to the number or dollar amounts of underpayments discovered by ECS. We will be gathering this information in the future, however. It will be available upon the completion of the quarterly reviews referred to above.

Senate Health & Welfare Committee

William E. Barnaby
March 6, 1974
Page Two

Earnings Clearance information provided to county welfare departments is about 90 percent new data. Overpayments are collectible in the current quarter and, in many cases, in prior quarters.

Sincerely,

Original Signed by
James M. Moose, Jr.

JAMES M. MOOSE, JR.
Deputy Director - Legal Affairs

Attachment

cc: Mail Control #30261
R. T. Allen
R. B. Peterson 12-93
John Sullivan 17-16

XXXXXXXXXXXXXXXXXXXX
BENEFIT PAYMENTS

June 3, 1974

Ms. Cathy Creegan
Associate Consultant
Office of Anthony C. Beilenson
State Capitol
Sacramento, California 95814

Beilenson

Dear Ms. Creegan:

Gary Macomber has asked me to reply to your letter of April 23, 1974, with the attached correspondence from David Kelly, Director of Humboldt County Welfare Department.

Mr. Kelly speaks to the possible hardships imposed by the Federal SSI program to those recipients who are disabled "children" living in the home of their parent(s). This is in reference to federal regulation 416.1185(b), which requires that "in the case of an individual who is a "child" (as defined in CFR 416.1050) and under age 21, such individual's income shall be deemed to include any income of a parent of such individual...." CFR 416.1057 defines the circumstances to be "regularly attending school".

As you are probably aware, these provisions are based on P.L. 92-603, Sections 1614(c) and 1614(f)(2), and may make an individual ineligible to receive benefits based on the amount of his parent(s) income "deemed" available to him.

Inasmuch as the problem lies in federal law, any modification to levels of entitlement should come through federal action. It is our position not to legislate in areas which would require an additional state/county administered program.

Please contact us if you would like to discuss this matter in further detail.

Sincerely,

Original signed by
PHILIP J. MANRIQUEZ
Assistant Director

PHILIP J. MANRIQUEZ
Assistant Director
Legislation and Communication

GREENE/LARSEN:cd

bcc: D. Flatt, 17-8
P. Manriquez, 17-5 ✓
APMB Files, 16-27
CONTROL Files #31772

Senate Health & Welfare Committee

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California Legislature

SENATE COMMITTEE ON HEALTH AND WELFARE

ANTHONY C. BEILENSON
CHAIRMAN

COMMITTEE ADDRESS
State Capitol
445-5965
WILLIAM E. BARNABY
Consultant
LARRY A. AGRAN
Counsel
BILLIE J. MITCHELL
Secretary

31772

DATE 4-24-74

April 23, 1974

REVISION TO

MONTGOMERY

Due 5-2-74

CC: MAURICE

Prod
Flatt

Mr. Gary Macomber
Department of Benefit Payments
744 "P" Street
Sacramento, California 95814

Dear Gary:

Attached is the letter we discussed on the phone Thursday, April 11th. Any suggestions with respect to a reply would be appreciated.

Thanks in advance for your help.

Sincerely,

Cathy

Cathy Creeggan
Associate Consultant

CC:bjm

Attachment rec'd C.H.



WELFARE DEPARTMENT
COUNTY OF HUMBOLDT
EUREKA, CALIFORNIA 95501

February 28, 1974

HONORABLE SENATOR ANTHONY BIELENSON
STATE CAPITOL
SACRAMENTO CA 95814

Dear Senator Bielenon:

Attached is a letter recently forwarded to Assemblyman John Burton identifying the need to correct a section of A.B. 134, the recent emergency legislation permitting Federal take-over of Adult Welfare Assistance Programs. Without a correction similar to that proposed, many 18 - 22 year olds, physically and mentally handicapped, will be unable to participate in rehabilitation and education programs.

I would appreciate your pursuing this issue when the matter of a clean-up bill for A.B. 134 comes before the State Legislature.

Thank you.

Very truly,

HUMBOLDT COUNTY WELFARE DEPARTMENT

David C. Kelly,
County Welfare Director

DCK:pvp

February 5, 1974

4cc

THE HONORABLE ASSEMBLYMAN JOHN L BURTON
STATE CAPITOL
SACRAMENTO CA 95814

Dear Assemblyman Burton:

In reviewing HR-1 and its impact on needy disabled public assistance recipients in California, we discovered a provision that has a horrendously negative impact on many disabled persons between the ages of 18 and 22. The cause of this inequity is the HR-1 definition of a child. HR-1 designates as a child, persons between 18 years of age and "under twenty-two and a student regularly attending a school, college or university or a course of vocational or technical training designed to prepare him for gainful employment."

Under California's Aid to the Totally Disabled regulation in effect prior to January 1, 1974, parents burdened with the heavy responsibility of raising and maintaining severely handicapped children could apply and obtain ATD cash grant and medical assistance for their 18 year olds and were subject to a very limited liability. Under California regulations, these young people were regarded as adults for purposes of ATD eligibili

Under HR-1, effective January 1, 1974, many of these same parents and their handicapped teenagers are being denied these essential benefits. This occurs if the 18 to 22 year old dependent continues in a regular training or educational program. Because of school attendance, these disabled persons are regarded as children. As children under HR-1, their parents' income is "deemed" available in computing the needs and grant authorized. For example, a family consisting of two parents, one normal child and one retarded child between the ages of 18 and 22, having a gross monthly income of just \$550 a month find their retarded child totally ineligible to SSI/SSP grant under HR-1 should this child attend a TMR class or be placed in a sheltered workshop. If the retarded child languorises at home without a training program, however, the child is regarded an adult and entitled to a monthly SSI/SSP grant of \$191.67. As can be seen from this, HR-1 provides a very adverse incentive for parents of disabled persons to place their children in no educational or rehabilitative program whatsoever between their 18th and 22nd birthdays.

While ultimate correction of this inequity should come through action by the United States' Congress, we are strongly urging that the pending AB-134 clean-up bill include a provision to the effect that California residents eligible to an SSI/SSP grant, between the ages of 18 and 22, except for reasons of participation as a student regularly attending a school, college or university or a course of vocational or technical training designed to prepare him for gainful employment, shall be entitled to an SSI/SSP grant equal to that available to those not participating in said educational programs.

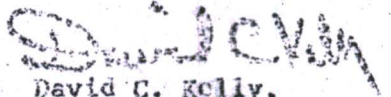
February 4, 1974

I am requesting that you personally make every effort to see that such a provision is included in clean-up legislation at the earliest possible opportunity.

Thank you.

Sincerely,

HIMBOLDT COUNTY WELFARE DEPARTMENT


David C. Kelly,
County Welfare Director

DCK:pvp

XXXXXXXXXXXXXXXXXXXX
BENEFIT PAYMENTS

August 21, 1974 This letter delivered to following: (original letters, addressed separately)

Dymally, Vice Chrman, Behr, Dills, Gregorio, Harmer, Marks, Moscone, Roberti, Schrade, Song, Stull, Whetmore

The Honorable Anthony Beilenson, Chairman
Senate Health and Welfare Committee
Room 4040, State Capitol
Sacramento, CA 95814

Dear Senator Beilenson:

The Department of Benefit Payments urges you to vote In favor of AB 4106 (Ray Johnson). The measure provides the statutory authority necessary to enable the department to seek repayment of specific public assistance overpayments made to recipients and provides the department with basic working tools to recover overpayments made by the state to providers of health care services.

This measure will be before your Senate Health and Welfare Committee today. Specifically, AB 4106's provisions are:

- I. Authority to make possible the recoupment of the following types of overpayments made to welfare recipients:
 - a. Overpayments resulting from the continuance of aid payments made pending a fair hearing decision which subsequently is adverse to the recipient.
 - b. Overpayments resulting from administrative errors.
 - c. Overpayments resulting from the award of lump-sum payments.
- II. Authority to facilitate the recoupment of state overpayments made to providers of medical services providing for:
 - a. The statutory authority to recover overpayments from providers.
 - b. An administrative procedure (under rules of the Administrative Procedure Act) to determine liability of providers.

Senate Health & Welfare Committee

- c. Summary judgment against such providers.
- d. Successor liability of such providers.

Attached for your information is a discussion sheet describing the need for this legislation.

Sincerely,

Original signed by
PHILIP J. MANRIQUEZ
~~PHILIP J. MANRIQUEZ~~
Assistant Director

Attachment

PJM:aw

ASSEMBLY BILL 4106 (OVERPAYMENT)

BACKGROUND

Several recent court decisions have mandated that the Department of Benefit Payments adopt policies in the area of public assistance overpayments that are, in our opinion, inconsistent with sound public policy.

The department is currently without statutory authority to recover an overpayment:

- a. When the overpayment results from the continuance of aid payments made pending a fair hearing decision which subsequently is adverse to the recipient. This absence of a repayment mechanism will invite abuse of the hearing process by those utilizing it as a method of continuing aid for which they are not eligible.
- b. When the overpayment results from administrative errors. This allows a recipient to retain overpayment warrants when the computer slips a cog and an incorrect or multiple payment occurs.
- c. When the overpayment results from the award of a lump-sum payment. This allows the public assistance recipient to receive large retro-active lump-sum benefits which do not result in aid termination or reduction.

AB 4106, AS AMENDED, WILL:

Place in statute the mechanism for recoupment of the above-listed overpayments. This mechanism contains built-in safeguards to assure that the recipient is not unduly inconvenienced by the repayment process.

ASSEMBLY BILL 4106 (HEALTH RECOVERY TOOLS)

BACKGROUND

The Health Recovery Bureau presently has no Welfare and Institutions Code authority to even request payment from a provider, or prepaid health plan carrier. Short of costly litigation, it cannot force repayment of overpayments. A two-year-old \$3,514 debt which Beverley Enterprises does not wish to pay is a classic example of a significant sum which could easily be too costly to pursue via the Attorney General and the courts.

Currently, there is a significant amount of Medi-Cal money due from institutional providers of health care services. The debtors are both active and inactive business entities who may be repaying on a cash or scheduled repayment agreement; entities who have appealed their debt; entities who attempt to ignore the debt; and entities who close their business and disappear or who dissipate their assets and become judgment proof.

AB 4106, AS AMENDED, WILL PROVIDE:

1. Clear statutory rights to demand repayment, so that we will not continue to turn away from small debts where it is not cost-effective to hire the Attorney General to press our case.
2. Security for outstanding debts, so that we will not continue to be the goat for sharp business persons who are making money off of our antiquated working tools.
3. Rights to force payment through liens upon property, so that we will not continue to lose money when providers sell their assets but do not include their liability to Medi-Cal.