DEPARTMENT OF HEALTH & HUMAN SERVICES Centers for Medicare & Medicaid Services

Region IX
Division of Medicaid & Children's Health Operations
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6706

SEP 09 2011

Toby Douglas, Director
California Department of Health Care Services
1501 Capitol Avenue, 6th Floor
MS: 0000
Sacramento, CA 95814

Dear Mr. Douglas:

Enclosed is an approved copy of California State Plan Amendment (SPA) Number 11-016, which adopts less restrictive provisions which expand the existing methodology for treatment of income and resources for the 250 Percent Working Disabled Program. The SPA is effective August 1, 2011.

If you have any questions, please contact Rodd Mas at (415) 744-2978 or at rodd.mas@cms.hhs.gov.

Sincerely,

Gerald Nao - for

Gloria Nagle, Ph.D., M.P.A.
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosure

cc: Brenda Sheppard, Centers for Medicare and Medicaid Services
Ms. Vickie Orlich, California Department of Health Care Services
Kathryn Waje, California Department of Health Care Services

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: **11-016**

2. STATE: CA

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE: August 1, 2011

5. TYPE OF PLAN MATERIAL *(Check One)*:

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN XX ☐ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT *(Separate Transmittal for each amendment)*

6. FEDERAL STATUTE/REGULATION CITATION:
Sections: 1902 (a) (10) (A) (ii) (XIII)
1902 (r) (2)

7. FEDERAL BUDGET IMPACT:
a. ~~Unknown~~ FFY 2011 $10,090
b. ~~Unknown~~ FFY 2012 $60,540

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
ATTACHMENT 2.6-A, Page 12c
Supplement 8a to Attachment 2.6-A, Page 5
Supplement 8b to Attachment 2.6-A, Page 7
Supplement 8b to Attachment 2.6-A, Page 14
Supplement 8b to attachment 2.6-A, Page 6

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:
ATTACHMENT 2.6-A, Page 12c
Supplement 8a to Attachment 2.6-A, Page 5
Supplement 8b to Attachment 2.6-A, Page ~~7~~ + 14
Supplement 8b to attachment 2.6-A, Page 6

10. SUBJECT OF AMENDMENT:

Adopt less restrictive provisions which expand the existing metholdology for treatment of income and resources.
These provisions impact the 250 Percent Working Disabled Program.

11. GOVERNOR'S REVIEW *(Check One)*:
☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
xx☐ OTHER, AS SPECIFIED:
The Governor's Office does not wish to review the State Plan Amendment.

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:
Toby Douglas

14. TITLE:
Director

15. DATE SUBMITTED: JUN 15 2011

16. RETURN TO:

Department of Health Care Services
Attn: State Plan Coordinator
1501 Capitol Avenue, MS 4506
P.O. Box 997417
Sacramento, CA 95899-7417

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: June 15, 2011

18. DATE APPROVED: SEP 09 2011

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: August 1, 2011

20. SIGNATURE OF REGIONAL OFFICIAL: Ronald Mao - for

21. TYPED NAME: Gloria Nagle

22. TITLE: Associate Regional Administrator

23. REMARKS:
Pen and Ink changes to boxes 7,8 and 9 approved via email on 8/24/11.

State/Territory: CALIFORNIA

Citation	Condition or Requirement
1902(a)(10)(A) (ii)(XIII) of the Act	(i) Working Disabled Who Buy In to Medicaid In determining countable income and resources for working disabled individuals who buy into Medicaid, the following methodologies are applied: ____The methodologies of the SSI program. ____The agency uses methodologies for treatment of income and resources more restrictive than the SSI program. These more restrictive methodologies are described in Supplement 4 to Attachment 2.6-A. _X_The agency uses more liberal income and/or resource methodologies than the SSI program. More liberal income methodologies are described in Supplement 8a to Attachment 2.6A pgs 5 and 5a. More liberal resource methodologies are described in Supplement 8b to Attachment 2.6A pgs 6, 7 and 14. _X_ The agency requires individuals to pay premiums or other cost-sharing charges. The premiums or other cost-sharing charges, and how they are applied, are described on Attachment 2.6-A Page 12d. Each individual eligible for the 250 Percent Working Disabled Program will pay a monthly sliding-scale premium based on countable income. A minimum payment of $20 and a maximum payment of $250 per eligible individual or $375 per eligible couple are required. The agency will be responsible for collection of such premiums.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State/Territory: California

METHODOLOGIES FOR TREATMENT OF INCOME THAT DIFFERS FROM THOSE OF THE SSI PROGRAM
(Less Restrictive Than SSI and AFDC)

1902(a)(l0)(A)(ii)(XIII) of the Act	For the working disabled covered under the provisions of Section 1902(a)(10)(A)(ii)(XIII) of the Act (1) As permitted under Section 1902 (r)(2); all disability income of the disabled individual is exempted (e.g.,federal and state disability income and private disability income such as an indemnity payment from an insurance company based on the individual's disability). (2) As permitted under Section 1902(r)(2), social security disability income that converts to retirement income upon the retirement of the individual, including any increases in the amount of that income, shall be exempt.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: California

METHODOLOGIES FOR TREATMENT OF RESOURCES THAT DIFFER FROM THOSE OF THE SSI AND AFDC PROGRAM
(More Liberal Than SSI and AFDC)

Japanese Reparation payments made by the Canadian government shall be exempt from consideration in determining eligibility for Medi-Cal.

Japanese Reparation payments, whether made by the United States or Canadian governments shall be exempt if received by the spouse or inherited from the spouse who was the original recipient, or both.

Where Japanese Reparation payments, whether made by the United States or Canadian governments, are converted to another form, amounts of otherwise excess, nonexempt resources sufficient to ensure that the amount of the exemption equals the amount of the reparation payments received by the individual or inherited by the spouse of the individual, or both, shall not be considered as resources in determining eligibility for Medi-Cal.

These exemptions shall apply to the following coverage groups referenced in the Social Security Act at Section 1902(r)(2):

- (a)(10)(A)(i)(III)
- (a)(10)(A)(i)(IV)
- (a)(10)(A)(i)(VI)
- (a)(10)(A)(i)(VII)
- (a)(10)(A)(ii)(I)
- (a)(10)(A)(ii)(VI)
- (a)(10)(A)(ii)(VIII)
- (a)(10)(A)(ii)(IX)
- (a)(10)(A)(ii)(X)
- (a)(10)(A)(ii)(XII)
- (a)(10)(A)(ii)(XIII)
- (a)(10)(A)(ii)(XVII)
- (a)(10)(A)(ii)(XVIII)
- (a)(10)(A)(ii)(XXI)
- (a)(10)(C)(i)(III)
- 1905(p)

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State/Territory: California

METHODOLOGIES FOR TREATMENT OF RESOURCES THAT DIFFERS FROM THOSE OF THE SSI PROGRAM
(Less Restrictive Than SSI and AFDC As it Existed on July 16, 1996)

Under the optional coverage group under Section 1902(a)(10)(A)(ii)(XIII) of the Act, all retirement arrangements of the disabled individual are exempt (i.e., resources in the form of employer or individual retirement arrangements authorized under the Internal Revenue Code).

Under the optional coverage group under Section 1902(a)(10)(A)(ii)(XIII) of the Act, all retained earned income of a disabled individual that is held in a separately identified account and that is not commingled with any other resources shall be exempt from consideration as resources as permitted by Section 1902(r)(2).

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State/Territory: California

METHODOLOGIES FOR TREATMENT OF RESOURCES THAT DIFFERS FROM THOSE OF THE SSI PROGRAM
(Less Restrictive Than SSI and AFDC As it Existed on July 16, 1996)

All resources exempted from consideration as resources for individuals in the optional coverage group under section 1902(a)(10)(A)(ii)(XIII) of the Act on the basis that they are employer or individual retirement arrangements authorized under the Internal Revenue Code shall continue to be exempt from consideration as resources in all other coverage groups subject to the provisions of 1902(r)(2) under which the individual later becomes eligible for medical assistance where the basis for that eligibility is the individual's age, blindness, or disability.

These exemptions shall apply to the following coverage groups referenced in the Social Security Act at Section 1902(r)(2):

- 1902(a)(10)(A)(ii)(I)
- 1902(a)(10)(A)(ii)(X)
- 1902(a)(10)(C)(i)

ENCLOSURE

Revised Pages for:

CALIFORNIA MEDICAID STATE PLAN

Under Transmittal of

STATE PLAN AMENDMENT (SPA)

11-016*

All new pages will have this SPA* number identified as the new TN No., so it will not be repeated for each new insert pages.

Remove Page(s)	**Insert Page (s)**
Attachment 2.6-A, page 12c (TN 00-006)	After Attachment 2.6-A, page 12b, *insert* Attachment 2.6-A, pages 12c
Supplement 8a to Attachment 2.6-A, page 5 (TN 00-006)	After Supplement 8a to Attachment 2.6-A, page 4, *insert* Supplement 8a to Attachment 2.6-A, page 5
Supplement 8b to Attachment 2.6-A, page 7 (TN 00-006)	After Supplement 8b to Attachment 2.6-A, page 6, *insert* Supplement 8a to Attachment 2.6-A, page 7
Supplement 8b to Attachment 2.6-A, page 14 (TN 00-006)	After Supplement 8b to Attachment 2.6-A, page 13, *insert* Supplement 8a to Attachment 2.6-A, page 14
Supplement 8b to Attachment 2.6-A, page 6 (TN 00-006)	After Supplement 8b to Attachment 2.6-A, page 5, *insert* Supplement 8a to Attachment 2.6-A, page 6