STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY

GRAY DAVIS, *Governor*

DEPARTMENT OF HEALTH SERVICES
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April 20, 2000

TO: All County Welfare Directors
All County Administrative Officers
All County Medi-Cal Program Specialists/Liaisons
All County Public Health Directors
All County Mental Health Directors

Letter No.: 00-04E

ERRATA TO ALL COUNTY WELFARE DIRECTORS LETTER (ACWDL) 00-04: SEVERAL REVISIONS TO ACWDL 00-04

Ref.: All County Welfare Directors Letter (ACWDL) 00-04

This Errata letter transmits several revisions to ACWDL 00-04 and to a few of its enclosed charts and forms. ACWDL 00-04 implemented (with a March 1, 2000, effective date) recent statutorily-mandated changes to the Section 1931 program. The revisions transmitted by this Errata letter are as follows:

1. A revised camera-ready copy of the Section 1931 Program budget forms titled: "Recipient Budget Form" (MC 176 MA –1931 Group—Recip (2/00)) and "Applicant and Recipient" Budget Form (MC 176 MA –1931 Group—Appl/Recip (2/00)). These revised forms replace the "1/00" version of these forms transmitted by ACWDL 00-04.

2. Revised pages 7 through 10 to replace the corresponding pages in ACWDL 00-04. (The four revised pages accompanying this Errata letter are not "back-to-back." The pages they replace are "back-to-back".)

3. A revised chart titled "Section 1931(b) Determinations: Sneede v. Kizer Prorated federal poverty level (FPL) Income Standard and Property levels – March 1, 2000" which replaces the chart by this name transmitted in ACWDL 00-04.

4. A revised camera-ready copy of the "Principal Wage Earner (PWE) Working 100 Hours Or More Unemployed Parent Determination Worksheet" (Draft—12-3-99) Orange County) which replaces the chart by this name transmitted by ACWDL 00-04.

Please direct question regarding the Section 1931 budget forms to Dave Rappolee at (916) 657-0163, and questions regarding revised pages 7, 8, and 9 to Marge Buzdas at (916) 657-0726, and questions regarding the Sneede Pro-Rated FPL Income Standard Chart to Ms. Erin Lynch at (916) 654-5769.

Sincerely,

ORIGINAL SIGNED BY

Angeline Mrva, Chief
Medi-Cal Eligibility Branch

Enclosures

SEC. 1931 **APPLICANT AND RECIPIENT** BUDGET FORM: FOR DETERMINING NET NON-EXEMPT INCOME AND SECTION 1931 INCOME ELIGIBILITY FOR APPLICANTS; AND FOR RECIPIENTS UNDER ALTERNATIVE B

CASE NAME:	COUNTY DISTRICT:	COUNTY USE:
☐ NEW APP. ☐ REDETERMINATION ☐ CHANGE ☐ RETRO ELIG. ☐ CORRECTION	EFFECTIVE ELIG. DATE FOR THIS BUDGET; MONTH: _____ YEAR: _____	

NAME MFBU MEMBER #1:	NAME MFBU MEMBER #6:	OTHER COVERAGE:
NAME MFBU MEMBER #2:	NAME MFBU MEMBER #7:	
NAME MFBU MEMBER #3:	NAME MFBU MEMBER #8:	
NAME MFBU MEMBER #4:	NAME MFBU MEMBER #9:	
NAME MFBU MEMBER #5:	NAME MFBU MEMBER #10:	

1	ENTER UNEARNED INCOME OF EACH MFBU MEMBER, THEN TOTAL FOR MFBU (INCLUDE NON-EXEMPT DISABILITY-BASED INCOME HERE).	TOTAL MFBU UNEARNED INCOME: $ _____	UNEARNED INCOME MFBU MEMBER # ___ $ _____ +	UNEARNED INCOME MFBU MEMBER # ___ $ _____ +	UNEARNED INCOME MFBU MEMBER # ___ $ _____ +	UNEARNED INCOME MFBU MEMBER # ___ $ _____ +
2	☐ EDUCATIONAL EXPENSE (§50547)	- $ _____	EXEMPT INCOME (LIST EXEMPT INCOME HERE):			
3	☐ $50 SUPPORT RECEIVED (§50554.5)	- $ _____				
4	**REMAINING NON-EXEMPT UNEARNED INCOME**	BOX 4 = $ _____				
5	ENTER EARNINGS OF EACH MFBU MEMBER, SUBTRACT $90 WORK EXPENSE DEDUCTION FROM EACH, THEN TOTAL REMAINDERS FOR MFBU.	TOTAL MFBU EARNINGS: $ _____	EARNINGS, MFBU MEMBER # ____ $ _____ - $90 WRK EXP DED = $ _____	EARNINGS, MFBU MEMBER # ____ $ _____ - $90 WRK EXP DED = $ _____	EARNINGS, MFBU MEMBER # ____ $ _____ - $90 WRK EXP DED = $ _____	EARNINGS, MFBU MEMBER # ____ $ _____ - $90 WRK EXP DED = $ _____
6	☐ DEPENDENT CARE DEDUCTION (§50553.5)	- $ _____	COUNTY USE			
7	**REMAINING NON-EXEMPT EARNED INCOME**	BOX 7 = $ _____				
8	**TOTAL REMAINING INCOME: NON-EXEMPT UNEARNED INCOME & NON-EXEMPT EARNED INCOME (LINES 4 + 7)**	$ _____				
9	☐ CHILD/SPOUSAL SUPPORT PYMTS (§50554)	- $ _____				
10	☐ ALLOCATION TO EXCLUDED CHILDREN (§50558)	- $ _____				
11	☐ ALLOCATION TO PA FAMILY MEMBER (§50557)	± $ _____				
12	**TOTAL MFBU NET NON-EXEMPT INCOME** (ROUNDED DOWN TO THE NEAREST DOLLAR).	= $ _____				
13	SEC. 1931 **FPL** INCOME LIMIT FOR FAMILY	$ _____ (ENTER **FPL** INCOME LIMIT APPROPRIATE FOR FAMILY SIZE HERE)				
	IF INCOME FROM LINE 12 IS LESS THAN OR EQUAL TO LIMIT FROM LINE 13, FAMILY IS INCOME ELIGIBLE.	☐ ELIGIBLE	☐ NOT ELIGIBLE: IF NO SNEEDE – ELIGIBLE CLASS MEMBER, EVALUATE FOR OTHER MEDI-CAL PROGRAMS; IF SNEEDE – ELIGIBLE CLASS MEMBER, EVALUATE FOR SEC. 1931 UNDER SNEEDE.			

ELIGIBILITY WORKERS SIGNATURE:	WORKER NUMBER:	COMPUTATION DATE:	COUNTY USE:

SEC. 1931 **RECIPIENT** BUDGET FORM: FOR DETERMINING NET NON-EXEMPT INCOME AND SECTION 1931 INCOME ELIGIBILITY FOR RECIPIENTS UNDER ALTERNATIVE A

CASE NAME:	COUNTY DISTRICT:	COUNTY USE:
☐ NEW APP. ☐ REDETERMINATION ☐ CHANGE ☐ RETRO ELIG. ☐ CORRECTION	EFFECTIVE ELIG. DATE FOR THIS BUDGET: MONTH: _____ YEAR: _____	

NAME MFBU MEMBER #1:	NAME MFBU MEMBER #6:	OTHER COVERAGE:
NAME MFBU MEMBER #2:	NAME MFBU MEMBER #7:	
NAME MFBU MEMBER #3:	NAME MFBU MEMBER #8:	
NAME MFBU MEMBER #4:	NAME MFBU MEMBER #9:	
NAME MFBU MEMBER #5:	NAME MFBU MEMBER #10:	

1	ENTER UNEARNED INCOME OF EACH MFBU MEMBER, THEN TOTAL FOR MFBU (DO NOT INCLUDE NON-EXEMPT DISABILITY-BASED INCOME HERE).	TOTAL MFBU UNEARNED INCOME: $ _____	UNEARNED INCOME MFBU MEMBER # ___ $ _____ +	UNEARNED INCOME MFBU MEMBER # ___ $ _____ +
			UNEARNED INCOME MFBU MEMBER # ___ $ _____ +	UNEARNED INCOME MFBU MEMBER # ___ $ _____ +
2	☐ EDUCATIONAL EXPENSE (§50547)	- $ _____	EXEMPT INCOME (LIST EXEMPT INCOME HERE):	
3	☐ $50 SUPPORT RECEIVED (§50554.5)	- $ _____		
4	**REMAINING NON-EXEMPT UNEARNED INCOME**	**BOX 4** = $ _____		
5	ENTER DISABILITY-BASED INCOME (DBI) OF EACH MFBU MEMBER, THEN TOTAL FOR MFBU	TOTAL MFBU DISABILITY-BASED INCOME: $ _____	DBI OF MFBU MEMBER # ___ $ _____ +	DBI OF MFBU MEMBER # ___ $ _____ +
			DBI OF MFBU MEMBER # ___ $ _____ +	DBI OF MFBU MEMBER # ___ $ _____ +
6	$240 DEDUCTION	- $240		
7	**REMAINING NON-EXEMPT DISABILITY – BASED INCOME** (DBI) (IF DEDUCTION EXCEEDS DISABILITY BASED INCOME, ENTER "0")	**BOX 7** = $ _____	7A UNUSED $240 (LINE 6 – LINE 5; IF NEGATIVE ENTER 0)	$_____ (UNUSED $240)
8	ENTER EARNINGS FOR UP TO TWO MFBU MEMBERS, THEN TOTAL FOR MFBU (IF 3 OR MORE PERSONS WITH EARNINGS, SKIP LINES 8 & 9 AND PROCEED TO WORKSHEET FOR 3+ EARNERS).	TOTAL MFBU EARNINGS: $ _____	EARNINGS OF MFBU MEMBER # _____ $ _____	EARNINGS OF MFBU MEMBER #_____ $ _____

9	☐ UNUSED $240 DEDUCTION (FROM BOX 7A)	- $ _____	14	**TOTAL REMAINING NON-EXEMPT UNEARNED INCOME, NON-EXEMPT DISABILITY-BASED INCOME & NON-EXEMPT EARNED INCOME (TOTAL FROM BOX 4, 7 & 13)** $ _____
10	REMAINING NON-EXEMPT EARNED INCOME (OR FROM LINE 12 WORKSHEET); IF DEDUCTION EXCEEDS EARNED INCOME, ENTER "0"	= $ _____	15	☐ CHILD/SPOUSAL SUPPORT PYMTS (§50554) - $ _____
11	50% DEDUCTION (DIVIDE AMOUNT IN LINE 10 BY 2)	= $ _____	16	☐ ALLOCATION TO EXCLUDED CHILDREN (§50558) - $ _____
12	☐ DEPENDENT CARE DEDUCTION (§50553.5)	- $ _____	17	☐ ALLOCATION TO PA FAMILY MEMBER (§50557) ± $ _____
13	**REMAINING NON-EXEMPT EARNED INCOME**	**BOX 13** $ _____	18	TOTAL MFBU NET NON-EXCEMPT INCOME (ROUNDED DOWN TO THE NEAREST DOLLAR) = $ _____
			19	SEC. 1931 **MBSAC** INCOME LIMIT FOR FAMILY $ _____
	IF INCOME FROM LINE 18 IS LESS THAN LIMIT FROM LINE 19, FAMILY IS INCOME ELIGIBLE.	☐ ELIGIBLE	☐ NOT ELIGIBLE: IF NO SNEEDE – ELIGIBLE CLASS MEMBER, EVALUATE FOR OTHER MEDI-CAL PROGRAMS; IF SNEEDE – ELIGIBLE CLASS MEMBER, EVALUATE FOR SEC. 1931 UNDER SNEEDE.	

ELIGIBILITY WORKERS SIGNATURE:	WORKER NUMBER:	COMPUTATION DATE:	COUNTY USE:

Two months later, Mom begins working and receives net nonexempt earnings of $400 per month. Since the U-parent income test applies to recipients of the MN program and the family's net nonexempt earnings are now $1,400 which is over the 100 Percent U-parent limit for 3. Mom and Dad are no longer eligible as parents of a deprived child. The child is still eligible for the 133 Percent program.

Example 3

U-Parent Income Test

Mom	$ 300 (net nonexempt earned income)
Dad (PWE)	$1,000 (net nonexempt earned income)
Mom's separate child	$ 300 (net nonexempt earned income)
Mutual child	$ 0
Total net earned income	$1,600
U Parent 100$ Limit for 4	$1,392

This unmarried couple, their mutual (age 5), and separate children (age 19), apply for Medi-Cal. Dad is working over 100 hours and family is over the U-parent income limit. Dad and the mutual child are not eligible for the Section 1931(b) or the MN programs due to lack of deprivation. They are not eligible for TMC because they have not received CalWORKs or Section 1931(b) for three of the last six months. Since Mom's separate child is age 19, she has no deprived child in the home and is not eligible for Section 1931(b). Evaluate her and her separate child for the MN program. Evaluate the mutual child for the MI or Percent program, if applicable. Dad is ineligible for any program because he is not a spouse and cannot qualify as an essential person.

Mom has $1,000 of net nonexempt unearned income. The total family unearned and earned income equals $2,600. The maintenance need for the MN/MI program for 4 persons is $1,100. Sneede rules apply.

MBU #1

Mom'stotal net nonexempt income	$1,300
Less Parental Needs Deduction	- 600
Income to be Allocated ÷ 2	$ 700

MBU #2

Mom's Separate Child	$300
Allocation from Mom	350
Total	$650

MBU #3

<Dad's> total net nonexempt income	$1,000
Less Parental Needs Deduction	- 600
Income to be Allocated ÷1	$ 400

MBU #4

Mutual Child	$ 0
Allocation from Mom	350
Allocation from Dad	400
Total income	$750

Mom is eligible for the MN program with no SOC as a parent of a deprived child (age 21 for this program). Mom's separate child is also eligible with a SOC of $275. Dad is not eligible for any Medi-Cal program. The mutual child has a SOC of $438 under the MI program. Evaluate the mutual child for the 133 Percent program. Only the income of the mutual child and his/her parents are counted.

Mom's total income	$1,300
Dad's total income	$1,000
Child's total income	$ 0
Mom's separate child	N/A
Total	$2,300
Limit for 4 (133%)	$1,851

Mutual child is not eligible for the 133 Percent program. He/She would have a $438 SOC in the MI program.

Two months later, Mom and her separate child stop working. Redetermine the U-parent earned income deprivation income test. Since the PWE is still working over 100 hours and the family is not a recipient of the Section 1931(b) program, the U-parent income test is required. The net nonexempt earned income of Dad is $1,000 which is under the 100 percent limit for 4.

Dad's earned income	$1,000
Mom's earned income	$ 0
Mom's child " "	$ 0
Mutual child " "	$ 0
Total	$1,000
Limit for 4 (100%)	$1,392

Reevaluate family for the Section 1931(b) program as applicants.

Mom's total income	$1,000
Dad's total income	$1,000
Mom's separate child	$ 0
Mutual child	$ 0
Total	$2,000
Section 1931(b) limit (4)	$1,392

Mom, Dad, and the mutual child are not eligible for Section 1931(b). Sneede rules would then again apply.

Section 1931(b) MBU#1

Mom's net nonexempt income	$1,000
Less Parental Needs	- 687
Income ÷ 2	$ 313
Mom's Income	$ 687
<Mom's separate child>	$ 157 from Mom
Total	$ 844
Limit for 2	$ 922

Section 1931(b) MBU #2

Dad's net nonexempt income	$1,000
Less Parental Needs	- 687
Income ÷ 1	$ 313
Dad's Income	$ 687
Total	$ 687
Limit for 1	$ 687

MBU #3

Mutual Child	$313 from Dad
	$157 from Mom
Total	$470
Limit	$386

Dad and Mom are eligible for the Section 1931(b) program. The 19-year-old and the mutual child should be evaluated for the MN program.

MN MFBU

Mom's separate child	$ 0
Mutual child	0
Limit	$750

Since neither child has income, they are eligible with no SOC.

Example 4

Married couple and their children apply for Medi-Cal. They have one mutual 4-year-old child and each have one separate child under age 18. Dad is determined to be the PWE and he is working under 100 hours. No applicant U-parent earned income test is required. Mom has $699 net nonexempt income and Dad has $1000 net nonexempt income. The children have no income. We will assume that the family is property eligible.

Mom	$ 699	net nonexempt income
Dad	1,000	net nonexempt income
Mutual Child	0	
Dad's Separate Child	0	
Mom's Separate Child	0	
Total	$1,699	
Section 1931(b) Limit	$1,627	

Since the new March 1, 2000 income limit for Section 1931(b) applicants for 5 is $1,627, the family fails to qualify for Section 1931(b). Sneede rules apply since this is a stepparent household.

Mom's Net Income	$699	Dad's Net Income	$1,000.00
Mom's Parental Needs	- 687	Dad's Parental Needs	- 687.00
Total	$ 12	Total	$ 313.00
Total Allocation ÷3	$ 4	Total Allocation ÷3	$ 104.30

Section 1931(b) Determinations: Sneede v. Kizer
Prorated FPL Income Standard and Property Levels
- March 1, 2000 -

I. MBU Contains an Adult - May also Include an Unborn

Person Type	1931(b) Income	Property
Single Parent	$ 687	$3,000
Single Parent with Unborn	922	3,000
Married Couple -Two Adults	922	3,000
Married Couple with Unborn	1,157	3,150
Unmarried Couple - Each Unmarried Partner	687	3,000

II. MBU Contains Adult(s) and Child(ren)

Allow the full non-Sneede Section 1931(b) income/property limits for the MBU based on the number of individuals in the MBU.

III. MBU Contains a Nonparent Caretaker Relative, or Child(ren) with No Parents Living in the Home, or Child(ren) Whose Parent is PA/Other PA and Not in the MFBU

Each MBU receives full non-Sneede 1931(b) income/property limit based on the number of persons in each MBU. If there is a pregnant minor in the MFBU, include the unborn in the pregnant minor's MBU.

IV. MBU Contains Only Children Who Live with One or Both Parents (Not Stepparents) and They Are in the Same MFBU (Do not include a parent who is PA/other PA and not in the MFBU. Also, if there is a pregnant minor in the MFBU, her unborn is considered as another child in the pregnant minor's MBU.)

No. of Children in MBU	One Parent		Two Parents	
	Prorated Income	Prorated Property	Prorated Income	Prorated Property
1	$ 461	$1,500	$ 386	$1,050
2	772	2,100	696	1,650
3	1,044	2,475	977	2,070
4	1,302	2,760	1,242	2,400
5	1,552	3,000	1,498	2,679
6	1,798	3,215	1,749	2,925
7	2,041	3,413	1,997	3,150
8	2,282	3,600	2,242	3,360
9	2,522	3,780	2,485	3,437
10*	2,761	3,819	2,727	3,500

***NOTE:** **Add $235 for each additional child after 10 to Section 1931(b) income standards to determine prorated income standards.**

$$\frac{\text{No. Children in MBU}}{\text{Parent(s) + No. Children in MBU}} \times \text{1931(b) Income Standard for Parent(s) + Child(ren) in MBU} = \text{Prorated income}$$

PRINCIPAL WAGE EARNER (PWE) WORKING 100 HOURS OR MORE UNEMPLOYED PARENT DETERMINATION WORKSHEET

Case Name:	Case Number:

SECTION 1931(b) APPLICANTS AND MEDICALLY NEEDY (MN) FAMILIES ***Note**: If the PWE is a Section 1931(b) recipient he/she may work 100 hours or more without a separate unemployment income test.*			County Use:
1	Earnings of Principal Wage Earner (PWE) - $90		
2	Earnings of Second Parent/Spouse - $90		
3	Earnings of Child #1 - $90		
4	Earnings of Child #2 - $90		
5	Earnings of Child #3 - $90		
6	**Countable Earned Income** (lines 1+2+3+4+5)	**$**	
7	Dependent Care Deduction		
8	Court Ordered Child/Spousal Support Deduction		
9	Allocation to PA Member		
10	Allocation to Excluded Children		
11	**Total Deductions** (lines 7+8+9+10)	**$**	
12	**Total Net Nonexempt Earned Income** (lines 6-11)	**$**	
13	100% FPL Limit for Family Size of _____ (# in MFBU)	$	
14	Is Total Net Nonexempt Earned Income at or below 100% of the FPL?	❒ **Yes** ❒ **No**	
15	**If line 14 is Yes, then the PWE is considered an Unemployed Parent.** Evaluate family for the Section 1931(b) program if the youngest child in the home is under 18 or 18 and enrolled in school and expected to graduate prior to age 19. If not and the youngest child is under 21, then determine eligibility for the Medically Needy program. **If line 14 is No, then the PWE is employed and there is no Unemployed Parent deprivation.**		

Eligibility Worker Name:	Worker #:	Date: