STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

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September 8, 1995

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

Letter No.: 95-52

CLARIFICATION OF PROPERTY WAIVER PROCEDURES

Ref.: All County Welfare Directors Letter (ACWDL) 95-28 dated May 8, 1995

The purpose of this letter is to provide answers to several county questions received concerning ACWDL 95-28 and the Property Waiver program.

ACWDL 95-28 provided instructions to simplify the application process for applicants who may be eligible for Medi-Cal under the Property Waiver program. Before July 1, 1995, all Medi-Cal applicants were required to answer all the questions on the Statement of Facts (MC 210-core document) and supplemental forms (if appropriate), and provide verification, regardless of the program for which they were applying. However, due to the legislative intent of the Property Waiver program, and in line with the Department's efforts to streamline eligibility for pregnant women and infants, the counties were instructed that a modification to the property verification requirement would be implemented effective July 1, 1995.

Choice of Programs

If, at application, or when the county becomes aware that a family containing a pregnant woman or infant under age one has property, and the family's income is at or below 200 percent of the federal poverty level, this applicant/beneficiary shall be made aware of the Property Waiver program. The family will be informed of the choice to either provide verification of the value of the property and spend down to meet regular Medi-Cal eligibility requirements if the property exceeds the current Medi-Cal property levels or receive benefits under the Property Waiver program. Property Waiver benefits are limited to pregnancy-related benefits for pregnant women and coverage for infants under one year of age, only. This choice may be presented at the face-to-face interview, however the county might not be aware that the family meets the Property Waiver guidelines until later. Therefore, this choice shall be offered when the county becomes aware that the family meets the Property Waiver guidelines.

Income from Exempt Property

Since the issuance of ACWDL 95-28, we have received questions regarding income from property whose value is waived under the Property Waiver program. This income shall be counted when determining the family's share of cost and/or eligibility for the Property Waiver program in all cases except if it is unavailable as per Title 22, California Code of Regulations (CCR), Section 50515, exempted by specific court order or statute, or in the particular situations listed below regarding specific types of interest income:

- One exception to the Property Waiver guidelines is interest income from a revocable or irrevocable burial trust or reserve which is exempt as property in accordance with Title 22, CCR, Section 50479. This income shall not be counted if the family provides documentation that the burial trust or reserve is exempt and that the interest income is left to accumulate and become a part of the separately identifiable burial fund. If the family is unable or unwilling to provide documentation that shows the burial trust or reserve is exempt, and information is provided to the county via the applicant or the Income and Eligibility Verification System (IEVS) which shows the value of the interest income the family receives, the county shall count this interest income when determing the family's share of cost and/or eligibility for the Property Waiver program.

- Another exception is interest income from disaster or emergency assistance payments in accordance with Title 22, CCR, Section 50481.

In order to determine the family's eligibility for the Property Waiver program, the family shall answer all questions on the MC210-core document. The family shall not be required to submit verification of property if the family is applying under the Property Waiver program, as outlined in ACWDL 95-28. However, in those situations where the county becomes aware that the family's property is producing income, the county shall require documentation of this income. This documentation may include information normally used to document property.

Rental Income from Real Property

If the county determines that the family has rental income from real property (either earned or unearned), the county shall provide the family with an opportunity to state any expenses associated with this rental income by having the applicant/beneficiary complete and document those questions on the MC 210 S-P that specifically pertain to rental expenses. The Property

Waiver applicant/beneficiary will not be asked to provide any documentation of the property other than that necessary to establish the amount of income and any associated expenses. This instruction supersedes the instruction issued in ACWDL 95-28.

Property Worksheet

Counties shall not be required to complete a Property Worksheet (176P) for those cases that meet the Property Waiver program requirements. However, if the county encounters a case in which the income from property is exempted by statute or court order, the county shall document this fact in the case record.

IEVS

The requirement to check IEVS for all applicants shall continue to apply, regardless of whether the family meets the Property Waiver program guidelines. IEVS provides income information as well as identifying interest income from property and cross-indexing for statewide welfare case information.

We hope that this letter clarifies county concerns with Property Waiver. If you have further questions, please do not hesitate to contact Leanna Pierson of my staff at (916) 654-0630.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch