STATE OF CALIFORNIA--HEALTH AND WELFARE AGENCY

PETE WILSON, Governor

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April 30, 1997

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

Letter No.: 97-17

UNEMPLOYED PARENT DEPRIVATION CHANGES

The purpose of this letter is to inform you that certain Medi-Cal requirements relating to unemployed parent deprivation no longer apply to individuals under the Medically Needy program and the need for counties to make certain changes in determining eligibility.

Background:

As you are aware, the Personal Responsibility And Work Opportunity Act of 1996 (Public Law 104-193) (PRWORA) ends the current Aid to Families with Dependent Children (AFDC) Program, and replaces it with federal funding available under the Temporary Assistance for Needy Families (TANF) Block Grant. Under the law, receipt of TANF does not entitle the recipient to Medicaid.

Federal AFDC law as it was in effect before PRWORA defined the term dependent child and specified how unemployment relates to this as a deprivation factor. Under the AFDC unemployed parent's (AFDC-U) program, the unemployed parent had to meet the definition of a principal wage earner and had to have been unemployed for at least 30 consecutive calendar days prior to the receipt of cash assistance based on AFDC-U deprivation. The 30 days began the first day of the month in which the applicant principal earner worked less than 100 hours.

In addition, the principal wage-earner parent must have had a work history or "connection to the labor force" such as having six or more quarters of work in any 13-calendar-quarter period or by receiving or being eligible to receive, unemployment insurance benefits within one year before application or transfer to federal AFDC-U to establish AFDC eligibility. These same requirements applied to the AFDC-Medically Needy program when deprivation was based on unemployment.

Change:

A change in deprivation due to unemployment has occurred because of PRWORA. To ensure Medicaid coverage for low-income families, PRWORA established a new Medicaid

group composed of those who meet certain July 16, 1996 AFDC rules. With respect to deprivation based on unemployment PRWORA deleted the 30 day waiting period and "connection to the labor force" requirements. The Health Care Financing Administration has recently informed us that these requirements are no longer applicable to the Medically Needy program either. **(These requirements may remain under TANF however.)**

Impact:

The impact to the Medi-Cal program is that California is no longer required to **wait 30 days** to determine whether the unemployed parent (the principal wage earner) has worked less than 100 hours, or to **require a connection to the labor force.**

This means that deprivation based on an unemployed parent only requires that the parent be the principal wage earner and that the principal wage earner parent did not work 100 hours or more in a month. This is the only criteria that should be used to evaluate these Medically Needy cases. We will be reviewing the MC 210 Statement of Facts Supplemental form for any necessary changes.

Action and Effective Date:

The effective date of this change is November 26, 1996, the date TANF became effective in California. Counties should implement this new policy as soon as possible, but no later than July 1, 1997. If counties become aware of any cases where parents were denied Medi-Cal on the basis that they lacked a connection to the labor force or were required to wait 30 days before establishing deprivation due to unemployment, counties should take appropriate action to establish their Medi-Cal.

Questions regarding this letter can be directed to Sharon Garcia of my staff at (916) 657-5327.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch