STATE OF CALIFORNIA–HEALTH AND WELFARE AGENCY

PETE WILSON, Governor

DEPARTMENT OF HEALTH SERVICES
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June 10, 1997

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

Letter No.: 97-24

CURRENT REVISIONS TO THE DHS 7021 (2/97) FORM AND INSTRUCTIONS

The purpose of this letter is to advise the counties that the DHS 7021 (2/97) form and instructions have been revised. The revisions to the DHS 7021 (2/97) form are as follows:

1. Part B. 5., added "(If negative, also enter on line C2.)" at the end of the line.

2. Part C. 3., deleted, "(...on C.2)" and added "(... zero)" at the end of the line.

3. Part D., inserted after "... INCOME AFTER ALLOCATIONS" the phrase, "(If B5 is negative, enter C3 amount, otherwise," before the phrase, "add B.5. and C.3." and then added "and enter.)."

4. Part E. 4., deleted, "(... less than 0, ...)" and added "(... negative, ...)" at the end of the line.

The revision to the DHS 7021 Instructions (2/97) are as follows:

1. Page 1, line B.2., revised, "(step 2, line 3)." to read, '(DHS 7029, line C.3.)" at the end of the line.

2. Page 1, line C-3, added after "... and enter the difference." "; however, if negative, enter zero." at the end of the line.

3. Page 1, line D., added, "If B5. is negative, the ineligible spouse's total income after allocations is the amount from line C.3.; otherwise, ..."

4. Page 2, line E-1, after, "(... applicable ISM-DHS 7044)." added, "(If VTR, ISM is zero, use 'household of another' SSI/SSP payment level in F.1.)" at the end of the line.

5. Page 2, line E.2., revised, "(step 2, line 3),' to read, "(DHS 7029, line A.3. and, if appropriate, line B.3.)." at the end of the line.

6. Page 2, line F.1., first paragraph, deleted second sentence, "If resources of the ineligible spouse are counted, also use the payment level for a couple."

7. Page 2, line F.2., second paragraph, second line, deleted "a" and "card" and after the phrase, "entitled to zero share-of-cost Medi-Cal" added, "as an eligible Pickle person(s)."

Since the above revisions to the DHS 7021 (2/97) form are not substantive, we intend to exhaust the existing supply of the DHS 7021 (11/96) forms that are in the Department of Health Services (DHS) Warehouse before distributing the 2/97 version. The 2/97 version of the DHS 7021 will be available June 15, 1997, in the DHS Warehouse, 1037 North Market Boulevard, Suite 9, Sacramento, California, 95834. The DHS 7021 Instructions (2/97) will not be in the warehouse; however, they will be available in the Pickle Handbook as well as with this All County Welfare Directors Letter. Both the DHS 7021 (2/97) form and instructions will be included in Pickle Handbook Letter No. 15.

An advance, camera-ready copy of the DHS 7021 (2/97) form and instructions has been sent to the county Pickle Program Coordinators. If you have any questions, please contact Ms. Sylvia Finberg of my staff at (916) 657-0080.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

Enclosures

FINANCIAL ELIGIBILITY WORK SHEET
(Individual or Couple, Applicant With an Ineligible Spouse)

Case Name	Case Number

Applicant's Name

PART A. NEEDS TEST

1. Applicant's total earned and unearned income (MC 176M, Part I, Line 14): ..... $ _____
2. Title II COLA disregard amount: ..... $ _____
3. Total countable income (Subtract A.2. from A.1.): ..... $ _____
   (If single applicant or couple pass the screening work sheet, proceed to Part F.)

PART B. INELIGIBLE SPOUSE'S UNEARNED INCOME

1. Ineligible spouse's total unearned income—do not include public assistance income: ..... $ _____
2. Title II COLA disregard amount: ..... $ _____
3. Countable unearned income (Subtract B.2. from B.1.): ..... $ _____
4. Allocation for ineligible children. (If no children, enter zero in B.4.c.)
   Do not include Pickle-eligible children.

	CHILD #1	CHILD #2	CHILD #3	CHILD #4
	Name	Name	Name	Name
a. Allocation (couple Federal Benefit Rate [FBR] minus individual FBR):				
b. Subtract child's income:	–	–	–	–

   c. Total allocation: ..... _____ + _____ + _____ + _____ = $ _____

5. Remaining unearned income (Subtract line B.4.c. from B.3.) (If negative, also enter on line C.2.): ..... $ _____

PART C. INELIGIBLE SPOUSE'S EARNED INCOME

1. Ineligible spouse's gross earned income: ..... $ _____
2. Unused portion of allocation for ineligible child(ren): ..... $ _____
3. Remaining earned income (Subtract C.2. from C.1., if negative, enter zero.): ..... $ _____

PART D. INELIGIBLE SPOUSE'S TOTAL INCOME AFTER ALLOCATIONS

(If B.5. is negative, enter C.3. amount, otherwise, add B.5. and C.3. and enter.) ***(If less than the difference between the FBR for a couple and the FBR for an individual, deeming is not applicable. Make no entry for ineligible spouse's income in Part E.):*** ..... $ _____

PART E. COMBINED INCOMES *(Eligible individual or couple and/or ineligible spouse after ineligible child allocations)*

1. Applicant's gross unearned income (including any applicable ISM-DHS 7044). (If VTR, ISM is zero, use "household of another" SSI/SSP payment level in F.1.): ..... $ _____
2. Applicant's Title II COLA disregard amount: ..... $ – _____
3. Applicant's countable unearned income (Subtract line E.2. from line E.1.): ..... $ _____
4. Ineligible spouse's unearned income (line B.5.). (If B.5. is negative, use 0.): ..... $ + _____
5. Combined unearned income (Add lines E.3. and E.4.): ..... $ _____
6. Subtract general income exclusion: ..... $ –20 _____
7. Combined countable unearned income: ..... $ _____ Total Unearned
8. Earned income of applicant and spouse (Use amount from line C.3. for ineligible spouse.): ... $ _____
9. Subtract balance of general exclusion not offset by unearned income (line E.6.): ..... $ _____
10. Remaining earned income: ..... $ _____
11. Subtract work expense exclusion: ..... $ –65 _____
12. Remaining earned income: ..... $ _____
13. Subtract 1/2 remaining earned income: ..... $ – _____
14. Countable earned income: ..... $ _____ Total Earned
15. Total countable income (Add lines E.7. and E.14.): ..... $ _____ Combined Total

PART F. PICKLE ELIGIBILITY CALCULATION

1. Current SSI/SSP payment level for an individual or a couple: ..... $ _____
2. Enter total countable income (line A.3. or E.15.): ..... $ _____

If line F.2. is less than or equal to F.1., the applicant is Pickle eligible. If ineligible, enter in Tickler System.

Eligibility Worker Signature	Worker Number	Computation Date	County Use

INSTRUCTIONS
FINANCIAL ELIGIBILITY WORK SHEET (DHS 7021)
(Individual or Couple, Applicant With an Ineligible Spouse)

APPLICANT'S TOTAL COUNTABLE INCOME

Enter the applicant's total countable income. This is to be obtained by using *only* the applicant's earned and unearned income. If, after subtracting any applicable Title II COLAs, the applicant's income is still above the current SSI/SSP payment level for an individual, the applicant is not eligible as a Pickle person and no further action is necessary. In that case *do not proceed* to Part B. If the total countable income is below the payment level and the applicant has an ineligible spouse, complete Part B through F. In completing this section for a potentially eligible couple (both pass screening test), it is necessary to compute countable income using the income and disregard amounts for both. If this countable income exceeds the maximum allowance, this section must then be completed for each person using only his/her income and disregard amounts.

INELIGIBLE SPOUSE'S UNEARNED INCOME

Do not include any public assistance income.

Line B.1.
Enter the ineligible spouse's unearned income.

Line B.2.
If ineligible spouse has Title II income, subtract all Title II cost-of-living increases received since the applicant was discontinued from SSI/SSP. Use amount from Disregard Computation Work Sheet (DHS 7029, line C.3.).

Line B.3.
Subtract line B.2. from line B.1. and enter the difference.

Line B.4. (If there are no children, enter zero on line 4.c.)
Enter each Pickle ineligible child's first name in boxes provided. On line 4.a., enter the allocations for any ineligible child(ren) not on public assistance. On line 4.b., enter any income for each of the children, excluding $1,620 per year of student income. Enter the remainder for each child and total the allocation for each child on line 4.c. Do not make any entry in this part for a Pickle-eligible child.

Line B.5.
Subtract line B.4.c. from line B.3. (countable unearned income) and enter the difference. This is the remaining unearned income amount unless there is no remaining unearned income because the allocation amount (line B.4.c.) exceeds line B.3. (countable unearned income). In the latter case, the negative figure on line B.5. is carried over to line C.2. (unused portion of allocation).

INELIGIBLE SPOUSE'S EARNED INCOME

Line C.1.
Enter the ineligible spouse's earned income.

Line C.2.
Enter the amount of any allocation for ineligible children that is not offset by countable unearned income (there is a negative figure on line B.5.). If all the allocation for ineligible children was offset by countable unearned income, (line B.3. is equal to or more than line B.4.c.), enter zero in line C.2.

Line C.3.
Subtract the allocation amount on line C.2. from line C.1. (gross earned income) and enter the difference; however, if negative, enter zero.

INELIGIBLE SPOUSE'S TOTAL INCOME AFTER ALLOCATIONS

f line B.5. is negative, the ineligible spouse's total income after allocations is the amount from line C.3.; otherwise, add he amounts in lines B.5. and C.3. to determine the total income after allocations.

NOTE: If, at this point (after the allocation for ineligible children and the Title II Disregard), the total income amount, earned or unearned, is less than the difference between the FBR for a couple and the FBR for an individual, there is no ncome available for deeming to the applicant. In this case, use only the applicant's income in Part E and the current SSI/SSP payment level for an individual in Part F. If there is earned and/or unearned income remaining in excess of the ifference between the FBR for a couple and the FBR for an individual, use the amounts from lines B.5. and C.3. in Part E nd the current couple FBR plus the state supplement for an individual in Part F.

Line E.1.
Enter the applicant's or potentially eligible couple's unearned income (including any applicable ISM–DHS 7044). (If VTR, ISM is zero, use "household of another" SSI/SSP payment level in F.1.)

Line E.2.
Enter the applicant's or potentially eligible couple's Title II cost-of-living increases from the Disregard Computation Work Sheet (DHS 7029, line A.3. and, if appropriate, line B.3.).

Line E.3.
Subtract the COLAs (line E.2. from line E.1.) from the applicant's couple's unearned income and enter the difference.

Line E.4.
Enter the ineligible spouse's unearned income from line B.5., unless the total income amount in Part D is less than half the FBR for an individual, in which case, enter zero in line E.4. If line B.5. is negative, enter zero in line E.4.

Line E.5.
Enter combined unearned income of applicant(s) (line E.3.) and/or ineligible spouse (line E.4.).

Line E.6.
Enter the $20 any income exclusion.

Line E.7.
Subtract line E.6. from line E.5. and enter the difference. (If line E.5. is less than $20, enter zero in line E.7.)

Line E.8.
Enter combined earned income of applicant(s) and ineligible spouse. Use line C.3. for spouse's income. If the total income amount in Part D is less than the difference between the FBR for a couple and the FBR for an individual, enter only the applicant's earned income in line E.8.

Line E.9.
Enter unused portion of the $20 any income exclusion not offset in line E.7.

Line E.10.
Subtract line E.9. from line E.8. and enter the difference.

Line E.11.
$65 work expense exclusion.

Line E.12.
Subtract line E.11. from line E.10. and enter the difference.

Line E.13.
Enter half of the amount of line E.12.

Line E.14.
Subtract line E.13. from line E.12. and enter the difference.

Line E.15.
Add line E.7. and line E.14. and enter total. This is the amount of income to be considered in determining Pickle eligibility. Enter on line F.2.

PICKLE ELIGIBILITY CALCULATION

Line F.1.
Enter the current, applicable SSI/SSP level from chart. If income is derived from Part D, use the payment level for a couple. If the applicant is blind, resides in the home of another, or somehow fits into one of the payment categories other than an individual, use the applicable payment level. If person is blind, that higher payment level must always be used.

Line F.2.
Subtract total countable income from line F.1. and enter the difference.

If line F.2. (total countable income) is less than or equal to the current SSI/SSP payment level, the applicant(s) is/are categorically needy and entitled to zero share-of-cost Medi-Cal as an eligible Pickle person(s). If both members of a couple meet the eligibility criteria, they are both eligible.

In a situation where there is a potentially eligible child and parent with an ineligible spouse, determine the eligible parent's inancial eligibility using this work sheet. If the parent is eligible, determine the child's financial eligibility using Part D of the DHS 7019 (Pickle child). Use the eligible child's countable income *only*.