

DEPARTMENT OF HEALTH SERVICES

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June 5, 1998



Letter No.: 98-23

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

**ERRATA TO 98-17: QUESTIONS AND ANSWERS ABOUT THE CHANGE IN THE
DEFINITION OF A MARRIED MINOR CHILD LIVING IN THE HOME**

Ref.: All County Welfare Directors Letter Nos. 98-11 and 98-17

This is an ERRATA notice for All County Welfare Directors Letter 98-17 dated May 5, 1998, which describes the changes in the Medi-Cal Budget Unit for the married minor child with a spouse who is living in the home of the parent.

Please replace pages 3 through 7 with the enclosed corrected pages. Although the examples in the original letter contained several errors, the corrections do not change the overall instructions or process.

If you have any further questions, please contact Margie Buzdas of my staff at (916) 657-0726.

Sincerely,

ORIGINAL SIGNED BY
GLENDA ARELLANO for

Angeline Mrva, Chief
Medi-Cal Eligibility Branch

Enclosure

Examples:

A. No Inappropriate Deeming

Mary is an 18-year-old pregnant married minor parent. She has no income. She lives with her parents, her 16-year-old sister, her spouse and their two mutual children. The children and sister have no income. Her spouse works part-time (under 100 hours) and earns \$500 income per month. The minor's parents work full time. The minor's mother earns \$1,000 net nonexempt income per month and the father earns \$1,500 net nonexempt income. The family is property eligible. Since Mary is not deprived, she must be eligible as a Medically Indigent person under 21 or under the Percent programs. The parents are not eligible because they are not aged, blind, disabled, etc. Mary's spouse and children are evaluated under the Medically Needy program because of unemployed parent deprivation. The family pays no health insurance premiums.

MFBU No. 1 (a)	MFBU No. 2 (b)	MFBU No. 3 (c)
Mary	[Mary] IE	[Mary] IE
[Mary's parents] IE (ineligible)	Mary's spouse	[Mary's parents]
[Mary's spouse] IE	Mary's 2 mutual children	Mary's sister
[Mary's 2 mutual children] IE	Mary's unborn	Mary's unborn
[Mary's sister] IE		
Mary's unborn		
Total net income = \$3,000	Total net income = \$ 500	Total net income = \$2,500
MNIL for 8 = \$1,692	MNIL for 5 = \$1,259	MNIL for 5 = \$1,259
Mary's SOC = \$1,308	Spouse and Children have no SOC	Sister's SOC = \$1,241
Evaluate Mary for the 200% Program for 8 = \$4,609*		Evaluate Sister for 100% Program for 5= \$1,605*
Mary is eligible.		Sister is not eligible.

* 1998 Federal Poverty Level

B. Inappropriate Deeming Applies

Same scenario above except Mary has \$100 per month net nonexempt income, the two children of Mary's spouse are his separate children and Mary's sister has net nonexempt income of \$50 per month.

MFBU (a)	MFBU (b)	MFBU (c)
Mary	[Mary] IE	[Mary] IE
[Mary's parents] IE	Mary's spouse	[Mary's parents] IE (no linkage)
[Mary's spouse] IE	Spouse's separate children	Mary's sister
[Spouse's separate children] IE	Mary's unborn	Mary's unborn
[Mary's sister] i.e.		
Mary's unborn		
Total net income = \$3,150	Total net income = \$ 600	Total net income = \$2,650
MNIL for 8 = - <u>\$1,692</u>	MNIL for 5 = - <u>\$1,259</u>	MNIL for 5 = <u>\$1,259</u>
Mary's SOC = \$1,458	Spouse & Children 0	Sister's SOC = \$1,391
	have no SOC	

MFBU No. 1

In the first MFBU, the only eligible person is Mary. The only inappropriate deeming which affects Mary is the income from Mary's sister (a child with income). Rather than set up the usual MBU for all the various persons in this MFBU, for ease of administration, counties should disregard any income/property from persons who are not responsible for the one eligible married minor person in this MFBU. In this case, Mary's sister is not responsible for Mary; therefore, her \$50 will be disregarded. The remaining income will be compared to the regular Medically Needy Income Level (MNIL) for the entire family including Mary's sister. If there is a SOC, evaluate for the Percent Programs, if applicable. Compare the same amount (without Mary's sister's income) to the appropriate Federal Poverty Level (FPL) for eight.

MFBU

Mary	\$ 100
[Mary's parents] IE	\$2,500
[Mary's spouse] IE	\$ 500
[Spouse's separate children] IE	0
Mary's unborn	0
Mary's sister's income (\$50) Uncounted	
 Total income	 = \$3,100
Compare MNIL Chart for 8	= <u>1,692</u>
Mary has a SOC of	\$1,408

Evaluate Mary for the 200 percent
 FPL program for 8 = \$4,609
 Mary is eligible.

MFBU No. 2

The second MFBU contains Mary as an ineligible person, her spouse and his children. Assume only the spouse's separate children wish to apply. First determine how much of the spouse's income is allocated to Mary and the separate children to see how much of the spouse's income is in the MFBU. Since the spouse has less than the \$600 parental needs allowance, nothing is allocated. The entire \$500 is available to the MFBU. If there were a remainder, this would be divided by the number of person that the spouse was responsible = three (Mary and his two children).

MFBU

(Spouse) IE	\$500
Spouse's separate children	<u>\$ 0</u>
Total	\$500

Net balance to the MFBU = \$500
 Compare to MNIL for 3 = \$934
 SOC for separate children = 0

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If the spouse wishes Medi-Cal, follow the regular Sneed/Gamma methodology for a stepparent household when all the persons in the household wish Medi-Cal.

MBU No. 1	MBU No. 2
(Mary) IE Spouse Mary's unborn	Spouse's Separate Children

Mary will not allocate any income to the spouse's separate children.

MFBU No. 3

The third MFBU contains Mary as ineligible, Mary's unborn, Mary's ineligible parents (no linkage), and Mary's sister.

Regular Sneed/Gamma rules apply because this MFBU has a SOC and the MFBU has two children with income, Mary and Mary's sister.

(Mary) IE	\$ 100
Mary's unborn	
(Mary's parents) IE	\$2,500
Mary's sister	<u>\$ 50</u>
Total Nonexempt income	\$2,650
Compared to MNIL for 5 =	<u>\$1,259</u>
SOC	\$1,391

Sneed/Gamma Computation:

MBU No. 1	MBU No. 2	MBU No. 3
(Mary's parents) IE	(Mary) IE Mary's unborn	Mary's sister

Each parent is responsible for their spouse, Mary, and Mary's sister. Each may keep \$600 for their own share and allocate the remainder divided by three.

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Mary's Mother: $\$400 \div 3 = \133 to Father, Mary, and Mary's sister
Mary's Father: $\$900 \div 3 = \300 to Mother, Mary, and Mary's sister

Since there are no eligible persons in MBU No. 2 and no money allocated, this MBU will not be discussed.

MBU No. 1

Mother's own share = \$600
Mother's share from Father = \$300
Father's own share = \$600
Father's share from Mother = \$133

MBU No. 3

Mary's sister's income = \$ 50
Allocation from Mother = \$133
Allocation from Father = \$300
Total = \$483
Compare to MBU Chart = 312
SOC = \$171

Mary's sister is under age 19; therefore, she should be evaluated for the 100 percent program. The total of the net nonexempt income of both parents = \$2,500 and her income of \$50 = \$2,550. Compare this to the FPL for five = \$1,605. Mary's sister is not eligible for the FPL program.

If you have any questions on the married minor or MFBU composition, please contact Margie Buzdas of my staff at (916) 657-0726.

Sincerely

ORIGINAL SIGNED BY

Tom Welch, Chief
Policy Section A
Medi-Cal Eligibility Branch

Enclosures