STATE OF CALIFORNIA–HEALTH AND HUMAN SERVICES AGENCY

GRAY DAVIS, Governor

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May 7, 1999

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

Letter No.: 99-02E

ERRATA TO 99-02: SECTION 1931(b)

Ref.: All County Welfare Directors Letter (ACWDL) No. 98-43

The purpose of this notice is to advise counties of changes to ACWDL No. 99-02 (formerly ACWDL no. 98-67). The following pages are enclosed and are to replace the originals. The new pages include changes as noted:

Pages 3 and 4 (Example 3)

- There will be no special Section 1931(b) Poverty Level step using the net nonexempt income including the $240 and one-half deductions for recipients when determining the poverty level. Instead, counties should skip to the Medically Needy or Medically Indigent determination which was referenced as Step Four. The regular Poverty Level determination should be completed at the end as shown unless the child has excess property or the property is unknown (mail-in application).

- Step Four and Five should state that child has a share of cost rather than ineligible if we are assuming that they are property eligible.

Pages 5 and 6 [Example 7 and Transitional Medi-Cal (TMC)]

- The husband's separate child shown in Mini-Budget Unit (MBU) No. 1 under Section 1931(b) Sneede in Example 7 should be in his/her own MBU No. 3. The first paragraph on page 6 which makes reference to a Section 1931(b) Percent Program determination is deleted.

- The first paragraph under TMC about children age 18 or 19 and not enrolled in school or age 20 is clarified.

Page 9 and a new page 10 to be added (Allocation Rules and Sneede Income Determination Worksheet)

- A new paragraph will be added to explain the income allocation rules for persons who are redetermined under the MN/MI or Poverty Level programs. An Appendix 1 will also be added with examples.

- The second paragraph will be clarified to state that each person in the family is entitled to the $240 deduction if the family is a recipient as previously defined in ACWDL 98-43.

- Paragraph two will be clarified to state that a Section 1931(b) mini-budget which contains adults or a mixture of adults and children will use the full Section 1931(b) income limits applicable for the family of that size as outlined on page 15 Appendix A, Table 1 in ACWDL 98-43 rather than the prorated standards.

- A correction is made in the computation of Child no. 2 total net nonexempt income from $519.67 to $509.67.

Attachment 1

- Income allocation examples are provided for non Sneede and Sneede cases.

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

Sincerely,

ORIGINAL SIGNED BY

ANGELINE MRVA, Chief
Medi-Cal Eligibility Branch

Enclosures

1931(b)	MN/MI
Father	20 year Old
Child No. 1 ($)	
Child No. 2	
Mother	
<20 year old>	

The mother can be considered for Section 1931(b) because there are no work requirements for this program. The 20 year old mutual child is ineligible for Section 1931(b) and must be evaluated under regular Medi-Cal in his/her own MFBU. If the family is eligible for Section 1931(b), they may continue to receive Medi-Cal at no SOC under this program. Should they later be determined ineligible for Section 1931(b) because of an increase in earnings, all but the 20 year old would be eligible for TMC. They could also receive Four Month Continuing if their income increased due to the collection of child/spousal support. Again, however, the 20 year old would not be eligible.

Example 3 (Sneede/Percent Program Applications)

(a) If the family in Example 2 above was not eligible for Section 1931(b), those who were not eligible for Section 1931(b) would be evaluated under Section 1931(b) Sneede rules because Child No. 1 has income. Assume Child No. 1 was found to be ineligible for Section 1931(b) after the Sneede determination.

(b) If the child is not eligible under 1931(b) Sneede, he/she would be evaluated with the 20 year old under the MN program. Apply regular Sneede and the Percent programs using regular MN/MI rules for the appropriate regular Sneede limits and poverty level limit for the total number of persons in the MN/MI MFBU. Do not count the persons or income or property of the persons who are eligible in the original Section 1931(b) MFBU.

Step One	Step Two	
1931(b)	1931(b) Sneede	
	MBU No. 1	MBU No. 2
Father	Father	Child No. 1 ($)
Child No. 2	Mother	
Mother	Child No. 2	
Child No. 1 ($)	<20 Yr Old>	
<20 Yr Old>		
Assume child No. 1 is Ineligible	Assume child No. 1 is Ineligible	
Family is Eligible	Family is Eligible	

Since we are assuming that Child No. 1 is ineligible for all of the Section 1931(b) determinations, he/she will be determined for regular Medi-Cal with the 20 year old.

Step Three MN/MI	Step Four MN/MI Sneede		Step Five Poverty Level
	MBU No. 1	MBU No. 2	
20 Yr Old Child No. 1 ($)	20 Yr Old	Child No. 1 ($)	<20 Yr Old> Child No. 1 ($)
Both Children have same SOC	Child No. 1 has a SOC 20 Yr Old has no SOC		Child No. 1 is eligible

Assume that the 20 year old is determined eligible with no SOC in Step Four. Child No. 1's determination must be continued through Step Five where it is assumed that he/she is eligible. If after all determinations have been completed and there are no eligible children in Section 1931(b) or with zero SOC, the parents are not eligible for Section 1931(b) because they have no linkage. If only children or a child is eligible for Section 1931(b) and the parents are not eligible under any other program with a zero SOC, the children may remain eligible.

Example 4

A husband and wife with separate and two mutual children apply for Medi-Cal Only. The wife is the principal wage earner and is employed over 100 hours; therefore, the mutual children are ineligible for Section 1931(b) because they are not deprived. Since this family was not terminated from CalWORKs or 1931(b) in the last four months, applicant rules apply.

1931(b)	MI Program
Husband Wife <Mutual Children> Wife's Separate Child Husband's Separate Child	Mutual Children

NOTE: If the husband and the husband's separate child choose not to be aided, his separate plus one-half of the community property are exempt under the 1931(b) program; however, his income is counted. This exemption for property occurs even though his wife is requesting benefits. If the husband's separate child wants benefits, then the husband is considered a parent and the stepparent exemption does not apply.

Example 5

If only the separate children of one parent in Example 4 wish to be aided for Section 1931(b), follow the regular Medi-Cal MFBU rules for that scenario as described in the Medi-Cal Procedures Manual 5K Page 6, but use the Section 1931(b) parental needs allocation; and compare the net nonexempt income of the MFBU to the Section 1931(b) limit for the family of that size (two). (Spouse's child plus his/her parent).

1931(b)

<Wife>
Wife's Separate Child

Example 6

In Example No. 4 above, if the husband had mutual children but no separate children of his/her own and had no linkage because his wife was not unemployed or incapacitated, he would be ineligible in the Section 1931(b) MFBU and his separate and one-half community property would be exempt. As a medically indigent adult, he would also be an ineligible member in the MFBU with the mutual children where his property would count.

NOTE: Stepparents with no separate or mutual children are eligible for CalWORKs if their spouse is unemployed or incapacitated, whereas Medi-Cal rules only allow this person to be linked if the spouse is incapacitated. He or she could, therefore, be eligible for the Section 1931(b) program if his/her spouse is unemployed, but not for the MN program.

1931(b)	MI Program
<Husband>	
Wife	<Husband>
<Mutual Children>	Mutual Children
Wife's Separate Child	

Example No. 7 (Sneede Applies)

Use the same family in Example No. 4; however, they are determined to be initially ineligible for Section 1931(b) due to excess income. Because this is a stepparent household, 1931(b) Sneede rules apply. Assume that the wife's separate child is still found to be ineligible for Section 1931(b) after 1931(b) Sneede due to excess income.

Step One 1931(b)	Step Two 1931(b) Sneede MBU No. 1	MBU No. 2	MBU #3
Husband	Husband	Wife's Child $	Husband's Child
Wife	Wife		
Wife's Separate Child $	<Mutual Children>		
<Mutual Children> ineligible			
Husband's Separate Child			

In Step One, all are ineligible. The husband, wife and the husband's child are eligible in Step Two. Assume that the wife's separate child is still ineligible due to excess income. The county will then determine eligibility for the wife's separate children and the two mutual children using regular Medi-Cal and Sneede rules. If the final determination still results in property ineligibility (or the property is unknown), or the children have a share of cost, the county should evaluate for the appropriate Percent programs using the limit for the size of the MN/MI MFBU.

Step Three MN/MI	Step Four Sneede	
MFBU	MBU#1	MBU #2
Wife's Separate Child $ Mutual Children Assume they have a SOC	Wife's Separate Child $ Assume SOC	Mutual Children Assume no SOC

Step Five
Poverty Level

Wife's Separate Child is assumed eligible when income is compared to FPL for 3.

TMC

Counties may no longer grant TMC to children age 18 or 19 and not enrolled in school or age 20. If a family, therefore, contains a child or children that meet this age definition, they should be evaluated for the MN or MI program. They would not be eligible for the second year of TMC either since the requirement for the second year is that they received the first year of TMC. However, until the regulations are final, if the child reaches age 18 or is age 19 and is not enrolled in school after the family begins receiving TMC, he/she may remain in the TMC case. This includes children who are currently receiving TMC who are over age 18 prior to the implementation of Section 1931(b). Other persons regardless of age who did not or were not eligible to receive either CalWORKs or Section 1931(b) in three of the last six months are not eligible for TMC.

When determining earnings for the additional six months of federal TMC and the second year of TMC, compare the average of the last three months of earned income of the caretaker or principal wage earner minus child care expenses to 185 percent of the Federal Poverty Level (FPL) for the entire family size amount even though some of the family may not be receiving TMC i.e., there are other children who are receiving regular Medi-Cal or Healthy Families.

Medically Needy cases who report increased hours or earnings from employment and lose linkage due to loss of deprivation or would have a SOC or an increased SOC must be evaluated for Section 1931(b) to determine if they would have been eligible for Section 1931(b) in three out of the last six months. If so, they would be eligible for TMC.

Persons who lose TMC eligibility because they are no longer employed should be evaluated for Section 1931(b) as applicants if they do not apply for CalWORKs or do not meet the definition of a recipient. Those persons who lose TMC eligibility due to excess earnings, or because the only child leaves the home, or for any other reason, will not be eligible for Section 1931(b) if there is no deprivation. They should be evaluated for other Medi-Cal programs.

If a family is Section 1931(b) eligible based on absent parent deprivation and the absent parent returns to the home with earnings and is working over 100 hours, the family is eligible for

C. NONEXEMPT EARNED INCOME (Continued)					
18. Remainder (line 16 minus line 17) N/A					
19. 50 percent earned income deduction (one-half of line 18) N/A					
$90 Work Expense Deduction	90		90		
20. Child care deduction					
21. Other deductions (EAS 44-113)					
22. Total net nonexempt earned income (line 18 minus lines 19, 20, and 21) (enter on line 25)	710		210		
D. TOTAL COUNTABLE INCOME					
23. Countable disability-related income (from line 8)		200		400	
24. Countable unearned income (from line 15)					
25. Countable earned income (from line 22)	710		210		
26. Income allocated from LTC/B&C person to family members at home (from MC 176W, Part B or from MC 175-7, line C.2)					
27. Total countable income (add lines 23, 24, 25, and 26)	710	200	210	400	
E. OTHER DEDUCTIONS					
28. Court-ordered child support/alimony					
29. Income to determine PA eligibility (MC 175-6, line B.3 or B.4)					
30. Other:					
31. Total deductions (add lines 28 through 30)					
32. Total net countable income (line 27 minus line 31) Enter this on MC 175-4 if no parent in MFBU. If parent in MFBU, continue.	710	200	210	400	
33. Parent's total net nonexempt income less in-kind income and income from PA/other PA, LTC, or B&C spouse (line 32 minus lines 11, 12, and 26)	710	200			
F. PARENTAL/SPOUSAL ALLOCATION COMPUTATION (Skip if no parent in MFBU) P/S NEEDS ALLOCATION AMOUNT	$381 ~~$370~~	$381 ~~$370~~			
34. Parent's net countable income less P/S allocation (line 33 minus $370; if negative, enter $0)	329	0			
35. Number of persons for whom Parent A is responsible (MC175-2, Section A) DO NOT COUNT PARENT A	3				
36. Number of persons for whom Parent B is responsible (MC 175-2, Section B) DO NOT COUNT PARENT B		3			
37. Child's natural/adoptive parent—check A, B, or both (see MC 175-2)			☑ A ☑ B	☑ A ☑ B	☐ A ☐ B
38. Parent A's allocation to spouse (if any) and natural/adopted children (divide Parent A's line 34 by line 35—enter in each applicable box) Do not enter under Parent B if unmarried.		109.67	109.67	109.67	
39. Parent B's allocation to spouse (if any) and natural/adopted children (divide Parent B's line 34 by line 36—enter in each applicable box) Do not enter under Parent A if unmarried.					
40. Enter child's net countable income (from line 32)			210	400	
41. Child's total net nonexempt income (add lines 38, 39, and 40); enter on MC 175-4			319.67	509.67	
42. Parent's total net nonexempt income (the lesser of $370 or the amount on line 32, plus line 38 or line 39)	381	309.67			

MC 175-3L2 (9/98) 1931 Group

SECTION 1931(b) MBU DETERMINATION—PROPERTY AND MINIMUM BASIC STANDARD OF ADEQUATE CARE (MBSAC)

☐ 1931 MBSAC TEST ☐ 1931 PROPERTY DETERMINATION

INSTRUCTIONS:

1. Include unborn in the mother's mini budget unit (MBU) and property limit MBSAC level unless mother is married and only her separate children want Medi-Cal. If pregnant woman is PA/Other PA, include the unborn in the spouse's or father's MBU.
2. Do not include an excluded child.
3. Do not list MBU members in more than one MBU.
4. If any MBU has excess property, check to see if Medi-Cal linkage still exists for other family members.
5. Property determinations: enter the allocation for each spouse from MC 324, line 29.
6. Enter each person's net nonexempt income from line 41 or 42.

MBU NUMBER 1

Person name/number	Net Nonexempt ☐ Property ☑ Income
1. child #1	319.67
2.	
3.	
4.	
5.	
6.	
TOTAL	319.67
MBU's ☐ Property Limit ☑ MBSAC	259

(Check one)
☐ Excess Property—FAIL
☑ Income Ineligibility at or exceeds MBSAC—Property Eligible—FAIL
☐ Income Eligible—below MBSAC—Property Eligible—PASS

MBU NUMBER 2

Person name/number	Net Nonexempt ☐ Property ☑ Income
1. child #2	509.67
2.	
3.	
4.	
5.	
6.	
TOTAL	509.67
MBU's ☐ Property Limit ☑ MBSAC	259

(Check one)
☐ Excess Property—FAIL
☑ Income Ineligibility at or exceeds MBSAC—Property Eligible—FAIL
☐ Income Eligible—below MBSAC—Property Eligible—PASS

MBU NUMBER 3

Person name/number	Net Nonexempt ☐ Property ☑ Income
1. mother	381
2. father	309.67
3.	
4.	
5.	
6.	
TOTAL	690.67
MBU's ☐ Property Limit ☑ MBSAC	624

(Check one)
☐ Excess Property—FAIL
☑ Income Ineligibility at or exceeds MBSAC—Property Eligible—FAIL
☐ Income Eligible—below MBSAC—Property Eligible—PASS

MBU NUMBER _____

Person name/number	Net Nonexempt ☐ Property ☐ Income
1.	
2.	
3.	
4.	
5.	
6.	
TOTAL	
MBU's ☐ Property Limit ☐ MBSAC	

(Check one)
☐ Excess Property—FAIL
☐ Income Ineligibility at or exceeds MBSAC—Property Eligible—FAIL
☐ Income Eligible—below MBSAC—Property Eligible—PASS

PART 2 (Continued)

MBU NUMBER _____	
Person name/number	Net Nonexempt ☐ Property ☐ Income
1.	
2.	
3.	
4.	
5.	
6.	
TOTAL	
MBU's ☐ Property Limit ☐ MBSAC	

(Check one)
☐ Excess Property—FAIL
☐ Income Ineligibility at or exceeds MBSAC—Property Eligible—FAIL
☐ Income Eligible—below MBSAC—Property Eligible—PASS

MBU NUMBER _____	
Person name/number	Net Nonexempt ☐ Property ☐ Income
1.	
2.	
3.	
4.	
5.	
6.	
TOTAL	
MBU's ☐ Property Limit ☐ MBSAC	

(Check one)
☐ Excess Property—FAIL
☐ Income Ineligibility at or exceeds MBSAC—Property Eligible—FAIL
☐ Income Eligible—below MBSAC—Property Eligible—PASS

MBU NUMBER _____	
Person name/number	Net Nonexempt ☐ Property ☐ Income
1.	
2.	
3.	
4.	
5.	
6.	
TOTAL	
MBU's ☐ Property Limit ☐ MBSAC	

(Check one)
☐ Excess Property—FAIL
☐ Income Ineligibility at or exceeds MBSAC—Property Eligible—FAIL
☐ Income Eligible—below MBSAC—Property Eligible—PASS

MBU NUMBER _____	
Person name/number	Net Nonexempt ☐ Property ☐ Income
1.	
2.	
3.	
4.	
5.	
6.	
TOTAL	
MBU's ☐ Property Limit ☐ MBSAC	

(Check one)
☐ Excess Property—FAIL
☐ Income Ineligibility at or exceeds MBSAC—Property Eligible—FAIL
☐ Income Eligible—below MBSAC—Property Eligible—PASS