STATE OF CALIFORNIA–HEALTH AND HUMAN SERVICES AGENCY

GRAY DAVIS, Governor

**DEPARTMENT OF HEALTH SERVICES**
714/744 P Street
P.O. Box 942732
Sacramento, CA 94234-7320
(916) 657-2941

August 24, 1999

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

Letter No.: 99-42

CLARIFICATION AND CORRECTIONS ON THE IMPLEMENTATION OF THE SECTION 1931(b) PROGRAM

Ref.: All County Welfare Directors Letter (ACWDL) Nos. 98-43, 99-02, 99-02E, and 99-20

The purpose of this ACWDL is to correct and clarify several questions that counties have had regarding the Section 1931(b) program.

18-YEAR-OLD ENROLLED IN SCHOOL

In some of the previous ACWDLs listed above, we indicated that a 19-year-old child was eligible for Section 1931(b) if he or she was enrolled in school. This information is incorrect. Children must be 18 years old and be a full-time student in high school, or in a vocational or technical training program and be expected to finish school before reaching age 19. Children who are 19-years-old are not eligible for Section 1931(b) regardless of whether they are enrolled in school.

APPLICATIONS DENIED OR WITHDRAWN ON OR AFTER JANUARY 1, 1998 DUE TO EXCESS PROPERTY OR SHARE OF COST (SOC)

The instructions contained in ACWDL 99-20 on page 2 under this subject also apply where cases have been discontinued on or after January 1, 1998.

PREGNANT WOMAN IN HER LAST TRIMESTER

A pregnant woman who has no other eligible children (but the unborn who when born would be deprived) may not be aided under the Section 1931(b) program until her last trimester. If the father of the unborn is living in the home, he may not be aided under this program until the baby is born and the baby is deprived. The father can be aided under the Medically Needy (MN)

program because he has linkage. The father's income is counted in the Section 1931(b) Medi-Cal Family Budget Unit (MFBU) of the pregnant woman and the unborn even though he is an ineligible member of that MFBU until the child is born. If the parents are not married and the pregnant woman is ineligible for Section 1931(b) due to excess income or property, Sneede rules apply. Continuous eligibility rules apply to both the pregnant woman and the infant up to age one.

ATTACHMENT 1 OF ACWDL 99-02E AND EXAMPLE ON PAGE 9 IN ACWDL 99-20

The Sneede example in Attachment 1 of ACWDL 99-02E should have used an MFBU limit for a child with one parent of $312 rather than $191.

In the Example on page 9 of ACWDL 99-20, the Section 1931(b) income limit for six is listed as $1,800. Please correct this amount to $1,180.

THE MFBU FOR THE PERCENT PROGRAMS

We found that in some cases when the child was not eligible for Section 1931(b) and had a large income, the previous instructions to use the small poverty limit was too restrictive when determining eligibility for the Percent programs. Rather than allowing children under age 19 who were ineligible for Section 1931(b) to use only the poverty limit for their MN/MI budget unit [which did not contain those other family members that were eligible under Section 1931(b)], counties should include all persons in the original Section 1931(b) MFBU using the poverty level limit for the entire Section 1931(b) MFBU. This determination follows the regular poverty level rules. As always, if the family contains a Sneede class member, do not count the income of relatives who are not responsible when determining the net nonexempt income of the child. This change affects Examples 3 and 7 and the Income Allocation Example in Attachment 1 in 99-02E. The latter example should have used a poverty limit for a family of six, even though Mother's separate ten-year-old child's income was not included. More information and examples on the Percent programs, including those who have Sneede class members, can be reviewed in the Medi-Cal Eligibility Procedures Manual Section 5K. The only exception to this rule is when the separate children of one parent are applying. Only the parent and the separate children are included in the MFBU and the poverty limit includes only those

persons. You may also review Example C on Page 5K-6 and Page 8F-17 in the Sneede procedures.

**Example:** A single mother and her 8-year-old child with income apply for Medi-Cal. The mother has net nonexempt income of $589 and the child has net nonexempt income of $620. The county determines Section 1931(b) and then applies Sneede because the family is over the Section 1931(b) July 1999 limit.

| **MFBU** | | **Sneede MBU No. 1** | | **Sneede MBU No. 2** | |
|---|---|---|---|---|---|
| Mother | $ 589 | Mother | $389 | Child | $620 + $200 from Mother |
| Child | $ 620 | Total | $389 | Total | $820 |
| Total | $1,209 | Limit | $390 | Limit | $320 |
| Limit | $ 639 | | | | |

The mother passes Section 1931(b) because she keep her parental needs amount of $389 and allocates the remainder to her child; however, the child is above the limit. The county then evaluates the child for the MN program. Since the child did not pass, he or she is evaluated for the 133 Percent program. There are no health premiums to add back.

| **MN** | | **133 Percent Program** | |
|---|---|---|---|
| Child | $620 | Mother's Income | $ 589 |
| Total | $620 | Child's Income | $ 620 |
| Limit | $600 | Total | $1,209 |
| | | Limit (2) | $1,226 |

Child is eligible for the 133 Percent program.

WAIVER OF THE 100-HOUR RULE

Persons who are terminated from Section 1931(b) and have a break in Section 1931(b) coverage and reapply on the basis of unemployment must be working under 100 hours, even though they may still qualify for the $240 and one-half as recipients because they returned to Section 1931(b) within four months.

STEPPARENT REDEFINED

It has come to our attention that a stepparent may be aided as an "essential person" under the Aid to Families with Dependent Children (AFDC) and California Work Opportunity and Responsibility to Kids (CalWORKs) program regardless of whether he or she has deprived children of his or her own or whether his or her spouse has deprivation as an unemployed or incapacitated parent of a deprived child. Therefore, under Section 1931(b), if the stepparent wishes to be aided, he may be included in the budget unit as an eligible person even though he would not be eligible under the MN program unless his or her spouse is incapacitated.

SECTION 1931(b) SNEEDE INCOME DETERMINATION FORM - APPLICANT (MC 175-3I.2A)

Two typographical errors have been found on the MC 175-3I.2A. The errors occur on pages two and three. On line 31, please strike the number 26 and replace it with 27. On line 32, please strike and replace the number 26 with 27. The forms will be modified at a later date and corrected copies will be available from the warehouse. Copies of these corrected pages are enclosed for your information

MINOR AND ADULT MOTHER LIVING WITH SENIOR PARENT

The following are various scenarios which contain a minor mother or a mother over age 18 not enrolled in school who live in the home with the senior parent and must be evaluated for Section 1931(b). Counties have been asking about the MFBU composition since AFDC and CalWORKs use different rules than Medi-Cal. Some of these questions and answers are provided below:

Scenario I. The household consists of a senior mother, her daughter age 19 (or up to age 21) and the daughter's one-year-old child. The 19-year-old is the caretaker of her one-year-old.

Question: How is the MFBU for Section 1931(b) determined when the child's parent is actually an adult under AFDC/CalWORKs rules?

Answer: Since the 19-year-old is an adult and the caretaker of her child, the Section 1931(b) MFBU consists of the 19-year-old and the one-year-old. The grandmother may apply for the MN program since her daughter is under age 21.

Scenario II: The household consists of a senior mother, her daughter age 19 or older and the daughter's one-year-old child. The senior mother is the caretaker of the one-year-old.

Question: What is the MFBU for Section 1931(b)?

Answer: The Section 1931(b) MFBU consists of the senior mother, the 19-year-old and the one-year-old which is similar to the MFBU composition for the married minor.

Scenario III: The household consists of a senior mother and a pregnant 19-year-old (or up to age 21) in her last trimester.

Question: What is the MFBU for Section 1931(b)?

Answer: Since under AFDC/CalWORKs rules, the senior mother cannot be a caretaker of the unborn nor can she be a caretaker of the adult 19-year-old, the MFBU consists of the 19-year-old as long as she has reached her last trimester. The grandmother may apply for the MN program.

Scenario IV : The household consists of a minor mother, her child, and her senior parent who is the actual caretaker relative of the minor. The minor mother is 17, or age 18 and enrolled in school and expected to graduate prior to age 19.

Question: What is the MFBU under Section 1931(b)?

Answer: Under AFDC/CalWORKs rules, the minor is still a child, but if the minor mother is the caretaker of her child, the MFBU should consist of only the minor mother and her child. The senior mother may apply for the MN program. If the senior parent is the caretaker of BOTH the minor mother and her child, the senior parent is also in the MFBU.

**Scenario V:** The minor mother and her child are receiving CalWORKs and the non-needy caretaker senior mother applies for Medi-Cal.

Question: Is the senior mother automatically eligible for Section 1931(b) as a recipient?

Answer: No. ACWDL 99-02, Example 1, stated that if part of the family was receiving CalWORKs, certain persons who were not eligible for CalWORKs because they were sanctioned or undocumented aliens could be assumed to be automatically eligible for Section 1931(b). Unlike the alien or sanctioned parent, the senior mother may not eligible for CalWORKs due to other reasons, i.e., excess income; therefore, she should be evaluated for Section 1931(b).

**NOTE:** The minor in Section 1931(b) can apply for Minor Consent services regardless of the scenario if she meets the criteria for that program.

ANOTHER EXAMPLE OF INCOME ALLOCATION RULES

ACWDL 99-02E contained two income allocation examples on Attachment 1. Here is another example when one of the parents uses all his or her income to make his or her spouse or children eligible for Section 1931(b).

The married parents request Medi-Cal for themselves, their two mutual children and the mother's two separate children, one of which is a 20-year-old child. The mother's net nonexempt income is $300 and the father's net nonexempt income is $589. Both are employed so there is no deprivation for their mutual children. The mother's 20-year-old has unearned net nonexempt income of $500.

**Section 1931(b)**

| | |
|---|---|
| Mother | $ 300 |
| <Father> | $ 589 |
| <Mutual Child no. 1> | 0 |
| <Mutual Child no. 2> | 0 |

| | |
|---|---|
| Mother's 10-Year-Old | 0 |
| <Mother's 20-Year-Old> | $ 500 |
| Total | $1,389 |
| Limit for July 1999 | $1,208 |

Since the family is over the Section 1931(b) limit and there are Sneede class members, Sneede rules apply.

The Section 1931(b) Sneede parental needs amount at this time is $389. The mother keeps $300 and allocates nothing because she has less than $389. The father keeps $389 and allocates $200 divided by 3 = $67 (the mother, mutual children no. 1 and no. 2)

**MBU No. 1**

| | | |
|---|---|---|
| Mother | $300 + $67 from father | $367 |
| <Father> | $389 | $389 |
| <Mutual Child no. 1> | $67 from father | $ 67 |
| <Mutual Child no. 2> | $67 from father | $ 67 |
| Total | | $890 |
| Limit | | $942 |

The mother is eligible for Section 1931(b). The other family members in this MBU have no linkage.

**MBU No. 2**

Mother's 10-year-old = $0

Mother's 10-year-old is eligible for 1931(b)

**MBU No. 3**

<Mother's 20-Year-Old = $500>

This child has no linkage for 1931(b)

Since the father's entire income was used in his MBU to make the mother eligible for Section 1931(b ), his income will not be used again. The allocations of $67 from the father to each ineligible mutual child are not carried over because that income was already used in the Section 1931(b) MBU which made the mother eligible. The 20-year-old's income is used again

because children are not responsible relatives. If a mutual child in MBU No. 1 had his or her own income, it also would be used again.

**MN/MI**

| | |
|---|---|
| <Father> | $ 0 |
| Mutual Child No. 1 | $ 0 |
| Mutual Child No. 2 | $ 0 |
| Mother's 20-Year-Old | $ 500 |
| Total | $ 500 |
| Limit | $1,110 |

All the children are eligible whether deprived or not. The father has no linkage and is not eligible.

NOTE: If Sneede applies to a MN/MI budget unit and there are no parents in the MFBU because they were eligible for Section 1931(b), the child(ren) in the MBU receive a full standard of need rather than a prorated income/property limit slimilar to when a parent is PA or other PA.

Please direct income questions to Dave Rappolee of my staff at (916) 657-0163, Sharyl Shanen-Raya at (916) 657-2942 for property and backlog processing issues, and Margie Buzdas at (916) 657-0726 or Erin Lynch at (916) 654-5769 for issues regarding deprivation, MFBU, charts, and forms.

Sincerely,

ORIGINAL SIGNED BY

ANGELINE MRVA, Chief
Medi-Cal Eligibility Branch

Enclosures

| F. PARENTAL/SPOUSAL (P/S) ALLOCATION COMPUTATION (Skip if no parent in MFBU) | | | | | |
|---|---|---|---|---|---|
| 24. P/S allocation (subtract $1 from MBSAC for one person). | | | | | |
| 25. Total unearned in-kind income, income from PA or income allocated from LTC/B&C spouse (add lines 3, 4 and 17). | | | | | |
| 26. Parent's total net nonexempt income (subtract line 25 from line 23). | | | | | |
| 27. Parent's net nonexempt income less P/S allocation (subtract line 24 from line 26); if negative, enter 0. | | | | | |
| 28. Number of persons for whom Parent A is responsible (MC 175-2, Section A). DO NOT COUNT PARENT A. | | | | | |
| 29. Number of persons for whom Parent B is responsible (MC 175-2, Section B). DO NOT COUNT PARENT B. | | | | | |
| 30. Child's natural/adoptive parent - check if Parent A and/or B (see MC 175-2). | | | ❒A ❒B | ❒A ❒B | ❒A ❒B |
| 31. Parent A's allocation to spouse (if any) and natural /adopted children (divide parent A's line ~~26~~ 27 by line 28 and enter in applicable box). Do not enter under Parent B if unmarried. | | | | | |



| | | | | | |
|---|---|---|---|---|---|
| 32. Parent B's allocation to spouse (if any) and natural /adopted children (divide parent B's line ~~26~~ 27 by line 29 and enter in applicable box). Do not enter under Parent A if unmarried. | | | | | |
| 33. Enter the lesser of either line 24 or 26. | | | | | |
| 34. Parent's total net nonexempt income (add lines 25, 33, and 31 or 32). | | | | | |
| 35. Child's total net nonexempt income (add lines 23, 31 and 32) enter on MC 175-4. | | | | | |



## PART 2

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

❒ SECTION 1931(B) MBSAC TEST ❒ SECTION 1931(B) PROPERTY DETERMINATION

INSTRUCTIONS

1. Include unborn in the mother's MBU and property limit/MBSAC income 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 lines 34 or 35.