



State of California—Health and Human Services Agency  
**Department of Health Services**



**ARNOLD SCHWARZENEGGER**  
Governor

July 14, 2006

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 05-35E

ALL COUNTY ADMINISTRATIVE OFFICERS  
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS  
ALL COUNTY HEALTH EXECUTIVES  
ALL COUNTY MENTAL HEALTH DIRECTORS  
ALL COUNTY PICKLE COORDINATORS

SUBJECT: ERRATA TO 05-35: JANUARY 2006 SOCIAL SECURITY TITLE II AND  
TITLE XVI COST OF LIVING ADJUSTMENTS AND RELATED ISSUES

The purpose of this Errata is to correct the Presumed Maximum Value (PMV) dollar amount for a couple as listed in Enclosure 1 of All County Welfare Directors Letter (ACWDL) 05-35.

The Social Security Administration (SSA) provides the State of California with the dollar figure each year for the PMV. It has been brought to the attention of the California Department of Health Services that Enclosure 1 has the incorrect PMV amount listed for a couple.

The amount published in ACWDL 05-35 (2006 Cost of Living Adjustments and Related Issues) for the PMV Couple, \$321.66, is incorrect. The correct PMV amount for a couple for 2006 should be \$321.33.

SSA calculates the PMV for a couple using the Couple Federal Benefit Rate divided by 3 and then adds \$20.  $\$904/3 = \$301.33 + \$20 = \$321.33$ .

SSA calculates the PMV for an Individual with an Essential Person using the total of the Federal Benefit Rate + Essential Person increment divided by 3 + \$20.  $\$603 + \$302 = \$905/3 = \$301.66 + \$20 = \$321.66$ .

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The amount \$321.66 published in ACWDL 05-35 Enclosure 1 is the PMV amount for an Individual with one Essential Person in own household. An essential person is someone who was identified as essential to an individual's welfare under a State program that preceded the Supplemental Security Income (SSI) program. CDHS is exploring programs prior to the development of SSI.

If you have any questions, or if you feel you have a situation that involves an essential person, please contact Cecilia Kelley at (916) 552-9485 directly for assistance.

**Original signed by**

Tameron Mitchell, R.D., M.P.H., Chief  
Medi-Cal Eligibility Branch

Enclosure

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**P I C K L E   H A N D B O O K**  
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2006 ISM VALUES FOR  
 COMPUTING PICKLE ELIGIBILITY

	<u>Individual</u>	<u>Couple</u>
VTR (not rebuttable)**	\$201.00	\$301.33
PMV (rebuttable)***	\$221.00	\$321.33

The VTR is the payment level to be used in situations 1, 2, and 3 below. The PMV is the unearned income amount to be added in other situations. The following chart provides the method that must be used for determining Pickle eligibility for individuals and couples in various living arrangements.

<u>HOUSEHOLD SITUATION (LIVING ARRANGEMENT)</u>	<u>PRINCIPLE</u>
1. Living in household of another throughout a month and receiving both food and shelter from someone in the household.	Reduce the applicable payment level by one-third the Federal Benefit Rate (FBR). Use the VTR.
2. Living in household of another who is providing both food and shelter and also receiving ISM from a third party.	Reduce the FBR payment level by one-third (VTR). Exclude third party ISM.
3. Living with a responsible relative (deemor) who lives in the household of another and the householder is not a responsible relative but is supplying both food and shelter.	Add VTR from the householder to deemed income from the responsible relative and add to other unearned income.
4. Living in own household (ownership or rental liability) and receiving ISM from someone outside the household.	Add PMV to other unearned income.
5. Living in non-institutional care* situation or group home and receiving ISM from someone outside the household.	Add PMV to other unearned income.

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**P I C K L E   H A N D B O O K**

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| 6.  | Living with a responsible relative (deemor) who lives in the household of another and the householder is not a responsible relative but is supplying food or shelter.                                  | Add PMV from the householder to deemed income from the responsible relative and add to other unearned income.   |
| 7.  | Living in household of another and sharing partial or total household expenses.  | If pro rata share is contributed, we use the SSI/SSP payment level for a person in an "independent living arrangement." If pro rata share is not contributed, add PMV.  |
| 8.  | One member of an eligible couple lives in the household of another and receives both food and shelter from the householder while the second member lives in his/her home or a non-medical institution. | One-sixth of the FBR for a couple for the person living in the household of another. (VTR-not rebuttable.)<br><br>One-sixth of the FBR for a couple for the person living in his/her own household. (VTR-not rebuttable.) |
| 9.  | If the non-institutionalized spouse lives in any other situation.  | One-sixth of the FBR for a couple plus \$10.  |
| 10. | Paying less than Current Market Rental Value (CMRV) for shelter. (See page 1-2.)   | Add PMV unless criteria for earned/unearned income are met (see ISM).   |