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MEDI-CAL ELIGIBILITY PROCEDURES MANUAL LETTER NO.: 310

TO: ALL HOLDERS OF THE MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

Enclosed are revisions to Article 10, Income Eligibility, of the Medi-Cal Eligibility Procedures Manual.

Procedure Revision

Description

Article 10

Policy and procedures regarding treatment of payments of Aid and Attendance and payments for Unusual Medical Expense benefits from the Veterans Administration to an individual

Filing Instructions

Remove Pages

Insert Pages

Article 10, TC-1 through TC-2

Article 10, TC-1 through TC-2

Article 10J-1

Article 10J-1 through 10J-3

If you have any questions concerning this revision, please contact Dave Rappolee of my staff at (916) 552-9517.

Original Signed By

Vivian Auble, Chief
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- ARTICLE 10 -- INCOME
- 10A -- SSI/SSP PAYMENT STANDARDS
 - 10B -- AID TO FAMILIES WITH DEPENDENT CHILDREN STANDARDS
 - 10C -- PUBLIC LAW PAYMENTS INCOME EXEMPTIONS
 - 1. PL 94-385 and PL 97-35 – Home Energy Assistance
 - 2. PL 95-171 – Disaster Assistance
 - 3. PL 96-420 – Payments Distributed Under the Maine Indian Claims Settlement Act of 1980
 - 10D -- SENIOR CITIZENS RENT ASSISTANCE
 - 1. Background
 - 2. Eligibility Requirements
 - 3. Impact on Income
 - 10E -- COST OF IN-HOME SERVICES AS AN INCOME DEDUCTION FOR AGED, BLIND, AND DISABLED-MEDICALLY NEEDY (ABD/MN)
 - 10F -- INCOME IN KIND VALUES AND POLICIES RELATING TO THEIR USE
 - 10G -- TREATMENT OF MONEY RECEIVED FROM NONFAMILY MEMBERS LIVING IN THE HOME
 - 1. Ten Percent of Gross (Title 22 Section 50515(a)(2))
 - 2. Net Profit From Self-Employment (Title 22 Section 50508(a)(4))
 - 3. Income In Excess of Contributor's Share of Household Costs (Title 22 Section 50515(a)(2))
 - 10I -- TITLE II DISREGARD ELIGIBILITY DETERMINATIONS – OBSOLETE, SEE "PICKLE" HANDBOOK
 - 10J -- VETERAN'S BENEFITS
 - 1. Treatment Of Aid And Attendance Received By Individuals Residing In The Home
 - 2. Treatment Of Aid And Attendance Received By Individuals Residing In A Nursing Home Or Other Medical Institution
 - 3. Procedure For Identification And Verification Of Aid And Attendance Payments
 - 4. Treatment Of Payments For Unusual Medical Expenses

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- 10K -- COMMUNITY PROPERTY INCOME AVAILABLE IN LONG-TERM CARE (LTC) SITUATIONS
- 10L -- APPLICATION OF THE \$30 PLUS ONE-THIRD AND \$30 DEDUCTION
- 10M -- INCOME FROM SELF-EMPLOYMENT
- 10P -- TREATMENT OF VETERAN'S EDUCATIONAL BENEFITS
- 10Q -- INCOME DEDUCTION FOR PERSONS IN LICENSED BOARD AND CARE FACILITIES
- 10R -- APPLICATION OF OLD AND CURRENT MEDICAL BILLS TOWARD SHARE OF COST (INCLUDES HUNT V. KIZER PROCEDURES)

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10J – TREATMENT OF CERTAIN PAYMENTS RECEIVED FROM THE VETERANS ADMINISTRATION: AID AND ATTENDANCE PAYMENTS AND PAYMENTS FOR UNUSUAL MEDICAL EXPENSES

A. TREATMENT OF AID AND ATTENDANCE RECEIVED BY INDIVIDUALS RESIDING IN THE HOME

Aid and Attendance (AA) payments from the Veterans Administration (VA) received by individuals residing in the home are not counted as income for purposes of determining income eligibility for Medi-Cal. An individual residing in the home is any individual who is *not* residing in a nursing home or other medical institution on a permanent basis. For purposes of this Article of the Procedures Manual, an individual is permanently residing in a nursing home or other medical facility on the first day of the month following the month of his/her admission provided that the individual is expected to continue residing in a medical facility for at least one full calendar month after the month of admission.

Please see the next part of this section for the procedures pertaining to the identification and verification of AA payments. Please see the last part of this section for policy pertaining to the treatment of “Unusual Medical Expense” payments received by an individual from the VA.

B. TREATMENT OF AID AND ATTENDANCE RECEIVED BY INDIVIDUALS RESIDING IN A NURSING HOME OR OTHER MEDICAL INSTITUTION

The following policy applies to individuals who receive AA payments from the VA and who reside permanently in a medical institution. For purposes of this section, the term medical institution includes nursing homes, acute care facilities, and the State operated veterans homes located in Yountsville and Barstow.

Institutionalized Individual With A Community Spouse Or Minor Child: For cases in which the institutionalized individual receiving the AA payment has a spouse or minor child, do not count the AA payments as income for purposes of determining the individual’s income eligibility or share-of-cost (SOC).

AA payments are not disregarded for any other purpose. If the institutionalized spouse elects to convey some or all of his/her AA payment to the CS, the AA so conveyed is countable income to the CS and is counted when calculating his/her unmet need for purposes of determining the spousal allocation under the Spousal Impoverishment (SI) rules and is also countable income for purposes of determining the Medi-Cal eligibility of the CS.

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AA payments must be excluded from the institutionalized spouse's income before determining how much he/she has available to allocate to the CS under the SI rules.

Institutionalized Individual Who Has No Spouse And No Minor Child: For cases in which the institutionalized individual receiving the AA payment has neither a spouse nor a minor child, do not count the first \$90 of AA payments received by the individual.

AA is a third party liability (TPL) payment. That portion of the AA payment exceeding \$90 must be used to defray Medi-Cal payments toward the cost of institutional care. For this purpose, and to ensure that the medical facility in which the individual receiving the AA is residing is properly paid, the over-\$90 portion of the AA payment will be included in the individual's SOC by counting the over-\$90 portion of the AA payment as income to the individual.

The policies established in Part A and B above apply to both veterans receiving AA, and their widows, if any, who may receive a portion of the AA paid to the deceased veteran.

C. PROCEDURE FOR IDENTIFICATION AND VERIFICATION OF AID AND ATTENDANCE PAYMENTS

To aid veterans in obtaining the benefits they are eligible to receive, and to ensure that outside sources of income are used before Medi-Cal, the Medi-Cal program has adopted the use of the Veteran's Benefits Referral Form CW 5. (The CW 5 replaces the formerly-used CA 5).

The MC 210, Statement of Facts form, solicits information from the individual regarding whether any of the applicants/beneficiaries in the case are veterans. If the answer to these questions indicates that a person may be eligible for, or has applied for, veterans payments, the county will complete and transmit the CW 5 if this has not been previously done in the past. A CW 5 should also be completed whenever a veteran or veteran's dependent enters a nursing home or other medical facility. (See forms section for complete instructions for completion of the CW 5.)

After the CW 5 is completed, it should be sent to the County Veterans Service Office (CVSO) in accordance with the instructions on the CW 5. The DVSO will return a completed copy of the CW 5 after that office has completed its action on the case.

Veterans benefits are unconditionally available income. The applicant or beneficiary who refuses to cooperate in the completion of the CW 5, or refuses to cooperate with the CVSO, is ineligible for Medi-Cal per Section 50186 of Title 22 of the California Code of Regulations.

Both AA payments and Unusual Medical Expense (UME) payments may be verified through the award letter issued by the VA in conjunction with these payments. This

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award letter should identify the nature, and amount, of such payment. Verification of AA or UME payments should also be possible by contacting the county's CVSO.

D. TREATMENT OF PAYMENTS FOR UNUSUAL MEDICAL EXPENSES

Payments for UMEs received by an individual are not counted as income for purposes of determining income eligibility for Medi-Cal, regardless of the living situation, or place of residence, of the individual who receives such payment.