STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

GEORGE DEUKMEJIAN, Governor

DEPARTMENT OF HEALTH SERVICES
714/744 P STREET
SACRAMENTO, CA 95814

February 10, 1983

To: All County Welfare Directors

BELTRAN V. MYERS (TRANSFER OF PROPERTY LITIGATION) Letter No. 83-14

Reference: All County Welfare Directors Letters No. 81-44 and 82-47

This letter provides counties with further instructions regarding the transfer of other real property (ORP) without adequate consideration pursuant to Welfare and Institutions (W & I) Code, Section 14006 and Beltran v. Myers.

All County Welfare Directors Letter No. 82-47, Other Real Property Regulations, explained the Department's action in seeking further legislative change in W & I Code, Section 14006 as amended by AB 799. Specifically, the statute was amended by AB 799 to decrease the ORP limit from $25,000 to $6,000; and was further amended by SB 2012 to allow the applicant whose excess ORP was their former principal residence to remain eligible for Medi-Cal under certain conditions. Specific instructions for implementing these provisions of SB 2012 were contained in All County Welfare Directors Letter No. 83-10, released January 31, 1983.

Questions have arisen from county welfare departments concerning the impact of Beltran v. Myers on the transfer of ORP. As explained in All County Welfare Directors Letter No. 81-44, the transfer of non-exempt property can result in a denial of eligibility, and a period of ineligibility can be imposed. Therefore, a transfer of ORP with a net market value in excess of $6,000, when adequate consideration is not received, can result in ineligibility. This is also the case when transferred property is the applicant's former principal residence, which has become ORP with a value above $6,000, and is subject to the lien provisions of 14006(i). The net market value is to be determined in accordance with CAC, Title 22, Sections 50412, 50415, and 50441(c).

On the other hand, no period of ineligibility can be applied to an MFBU containing a federally eligible person who has transferred ORP which is being utilized at the time of the transfer and which has a net market value of $6,000 or less. Again, the net market value is to be determined in accordance with CAC, Title 22, Sections 50412, 50415, and 50441(c).

In summary, to the extent net equity in transferred property is in excess of $6,000 or not adequately utilized at the time of the transfer, the transfer is not protected by the rulings in the Beltran case and a period of ineligibility can be assessed. Medi-Cal eligibility may be denied or discontinued for Medically Indigent Adults who transfer ORP irrespective of the property's net market value. Eligibility for this group is to be determined in accordance with All County Welfare Directors Letters No. 81-27 and 81-37.

Please direct any further questions to either Doug MacDonald or Marie Harder at (916) 445-1797.

Sincerely,

ORIGINAL SIGNED BY

Madalyn M. Martinez, Chief
Eligibility Branch

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants