

DEPARTMENT OF HEALTH SERVICES

714/744 P STREET
SACRAMENTO, CA 95814

October 11, 1983

To: All County Welfare Directors

Letter No. 83-66

1983/84 MAINTENANCE NEED LEVELS (MINOR V. RANK) AND UNAVAILABLE INCOME

Re: All County Welfare Directors (ACWD) Letter No. 83-57

1. Increased Maintenance Need Level for Two-Adult MFBUs

ACWD Letter No. 83-57 instructed counties to implement new maintenance need levels effective July 1, 1983. Due to anticipated problems with obtaining federal approval, this Department did not instruct counties in ACWD Letter 83-57 to implement the separate maintenance need level for families consisting of two adults as required by Section 124.7 of Chapter 323, Statutes of 1983 ("the budget trailer bill"). However, counties must now implement this separate standard in order to comply with the court order issued in the Minor v. Rank lawsuit. Therefore, counties must now increase the maintenance need level to \$709 (Attachment I) for Medi-Cal Family Budget Units (MFBUs) consisting of two adults, effective July 1, 1983. Pursuant to the court's order of September 29, 1983, conversion of two-adult households to reflect this change must be completed by November 1, 1983.

Counties must report to this Department whether the November 1, 1983 deadline for completing implementation will be met. If the November 1, 1983 deadline cannot be met, the county must inform this Department of the reasons the deadline cannot be met and a projected date by which implementation will be completed. This report must be sent to the address below to be received by the Department by November 3, 1983. (Note: The November 1, 1983 deadline was set by court order. As such, this Department is unable to grant exceptions. Failure to meet this deadline may subject county personnel to contempt of court proceedings.)

Department of Health Services
714 P Street, Room 1692
Sacramento, CA 95814

Attn: Marie Harder

2. Potential Future Reduction in the Maintenance Need Level

The state legislation requires the Department to seek a determination from the federal Department of Health and Human Services, Health Care Financing Administration (HHS/HCFA) as to whether or not the separate maintenance need level provision is in compliance with federal law. Should a final

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determination of non-compliance be made by HHS/HCFR, the maintenance need level for two adults will be reduced to \$567. Therefore, counties should continue to flag all two adult Medi-Cal cases for easy identification should this redetermination need to be made. In addition, we have developed an informational letter (Attachment II) explaining the possibility of this future reduction. This informational letter should be provided to all two adult Medi-Cal households.

3. Unavailable Income for MN Board and Care Residents

The trailer bill also contained language defining unavailable income for Medically Needy (MN) persons residing in licensed board and care facilities. This language defines as "unavailable" that portion of the MN person's monthly income in excess of the maintenance level, which is paid to the facility for residential care and support. This provision is also effective July 1, 1983 and must be implemented by November 1, 1983. Counties must submit reports (see No. 1 above) of any difficulties in meeting this deadline.

We are promulgating emergency regulations to both implement the maintenance need levels and add the new definition of unavailable income. For your information, attached is a final draft copy (Attachment III). These regulations will be filed by October 14th.

If you have any questions regarding this matter, please contact Marie Harder at (916) 324-4963.

Sincerely,

ORIGINAL SIGNED BY

Caroline Cabias, Chief
Eligibility Branch

Attachments

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

Maintenance Need Effective July 1, 1983

1 person in all situations	\$ 459
2 persons	\$ 567
2 persons (adults)	\$ 709
3 persons	\$ 709
4 persons	\$ 834
5 persons	\$ 959
6 persons	\$1,075
7 persons	\$1,175
8 persons	\$1,284
9 persons	\$1,384
10 persons	\$1,492

For each additional person add \$9.

The maintenance need level for persons in long-term care remains at \$25.

NOTICE TO BENEFICIARIES

Households of Two Adults

The California Legislature recently enacted Assembly Bill 223 (Budget Trailer Bill) which contained provisions to increase the Medi-Cal maintenance need levels effective July 1, 1983. These levels are the amount of monthly income a Medi-Cal individual or family may retain to meet living expenses. Income above this level is considered available to meet the cost of medical care and is designated as "share of cost".

The new maintenance need level for a family of two adults will be \$709 (a 30 percent increase from last year's level). The level for other two-person households will be \$567 (a 4 percent increase from last year's level).

The Department of Health Services has implemented the new maintenance need levels. In addition, approval has been requested from the Federal Government for the new levels. Federal law only allows for a single maintenance need standard for all medically needy groups. As you can see from the paragraph above, the recently enacted California law requires two different standards for a family of two depending upon the composition of the family. On this basis, the Federal Government may not approve the State's Plan to allow a different maintenance need level of \$709 for families of two adults. If this happens, the State will be forced to use the \$567 level for all two-person households, including families with two adults. Therefore you may be effected by the federal decision, and you may have an increased share of cost at a later time. Should this occur, you will be provided with a formal Notice of Action at least 10 days before the action is taken.

Amend Section 50515 to read:

50515. Unavailable Income. (a) Income which is not available to meet current needs of a person or family shall not be considered in determining that person's or family's share of cost. Unavailable income includes, but is not limited to, the following:

(1) That portion of Worker's Compensation and other public or private insurance settlements which is either of the following:

(A) Designated for medical, legal or other such expenses.

(B) Not controlled by the applicant or beneficiary or person acting on his behalf.

(2) That portion of a contribution that is both of the following:

(A) From a person living in the household who has no legal responsibility to support, such as an unrelated adult or an adult child.

(B) Used to meet the actual costs of the contributor's share of the housing, utilities, food and other household costs. If actual costs are unavailable, the amounts specified in Section 50511 shall be used. This shall be the difference between the income-in-kind values for the family size with the person included and excluded.

(3) That portion of the monthly income of a medically needy person residing in a licensed board and care facility which is both of the following:

(A) Paid to the facility for residential care and support.

(B) In excess of the appropriate maintenance need level as determined in accordance with Section 50603.

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NOTE: Authority Cited: Sections 10725 and 14124.5, Welfare and Institutions Code, Section 125.7(d), Chapter 323, Statutes of 1983.

Reference: Section 14005.7, Welfare and Institutions Code.

Repeal Section 50603:

50603. Maintenance Need — Persons Living in the Home. (a) The maintenance need for the members of the MFBU living in the home shall be determined in the following manner with amounts of one cent or more rounded to the next highest dollar.

(1) The maintenance need for an MFBU consisting of one through ten persons shall equal 133 1/3 percent of the AFDC payment level for a family group of corresponding size, except as specified in (2).

(2) The maintenance need for one person when all other members are PA or Other PA shall equal one-half of the maintenance need level for two persons established in accordance with (1).

(3) The maintenance need for an MFBU consisting of 11 or more persons shall equal the maintenance need level for a family group of 10 established in accordance with (1) plus an amount equal to the AFDC MBSAC increase level for additional persons in excess of 10 for each MFBU member in excess of 10.

Add new Section 50603 to read:

50603. Maintenance Need -- Persons Living in the Home. (a) The maintenance need for members of the MFBU living in the home shall be determined in the following manner with amounts of one cent or more rounded to the next highest dollar.

(1) The maintenance need for an MFBU consisting of one individual shall equal 80 percent of the AFDC payment level for a family of two persons multiplied by 133 1/3 percent.

(2) The maintenance need for a family consisting of two adults shall equal the AFDC payment level for a family of three persons multiplied by 133 1/3 percent.

(3) The maintenance need for an MFBU consisting of two persons when only one is an adult and for an MFBU consisting of three through ten persons shall equal the AFDC payment level for a family group of corresponding size multiplied by 133 1/3 percent.

(4) The maintenance need for an MFBU consisting of 11 or more persons shall equal the maintenance need level for a family group of 10 established in accordance with (3) plus an amount equal to the AFDC MBSAC increase level for each MFBU member in excess of 10.

(5) The monthly maintenance need determined in accordance with (1) through (3) shall be calculated on an annual basis, rounded to the next higher multiple of (\$100), and then prorated.

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NOTE: Authority Cited: Sections 10725 and 14125.5, Welfare and Institutions Code; and Section 124.7(d), Statutes of 1983.

Reference: Sections 14005.12 and 14008, Welfare and Institutions Code.

Amend Section 50605 to read:

50605. Maintenance Need — Persons in Long-Term Care. (a) The maintenance need for a member of the MFBU in long-term care shall be either of the following:

(1) Twenty-five dollars for personal and incidental needs, when the beneficiary will remain in long-term care for the entire calendar month.

(2) The appropriate maintenance need determined in accordance with Section 50603, if the persons will be in long-term care for only a portion of the month.

(b) An LTC patient shall retain an amount of income for upkeep of a home in addition to the amount specified for personal and incidental needs in (a) (1) if all of the following conditions are met:

(1) The spouse or family of the LTC patient is not living in the home.

(2) The home, whether rented or owned by the LTC patient, is actually being maintained for the return of the LTC patient.

(3) There is a verified medical determination that the LTC patient will return home within six months of the date LTC patient status was established.

(c) The amount allowed for upkeep of the home, if the conditions specified in (b) are met, shall be:

(1) One hundred ~~forty-eight~~ fifty-four dollars per month, if the applicant or beneficiary has been living alone in the home.

(2) One hundred five dollars per month, if the home is shared with persons for whom the applicant or beneficiary has no legal responsibility for support.

(3) One hundred five dollars per month for each spouse, if the beneficiary and spouse have been living together and both have become LTC patients and will return home within six months.

(d) The LTC patient shall ~~also~~ retain an amount of income to pay for the support of a disabled relative if all the following conditions are met:

(1) The disabled relative is not the LTC patient's:

(A) Spouse.

(B) Child, as defined in Section 50030.

(2) The LTC patient has contributed and will continue to contribute to the support of the disabled relative on a regular basis.

(e) The amount allowed for the support of a disabled relative, if the conditions specified in (d) are met, shall be the lesser of:

(1) The actual amount contributed, or

(2) ~~(1)~~ For the disabled relative who is living alone or with persons who have no legal responsibility for the support of the disabled relative, the amount allowed shall be the maintenance need level for one person established in accordance with Section 50603 (a) (1), minus the disabled relative's net income.

~~(2)~~ For disabled relative living with persons who have legal responsibility for the support of the disabled relative, the amount allowed shall be the maintenance need level for one person when all persons are PA or Other PA, minus the disabled relative's net income.

NOTE: Authority Cited: Section 10725 and 14124.5, Welfare and Institutions Code; Section 124.5, Chapter 323, Statutes of 1983.

Reference: Section 14005.12, Welfare and Institutions Code