STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

DEPARTMENT OF HEALTH SERVICES
714/744 P STREET
S \MENTO, CA 95814

GEORGE DEUKMEJIAN, Governor

May 3, 1985

To: All County Welfare Directors
All County Administrative Officers

Letter No. 85-30

THERAPEUTIC WAGES OF PERSONS IN LONG-TERM CARE

SB 2215 (Section 3, Chapter 1458, Statutes of 1984) allows certain Medi-Cal beneficiaries who live and work in a long-term care (LTC) facility to retain a portion of their earnings above the current maintenance need level of $35.

The amount of earned income from therapeutic wages the individual shall be allowed to retain shall be the lesser of 70 percent of the gross therapeutic wages or 70 percent of the maintenance need level for a non-institutionalized person or family of corresponding size as set forth in Title 22, CAC, Section 50603.

This additional amount is to be added to the $35 maintenance need when completing the MC 176-M-LTC (Line 15b). The share of cost determination is to be computed in accordance with Title 22, CAC, Section 50653(a)(2) (see copy of sample attached).

Therapeutic wages are wages earned by the individual when all of the following conditions are met:

1. A physician who does not have a financial interest in the long-term care facility in which the individual resides, and who is in charge of the individual's case prescribes work as therapy for the individual.

2. The individual is employed within the same long-term care facility where he or she resides.

3. The individual's employment does not displace any existing employees.

4. The individual has resided in a LTC facility for a continuous period commencing at least five years prior to September, 1984.

Prior to approval, therapeutic wages must be verified by obtaining all of the following documentation:

1) A statement from the individual's physician which explains that he/she has no financial interest in the LTC facility in which the individual resides and that the work has been prescribed as therapy for the individual.

2) A statement from the facility verifying the individual's employment and that such employment does not displace any existing employees.

3) A statement(s) from the facility(ies) verifying that the individual has been an LTC resident continuously since September, 1979.

The Department has filed regulations amending: 1) Title 22, CAC, Section 50095.5 to add therapeutic wages as a definition; 2) Section 50167(c) to require verification of therapeutic wages; and 3) Section 50605 to increase the maintenance need for individuals in LTC who earn therapeutic wages.

In the interim, you are instructed to implement these changes retroactive to October 1, 1984 as the regulations reflecting these changes have been filed on an emergency basis.

If you or your staff have any questions, please contact Maxine Forster at (916) 324-4968.

Sincerely,

Original signed by

Gary Pettigrew for
Doris Z. Soderberg, Chief
Medi-Cal Eligibility Branch

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

EXPIRATION DATE: November 3, 1985

ARE OF COST DETERMINATION – MFBUs WITH LTC PERSON INCLUDED – LTC

Name: SAMPLE

County District | County Use

☐ Application ☐ Redetermination ☐ Change ☐ Retroactive Elig. ☐ Correction

Effective Eligibility Date for this Budget: Mo. Yr.

State Number: Aid	7 Digit Serial No.	MFBU	Pers. No.	Name – First, Middle, Last	Birthdate Mo. Day Yr.	Sex	(1) Social Security No. and (2) Health Insurance Claim No. or Railroad Retirement No.	Other Coverage
							(1) (2)	
							(1) (2)	
							(1) (2)	
							(1) (2)	
							(1) (2)	
							(1) (2)	
							(1) (2)	

come of MFBU members applying as aged, nd, or disabled plus income of spouse or rent (except PA or other PA)

ONEXEMPT UNEARNED INCOME

	a. ABD-MN	b. Spouse or Parent
ocial Security	175	
et Income om Property		
ther— emize		
dd 1 thru 4)		
eductions		
emainder minus 6)	a. 175	b.
ombined unearned Inc. dd 7a and 7b)	175	
y Income deduction	–$20	
untable unearned come (8 minus 9)	155	

NEXEMPT EARNED INCOME

	a.	b.
oss Earned come	260	
ductions		
mainder minus 12)	a. 260	b.
mbined earned Inc. d 13a and 13b)	260	
5 earned Inc. deduction s $ ____ unused $20	65	
mainder minus 15)	195	
untable earned Inc. vide 16 by 2)	97.50	
al countable Inc. d 10 and 17)	252.50	

EMPT INCOME

II. Income of MFBU members not listed in I. (except PA or other PA)

A. NONEXEMPT UNEARNED INCOME

1. Social Security	
2. Net Income from Property	
3. Other—Itemize	
4.	
5. Total unearned Income (add 1 through 4)	
6. Deductions	
7. Countable unearned Inc. (5 minus 6)	

B. NONEXEMPT EARNED INCOME

8. Net earned Income (MC 176W, Part IV, Line 11)	
9. Subtotal countable income (add 7 and 8)	
10. Child Support/ Alimony paid.	
11. Total countable income (9 minus 10)	

* $ 35 PKA
182 70% Therapeutic Wages
$ 217 Total Maintenance Need

III. Share of cost computation

1. Countable income from I. 18	252.50
2. Countable income from II. 11	
3. Total countable eligibility income (add 1 and 2)	252.50

DEDUCTIONS ADDED BACK FOR LTC SOC

4. ABD income deductions (e.g., any income deduction)	+$20
5. Other income deductions	162.50
6. Total deductions added back (add 4 and 5)	182.50
7. Total countable income (add 3 and 6)	435.00

ALLOCATIONS AND DEDUCTIONS

8. Allocation from LTC/B&C Income (176W, Part III)	
9. Allocation to excluded children (176W, Part I)	
10. Income to determine PA Eligibility	
11. Health Insurance	
12. Total allocations/deductions (add 8 through 11)	Ø
13. Total net nonexempt income (7 minus 12)	435
14. Total net nonexempt income rounded	435
15. Maintenance need	
a. MFBU members not in LTC No.	
b. MFBU members in LTC • Personal needs • Upkeep of home • Needs of disabled dependents	217 *
c. Total maintenance need (15a + 15b)	217
16. Share of cost (14 minus 15)	218
17. Underpayment adjustment	
18. Adjusted Share of Cost (17 minus 18)	

y Worker Signature/Computation Date	Worker Number	County Use