STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY GEORGE DEUKMEJIAN, Governor

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

February 26, 1988

TO: All County Welfare Directors
All County Administrative Officers

Letter: 88 - 09

SUBJECT: CALCULATION OF INCOME AMOUNTS UNAVAILABLE DUE TO BOARD AND CARE PAYMENTS

Recently it has come to our attention that counties are using several different means of determining the amount to be considered unavailable income due to payment of board and care for the individual in the MFBU. This has resulted in discrepancies in the amounts to be disregarded in accordance with Title 22, CAC, Section 50515, and could result in significant quality control errors due to the size of most board and care payments.

The purpose of this letter is to discuss proper methodology to be used when determining the amount of income to be considered unavailable. Section 50515 specifically states that that portion of the monthly income of a medically needy person residing in a licensed board and care facility which is paid to the facility for residential care and support and which is in excess of the appropriate maintenance need level shall be considered unavailable income. Therefore, the amount to be determined unavailable pursuant to that section is calculated by subtracting the appropriate maintenance need from the amount actually paid to the facility.

EXAMPLE 1:

An aged person is residing in a board and care facility and is paying the facility $895 each month. When determining the amount of unavailable income the eligibility worker would subtract $550 (the maintenance need for one) from the $895 board and care payment. The difference of $445 would be considered unavailable income when determining the Medi-Cal share of cost.

EXAMPLE 2:

A disabled person lives in a board and care facility which charges $850 per month for residential board and care. The beneficiary's family pays the facility $200 a month and the beneficiary pays the remaining $650 out of his monthly Title II check. The eligibility worker would determine the amount to be

considered unavailable by subtracting the maintenance need amount of $550 from the $650 actually paid by the beneficiary. The difference of $100 would be considered unavailable to the beneficiary when computing the share of cost.

EXAMPLE 3:

A blind beneficiary resides in a board and care facility whose fee is $825 per month. The beneficiary's family pays the facility $400 a month towards the beneficiary's care. The remaining $425 is paid by the beneficiary. The amount paid by the beneficiary is less than the maintenance need for one person. Therefore, none of the beneficiary's income could be considered unavailable.

Under no circumstances should the entire board and care amount be considered unavailable income. County staff should review current board and care cases to ensure that only the difference between the amount paid for board and care by the beneficiary and the maintenance need is being considered unavailable income. In several counties the entire board and care amount has been considered unavailable with the entire maintenance need allowed as well. Further, in some counties it was found that some district office were computing the amount incorrectly while the remaining district offices in the same county were following the correct procedure. Action should be taken to insure that all district offices and eligibility staff are aware of the correct procedures to avoid the large quality control errors which could result.

A Medi-Cal Eligibility Procedures Manual Section is being drafted to clarify these requirement and will be released in the near future.

If you have any questions please contact Toni Bailey at (916) 324-4967.

Sincerely,

Original signed by

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

Expiration Date: January 31, 1989