STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

PETE WILSON, *Governor*

DEPARTMENT OF HEALTH SERVICES
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December 31, 1992

TO: All County Welfare Directors
All County Administrative Officers
All County Medi-Cal Specialists/Liaisons

Letter No: 92-83

SUBJECT: Treatment of Adoptive Assistance Payments as Exempt Income

REFERENCE: All County Welfare Directors Letter 90-105

Adoptive Assistance Program (AAP) payments are now to be treated as exempt income in determining the adoptive family's Medi-Cal share of cost (SOC).

Questions 3 in All County Welfare Director's Letter 90-105 regarding the Adoption Assistance Program (AAP) asked about the Medi-Cal Family Budget Unit (MFBU) composition of a child receiving no share-of-cost Medi-Cal under aid code 04 (State-only AAP) when other members of the household request Medi-Cal. The answer states that the child would be considered an ineligible member of the MFBU because he/she meets the definition of Medically Indigent (MI) [Title 22, Section 50251 (a)(4)]. This information is correct.

The Aid to Families With Dependent Children (AFDC) program does not consider Adoption Assistance Payments as income when determining the need and amount of the assistance unit when other family members request AFDC. To be consistent the Medi-Cal program will also disregard these payments as income. The child will remain an ineligible member of the MFBU but the AAP payments will not be considered income available to meet the needs of the MFBU. This change also applies to any child still receiving payments under the Aid to Adoption of Children (AAC) program.

Children eligible for federal AAP with or without a cash grant (aid code 03) continue to be considered as receiving Public Assistance or Other Public Assistance and are not in the MFBU with other family members.

The following are the four types of assistance categories:

1. Aid Code 03 - Child receiving federal AAP with a cash grant = PA
2. Aid Code 03 - Child receiving federal AAP without a cash grant = Other PA
3. Aid Code 04 - Child receiving State-only AAP = MI
4. Aid Code 04 - Child receiving State-only AAC = MI

A pending regulation package will amend the appropriate sections of the regulations to reflect these changes. These changes are effective no later than April 1, 1993.

If you have any further program or MFBU questions about in-state adoptive children please contact Marge Buzdas at (916) 657-0726. For income related questions, please contact Dave Rappolee at (916) 657-0163. For questions about out-of-state foster care and adoptive children, contact Elena Lara at (916) 657-0712.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch