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MEDI-CAL ELIGIBILITY PROCEDURES MANUAL LETTER NO.: 176

TO: All Holders of the Medi-Cal Eligibility Procedures Manual

Enclosed is a revision to Article 5B Four Month Continuing, Transactional Medi-Cal and Wedfare. The revised page reflects changes to Example E which was unclear. This example has been replaced by a new example.

Procedure Revision**Description**

Article 5B

This is a revision to the existing article

Filing Instructions**Remove Pages****Insert Pages**

Article 5
Pages 5B1 and 5B2

Article 5
Pages 5B1 and 5B2

If you have any questions concerning this article, please contact Ms. Margie Buzdas of my staff at (916) 255-0983.

Sincerely,

Original signed by

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

Enclosure

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

5B FOUR MONTH CONTINUING ELIGIBILITY, TRANSITIONAL MEDI-CAL AND WEDFARE.

The following procedural instructions are for the purpose of further clarifying eligibility under the Four Month Continuing Eligibility and Transitional Medi-Cal (TMC) Programs.

1. FOUR MONTH CONTINUING COVERAGE

Medi-Cal regulations (Title 22, California Code of Regulations (CCR), Section 50243) allow persons who were discontinued from Aid to Families with Dependent Children (AFDC) due (wholly or in part) to the collection or increased collection of child/spousal support four months of no-cost Medi-Cal provided they were receiving AFDC in at least three of the six months prior to the month they became ineligible for AFDC.

A. Period of Eligibility

This program was effective August 1, 1984. Benefits shall begin the month in which the family became ineligible for AFDC or should have been considered ineligible for an AFDC payment. Therefore, if the family received no share-of-cost Medi-Cal under Edwards v. Kizer or an AFDC overpayment after the date the family became technically ineligible for AFDC, the family would only receive the remainder of the four months depending on how many months were remaining.

B. Conditions of Eligibility

Once determined eligible, there are no other requirements for this program except that the person(s) must reside in California. Should the person(s) leave California but then return to California prior to the expiration of the four months, he/she may receive the remainder. Persons who were terminated from AFDC in another state are not entitled to Four Month Continuing benefits in California.

C. Determining the Causal Relationship ("Wholly or in Part")

There must be a causal relationship between the support increase and the ineligibility for AFDC. For example, the family may be terminated from AFDC due to a change in family circumstance at the same time that support increased. If this increase would not in itself be the cause of the AFDC termination, the family would not be eligible for Four Month Continuing benefits. Four month continuing is allowed if the increase or collection of support is not enough to terminate the family from AFDC, but the increase would if combined with another circumstance e.g., an increase in unearned income.

Example 1: An AFDC family of four receives \$300 in countable child support for two of three children. The third child turns nineteen and moves out of the household. Assume that because the income exceeds the standard for assistance for a family of three, the family is ineligible for AFDC. Four Month Continuing benefits are not granted because there was no increase in support collection; ineligibility was caused by the adjustment in the standard of assistance.

Example 2: An AFDC family receives \$325 in countable child support. The applicable standard of assistance is \$375 for a family of that size. In the next month the countable support increases to \$350 and at the same time one of the older children leaves home. The standard of assistance is reduced to \$300 due to the reduction of family size and the family becomes ineligible for AFDC. Four Month Continuing benefits were not granted because the change in support collection was not sufficient in itself (wholly) to cause ineligibility, rather it was the reduction in the standard of assistance which caused the family to lose eligibility. Furthermore, since the reduction in the standard of assistance of \$300 when compared to the original amount of child support of \$325 was sufficient by itself to cause ineligibility, the ineligibility was not caused "partly" by the support collected. Thus the change in child support did not cause or actively contribute to the loss in eligibility.

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Example 3: An AFDC family receives \$100 in countable child support and \$150 in Title II benefits. The applicable standard of assistance is \$350 for a family of that size. In the next month both the child support and Title II increase by \$75. The family's income (now at \$400) makes them ineligible due to excess income. Because the increase in Title II benefits and child support were both necessary to cause ineligibility, that is, the child support actively contributes to ineligibility, the family is eligible for Four Month Continuing benefits.

D. Medi-Cal Family Budget Unit (MFBU) Composition

Persons receiving Four Month Continuing Medi-Cal shall be ineligible members of the MFBU when determining Medi-Cal eligibility for other family members and may use their non-covered Medi-Cal health care costs to reduce the other family members' share of cost in accordance with Section 50379. Exception: In accordance with the Sneede v. Kizer lawsuit settlement, only responsible relatives may use their expenses to reduce family members' share of cost in other mini-budget units. (MBU's)

E. Intercounty Transfer Process (ICT)

When a family receiving Medi-Cal benefits under the four-month continuing Medi-Cal coverage moves from the first county to the second county, an ICT must be initiated by the first county to the second county. The first county is responsible for case activities and benefit issuance until the last day of the final month in which eligibility exists for the family under the four-month continuing Medi-Cal coverage. If a beneficiary becomes ineligible during the transfer period, the first county is responsible for the issuance of any notices to the beneficiary. The second county is responsible for determining new Medi-Cal eligibility under other programs when the four-month eligibility period ends. Through mutual agreement, the first county may transfer the responsibility of all case activities to the second county before the four-month eligibility period expires. (See MEM 3D-3)

F. Aid Code

Persons who are eligible for Four Month Continuing should be reported to MEDS under aid code 54.

2. TRANSITIONAL MEDI-CAL (TMC)

Proposed Medi-Cal regulations (Section 50244) allow persons discontinued from AFDC due to an increase in the earnings or hours from employment of the caretaker relative or principal wage earner or the loss the \$30 and one-third earned income disregard by anyone in the family a maximum of twelve months of no-cost Medi-Cal providing that they were members of a family who received AFDC in at least three of the six months immediately preceding the month in which they became ineligible for AFDC. Since this program is an incentive for families to obtain full time employment, increases in non-job related earnings which cause AFDC ineligibility do not qualify the family for TMC.

A. Period of Eligibility

This program was effective April 1, 1990. Benefits shall begin the month in which the family became ineligible for AFDC. If the family received no share-of-cost Medi-Cal under Edwards v. Kizer or an AFDC overpayment after the date the family became technically ineligible for AFDC, the family would only receive the remainder of the maximum of the 12 months depending on how many months were remaining.

Example 1

1. If the family inadvertently received Medi-Cal-Only for three months under Edwards (aid code 38), the family would only receive the remaining three months of initial TMC (aid code 39). Since the same zero share of cost Medi-Cal is available under TMC and Edwards, counties do not have to make any retroactive adjustments for the first three months. However, if theoretically, the family received Medi-Cal with a share of cost during the first three months, the county would have to ensure the family received zero share of cost TMC for the first three months.