

**DEPARTMENT OF HEALTH SERVICES**

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June 11, 1999

**MEDI-CAL ELIGIBILITY PROCEDURES MANUAL LETTER NO.: 213**

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

Enclosed is a revision to Article 5F Medi-Cal programs. The revised pages reflect changes to the Property Disregard Program 5F (formerly the Asset Waiver Program). This revision incorporates All County Welfare Directors Letter No. 98-46 which describes the new aid codes for those persons in the Percent programs that appear to have excess property.

**Filing Instructions:****Remove Pages**

Article 5F  
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Article 5F  
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If you have any questions concerning this article, please contact Margie Buzdas of my staff at (916) 657-0726.

Sincerely,

Original signed by

Angeline Mrva, Chief  
Medi-Cal Eligibility Branch

Enclosure







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### 4. Children Ages Six to Nineteen

Otherwise eligible children even with family property over the Medi-Cal program limit are eligible for full-scope benefits under the 100 Percent program if their family income is at or below 100 percent of the FPL. **NOTE:** If the child is undocumented, he/she will receive only emergency and pregnancy-related services during that period.

### C. AID CODES

Cases that contain children/persons in the 100 and 133 Percent programs which have or appear to have excess property are to be reported to the Medi-Cal Eligibility Data System on December 1, 1998. Counties were previously asked to begin flagging those cases on July 10, 1998.

The Department of Health Services will claim enhanced federal funding for the expansion of the property disregard program. These aid codes are:

8N 133 Percent program children with excess property - emergency benefits only  
8P 133 Percent program children with excess property - full-scope benefits  
8T 100 Percent program children with excess property - emergency/pregnancy only  
8R 100 Percent program children with excess property - full-scope benefits

These aid codes will be used for children in the 100 and 133 Percent programs when the county has determined that the child or the family has excess property because:

- The county has determined that the child would have been denied or discontinued due to excess property, or
- Either of the questions in the mail-in application. "Do you have more than one car?", or "Do you have more than \$3,150 cash in bank accounts?" have been positively responded to.

These aid codes will have similar edits and messages as used for the 133 Percent aid codes (72 and 74) and the 100 Percent aid codes (7A and 7C).

Counties must identify and track all aliens who receive benefits under any of these new aid codes (see ACWDL 97-42).

We are not requiring counties to identify pregnant women or infants with excess property or who may have excess property since enhanced funding is not available for these persons.

### D. CHANGES IN INCOME

#### 1. Increases in Income for Pregnant Women and Infants

Since the Continued Eligibility (CE) program disregards all increases in income for certified eligible pregnant women through the end of the 60-day postpartum period, and for infants who are deemed eligible for up to one year of age, income increases will have no effect on eligibility for the property disregard provision of the Income Disregard Program. Therefore, income increases or other changes which affect treatment of family income are disregarded



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for these individuals and they remain in the Income Disregard Program until eligibility ends due to the end of pregnancy (including postpartum period) or reaching one year of age.

2. **Increases in Income for Children**

Since the property disregard is only applicable for children in the 133 or 100 Percent programs, if the income increase makes the child ineligible for either of these programs, he/she will not be eligible for regular Medi-Cal unless the family is also property eligible.

3. **Decreases in Income**

Decreases in income will not affect the eligibility of pregnant women or infants, in the Income Disregard program or children in the Percent programs. They will continue in these programs until eligibility ends.

**E. CHANGES IN PROPERTY**

Families receiving Medi-Cal who become property ineligible must be discontinued unless they contain a pregnant woman, an infant up to age one, or a child ages one to nineteen AND whose income is at or below the appropriate level for the Income Disregard program or Percent program. Pregnant women only receive pregnancy-related benefits and should be notified of this change.

**F. STATUS REPORTS**

Current procedures exempt Medi-Cal Family Budget Units (MFBUs) consisting solely of pregnant women and/or an infant under one year of age from submitting a quarterly status report. Those pregnant women and infants determined eligible for Medi-Cal under the property disregard provision are treated in the same manner and need not submit a quarterly status report. However, they are still required to report changes within ten days.

Children in the Percent programs must continue to submit quarterly status reports for reasons other than property. Unlike infants, they are not guaranteed continuous 12 months of eligibility under the Continued Eligibility program. See Section 5H for more information on Continued Eligibility.

**G. EXAMPLES**

**Example One:** A pregnant woman applicant who requests full-scope benefits has net nonexempt family income at 195 percent FPL and a savings account valued at \$8,000 for her unborn's future education. The father of the unborn is deceased and there are no other children. The eligibility worker notifies the pregnant woman that she has excess property and must spenddown to the Medi-Cal limits if she wants to be eligible for full-scope benefits. She is also told she is eligible for pregnancy-related services through her postpartum period under the Income Disregard Program because property is disregarded in that program. She chooses to receive only pregnancy-related services in order to avoid spending down her savings account. Therefore, she is granted eligibility for the Income Disregard Program if otherwise eligible through the end of the 60-day postpartum period. At birth, the infant is eligible for full-scope benefits under the Income Disregard Program through his/her first year of life because property is disregarded.



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Example Two: A married pregnant mother and her eight-month-old son are receiving benefits as Income Disregard Program eligibles. The mother is also eligible for full-scope benefits with a SOC. Her husband is ineligible for benefits (for example, due to no linkage). Mom inherits real property worth \$50,000 and reports it under her continuing responsibility to report changes within ten days. She remains eligible for pregnancy-only benefits with the same aid code under the Income Disregard program because property is disregarded, but is discontinued (with timely notice) from her full-scope eligibility program because her property is counted. She continues to be eligible for her zero SOC pregnancy-only benefits until the end of her postpartum period, at which time she will be discontinued. Counties should send a Notice of Action (NOA) to notify her of the discontinuance, and should ensure that she is again informed that her eligibility may be reinstated if she spends down her excess property and if some other basis for her eligibility exists (e.g., deprivation). As in the previous example, the newborn infant is eligible for full-scope benefits through his/her first year of life and will then be evaluated for the 133 Percent Program where property is also disregarded.

With regard to the eight-month old son, he continues to receive full-scope benefits under the Income Disregard program until the end of the month in which he reaches his first birthday.

Example Three: A fifteen-year old child applies for Medi-Cal using the simplified application without any property information. He is eligible for the 100 Percent program because his family income is determined to be under 100 percent of the FPL. Several months later, the family notifies the county that their income has risen above the 100 percent limits. The county will send a discontinuance notice informing the family that he may apply for regular Medi-Cal by completing additional forms necessary to determine property and any other required information. If the family provides the additional information and the county determines that the child is property eligible, he will be eligible for regular Medi-Cal with a share of cost. The other family members may also apply, if eligible.

### H. NOTICES OF ACTION

The former Asset Waiver NOAs for pregnant women and infants have been obsoleted. Counties should use the Income Disregard NOAs which now are to be used for pregnant women with excess property. Infants continue to be eligible regardless of changes in income and property. The NOAs for children in the 100 and 133 Percent programs have been revised as appropriate to address the issues of excess property, more property information, and information about the Healthy Families program.



