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MEDI-CAL ELIGIBILITY PROCEDURES MANUAL LETTER NO.: 217

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

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

Enclosed is an updated Article 5B of the Medi-Cal Eligibility Procedures Manual. This article replaces the original article and incorporates Section 1931 (b) changes which affect the Four-Month Continuing Medi-Cal and Transitional Medi-Cal (TMC) programs. These procedures also include the new Second Year TMC program and discuss the termination of the Wedfare program. Forms for both the Four-Month Continuing and TMC programs are now included in these procedures. Changes in deprivation rules for the unemployed parent and the income limits for Section 1931(b) for applicants and recipients effective March 1, 2000, should not affect the contents of this article.

Filing Instructions:**Remove Pages:**

Article 5 Table of Contents
Pages 5TC-1 and 5TC-2

Article 5
Pages 5B-1 through 5B-7

Insert Pages:

Article 5 Table of Contents
Pages 5TC-1 and 5TC-2

Article 5
Pages 5B-1 through 5B-21

If you have any questions, please contact Margie Buzdas of my staff at (916) 657-0726.

Original signed by

**Angeline Mrva, Chief
Medi-Cal Eligibility Branch**

Enclosure





MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

Article 5 -- MEDI-CAL PROGRAMS

5A -- SEQUENTIAL LISTING OF AID CODE MASTER CHART

AID CODE MASTER CHART

1. Cash Grants
2. Other Public Assistance
3. Continuing Medi-Cal
4. Medically Needy No SOC
5. Medically Needy SOC
6. Medically Needy SOC and No SOC
7. Medically Needy Long-Term Care
8. Medically Indigent
9. Special Treatment Programs
10. Refugee Program
11. OBRA Aliens
12. 100 Percent Program
13. Presumptive Eligibility
14. 133 Percent Program
15. Income Disregard Program
16. 60-Day Postpartum Services
17. Qualified Medicare Beneficiaries
18. SSI/SSP Reduction Beneficiaries
19. County Medical Services
20. General Relief/Assistance
21. Other Indicators
22. Services Only-No Medi-Cal Issued

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

- 23. Food Stamp Program
- 24. Minor Consent
- 25. Cash Grants: No Medi-Cal
- 5B -- FOUR-MONTH CONTINUING ELIGIBILITY, TRANSITIONAL MEDI-CAL, AND WEDFARE
 - 1. Four-Month Continuing Medi-Cal Coverage
 - 2. Transitional Medi-Cal
 - 3. Wedfare
 - 4. Forms
- 5C -- DEPRIVATION--LINKAGE TO AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC)
 - 1. TITLE 22 REGULATIONS PERTINENT TO ESTABLISHING LINKAGE
 - 2. CHART-MEDI-CAL FAMILY BUDGET UNIT (MFBU) MEMBERS LINKED TO AFDC
 - a. Explanation of Symbols
 - b. Absent Parent or Deceased Parent Deprivation, Title 22, Sections 50213 and 50209
 - c. Incapacitated Parent Deprivation, Section 50211
 - d. Unemployed Parent Deprivation, Section 50215
 - e. Unmarried Minor Parent Living With Parents, Two MFBUs, Sections 50373 and 50379
 - 3. EXPLANATION OF DEPRIVATION
 - a. Deprivation--Deceased Parent, Section 50209
 - b. Deprivation--Absent Parent, Section 50213
 - c. Deprivation--Physical or Mental Incapacity of a Parent, Section 50211
 - d. Deprivation--Unemployed Parent, Section 50215
 - e. Multiple Linkage Factors

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

The original Medi-Cal regulations (Title 22, California Code of Regulations (CCR), Section 50243) allowed 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. 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.

A. Section 1931(b) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) established a new mandatory coverage group at Section 1931(b) of the Social Security Act. Section 1931(b) requires that Medi-Cal be provided to low-income families, who met the provision of the July 16, 1996 AFDC program (or more liberal provisions at State option). Section 161 of AB 1542 (Chapter 270, Statutes of 1997) established the California Work Opportunity and Responsibility to Kids (CalWORKs) program which was implemented January 1, 1998. Persons receiving CalWORKs continue to receive automatic Medi-Cal. If they are terminated, are not eligible for, or chose not to apply for CalWORKs, they must be evaluated for 1931(b). Those that met the requirements for Section 1931(b) would remain on that program until some change caused them to be ineligible. Those persons who received CalWORKs for three of the last six month, were terminated from CalWORKs due to increased collection of child/spousal support and are not eligible for Section 1931(b) would then receive Four-Month Continuing coverage. Persons who received Section 1931(b) for three of the last six months and are terminated for increased child/support are also eligible for Four-Month Continuing even if they were never a recipient of CalWORKs.

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 a cash program similar to CalWORKs 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 CalWORKs or Section 1931(b). For example, the family may be terminated from CalWORKs 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 CalWORKs 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.

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

Example 1: A Section 1931(b) family of four receives \$300 in countable child support for two of three children. The third child turns 19 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 Section 1931(b). 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: A CalWORKs family receives \$325 in countable child support. The applicable standard of assistance is \$775 for a family of that size. In the next month the countable support increases to \$650 and at the same time one of the older children leaves home. The standard of assistance is reduced to \$624 due to the reduction of family size and the family becomes ineligible for CalWORKs and Section 1931(b). 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 when compared to the original amount of child support of \$325 was insufficient 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.

Example 3: A Section 1931(b) family receives \$300 in countable child support and \$200 in Title II benefits. The applicable standard of assistance is \$624 for a family of that size. In the next month both the child support and Title II increase by \$150. The family's income (now at \$650) 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 noncovered 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 (MBUs).

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 MEPM Article 3D-3.)

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

F. Aid Codes

Persons who are eligible for Four-Month Continuing should be reported to MEDS under aid code 54. Because PRWORA also allows aliens who do not have satisfactory immigration status (SIS) to receive Section 1931(b) if they meet the income, property and deprivation requirements of the old AFDC program, they are also eligible for restricted benefits under the Four-Month Continuing. This new aid code is 5W. Edwards is not applicable for persons terminated from 5W because it is a full scope card.

2. TRANSITIONAL MEDI-CAL (TMC)

Effective April 1, 1990, the TMC program provided families a maximum of no-cost Medi-Cal who were 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 of the time-limited \$30 and one-third earned income disregard. TMC replaced the Nine-Month Continuing Eligibility program which offered nine months of continuing eligibility for persons who were discontinued from AFDC due solely to the expiration of the \$30 plus 1/3 or the \$30 earned income disregard. Under TMC, persons received a maximum of 12 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 was an incentive for families to obtain full time employment, increases in non-job related earned income such as state disability income which cause AFDC ineligibility did not qualify the family for TMC.

On January 1, 1998, pursuant to PRWORA and state law, Section 1931(b) as described above in Four-Month Continuing Coverage, was implemented. Now, any reference to AFDC has been changed to mean the CalWORKs or the Section 1931(b) program. Neither CalWORKs or Section 1931(b) has time limits on their earned income disregard although there are time limits on receipt of aid for adults. For recipients, these programs do not base unemployment on the 100-hour rule, i.e., on hours of employment. Therefore, the sole reason for TMC eligibility is increased earnings from employment. Like Four-Month Continuing Medi-Cal, all persons terminated from CalWORKs for increased earnings from employment must first be evaluated for Section 1931(b). If they are eligible, they may remain on that program indefinitely. If they are not eligible, they are evaluated for TMC.

The following three examples illustrate situations in which the family may or may not be eligible for TMC coverage:

Example 1. A family received CalWORKs for 18 months. The parents were terminated because the time limit to receive aid expired, but the children continued on CalWORKs. The parents were determined eligible for Section 1931(b) (Aid Code 3N). In the next month, because the PWE's earnings increased, the family was terminated from cash and Section 1931(b). Because the children were eligible for CalWORKs and the parents for Section 1931(b) in three of the last six months, the family is entitled to TMC.

Example 2. A family is receiving CalWORKs. The PWE just started working over 100 hours. The PWE would not be subject to the 100-hour rule. However, assume the increase in earnings makes the family ineligible for CalWORKs. The county evaluates the family for Section 1931(b). Assume the family's income does not exceed the Section 1931 (b) limits. This family is on Section 1931(b) and does not need TMC.

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

A. Period of Eligibility

The federal TMC program was effective April 1, 1990. Benefits shall begin the month in which the family became ineligible for CalWORKs or Section 1931(b). 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.

Effective October 1, 1998, AB 2780 added a second year of state-only funded TMC for persons who received the first year of TMC and who are age 19 years old or older. Counties are requested to report any pregnant women to MEDS if they are eligible for the Income Disregard (200 Percent) program with the second year TMC aid code and the appropriate secondary Percent program aid code in order to claim federal financial participation. There is no Edwards process for those being terminated from the second year of TMC. Counties should evaluate those persons for any other Medi-Cal program as usual.

Example 1. (Prior to the Implementation of the Section 1931(b) program)

If the family inadvertently received Medi-Cal-Only under Edwards rather than TMC for three months (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.

Example 2. (After the Implementation of the Section 1931(b) program)

Persons terminated from CalWORKs must be evaluated for Section 1931(b) prior to the county determining eligibility for TMC. If they are eligible for Section 1931(b), they would remain on that program until some change caused them to be ineligible. Those persons who received CalWORKs for three of the last six month, were terminated from CalWORKs due to increased earnings and are not eligible for Section 1931(b) would then receive TMC. Persons who received Section 1931(b) for three of the last six months and are terminated for increased earnings are also eligible for TMC even if they were never a recipient of CalWORKs. There is no Edwards aid code for persons discontinued from Section 1931(b) since the Medi-Cal worker already has this case and there should be no delay in the evaluation for any other Medi-Cal program.

B. Conditions of Eligibility

1. Initial Six-Month Period

The first six-month period has no eligibility requirements other than the family must continue to have a child living in the family and the family must reside in California. Persons age 18 or older are not eligible as children for CalWORKs, Section 1931(b) or TMC unless they are 18, enrolled in school and expected to graduate before their 19th birthday.

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

2. Additional Six-Month Period

The additional six-month period requires that in addition to the above requirements, that the family must remain employed, received Initial TMC for the entire six-month period, and meet certain reporting requirements unless good cause for failure exists.

The family's average gross monthly earnings less child care costs necessary for the employment of the caretaker relative or principal wage earner may not exceed 185 percent of the Federal Poverty Level for a family of the same size.

EXAMPLE A. The only child left the home in the third month of the Initial TMC period. The family was terminated from TMC. In the fifth month, the child returned.

The family is eligible to receive the remaining two months of the Initial TMC period; however, they are not eligible for additional TMC because they did not receive the entire initial six months of TMC.

EXAMPLE B: The family moved to another state in the first month of the Initial TMC period. Although the family continues to meet all the TMC requirements, benefits must be discontinued because they are no longer in California. The family returned to California in the third month of the Initial TMC period. They may receive the remainder of the Initial six-month period and the six months of Additional TMC if they are otherwise eligible since the family continued to be eligible for TMC even though they did not actually receive TMC when they were living out of state. This is an exception to the rule that the family must have actually received the entire Initial period of TMC.

3. Second Year of TMC

Persons age 19 years and older are eligible for a second year of TMC if they were eligible and received the first year of federal TMC. Children should be evaluated for regular Medi-Cal or given the opportunity to enroll in the Healthy Families Program, if they have a share of cost and are ineligible due to excess property. Counties should report pregnant women in this program to MEDS under the Income Disregard (200 Percent) program aid code in the secondary field if eligible.

C. Determining the TMC Family Members

Eligible Persons

In addition to the individuals who were included in the CalWORKs or Section 1931(b) family unit at the time the family lost eligibility, family members who enter the home during the initial, additional six-month period, or the second year (if 19 or older), may be eligible for TMC. These persons include:

- Newborn or adopted children.
- Persons under CalWORKs sanction for failure to cooperate with GAIN or child/spousal support whose income but not needs were included in that unit.
- Persons deemed to be receiving CalWORKs because they are participating in work supplementation programs.
- Persons who would have been eligible for CalWORKs or Section 1931(b) if they had been in the home in the month the family was determined to be ineligible.
- Persons in the family who were terminated from Supplemental Security Income (SSI) due to increased earnings from other family members on CalWORKs or Section 1931(b).

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

The earned income of an individual who has entered or returned must be included in the gross family income assessment if he/she wishes to receive TMC. Persons added to the TMC case only receive TMC for the remainder of the family's TMC period.

Ineligible Persons

The following persons are not eligible for TMC:

1. Persons who were not eligible or would not have been eligible for CalWORKs or Section 1931 (b), i.e., children over the age limit, parents or mutual children with no linkage, or the father of an unborn. These persons are described as "excluded persons" in the former AFDC Department of Social Services Eligibility and Assistance (EAS) Manual Section 82-832.1. Some of these persons who are excluded from CalWORKs, i.e., a person who does not meet alien status requirements or a sanctioned person may be aided under Section 1931(b) if they meet the TMC requirements.
2. Persons terminated from CalWORKs or Section 1931(b) due to the change in the treatment of state disability insurance (SDI) payments from unearned to earned income are not eligible for TMC since this is not considered actual earnings from employment.
3. Persons who were convicted of fraud during the last six months in which the family was receiving CalWORKs or Section 1931(b) are also not eligible for TMC.
4. Persons who remain eligible for Section 1931(b) because they are a Sneed class member and they are in a separate MBU.
5. Persons who do not meet the CalWORKs definition of a child (over 18 and not enrolled in school and expected to graduate by age 19) unless they are child prior to entering TMC. Then they may remain eligible unless they are the youngest child in the home. In that case, the entire TMC family must be terminated.

Persons Leaving the Home

TMC will continue for families if the parent/spouse or children leave the home in either the initial or additional TMC period; however, the remaining TMC family must continue to reside in the State and include a child. The family size will be reduced when comparing average earned income during the additional six-month period since the person(s) who left will no longer be included in the MFBU. The family's earned income may also be reduced to the extent the person who left had earned income. If the family size has changed during the preceding three-month period, use the current family size.

D. Determining the Causal Relationship ("Entirely or Partially")

Loss of CalWORKs or Section 1931(b) eligibility would be considered to be "because of" an increase in earned income if the increase in earned income from employment was, by itself, sufficient to make the family ineligible.

Steps

1. Determine if the increase in earnings from employment would have resulted in the loss of CalWORKs or Section 1931(b) eligibility if all other factors in the case

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

remained the same (i.e., as if there were no other change in income, no change in family composition, no change in income standards, etc.)

If yes, the family is eligible to receive TMC.

If no, go to Step 2

2. Determine if events other than the increase in earnings from employment would have resulted in loss of CalWORKs or Section 1931(b) eligibility if the income (hours or disregards) had stayed the same.

If yes, the family is not eligible for TMC. Do not go to Step 3.

If no, go to Step 3.

3. Determine if the family is ineligible for CalWORKs or Section 1931(b) when all changes are considered.

If yes, the family is eligible for extended Medicaid benefits. The increase in earnings from employment was essential to the loss of CalWORKs or Section 1931(b) eligibility. Without that increase, the family would not have lost CalWORKs or Section 1931(b) eligibility.

If no, the family is still eligible for CalWORKs or Section 1931(b).

Example 1: The caretaker relative, in a family with no other income, becomes employed on June 1 and reports countable earned income of \$400 in June. At the same time the caretaker relative reports that beginning with June, the family is receiving monthly unearned income of \$800. Assume the CalWORKs standard is \$775 and the family is no longer eligible for CalWORKs or Section 1931(b) in June due to excess income which is both earned and unearned.

Step 1. Did the increase in income result in termination if all other factors remained the same? The answer is "no". The earned income of \$400 alone did not result in the loss of CalWORKs or Section 1931(b). That is, if all other factors in the case remained the same, the \$400 would not have caused ineligibility. Continue to Step 2.

Step 2. Did other events cause the termination? The answer is "yes". The unearned income alone would have resulted in the loss of CalWORKs or Section 1931(b). Therefore, the family is not eligible for TMC. Do not continue to Step 3.

That is, the \$800 increase in unearned income was sufficient alone to make the family ineligible for AFDC even if all other factors stayed the same.

Example 2: The principal wage earner (PWE), in a family with no other income, becomes employed on June 1 and reports countable earned income of \$700 in June. In July, one child leaves the household. As a result, the income standard for the family in July is reduced to \$624. The family is no longer for Section 1931(b) in July due to excess income, all of which is earned. However, the family is not eligible for TMC because the earnings of the PWE did not increase in July, the month in which Section 1931(b) eligibility was lost.

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

Example 3: A caretaker relative is employed and has monthly countable earned income of \$375. The caretaker relative reports that she no longer has to pay for day care in June because free care is available. Without child care expenses, her countable earned income increased to \$750 in June.

The family is no longer eligible for Section 1931(b) in June because of excess income. However, the family is not eligible for TMC because the earnings of the caretaker relative did not increase in June, the month in which Section 1931(b) eligibility is lost.

E. Reporting Requirements

1. The family should receive a Notice of Action (NOA) upon approval of TMC which also informs them to keep their earning and child care receipts.
2. In the third month, a NOA should be sent to the family informing them to report by the 21st day of the next month (fourth), the family's gross monthly earnings and the cost for child care necessary for the employment of the caretaker relative or principal wage earner for the preceding three months (months 1, 2, and 3).
3. In the sixth month, a NOA should be sent to the family informing them to report the family's gross monthly earnings and the cost for child care necessary for the employment of the caretaker relative or principal wage earner by (a) the 21st day of the next month (seventh), for each of months 4, 5, and 6 and (b) by the 21st day of the tenth month for each of months 7, 8, and 9.

Although the information collected is not used during the initial period, this information is required to determine if the family is eligible for the additional six months and the second year of TMC.

Families who fail to report by the 21st day of the required months must be provided a ten-day notice prior to termination unless the county determines that they have good cause for filing late as specified in Section 50175 of the California Code of Regulations.

Persons who receive a second year of state-only TMC must meet the same quarterly status reports and requirements such as income as the additional six-month Federal TMC program.

F. Determining Earned Income

Family earnings must remain at or below 185 percent of the Federal Poverty Level (FPL) to be eligible for additional TMC. The average monthly gross earnings for the preceding three-month period after deduction of any monthly child care expenses necessary for the employment of the caretaker are compared to 185 percent of the FPL for the current family size even if some family members are not eligible for TMC. Child care expenses that are reimbursed by the State are not allowable nor are any other deductions. Family earnings include those of a child as well as the parent.

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

For example: The Smith family budget (four members of the household).

<u>Month</u>	<u>Gross Earned Income</u>	<u>Child Care Expenses</u>
May	\$200	\$ 95
June	\$300	\$105
July	<u>\$400</u>	<u>\$100</u>
Total	\$900	\$300

Average Monthly Gross Income = \$900 divided by 3 = \$300
Average Monthly Child Care = \$300 divided by 3 = \$100
Adjusted Monthly Income \$200

A family is eligible for TMC when its "adjusted" monthly income is less than or equal to 185 percent of the FPL for a family of that size. For purposes of the TMC program, adjusted monthly income is the family's average monthly gross income less the family's average monthly expenses for child care. Thus, in the above example the family is eligible for TMC because its adjusted monthly income of \$200 is less than 185 percent of the FPL for four persons. After calculating the adjusted monthly income, round it to the nearest dollar before comparing to the 185 percent of the FPL income standard. Use the usual Medi-Cal rounding rules: if the decimal number is .49 or less, round down; and if the decimal number is .50 or larger, round up. Unearned income is not counted when computing this income test. Individuals receiving TMC are not affected by excess resources.

If the family had no earnings in one or more of the months in the preceding three-month period unless the lack of earnings were due to involuntary loss of employment or illness, the family is no longer eligible for TMC.

G. Intercounty Transfer

Persons receiving TMC who move to another county are treated no differently from any other family receiving regular Medi-Cal in accordance with Section 50137.

H. Aid Codes

39 Initial TMC Full Scope

Persons who are eligible for initial TMC should be reported to MEDS under aid code 39. Persons who are added to a family already receiving initial TMC must be reported under a CalWORKs or Section 1931(b) aid code for their first TMC month of eligibility because MEDS currently will not allow counties to report persons who were not previously on CalWORKs or Section 1931(b) to MEDS under aid code 39.

59 Persons who are eligible for additional TMC should be reported to MEDS under aid code 59.

3T Initial TMC (Emergency and Pregnancy-Related Benefits Only)

This initial six-month aid code should be used for aliens who do not have SIS and

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

who are discontinued from Section 1931(b) due to increased earnings from employment.

5T Additional TMC (Emergency and Pregnancy-Related Benefits Only)

This additional six-month aid code should be used for aliens who do not have SIS, who have received six months of federal initial restricted TMC under Aid Code 3T, and are eligible for an additional six months of federal additional restricted TMC.

5X Second Year State Only TMC (Zero SOC) Full Scope

This aid code should be used for citizens and aliens with SIS who are age 19 and older and who received six months of full-scope federal TMC benefits under Aid Code 59 and continue to meet the requirements of additional TMC.

Aliens with SIS receiving Medi-Cal benefits in Aid Code 5X must have their alien status tracked per instructions in ACWDL 97-42.

5Y Emergency and Pregnancy-Related Benefits Only

This aid code should be used for aliens who do not have SIS, are age 19 and older, who received six months of restricted federal TMC benefits under Aid Code 5T and continue to meet the requirements of additional TMC.

I. MFBU Composition

Persons receiving TMC shall be ineligible members of the MFBU of those persons who are not eligible for TMC when determining Medi-Cal eligibility for other family members and may use their noncovered Medi-Cal health care costs to reduce other family members' or responsible relatives' share of cost in accordance with Section 50379 and the Sneede v. Kizer lawsuit settlement.

It is possible that some persons will be eligible for Section 1931(b) and some will not after Sneede rules are applied. For example, assume the wife and her separate child are eligible for Section 1931(b) and the spouse and his separate child are not even though they have linkage. The husband and his separate child are eligible for the Medically Needy program.

If the Section 1931(b) wife's earnings from employment cause her and her child to lose Section 1931(b) eligibility, they are eligible for TMC, however, the other family members may remain in the Medically Needy program. If the family income decreases, those persons in the Medically Needy program should be reevaluated to determine if they would be eligible for Section 1931(b).

Due to Sneede rules, some persons may continue to be eligible for Section 1931(b) even if some of the other family members are over the income or resource limits and eligible for TMC. Section 1931(b) persons may continue to receive Medi-Cal until they are no longer eligible. If they have received Medi-Cal under the Section 1931(b) program for three of the last six months, and have been terminated for increased earnings from employment, they are then entitled to TMC for the entire TMC period if they remain eligible even though other members of the family have already been receiving TMC in prior months. They will have status reporting due dates different from the other members of the family who began TMC in earlier months.

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

J. Return to CalWORKs or Section 1931(b)

If a family returns to CalWORKs or Section 1931(b) during any of the TMC periods and is then terminated due to another reason which does not meet the requirements of TMC, e.g., is not related to employment or does not meet the three out of the preceding six-month requirement, the family is eligible for the remainder of the original TMC period if they are otherwise eligible. The months of zero share-of-cost Medi-Cal which the family received when they returned to CalWORKs or Section 1931(b) are counted as if TMC were received in those months, i.e., they are counted as part of Initial or Additional TMC or the second year of TMC for purposes of determining the remaining months original TMC period. If they met the requirements of TMC when terminated, they are evaluated for a new initial TMC period.

For example: The family was terminated from CalWORKs due to increased earnings from employment of the caretaker relative. They received TMC for four months. The caretaker became unemployed and the family was again eligible for CalWORKs. After two months, the caretaker found another job and was terminated from CalWORKs. NOTE: The two months of CalWORKs cash-based Medi-Cal counted as if TMC were received and completes the initial TMC period. The family is not eligible for initial TMC under a new TMC program because they did not receive CalWORKs for three out of the preceding six-month requirement; however, they are eligible to receive an additional six months of the original TMC period if all other eligibility criteria are met. NOTE: Persons who were terminated from CalWORKs or Section 1931(b) must meet deprivation rules, e.g., working under 100 hours when they lose TMC and return to those programs.

K. The TMC Flyer

Senate Bill 391, Chapter 294, Statutes of 1997, amended the Welfare and Institutions (W&I) Code to require the Department of Health Services (DHS) to implement certain informing provisions in the TMC program. The first informing provision was to be implemented May 18, 1998.

Section 14005.76 of the W&I Code now requires that:

- A written TMC notice be given to CalWORKs and Section 1931-Only recipients at the time that Medi-Cal eligibility is conferred and every six months thereafter.
- The above notice and new TMC form is to be provided to recipients when they are terminated from CalWORKs or Section 1931-Only for failure to meet reporting requirements.

Assembly Bill 2780, Chapter 310, Statutes of 1998, also requires the Department of Social Services to send a brief summary of the requirements of TMC and a form which can be returned when any individual or family is discontinued from CalWORKs except for reasons other than fraud. Counties may wish to coordinate their efforts rather than to separately send the TMC flyer and form out to those CalWORKs persons who are terminated for failure to report.

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

DHS will continue to provide the flyer to CalWORKs and Section 1931(b) recipients every six months. Counties are responsible to give the flyer to CalWORKs and Section 1931(b) persons at the time of approval and the flyer and form when they are terminated for failure to report.

L. Questions and Answers

1. Even though TMC is no longer available to an 18-year-old not enrolled in school and expected to graduate before age 19 because he or she is not eligible for CalWORKs or Section 1931(b), should the county terminate those beneficiaries who are currently receiving TMC under the old rules?

No. Until the TMC regulations are final, counties should continue to allow those persons between 18 and 21 to receive TMC; however, counties should not put any new persons into TMC who are considered adults under Section 1931(b). If they should become adults during the TMC period, they may remain unless there is no other eligible child in the home. In that case, the family must be discontinued from TMC.

2. When the first year of TMC ends, is the beneficiary evaluated for Section 1931(b) again before granting the second year of TMC?

Not routinely, unless there are changes which might lead to Section 1931(b) eligibility. The children who are not eligible for the second year of TMC may be eligible for regular Medi-Cal with a SOC, the Percent program, or they may be eligible for the Healthy Families program.

3. Is the family eligible for TMC if they lose CalWORKs or Section 1931(b) due to increased earnings from State disability, or temporary Workers Compensation?

No. As in the current TMC program, only an increase in earnings from actual employment can make the family eligible for the TMC program.

4. If a family's income drops while receiving TMC, should counties redetermine eligibility for Section 1931(b) or CalWORKs?

Yes. Section 1931(b) is more beneficial to the family since there are no time limits. However, the family must meet applicant rules if they do not return to Section 1931(b) within four months.

5. If a family received CalWORKs for two months before being terminated and Section 1931(b) for two months before being ineligible due to increased earnings from employment, can they have TMC based on receiving CalWORKs or TMC for three of the last six months?

Yes.

6. In the second six months and the second year of TMC, do we use the limit for the entire family even if there is a 20-year-old who is not receiving TMC when comparing the TMC family's average last three month's earnings minus child care deductions to 185 percent of the Federal Poverty Level?

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

Yes. The family size includes everyone in the family regardless of whether they are receiving TMC.

7. If the TMC flyer is returned months after the CalWORKs or Section 1931(b) case has been terminated and it is determined that the family was terminated for increased earnings from employment, should the county process the case for TMC?

Yes. Since TMC can be very important to families who may have no health insurance from their employer, counties should make every attempt to process TMC cases if applicable.

3. WEDFARE

Effective October 1, 1995, TMC was expanded to include families who are discontinued from AFDC due to marriage or the reuniting of spouses, and whose assets and/or income increased above the AFDC limits or they no longer meet the deprivation requirements. This program does not apply to unmarried parents who reunite.

Wedfare is a federal waiver program initiated by the Department of Social Services. This demonstration project does not apply to certain control cases in some counties.

The same basic rules, regulations, and aid codes apply to persons receiving TMC due to the Wedfare program as do those receiving TMC due to the loss of the disregard or increased hours or earnings from employment.

Wedfare persons are not eligible for the Second Year of TMC. This special waiver group will continue to be eligible for regular TMC until June 30, 1999. Families who are receiving TMC under the Wedfare provision may continue receiving benefits until their maximum of one-year federal TMC benefits is completed; however, no new families will be accepted after June 30, 1999.

4. FORMS

MC 176 TMC Quarterly Status Report
MC 239 TMC-1 Approval
MC 239 TMC-2 Denial
MC 239 TMC-3 Second Year Approval
MC 323 Four-Month Continuing
MC 325 TMC Flyer and Reporting Form

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

State of California—Health and Welfare Agency

Department of Health Services

TRANSITIONAL MEDI-CAL (TMC) QUARTERLY STATUS REPORT

This status report is for the months of			Return this form no later than the 21st day of
Month 1	Month 2	Month 3	

IMPORTANT: COMPLETE, SIGN, AND RETURN THIS REPORT TO THE WELFARE DEPARTMENT IN THE ENCLOSED ENVELOPE. Attach proof of your income, actual child care expenses paid, and total hours of employment for the three months noted above. If you have any questions regarding this form or the items to be reported, contact your eligibility worker.

o For Transitional Medi-Cal (TMC)—You will receive status reports during this period. If you do not complete and return these reports, your eligibility for TMC will be discontinued.

PART A.—DISCONTINUANCE REQUEST

I request that my *Transitional Medi-Cal* be stopped on the last day of _____
Month/Year

I know that I can reapply for *Medi-Cal* at any time. _____
Applicant signature Date

IF YOU WANT YOUR TMC ELIGIBILITY TO CONTINUE, PLEASE COMPLETE AND SIGN PART B OF THIS REPORT.

PART B.—ELIGIBILITY STATUS INFORMATION

1. Did anyone receive any earned income, money, or benefits during the report period? (Salary, wages, tips, commissions, bonuses, vacation pay.) _____ Yes No
If yes, attach proof.

Who Received Income, Money, or Benefits	Type of Income, Money, or Benefits (See Above)	Amount Before Deductions		
		Month 1	Month 2	Month 3
		Gross amount \$	Gross amount \$	Gross amount \$
		Hours worked	Hours worked	Hours worked
		Dates received	Dates received	Dates received
		Gross amount \$	Gross amount \$	Gross amount \$
		Hours worked	Hours worked	Hours worked
		Dates received	Dates received	Dates received
		Gross amount \$	Gross amount \$	Gross amount \$
		Hours worked	Hours worked	Hours worked
		Dates received	Dates received	Dates received
		Gross amount \$	Gross amount \$	Gross amount \$
		Hours worked	Hours worked	Hours worked
		Dates received	Dates received	Dates received

MC 176 TMC (10/96)

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

2. Did you or anyone pay for child care expenses which have not or will not be reimbursed? Yes No
 If yes, complete the following:

Name of Child(ren)	Age	Amount Paid for Child Care Expenses			Name of Child Care Provider
		Month 1	Month 2	Month 3	

3. Did you have changes in your family or household during the time specified? (Include change of address, change of child care provider, change of employment, anyone that moved into or out of your home, or anyone who was born or who died.) Yes No
 If yes, complete the following:

Name	Relationship	What Happened	Date

4. a. Do you or anyone have or expect to receive private health insurance? (This includes health, hospitalization such as Kaiser, Blue Cross, vision, long-term care insurance, or dental insurance paid by an employer, absent parent, or other person who is in or out of the home.) Yes No
 b. Do you have or expect to receive health insurance through your employer? Yes No
 c. Is health insurance available from your employer for a fee? Yes No
 If yes, complete the following:

Name of Insurance	Person(s) Insured

CERTIFICATION

- I understand that reported facts may result in benefits being changed or stopped.
- I understand that the statements I have made on this form are subject to investigation and verification.
- I understand that I must notify my worker within 10 days of any change.
- I understand that failing to report facts or giving wrong or incomplete facts can result in legal prosecution with penalties of a fine, imprisonment, or both.

I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE UNITED STATES AND THE STATE OF CALIFORNIA THAT THE INFORMATION CONTAINED IN THIS REPORT IS TRUE AND CORRECT AND IS COMPLETE FOR THE ENTIRE REPORT PERIOD.

Signature or mark of applicant	Social Security number	Date	Phone number ()
Signature of witness to mark, interpreter, or other person		Date	Phone number ()

MC 176 TMC (10/98)

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

State of California—Health and Human Services Agency

Department of Health Services

MEDI-CAL NOTICE OF ACTION TRANSITIONAL MEDI-CAL (TMC) APPROVAL FOR FULL OR RESTRICTED BENEFITS

(COUNTY STAMP)

Notice date: _____

Case number: _____

Worker name/number: _____

Worker telephone number: _____

This affects: _____

TMC IS A PROGRAM THAT PROVIDES CONTINUING MEDI-CAL BENEFITS FOR A MAXIMUM OF 12 MONTHS FOR CERTAIN PERSONS NO LONGER ELIGIBLE FOR THEIR CURRENT MEDI-CAL PROGRAM AS A RESULT OF EARNINGS FROM EMPLOYMENT.

- You are eligible for initial TMC for the period _____ through _____.
- You are entitled to full benefits.
- You are entitled to emergency and pregnancy-related benefits.

You will continue to receive TMC during this period if you have an eligible child in the home and remain employed.

You may be eligible for an additional six months of TMC at no cost if you:

- Return the status report which the county will send you by the 21st day of _____ and be within income limits.
- Attach to the status report proof of your family's monthly gross earnings and actual child care costs paid by you. Save all your earnings statements and child care receipts.
- You are eligible for an additional six months for the period _____ through _____.

To remain eligible for the additional six months of TMC, you will be required to complete and return two status reports sent to you by the county during this period. The first report will be due by the 21st day of the first month and the second report will be due by the 21st day of the fourth month of this additional six-month period. You must also:

- Continue to be employed.
- Have earnings below a certain limit.
- Have an eligible child in the home.

Always present your Benefits Identification Card (BIC) to your medical provider whenever you need care. This card is good as long as you are eligible for Medi-Cal. DO NOT THROW AWAY YOUR BIC.

The regulation which requires this action is California Code of Regulations, Title 22, Section 50244.

MC 239 TMC-1 (8/99)

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

State of California—Health and Welfare Agency

Department of Health Services

MEDI-CAL NOTICE OF ACTION Transitional Medi-Cal (TMC) Denial or Discontinuance of Benefits

(COUNTY STAMP)

Notice date: _____

Case number: _____

Worker name/number: _____

Worker telephone number: _____

This affects: _____

- Your benefits under TMC will be discontinued effective the last day of _____.
- Eligibility for benefits under the initial TMC program ends _____ because:
 - There is no longer a child in the home.
 - Other:
- Eligibility for benefits for the additional or second-year TMC program ends because:
 - There is no longer a child in the home.
 - You failed to return a completed status report.
 - Your family's gross average earnings (less child care costs) exceed the limit.
 - The caretaker relative or principal wage earner is no longer employed.
 - Other:
- You are not eligible for:
 - Additional TMC
 - Second Year TMC
 - Any other Medi-Cal program

Here is the reason:

- You will receive a separate notice about your eligibility for the regular Medi-Cal program.

DO NOT THROW AWAY YOUR PLASTIC ID CARD. You can use it again if you become eligible for Medi-Cal.

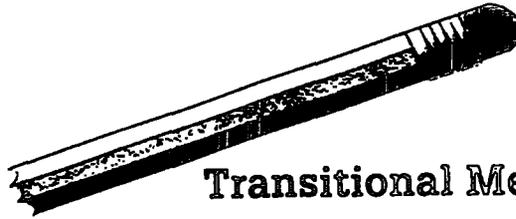
The regulation which requires this action is California Code of Regulations, Title 22, Section 50244.

(Eligibility Worker)

(Phone)

(Date)

MC 239 TMC-2 (10/98)



Transitional Medi-Cal

or TMC is for California families who lose cash aid and Medi-Cal (or who would have been eligible for cash under old rules) but are no longer eligible because of higher earnings from work. If you are the principal earner or caretaker and get a job or your job pays you more money, you may get no-cost Medi-Cal for 12 months or more.

To get the first 6 months of **TMC**, you must:

- have a child in the home.

To get the second 6 months of **TMC**, you must also:

- continue to work, and
- earn under a certain amount.

Be sure to let your worker know if you get a job or have more earnings from your job. You can do this by filling out and returning the form on the back of this flyer to your county welfare department. Call toll free **1-877-222-9133** for information.

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

State of California—Health and Welfare Agency

Department of Health Services

TRANSITIONAL MEDI-CAL

Did you go off Medi-Cal or cash aid because you got a job?

If you got money from a job, please answer the questions below and attach pay stubs or other proof of earnings. Please include tips or income in-kind, such as earned housing. If self employed, list business costs on a separate sheet of paper and attach proof of income and costs. Please return this form to:

Please type or print clearly.

Name	TOTAL HOURS WORKED IN REPORT MONTH:	DATE PAID: MM DD YY	MM DD YY	MM DD YY	MM DD YY	MM DD YY
Employer/source		GROSS AMOUNT: \$	\$	\$	\$	\$
Name	TOTAL HOURS WORKED IN REPORT MONTH:	DATE PAID: MM DD YY	MM DD YY	MM DD YY	MM DD YY	MM DD YY
Employer/source		GROSS AMOUNT: \$	\$	\$	\$	\$
Name	TOTAL HOURS WORKED IN REPORT MONTH:	DATE PAID: MM DD YY	MM DD YY	MM DD YY	MM DD YY	MM DD YY
Employer/source		GROSS AMOUNT: \$	\$	\$	\$	\$

Did your family have any other changes, such as someone moved in or out of the house or was married, divorced, or became pregnant? Yes No If yes, please explain:

If you can't read this notice, ask your worker for a translation.

Spanish: Si no puede leer esta notificación, pídale a su trabajador que se la traduzca.

Cambodian: បើសិនជាលោកអ្នកមិនយល់សេចក្តីប្រកាសនេះទេ សូមសាកសួរអ្នកសេចក្តីបកប្រែភាសាខ្មែរសំណុំរឿងរបស់លោកអ្នក ។

Chinese: 假如你看不懂這份通知，可以要求你的工作人員幫助你翻譯。

Russian: Если Вы не можете прочитать и (или) понять это извещение, попросите Вашего работника перевести.

Vietnamese: Nếu quý vị không biết tiếng Anh để hiểu nội dung thông báo này, hãy xin nhân viên phụ trách tìm người dịch giúp cho quý vị.

I declare under penalty of perjury that all information provided is true and correct.

Signature	Date	Telephone number ()	Social Security number
➤			
Address (number, street)		City	ZIP code
Signature of witness, interpreter, or person assisting		Date	Telephone number ()
➤			

MC 325 (5-98)

