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September 1, 2000

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL LETTER NO.: 223

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

5S--SECTION 1931(b) PROGRAM

Enclosed is an updated page correcting and clarifying items on page 5S3. For more information about the Section 1931(b) program Medi-Cal Family Budget Unit (MFBU), see Manual Letter No. 219 Article 8G. This will also be updated in the near future to reflect the March 1, 2000 changes described in All County Welfare Letter No. 00-04.

Filing Instructions:**Remove Pages:**

Article 5S
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Article 5S
Article 5S-3 through 6

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

Sincerely,

Original signed by

Glenda Arellano, Acting Chief
Medi-Cal Eligibility Branch

Enclosures





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The deprivation rules for the Section 1931(b) program are the same as those for the medically needy (MN) program with the following exceptions:

1. The 100-Hour Rule:

The 100-hour rule requirement that the unemployed parent PWE work less than 100 hours in a month for unemployment to exist applies to applicants for Section 1931(b) and to applicants and beneficiaries applying for or receiving coverage under the AFDC-MN program. As of March 1, 2000, if the PWE works 100 hours or more, but the family's earned income is not more than 100 percent of the federal poverty level, the PWE is still determined to be unemployed. (AB 1107, Chapter 146, Statutes of 1999, Section 14008.85).

The 100-hour rule does not apply to Section 1931(b) PWE recipients. A recipient for purposes of the 100-hour rule is a person who has been terminated from CalWORKs with no break in eligibility between CalWORKs and Section 1931(b) Medi-Cal, or the month after the person became eligible for 1931(b) as an applicant. A recipient may begin working over 100 hours in the second month of receiving Section 1931(b) if the family income is below the Section 1931(b) limit even if the family was never receiving CalWORKs. If the family did not return requested information from the county such as the MC210E and did not have good cause for the termination to be rescinded, the PWE must be redetermined as is not considered a recipient. For more information, see Article 5C.

2. Pregnant Woman in Her Last Trimester (Last Four Months)

A pregnant woman who has no other eligible children (but the unborn who when born would be deprived) may not be aided under the Section 1931(b) program until her last trimester which is defined by the CalWORKs program as the last four months of pregnancy. If the father of the unborn is living in the home, he may not be aided under this program until the baby is born and the baby is deprived. The father can be aided under the Medically Needy (MN) program because he has linkage. The father's income is counted in the Section 1931(b) Medi-Cal Family Budget Unit (MFBU) of the pregnant woman and the unborn even though he is an ineligible member of that MFBU until the child is born. The unborn may be counted in the maintenance need prior to the last trimester if there are other deprived children. If the parents are not married and the woman is ineligible for Section 1931(b) after the baby is born due to excess income or property, Sneed rules apply. Continuous eligibility rules apply to both the pregnant woman and the infant up to age one. For more information on the MFBU, see Article 8G.

3. The Definition of a Child

Under Section 1931(b), children are only covered up to their eighteenth birthday except that children up to age 19 may be covered if they are attending school as discussed in the next sentence. As in the former AFDC program, a child 18 years of age is eligible only if he/she is enrolled as a full-time student (as defined by the school) in high school, or if he/she has not completed high school, is in a vocational or technical training program which cannot result in a college degree, provided he/she can reasonably be expected to complete either program before reaching age 19.

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4. Deprived Child With No Share of Cost

To be eligible for Section 1931(b), there must be at least one deprived child in the family who is eligible for no cost Medi-Cal in either the 1931(b), MN, MI, or the Percent programs. If the only eligible child has a share of cost (SOC), the parent is not eligible for Section 1931(b).

5. Essential Stepparent

A stepparent may be aided as an "essential person" in the Section 1931(b) program which is similar to rules under the former AFDC and the current California Work Opportunity and Responsibility to Kids (CalWORKs) program regardless of whether he/she has deprived children or non deprived mutual children of his or her own. His linkage may be based only on the fact he/she is a spouse of a parent whom has a separate child deprived by an absent parent. The MN program only allows a stepparent to be linked if he/she is a spouse of a parent who has a separate child could deprived by that parents' incapacity. However, regardless of whether or not the stepparent wishes to be aided under Section 1931(b) he is included in the budget unit as an eligible or ineligible person depending on his/her choice. The exception would be when only the separate children of the spouse wish to be aided. He would not be in the budget unit; however, his wife would deem some of her income to him and any mutual children. This is also similar to the MN program.

6. Adult Parent, Minor Child, and Caretaker Relative Living in the Home

The CalWORKs program will allow an otherwise eligible adult parent, his/her minor child, and a caretaker to all be aided when they reside in the same home. The parent is still financially responsible even if the caretaker has care and control. Therefore, we will follow those rules for the Section 1931(b) program. However, the MN program (Section 50085 of the California Code of Regulations) does not aid a caretaker relative if there is an adult parent and his/her minor child in the home.

NOTE: Persons who are not eligible for CalWORKs such as those who are GAIN sanctioned, fleeing felons and aliens without satisfactory immigration status are eligible for Section 1931(b) without a separate determination, if other family members remain eligible for CalWORKs. The only exception to this would be a non-needy caretaker relative whose income is not considered by CalWORKs.

MFBU COMPOSITION

The (Medi-Cal Family Budget Unit) MFBU, including unborns, for Section 1931(b) shall be the basic unit for persons considered in determining an individual's or family's eligibility and share of cost. Note: Sneede is applicable to the Section 1931(b) determination.

A family (or an individual, if Sneede applies) must pass both the property and income tests specified below in order to meet the financial eligibility requirements of Section 1931(b).

More information about MFBU composition for Section 1931(b) will be provided in Section 8G.

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♦ INCOME

A family's countable income must be less than the Section 1931(b) income limit for that size family in order for the family to be income eligible for the Section 1931(b) program. A family cannot become eligible for Section 1931(b) by meeting their share of cost since Section 1931(b) has no share of cost process. A family's countable income is determined by subtracting certain income exclusions from the family's gross income. If the family is not income eligible for Section 1931(b), they should be evaluated for the AFDC-MN program or any other Medi-Cal program for which they may be eligible.

To meet federal and state law requirements, the Section 1931(b) program must provide income eligibility for a family or individual who would meet either the income eligibility criteria of the CalWORKs program or the former AFDC program. While most of the income rules for the CalWORKs program are unchanged from those of the former AFDC program, there are instances where CalWORKs rules have changed or are dissimilar from a corresponding AFDC rule. In these instances, the Section 1931(b) program adopts the more liberal of the two corresponding rules. Except for these changes, the computation of net nonexempt income for the Section 1931(b) program is very similar to AFDC and the Medi-Cal AFDC-MN program computations of net nonexempt income. More information on income will be provided in future procedures under Income. Counties should review the appropriate All County Welfare Director's Letters (ACWDLs).

♦ PROPERTY

PRWORA requires that the property methodologies of the Section 1931(b) program be no more restrictive than the rules of the former AFDC program as in effect July 16, 1996. State law requires that the Section 1931(b) regulations be expanded to ensure that all CalWORKs recipients are eligible for Medi-Cal under Section 1931(b). The CalWORKs program is using the Food Stamps property rules for personal property, motor vehicles and property limits, but is using the rules of the former AFDC program for real property. Generally, personal property shall be determined, defined, counted, and valued in accordance with the Food Stamps rules while real property shall be determined, defined, counted and valued in accordance with the July 16, 1996 AFDC rules.

The property limits are based on those in CalWORKs, i.e., the Food Stamps limits since they are higher than the limit in the July 16, 1996 AFDC program. The property limit is \$3,000 for MFBU's of one. For all other family sizes, the Medically Needy resource limits are used. More information about property rules may be reviewed in ACWDLs on this subject and future procedures under Property.

Note: A family which is not eligible for the Section 1931(b) program only because it had excess income or property should be evaluated for eligibility for the MN program which, for some families, has less restrictive financial eligibility requirements.

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CalWORKs looks at the entire family's income and resources in terms of evaluating a child's continued eligibility for CalWORKs. If a child is eligible for CalWORKs, but the parents are not aided for a non-financial reason such as time limits, then the parents still meet the Section 1931(b) requirements which do not impose time-limit requirements. This means the parents can be put into Section 1931(b) aid codes (as described below) without a separate Medi-Cal-Only determination. Counties may find it easier to allow CalWORKs workers to put parents into Section 1931(b) without a separate Medi-Cal determination or a separate Medi-Cal case.

E. AID CODES FOR THE SECTION 1931(b) PROGRAM

Aid Code 3N: [(1931(b).] Individuals who are not CalWORKs recipients but who meet the Section 1931(b) requirements will be identified on Medi-Cal Eligibility Data System (MEDS) under the new Aid Code 3N which will provide full-scope benefits with no share of cost (SOC).

Aid Code 3V: (1931(b)-Only - Restricted). Not Qualified Aliens who are not CalWORKs recipients but who meet the Section 1931(b) requirements will be identified on MEDS under the new Aid Code 3V which will provide benefits restricted to pregnancy-only and emergency services with no SOC.

These two new aid codes will not roll into Edwards (Aid Code 38) when terminated.

F. SNEEDE REQUIREMENTS

The requirements of the Sneede lawsuit apply to the Section 1931(b) determination. That is, there is a mandatory exception to using the modified July 16, 1996 AFDC methodology. This exception relates to the Medi-Cal Sneede lawsuit which limits financial responsibility to a spouse for a spouse or a parent for a child. Such prohibitions did not exist in the AFDC program, but the Health Care Financing Administration indicated that Sneede must apply to the Section 1931(b) program as it does for all other Medi-Cal programs.

This means that if a family is determined ineligible for Section 1931(b) rules because of excess property or failure to meet the MBSAC income test, Sneede provisions apply if there is a Sneede class member.

Generally, the same Sneede methodology used in the regular Medi-Cal program is followed under Section 1931(b) except for the following:

Income exceptions: Under regular Sneede, deductions for the aged, blind, and disabled are applicable. These deductions are not permitted in the Section 1931(b) Sneede determination. Under regular Sneede, the SOC is based on the Maintenance Need Income Level (MNIL) (or prorated amount), and a parental needs amount of \$600 (which relates to the MNIL for one) is allowed for the parent before the parent allocates to others for whom that parent is responsible. Under Section 1931(b) Sneede, income eligibility is based on the MBSAC minus \$1 (or its prorated amount) and the parent is allowed a \$389 parental needs deduction as of July 1, 1999 (which relates to the MBSAC for one as specified in the AFDC Title IV-A State Plan in effect on July 16, 1996) before allocating to others. This amount changes based on the CalWORKs income limit.

Note: The \$240 deduction and the "½" earned income deduction is not applied to applicants; however, under Sneede, each recipients may receive these deductions if applicable, which is similar to regular Sneede rules described in Section 8F of the Medi-Cal Eligibility Procedures Manual. As of March 1, 2000, recipients will have a choice between the \$240 and ½ and the current 1931(b) income limit or \$90 and an income limit of 100 percent of the FPL. Applicant income limits will be raised to 100% of the FPL.