

**DEPARTMENT OF HEALTH SERVICES**

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January 8, 2001

**MED-CAL ELIGIBILITY PROCEDURES MANUAL LETTER NO.: 236**

TO: All Holders of the Medi-Cal Procedures Manual

**Article 10 Q – INCOME DEDUCTION FOR PERSONS IN LICENSED BOARD AND CARE FACILITIES**

Enclosed is a new income section for Article 10 of the Medi-Cal Eligibility Procedures Manual. The information in Article 10Q, Income Deduction for Persons in Licensed Board and Care Facilities, was provided in All County Welfare Directors Letter No. 00-56.

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

Procedures 10 Table of Contents  
Page PTC-11

Article 10 Table of Contents  
Page TC-10-1 and TC-10-2

None

**Insert Pages:**

Procedures 10 Table of Contents  
Page PTC-11

Article 10 Table of Contents  
Page TC-10-1 and TC-10-2

Add Article 10Q after Article 10P  
Pages 10Q-1 and 10Q-2

If you have any questions, please contact Chet Heine of my staff at (916) 657-0837.

Sincerely,

Original signed by

Glenda Arellano  
Acting Chief  
Medi-Cal Eligibility Branch

Enclosure



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## MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

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- Article 10 -- INCOME
- 10A -- SSI/SSP PAYMENTS STANDARDS
  - 10B -- AID TO FAMILIES WITH DEPENDENT CHILDREN STANDARDS
  - 10C -- PUBLIC LAW PAYMENTS INCOME EXEMPTIONS
  - 10D -- SENIOR CITIZENS RENT ASSISTANCE
  - 10E -- COST OF IN-HOME SERVICES AS AN INCOME DEDUCTION FOR AGED, BLIND, AND DISABLED-MEDICALLY NEEDY (ABD/MN)
  - 10F -- INCOME IN KIND VALUES AND POLICIES RELATING TO THEIR USE
  - 10G -- TREATMENT OF MONEY RECEIVED FROM NONFAMILY MEMBERS LIVING IN THE HOME
  - 10I -- TITLE II DISREGARD ELIGIBILITY DETERMINATIONS -- OBSOLETE, SEE "PICKLE" HANDBOOK
  - 10J -- VETERAN'S BENEFITS
  - 10K -- COMMUNITY PROPERTY INCOME AVAILABLE IN LONG-TERM CARE (LTC) SITUATIONS
  - 10L -- APPLICATION OF THE \$30 PLUS ONE-THIRD AND \$30 DEDUCTION
  - 10M -- INCOME FROM SELF-EMPLOYMENT
  - 10P -- TREATMENT OF VETERAN'S EDUCATIONAL BENEFITS
  - 10Q -- INCOME DEDUCTION FOR PERSONS IN LICENSED BOARD AND CARE FACILITIES



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### Article 10 –INCOME

- 10A -- SSI/SSP PAYMENT STANDARDS
- 10B -- AID TO FAMILIES WITH DEPENDENT CHILDREN STANDARDS
- 10C -- PUBLIC LAW PAYMENTS INCOME EXEMPTIONS
  - 1. PL 94-385 and PL 97-35 – Home Energy/Assistance
  - 2. PL 95-171 – Disaster Assistance
  - 3. PL 96-420 – Payments Distributed Under the Maine Indian Claims Settlement Act of 1980
- 10D -- SENIOR CITIZENS RENT ASSISTANCE
  - 1. Background
  - 2. Eligibility Requirements
  - 3. Impact on Income
- 10E -- COST OF IN-HOME SERVICES AS AN INCOME DEDUCTION FRO AGED, BLIND, AND DISABLED MEDICALLY NEEDY (ABD-MN)
- 10F -- INCOME IN KIND VALUES
- 10G -- TREATMENT OF MONEY RECEIVED FROM NONFAMILY MEMBERS LIVING IN THE HOME
  - 1. Ten Percent of Gross (California Administrative Code (CAC), Title 22, Section 50508 (a)(3))
  - 2. Net Profit From Self-Employment (CAC, Title 22, Section 50508 (a)(4))
  - 3. Income In Express of Contributor's Share of Actual Costs (CAC), Title 22, Section 50515 (a)(2))
- 10I -- TITLE II DISREGARD ELIGIBILITY DETERMINATIONS-OBSOLETE  
SEE "PICKLE" HAND
- 10J -- VETEREN'S BENEFITS
  - 1. Background
  - 2. Referral
  - 3. Client Responsibility

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- 10K -- COMMUNITY PROPERTY INCOME AVAILABLE IN LONG-TERM CARE (LTC) SITUATIONS
- 10L -- APPLICATION OF THE \$30 PLUS ONE-THIRD AND \$30 DEDUCTIONS
- 10M -- INCOME FROM SELF-EMPLOYMENT
- 10P -- TREATMENT OF VETERAN'S EDUCATIONS BENEFITS
- 10Q -- INCOME DEDUCTION FOR PERSONS IN LICENSED BOARD AND CARE FACILITIES

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### ARTICLE 10Q--INCOME DEDUCTION FOR PERSONS IN LICENSED BOARD AND CARE FACILITIES

#### BACKGROUND

Medi-Cal regulation 50515(a)(3) states, that portion of the monthly income of a medically needy person residing in a licensed board and care facility which is both of the following is unavailable:

- Aid to the facility for residential care and support.
- In excess of the appropriate maintenance need level as determined in accordance with Section 50603.

In the Pettit v. Bontá lawsuit, the court found the Medi-Cal program needed to allow persons in licensed board and care residential facilities the ability to apply incurred expenses for personal care services to their share of cost (SOC). An income deduction of \$315 for board and care services is to be allowed unless the income deduction for excess board and care allows for a lower share of cost.

#### COMPUTATION OF INCOME DEDUCTION

Effective April 1, 2000, individuals in licensed board and care residential facility are to be allowed a \$315 personal care services income deduction or the excess board and care deduction for residential care. The income deduction that will result in the lowest share of cost is to be used.

#### Examples

1. Person in licensed board and care pays board and care in the amount of \$750. Beneficiary receives Social Security in the amount of \$900. \$900 minus \$20 Aged Blind or Disabled (ABD) any income deduction leaves a nonexempt income of \$880.

\$750 Amount paid for board and care.  
-\$600 Maintenance need.  
\$150 Excess board and care.

The standard \$315 deduction for personal care services is greater than the \$150 excess board and care. Therefore, allow an income deduction of \$315.

\$880 Net income.  
-\$315 Standard personal care deduction for persons in board and care.  
\$565 Income used to determine share of cost.

\$565 Net income after all deductions.  
-\$600 Maintenance need.  
0 Share of cost.

2. Person in licensed board and care pays board and care in the amount of \$1,300. Beneficiary receives Social Security in the amount of \$1,100. \$1,100 minus \$20 ABD any income deduction leaves a nonexempt income of \$1,080.

\$1,300 Amount paid for board and care.  
-\$ 600 Maintenance need.  
\$700 Excess board and care.

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The \$700 for excess board and care is greater than the \$315 standard deduction for personal care services. Therefore, allow an income deduction of \$700.

\$1,080 Net income.  
~~-\$ 700~~ Excess board and care.  
\$ 380 Income used to determine share of cost.

\$380 Net income after all deductions.  
~~-\$600~~ Maintenance need.  
0 Share of cost.

3. Person in licensed board and care pays board and care in the amount of \$850. Beneficiary receives Social Security in the amount of \$1,000. \$1,000 minus \$20 ABD any income deduction leaves a nonexempt income \$980.

\$850 Amount paid for board and care.  
~~-\$600~~ Maintenance need.  
\$250 Excess board and care.

The standard \$315 deduction for personal care services is greater than the \$250 excess board and care. Therefore, allow an income deduction of \$315.

\$980 Net income.  
~~-\$315~~ Standard personal care deduction for persons in board and care.  
\$665 Income used to determine share of cost.

\$665 Net income after all deductions.  
~~-\$600~~ Maintenance need.  
\$ 65 Share of cost.

4. Person in licensed board and care pays board and care in the amount of \$1,300. Beneficiary receives Social Security in the amount of \$1,400. \$1,400 minus \$20 ABD any income deduction leaves a nonexempt income of \$1,380.

\$1,300 Amount paid for board and care.  
~~-\$ 600~~ Maintenance need.  
\$ 700 Excess board and care.

The \$700 for excess board and care is greater than the \$315 standard deduction for personal care services. Therefore, allow an income deduction of \$700.

\$1,380 Net income.  
~~-\$ 700~~ Excess board and care.  
\$ 680 Income used to determine share of cost.

\$680 Net income after all deductions.  
~~-\$600~~ Maintenance need.  
\$ 80 Share of cost.