

DEPARTMENT OF HEALTH SERVICES

714/744 P STREET
SACRAMENTO, CA 95814

August 1, 1984

To: All County Welfare Directors

Letter No. 84-37

REAL PROPERTY CHANGES RESULTING FROM CRAWFORD V. RANK, BAGLEY V. DAWSON AND
1982 AND 1983 STATE LEGISLATION

Reference: ACWD Letters No. 83-10 and 83-24

1982 State Legislation

On December 31, 1982, the Department of Health Services (DHS) filed regulations to implement the real property changes to Welfare and Institutions (W & I) Code, Section 14006 that resulted from AB 799 (Chapter 328, Statutes of 1982) and SB 2012 (Chapter 1594, Statutes of 1982). They became effective on January 1, 1983, and were transmitted to county welfare departments via Manual Letter No. 73.

These regulations, (1) established the limitation for utilized other real property at \$6,000, (2) specified that the market value of property in California is determined by the county assessor, (3) provided for continuing eligibility under certain conditions for beneficiaries in long-term care (LTC) even if the equity value of their former principal residence exceeds the \$6,000 limitation for utilized other real property, and (4) described the conditions under which liens were to be recorded against the former principal residence of beneficiaries in LTC.

Bagley v. Dawson

In March 1983, the Los Angeles Superior Court issued a Permanent Injunction (Attachment I), in the case of Bagley v. Dawson (formerly Griffin v. Dawson). This court order enjoined DHS from requiring that a Medi-Cal beneficiary residing in a LTC facility list his/her former principal residence for sale, in order to remain eligible for Medi-Cal, without first providing the opportunity for a county level review of the circumstances of the case. It also provided that no beneficiary may be allowed to sell or transfer his/her former principal residence pending the results of the county review and/or the state hearing except:

1. Property held in joint tenancy may be transferred to the joint tenant upon the death of the beneficiary, or
2. If the transfer or sale is court-ordered.

It further ordered that all prior notices issued by the CWDs as a result of the January 1, 1983 revisions to Section 50428 and ACWD Letter No. 83-10 be rescinded; that Medi-Cal benefits be restored to anyone denied or discontinued as a result of the prior notices (refer to ACWD Letter No. 83-24); and that new notices, outlining the appeal process, be sent.

Crawford v. Rank and 1983 State Legislation

In July 1983, several of the January 1, 1983 real property regulation changes relating to multiple dwellings were challenged by four litigants in the case of Crawford v. Rank (Attachment II). The plaintiffs asked the court to compel DHS to exempt, for purposes of determining Medi-Cal eligibility, any indivisible parcel (including improvements) serving, "in whole or in part, as the principal residence of an applicant or beneficiary", and to enjoin DHS from treating any portion of that "home property" as non-exempt property.

At the time of the preliminary hearing the court was informed of pending legislation (AB 223) (Attachment III) that would make changes similar to those requested by the plaintiffs. AB 223 amended W & I Code, Section 14006(b), to provide for explicitly exempting a Medi-Cal applicant's or beneficiary's principal residence from inclusion in the Medi-Cal property reserve and to define "principal residence" as the home, including a multiple unit dwelling, in which the applicant or beneficiary resides or formerly resided.

The court ordered DHS to implement the applicable portions of AB 223 when determining Medi-Cal eligibility, and to use the AB 223 provisions to redetermine the eligibility of any person denied or discontinued, due to "other real property" or "excess property", subsequent to June 30, 1983. The court further ordered that the multiple dwelling provisions of AB 223 be used to redetermine the eligibility of anyone denied or discontinued, due to ownership of a multiple dwelling, subsequent to December 31, 1982.

The AB 223 language was superseded by AB 1490 (Attachment IV) on September 22, 1983. The significant difference between AB 223 and AB 1490 was that AB 1490 gave DHS the authority to adopt emergency regulations that would be effective on the date they were filed with the Secretary of State.

In addition to the new multiple dwelling provisions, the regulations implementing AB 223 and AB 1490 provide that a person's home continues to be the principal residence if any one of the following circumstances is applicable:

1. During any absence, other than admission to a SNF or ICF, the applicant or beneficiary intends to return within six months to live in the principal residence;
2. The applicant or beneficiary enters a skilled nursing facility (SNF) or intermediate care facility (ICF) and is expected, according to a medical determination, to be discharged within six months to return to his/her principal residence;
3. The applicant's or beneficiary's sibling or adult child lives in the principal residence and has done so for at least one year prior to the time the applicant or beneficiary entered the SNF or ICF;
4. The applicant's or beneficiary's spouse or dependent relative continues to live in the principal residence;

5. A bona fide effort is being made to sell the property; or
6. The principal residence cannot be sold because there are legal obstacles preventing the sale.

Only one property at a time may be exempt as a principal residence. In the case of a multiple unit dwelling, a portion of which is the applicant's or recipient's principal residence, the entire property is exempt. Additionally, when the principal residence is on land which contains other buildings, all the land appertaining to the home and all other buildings on the land are exempt as the principal residence and no utilization is required.

The regulations implementing these changes were filed on July 20, 1984. A copy of these regulations is attached to this letter (Attachment V).

County Actions Required

I. Effective immediately all new and pending Medi-Cal applications must be processed using the attached regulations.

II. Crawford Court Order Requirements

- o All Medi-Cal applicants or beneficiaries who were denied or discontinued on or after January 1, 1983, because they own(ed) a multiple unit dwelling or land with multiple buildings in/on which they reside or formerly resided, must have their eligibility redetermined using the new regulations.
- o All Medi-Cal applicants or beneficiaries who were discontinued or denied due to other real property or excess property, after June 30, 1983, must have their eligibility redetermined using the new regulations.
- o Anyone found eligible as a result of the redetermination process must be sent a notice rescinding the adverse action and be granted eligibility: a) effective January 1, 1983 if the issue was ownership of a multiple unit dwelling or land with multiple buildings, or b) effective July 1, 1983 if the issue was "other real property" or "excess property", and the person was otherwise eligible.
- o When necessary provide beneficiaries with a copy of the Provider Letter that is included in the attached procedures, along with the cover letter to the beneficiary explaining the purpose of the Provider Letter.

III. List and Lien Requirements

- o Send a copy of the Other Real Property Questionnaire (DHS 7014) to DHS - Recovery Branch for each beneficiary owning real property that may be liened in accordance with Section 50422, within 30 days

of the date one of the following notices (whichever is appropriate) is sent to the beneficiary:

1. LIST FOR SALE PROPERTY OVER \$6,000
2. LIST OR UTILIZE PROPERTY UP TO \$6,000
3. NOTICE OF ACTION-LIENS

If the beneficiary requests a county level review and/or state hearing on the lien requirement, send the DHS 7014 and follow it with the DHS 7013 to notify Recovery Branch of the appeal. Upon completion of the county review and/or state hearing send another DHS 7013 informing Recovery Branch of the result of the appeal. Detailed instructions regarding completion of the DHS 7014 and the DHS 7013 are included in the attached procedures.

- o Send a copy of the Change of Status - Liens form (DHS 7013) to DHS - Recovery Branch each time there is a change to the information reflected on the DHS 7014.
- o Send Notice 1, List for Sale-Property Over \$6,000 to all currently eligible Medi-Cal beneficiaries residing in SNFs, ICFs or acute care hospitals whose former principal residence is valued over \$6,000 and is not exempt per Section 50425.
- o Send Notice 2, List or Utilize Property Up To \$6,000 to current Medi-Cal beneficiaries residing in SNFs, ICFs or acute care hospitals whose former principal residence valued at \$6,000 and or less, is not exempt per Section 50425 informing them they must either:
 - a. Utilize the property in accordance with Section 50416, or
 - b. List the property for sale in accordance with Section 50425 and have a lien placed upon the property.
- o If a beneficiary fails to meet the requirements specified in Notice 1 or Notice 2, a ten-day Notice of Action must be sent prior to the CWD taking any adverse action.
- o For beneficiaries who are unable to act on their own behalf the CWD must make contact with a family member, a conservator/guardian or an authorized representative before sending Notice 1 or Notice 2.
- o Send the Notice of Action-Liens to affected beneficiaries and send the DHS 7014 to DHS' Recovery Branch within 30 days of the date the Notice is sent.
- o Conduct a county level review, if requested, of the circumstances surrounding each case where it is determined necessary to place a

lien against the beneficiary's principal residence and/or to require that the property be utilized or listed for sale. This review is to be conducted in accordance with the following:

- a) The claimant must request the review within 30 days of the date of receiving one of the following notices:
 1. LIST FOR SALE PROPERTY OVER \$6,000
 2. LIST OR UTILIZE PROPERTY UP TO \$6,000
 3. NOTICE OF ACTION-LIENS
- b) The county review must be conducted by a person designated by the county welfare director to conduct such reviews and to prepare a written decision. The county reviewer must be an impartial party who shall not have been in anyway connected with the previous actions or decisions in the case being reviewed. The county reviewer may not later serve as the county representative at a subsequent state hearing involving the case.
- c) The CWD must schedule the review and reach a decision prior to the scheduled date for a state hearing on the matter.
- d) The review shall be of documents submitted to the CWD by the beneficiary or his/her representative. The claimant is not required to personally appear at the review.
- e) The documents to be reviewed may consist of written declarations, letters, files or any type of written documents relevant to the issues specified below:
 1. Whether or not the beneficiary is in a skilled nursing or intermediate care facility or acute care hospital and is expected to remain for six months or more.
 2. The value of the claimant's property that is the subject of this review.
 3. Any statutory or regulatory exemptions which allow the claimant to remain or become eligible for Medi-Cal benefits and not utilize or list his/her property for sale nor have a lien placed against it.
 4. Any reasons why the claimant is unable to comply with the requirement to utilize the property, list it for sale or have a lien recorded against it.
- o Inform the beneficiary in writing that the principal residence must not be transferred or sold during the county review and/or the state hearing process, and that to do so may jeopardize his/her Medi-Cal eligibility.

- o Send the Notice of Action - Result of County Review to the applicant or beneficiary immediately upon completion of the county review.

Procedures, Forms and Notices

Attachment VI contains the procedures, the forms and the notices necessary to implement the requirements of the court orders and the new regulations:

I. Beneficiary and Provider Letters

- A. Beneficiary letter (Attachment VI-A)
- B. Provider letter (Attachment VI-B) is a letter outlining special billing procedures for the provider.

The above letters are to be provided to the beneficiary if it becomes necessary to issue Medi-Cal cards more than ten months after the date of service.

II. List and Lien Forms and Notices - Beneficiaries in SNFs, ICFs and Acute Care Hospitals

A. List and Lien Forms

1. Other Real Property Questionnaire (DHS 7014) (Attachment VI-C) is used to provide DHS with specific information to record liens against the principal residences of beneficiaries.
2. Change of Status -- Liens (DHS 7013) (Attachment VI-D), is to be used to update information provided to DHS on the Other Real Property Questionnaire. Specifically, it is used when a beneficiary is discharged from a SNF, ICF, or an acute care hospital to return home or when a beneficiary has requested either a fair hearing, a county review or both. Instructions for completing these forms are attached. Both forms are available and may be ordered through the DHS Warehouse.

B. List and Lien Notices

One or more of the following notices must be sent to beneficiaries who are affected by the new list and lien requirements.

TO ASSURE COMPLIANCE WITH THE BAGLEY COURT ORDER, CWDs MUST NOT ALTER THE CONTENT OF THESE NOTICES, ALTHOUGH FORMAT CHANGES ARE PERMISSIBLE. Any changes must be submitted to:

Kristi Banion
Department of Health Services
Eligibility Branch
714 P Street, Room 1692
Sacramento, CA 95814

These notices will be printed and be available from the DHS Warehouse. Until they are available, CWDs must prepare their own notices using the language in the attached notices.

Notice 1

List for Sale Property Over \$6,000 is for currently eligible Medi-Cal beneficiaries in SNFs, ICFs or acute care hospitals whose former principal residence is not exempt per Section 50425. Due to the Bagley court order, they were not discontinued in accordance with the January 1, 1983 property regulation changes. Eligibility can continue only if a beneficiary provides evidence in the form of a signed contract with a real estate broker, within 30 days of the date of this notice, to his/her eligibility worker (EW), that the former principal residence has been listed for sale. After the former principal residence is listed for sale it becomes exempt per Section 50425, and a lien will be recorded. When the property is sold, the State of California will be reimbursed for medical expenses, paid by Medi-Cal, on behalf of the beneficiary.

Notice 2

List or Utilize Property Up to \$6,000 requires current Medi-Cal beneficiaries who own former principal residences not exempt per Section 50425 to:

1. Utilize the property according to Section 50416, or
2. List the former principal residence for sale per Section 50425 and have a lien recorded against their property in accordance with Section 50422.

Notice 3

Notice of Action -- Liens is used to inform beneficiaries, of the lien that is being recorded against their property in accordance with Section 50422. This notice shall be sent as soon as the CWD determines that all criteria set forth in Section 50422 have been met.

Notice 4

Notice of Action -- Result of County Review is to be used by the CWD to notify beneficiaries of the results of the county review.

Notice 5

Notice of Action -- Denial/Discontinuance of Benefits is to be sent when the beneficiary owns Other Real Property that exceeds property limits.

All County Welfare Directors

-8-

We are providing regional county training on these changes during the month of August. The specific training schedule has been provided to counties in a separate letter.

The Department sincerely appreciates all of the time, assistance, and input provided by several county staff to develop this All County Letter and associated training programs.

If you or your staff have questions on either this letter or the regulations, please contact Kristi Banion at (916) 445-1797 or (ATSS) 485-1797.

Sincerely,

Original signed by

Caroline Cabias, Chief
Medi-Cal Eligibility Branch

Attachments

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

MG476KB

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FILED

MAR 24 1983

JOHN J. CORCORAN, COUNTY CLERK

D. Lee
BY D. LEE, DEPUTY

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
 9 FOR THE COUNTY OF LOS ANGELES

10
 11 DONALD GRIFFIN AS GUARDIAN AD LITEM) CASE NO. C 446398
 FOR LULA BAGLEY; ELAINE BASS AS GUARDIAN))
 12 AD LITEM FOR DORA BERGMAN; LUCY DRAKE))
 AS GUARDIAN AD LITEM FOR IDA BLOOM;) PERMANENT INJUNCTION
 13 NANCY ROSENBLUM AS GUARDIAN AD LITEM) ORDER
 FOR NATHAN LILLIE; LOUISE MILLER AS))
 14 GUARDIAN AD LITEM FOR FRANCES MILLER;))
 BETTY DAVIES AS CONSERVATOR FOR))
 15 VIRGINIA HOWELL; CLARENCE PREVOST AS))
 GUARDIAN AD LITEM FOR LILLIAN MARKS;))
 16 HAZEL K. HANSON AS GUARDIAN AD LITEM))
 FOR CHRISTINE KASTEN; THOMAS BRADY AS))
 17 GUARDIAN AD LITEM FOR MILDRED A. BRADY,))
))
 18 _____ Plaintiffs/Petitioners,))

19 v.))

20 WILLIAM DAWSON, as Director of the))
 State Department of Health Services,))
 21 State Department of Health Services, an))
 agency of the State of California;))
 22 MICHAEL FRANCHETTI, as Director of the))
 State Department of Finances; STATE OF))
 23 CALIFORNIA, a Political Entity,))
))
 24 Defendants/Respondents))

25
 26 The court having considered the presentations and
 27 arguments of counsel for all parties in camera on March 18 and

1 21, 1983; and no party having an objection to the granting of a
2 permanent injunction resolving all issues raised in the
3 complaint/petition in the instant matter:

4 IT IS ADJUDGED, ORDERED AND DECREED THAT:

5 The California Department of Health Services, its
6 agents, employees, attorneys, representatives or anyone acting
7 by or in concert with them, is hereby permanently enjoined from
8 denying or reducing benefits to Medi-Cal beneficiaries based
9 upon section 50428, Title 22, California Administrative Code, and
10 any information notice or notice of action resulting from
11 All-County Letter 83-10.

12 IT IS FURTHER ADJUDGED, ORDERED AND DECREED THAT:

13 The California Department of Health Services, its
14 agents, employees, attorneys, representatives, or anyone
15 acting by or in concert with them, shall issue a notice to
16 all Medi-Cal beneficiaries affected by section 50428, Title 22,
17 California Administrative Code.

18 ~~Said notice shall advise the beneficiary that:~~

19 1. Any prior information notice suggesting the
20 beneficiary list a home for sale in order to maintain the beneficiary's
21 Medi-Cal eligibility or that the beneficiary's Medi-Cal has been
terminated, reduced or denied for failure to list is rescinded, and
that the benefits have been restored, retroactively, if necessary.

22 2. The beneficiary has a right to a hearing before his
23 or her welfare worker within 30 days of the notice, which
24 hearing shall include the following elements:

25 a. The hearing shall be by documents only which
26 the beneficiary or a representative shall present to the
27 welfare worker. The documents which may be presented may

1 consist of declarations, letters, files, or any kind of
2 writing relevant to the issues specified below.

3 b. The issues to be addressed at the hearing may
4 include:

5 i. Whether or not the beneficiary is in
6 Long-Term Care;

7
8
9 ii. The value of the beneficiary's home;

10 iii. Any exemptions specified by statute or
11 regulation which allow the beneficiary to remain
12 eligible for Medi-Cal benefits and not list his or
13 her home for sale; or

14 iv. Any reasons why the beneficiary cannot
15 comply with the requirement to list the home for
16 sale.

----- or representative

17 3. The notice shall advise the beneficiary that any
18 adverse decision of the welfare worker based upon the above
19 described hearing or notice of action terminating or modifying
20 the beneficiary's Medi-Cal eligibility may be appealed to the
21 Chief Referee at the California Department of Social Services.

22 4. The notice shall inform the beneficiary that an
23 appeal must be filed with the Chief Referee within ten days from
24 the notice from the welfare worker in order to receive aid paid
25 pending, but all appeals must be filed within 90 days from the
26 notice of the welfare worker.

1 5. The hearing before the Chief Referee will be
2 conducted pursuant to the provisions of Welfare and Institutions
3 Code section 10950 et seq.

4 IT IS FURTHER ADJUDGED, ORDERED AND DECREED THAT:

5 1. All determinations of the welfare worker based upon
6 the documents and writings in the review required in the
7 foregoing part of this order which require the beneficiary to
8 list his or her home for sale in order to remain eligible for
9 benefits shall be by notice to the beneficiary with a
10 description of the beneficiary's appeal right to the Chief
11 Referee as set out above.

12 2. If a beneficiary fails to comply with a
13 determination of the welfare worker that the beneficiary must
14 list his or her home for sale in order to remain eligible for
15 benefits or fails to appeal such a determination to the Chief
16 Referee, a notice of action terminating the beneficiary may be
17 sent. The notice of action shall describe the beneficiary's
18 right to appeal the termination of eligibility pursuant to
19 Welfare and Institutions Code section 10950 et seq.

20 3. No beneficiary shall transfer or sell or cause to
21 be transferred or sold any home pending the results of the hearing before
22 the welfare worker or the appeal of the welfare worker's decision to the
23 Chief Referee, as described above, but that this will not affect any
24 beneficiary's other hearing rights provided by law, except:

25 a. Property held in joint tenancy may be transferred
26 by operation of law to the joint tenant in the event of the
27 death of the beneficiary; or

 b. Upon the order of a court of competent
jurisdiction.

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4. The court shall retain jurisdiction to consider the issues of attorney's fees and costs.

IT IS SO ORDERED.

DATED: March 24, 1963

Jan S. [Signature]
JUDGE OF THE SUPERIOR COURT

Approved :
Herbert Pressley

David [Signature]

H. B. [Signature]

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5 Attorneys for Defendants/Respondents
6
7

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 FOR THE COUNTY OF LOS ANGELES
10

11 RUTH [CRAWFORD] et al.,) CASE NO. C 458 661
12 Plaintiffs/Petitioners,) STIPULATION AND JUDGMENT
13 v.) BY CONSENT
14 PETER RANK, etc., et al.,)
15 Defendants/Respondents.)

16
17 STIPULATION

18 WHEREAS, the parties and their counsel in this action
19 recognize that substantive issues remain to be litigated in this
20 suit and are desirous of arriving at a remedial plan of resolution
21 in lieu of litigation,

22 WHEREAS, the parties and their counsel are cognizant of
23 the fact that Assembly Bill No. 223, which became law on July 21,
24 1983, effected certain amendments to Welfare and Institutions
25 Code section 14006 and the definition of "home" contained therein,
26 which amendments concern the application and interpretation of
27 said term for purposes of Medi-Cal program eligibility prospectively

1 from July 1, 1983, as more particularly set forth in the court's
2 Order of July 29, 1983,

3 WHEREAS, the parties and their counsel acknowledge
4 that in the light of the passage of Assembly Bill No. 223, section
5 124.8, and the presumed compliance by the Department of Health
6 Services with the conditions of the aforementioned Order of
7 July 29, 1983, the following (and only the following) issues
8 remain to be resolved in this action:

9 (1) The validity and legality of the Department
10 of Health Services' regulations (Tit. 22, Cal. Admin.
11 Code, §§ 50435 and 50437) and interpretations thereunder
12 respecting the valuation of multiple dwelling units and
13 land with more than one building;

14 (2) The standing, scope and propriety of this
15 action being maintained as a taxpayer suit, particularly
16 the availability thereunder of any relief beyond that of
17 prospective injunctive relief;

18 (3) The propriety and availability of any
19 retrospective relief to which these plaintiffs, or
20 those they purport to represent, including their
21 entitlement to redeterminations of Medi-Cal eligibility;
22 and

23 (4) The entitlement to and amount of attorney's
24 fees and costs awardable to counsel for plaintiffs,

25 WHEREAS, for the purposes of this action and the
26 resolution thereof only, the parties agree that the relief sought
27 in this suit shall be deemed to include and allow for retrospective

1 redeterminations and/or benefits under the Medi-Cal program, and
2 to include within the "taxpayer class" all beneficiaries and
3 applicants who were adversely affected similar to the named
4 plaintiffs herein by reason of the Department's (Counties')
5 application and interpretation of the aforementioned regulations
6 respecting the valuation of multiple dwelling units and land
7 with more than one building, and that the Complaint/Petition
8 herein shall be deemed to be amended, if necessary, to encompass
9 such relief and class,

10 WHEREAS, the parties agree that the provisions of this
11 Stipulation are for the purpose of reaching a resolution of the
12 issues in the instant action only and shall not be used against
13 the defendants herein or any other state agency, officer, or
14 employee in any fashion or for any purpose in connection with
15 any other proceeding, civil or administrative, except as to those
16 individuals defined in paragraph 2 herein for purposes of enforce-
17 ment concerning the relief provided therein,

18 IT IS THEREFORE AGREED by the parties that:

19 1. The provisions of the court's Order of July 29,
20 1983, paragraphs (a) through (e) thereof, are incorporated herein
21 and made a part hereof.

22 2. In addition to those acts required by paragraph 1
23 immediately above, the Department of Health Services shall
24 instruct all Counties to take the following action:

25 (a) Review the files of all beneficiaries
26 of the Medi-Cal program who, subsequent to December 31,
27 1982, were owners of a multiple dwelling or land with

1 more than one building and were determined to be
2 ineligible for Medi-Cal benefits by reason of the
3 Department's (Counties') application and interpre-
4 tation of the regulations at issue herein, to wit
5 sections 50435 and 50437. An All-County letter
6 will be sent in this regard no later than 90 days
7 from the date that Judgment is signed herein by the
8 court.

9 (b) Review the files of all applicants who have
10 timely requested fair hearings, or who personally identify
11 themselves to the Department or the respective County
12 agency, or whose identity is made known to either agency
13 by counsel for plaintiffs herein, and who, in all other
14 respects, fit the description set forth in paragraph 2(a)
15 immediately above.

16 (c) Those beneficiaries and applicants described
17 in paragraphs 2(a) and 2(b) above, including those who
18 are otherwise eligible for such benefits, shall be
19 redetermined.

20 3. For purposes of such eligibility from January 1,
21 1983 through June 30, 1983, "home" shall include a multiple dwell-
22 ling or land with more than one building whenever the land cannot
23 be legally subdivided, and the beneficiary uses or used one unit
24 as a principal residence. If based upon such redetermination a
25 beneficiary or applicant is found to be eligible, such person
26 shall be returned or added to the Medi-Cal eligible list, issued
27 a Medi-Cal card for each month for which eligibility exists and
28 notified of such action forthwith.

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4. The entitlement to, and amount, if any, of attorney's fees and costs recoverable by plaintiffs' counsel is reserved for decision by the court upon application therefor by plaintiffs.

5. The terms and provisions of this Stipulation, if and as approved by the court, shall constitute a final Judgment herein as to all of the issues identified herein and shall be binding upon the parties until and unless modified by further order of the court.

IT IS SO AGREED AND MOVED THAT JUDGMENT BY CONSENT BE ENTERED ACCORDINGLY.

DATED: _____

DATED: _____

ATTORNEYS FOR PLAINTIFFS

ATTORNEYS FOR DEFENDANTS RANK
AND DEPARTMENT OF HEALTH SERVICES

JUDGMENT

GOOD CAUSE APPEARING to the court, it is hereby ordered, adjudged and decreed that judgment be and is hereby entered in accordance with the foregoing terms and provisions agreed to by the parties, which terms and provisions are incorporated herein and made a part hereof and shall constitute the judgment of this court.

DATED: _____

JUDGE OF THE SUPERIOR COURT

amended to read:

14006. (a) For the purposes of Sections 14005.4 and 14005.7, the term "other resources" means the real or personal property, or any combination of both, held by a medically needy or medically indigent individual or family.

(b) For the purposes of this section, the term "principal residence" means the home, including a multiple-dwelling unit, in which the individual resides or formerly resided. The home will continue to be considered the principal residence if any of the following is applicable: (1) during any absence, the individual intends to return to the home; (2) the individual lives in a skilled nursing or intermediate care facility and can reasonably be expected to return home; (3) the individual's spouse or a dependent relative of the individual continues to reside in the home; (4) the individual does not have the right, authority, power, or legal capacity to liquidate the property, but a bona fide effort is being made to attain the right, authority, power, or legal capacity to liquidate the property; (5) the property cannot readily be converted to cash but a bona fide effort is being made to sell the property; (6) if it is a multiple-dwelling unit, one unit of which is occupied by the applicant or recipient, any unit not occupied by the applicant or recipient is producing income for the individual or family reasonably consistent with its value; or (7) it is inhabited by any sibling or child of the recipient who has continuously resided in the property since at least one year prior to the date the owner entered a skilled nursing or intermediate care facility. The state shall have a lien against the property, to the extent permitted by federal law, for the cost of medical services. The lien shall be recorded, and from the date of recording shall have force, effect, and priority of a judgment lien.

For purposes of this subdivision, "bona fide effort" means that the property shall be listed with a licensed real estate broker at the value determined to be the fair market value by a qualified real estate appraiser and the applicant or recipient provides evidence that a continuous effort is being made to sell the property, offers at fair market value are accepted, and all offers are reported.

(c) The amount of other resources is limited to not more than one thousand five hundred dollars (\$1,500) for an aged, blind or disabled individual, or not more than three thousand dollars (\$3,000) for an aged, blind or disabled individual and his spouse. For a medically needy family person or for a medically indigent person or family, this limit shall be established at not less than one thousand five hundred dollars (\$1,500) and not more than three thousand dollars (\$3,000), in accordance with family size. In addition, a medically needy or medically indigent person or family may retain: (1) Other property in accordance with the provisions of Sections 11158 and 12152 of this code; (2) Real property other than the principal residence, up to a value of six thousand dollars (\$6,000) provided it is producing income for the individual or family reasonably consistent with its value; (3) The principal residence; (4) Any additional resources allowed under the provisions of Title XVI of the Social Security Act.

(d) The director, to meet the requirements of the Federal Social

Security Act and to insure the highest percentage of federal financial participation in the program provided by this chapter, may decrease or increase the amounts set forth herein.

(e) If the holdings are in the form of real property, the value shall be the assessed value, determined under the most recent county property tax assessment, less the unpaid amount of any encumbrance of record.

If the real property other than the home is not producing income reasonably consistent with its value, the applicant or recipient shall be allowed reasonable time to begin producing such income from the property. If the property cannot produce reasonable income or be sold based on the market value, the applicant or recipient shall be allowed to submit evidence from a qualified real estate appraiser which indicates the value for which the property can be adequately utilized or sold. If the applicant or recipient provides evidence that the only method of adequately utilizing the property is sale, and the property has not been sold at market value during a reasonable period of time, the property shall be considered to be adequately utilized provided it is listed with a licensed real estate broker at the value determined to be the fair market value by a qualified real estate appraiser and the applicant or recipient provides evidence that a bona fide and continuous effort is being made to sell the property.

(f) Any mortgage or note secured by a deed of trust shall be deemed real property if its value does not exceed six thousand dollars (\$6,000) and it is obtained by the applicant or recipient, or in combination with his spouse, through the sale of such real property.

(g) If the holdings consist of money on deposit, the value shall be the actual amount thereof. If the holdings are in any other form of personal property or investment, except life insurance, the value shall be the conversion value as of the date of application or the anniversary date of such application. If the holdings are in the form of life insurance, the value shall be the cash value as of the policy anniversary nearest the date of such application.

(h) The value of property holdings shall be determined as of the date of application and, if the person is found eligible, this determination shall establish the amount of such holdings to be considered during the ensuing 12 months except a new determination to govern during the succeeding 12 months shall be made on the first anniversary date of the application or such alternate date as may be established following the acquisition of additional holdings as provided in the following paragraph and on each succeeding anniversary date thereafter.

(i) If any person shall by gift, inheritance, or other manner, acquire additional holdings during any such interval, other than from his own earnings, he shall immediately report such acquisition, and the anniversary date shall become the date of such acquisition.

Assembly Bill No. 1490

CHAPTER 1041

An act to amend Section 14006 of, and to add Section 14006.1 to, the Welfare and Institutions Code, relating to Medi-Cal, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 22, 1983. Filed with Secretary of State September 22, 1983.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1490, Moorhead. Medi-Cal eligibility.

Existing law provides that real property in excess of \$6,000 that is not used for a person's principal residence shall be considered in determining Medi-Cal eligibility, but that when such residence becomes subject to these limitations, a recipient's eligibility shall not be affected as long as the property is listed with a real estate broker and good faith efforts are otherwise made to sell the property.

Existing law exempts, from the assets considered in determining Medi-Cal eligibility, the principal residence of an individual.

Existing law sets forth specified circumstances under which a dwelling will be considered a principal residence where the applicant or recipient is not currently residing in the dwelling or in units of a multiple dwelling. The residence is subject to a state lien to the extent permitted by federal law.

This bill would require the Director of Health Services to adopt emergency regulations to implement a provision relating to an individual's principal residence.

This bill would take effect immediately as an urgency statute.

The people of the State of California do enact as follows:

SECTION 1. Section 14006 of the Welfare and Institutions Code is amended to read:

14006. (a) For the purposes of Sections 14005.4 and 14005.7, the term "other resources" means the real or personal property, or any combination of both, held by a medically needy or medically indigent individual or family:

(b) For the purposes of this section, the term "principal residence" means the home, including a multiple-dwelling unit, in which the individual resides or formerly resided. The home will continue to be considered the principal residence if any of the following is applicable: (1) during any absence, the individual intends to return to the home; (2) the individual lives in a skilled nursing or intermediate care facility and can reasonably be expected to return home; (3) the individual's spouse or a dependent relative of the individual continues to reside in the home during the

individual's absence; (4) the individual does not have the right, authority, power, or legal capacity to liquidate the property, but a bona fide effort is being made to attain the right, authority, power, or legal capacity to liquidate the property; (5) the property cannot readily be converted to cash but a bona fide effort is being made to sell the property; (6) if it is a multiple-dwelling unit, one unit of which is occupied by the applicant or recipient, any unit not occupied by the applicant or recipient is producing income for the individual or family reasonably consistent with its value; or (7) it is inhabited by any sibling or child of the recipient who has continuously resided in the property since at least one year prior to the date the owner entered a skilled nursing or intermediate care facility. The state shall have a lien against the property, to the extent permitted by federal law, for the cost of medical services. The lien shall be recorded, and from the date of recording shall have force, effect; and priority of a judgment lien.

For purposes of this subdivision, "bona fide effort" means that the property shall be listed with a licensed real estate broker at the value determined to be the fair market value by a qualified real estate appraiser and the applicant or recipient provides evidence that a continuous effort is being made to sell the property, offers at fair market value are accepted, and all offers are reported.

(c) The amount of other resources is limited to not more than one thousand five hundred dollars (\$1,500) for an aged, blind or disabled individual, or not more than three thousand dollars (\$3,000) for an aged, blind or disabled individual and his spouse. For a medically needy family person or for a medically indigent person or family, this limit shall be established at not less than one thousand five hundred dollars (\$1,500) and not more than three thousand dollars (\$3,000), in accordance with family size. In addition, a medically needy or medically indigent person or family may retain: (1) other property in accordance with the provisions of Sections 11158 and 12152 of this code; (2) real property other than the principal residence, up to a value of six thousand dollars (\$6,000) provided it is producing income for the individual or family reasonably consistent with its value; (3) the principal residence; (4) any additional resources allowed under the provisions of Title XVI of the Social Security Act.

(d) The director, to meet the requirements of the federal Social Security Act and to insure the highest percentage of federal financial participation in the program provided by this chapter, may decrease or increase the amounts set forth herein.

(e) If the holdings are in the form of real property, the value shall be the assessed value, determined under the most recent county property tax assessment, less the unpaid amount of any encumbrance of record.

If the real property other than the home is not producing income reasonably consistent with its value, the applicant or recipient shall be allowed reasonable time to begin producing such income from the

property. If the property cannot produce reasonable income or be sold based on the market value, the applicant or recipient shall be allowed to submit evidence from a qualified real estate appraiser which indicates the value for which the property can be adequately utilized or sold. If the applicant or recipient provides evidence that the only method of adequately utilizing the property is sale, and the property has not been sold at market value during a reasonable period of time, the property shall be considered to be adequately utilized provided it is listed with a licensed real estate broker at the value determined to be the fair market value by a qualified real estate appraiser and the applicant or recipient provides evidence that a bona fide and continuous effort is being made to sell the property.

(f) Any mortgage or note secured by a deed of trust shall be deemed real property if its value does not exceed six thousand dollars (\$6,000) and it is obtained by the applicant or recipient, or in combination with his spouse, through the sale of such real property.

(g) If the holdings consist of money on deposit, the value shall be the actual amount thereof. If the holdings are in any other form of personal property or investment, except life insurance, the value shall be the conversion value as of the date of application or the anniversary date of such application. If the holdings are in the form of life insurance, the value shall be the cash value as of the policy anniversary nearest the date of such application.

(h) The value of property holdings shall be determined as of the date of application and, if the person is found eligible, this determination shall establish the amount of such holdings to be considered during the ensuing 12 months except a new determination to govern during the succeeding 12 months shall be made on the first anniversary date of the application or such alternate date as may be established following the acquisition of additional holdings as provided in the following paragraph and on each succeeding anniversary date thereafter.

(i) If any person shall by gift, inheritance, or other manner, acquire additional holdings during any such interval, other than from his own earnings, he shall immediately report such acquisition, and the anniversary date shall become the date of such acquisition.

SEC. 2. Section 14006.1 is added to the Welfare and Institutions Code, to read:

14006.1. (a) The State Director of Health Services shall adopt emergency regulations pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 3 of the Government Code to implement subdivision (b) of Section 14006. The adoption of the regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health or safety. Notwithstanding the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, emergency regulations adopted by the Department of Health

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— 4 —

Services in order to implement subdivision (b) of Section 14006 shall not be subject to the review and approval of the Office of Administrative Law. These regulations shall become effective immediately upon filing with the Secretary of State.

(b) Any provision of Section 14006 that is in conflict with any federal statute or regulation shall be inapplicable to the extent of this conflict, but the provision and the remainder of the provisions shall be unaffected to the extent that no conflict exists.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide relief to certain recipients whose Medi-Cal eligibility was terminated by statutory amendment in 1982, it is necessary that this act take effect immediately.

50036.6. Dependent Relative. Dependent relative means a relative who is either of the following:

(1) Claimed as a dependent by the applicant or beneficiary in order to receive an income tax deduction.

(2) Receiving more than one-half of his/her basic needs for food, shelter, clothing and transportation from the applicant or beneficiary.

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NOTE: Authority cited: Sections 10725, 14006.1, and 15124.5, Welfare and Institutions Code.

Reference: Section 14006, Welfare and Institutions Code.

50040. Fair Market Value. Fair market value means the price an item would sell for, at the time of application or redetermination, on the open market, in the particular geographic area involved.

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NOTE: Authority cited: Sections 10725, 14006.1, and 14124.5, Welfare and Institutions Code.

Reference: Section 14006, Welfare and Institutions Code.

50412. Market Value of Property. (a) The market value of real property shall be (1) or (2), unless the applicant or beneficiary chooses to meet the conditions of (3), and (3) is lower:

(1) The assessed value determined under the most recent property tax assessment, if the property is located in California.

(2) The value established by applying the assessment method used in the area where the property is located, if the property is located outside of California.

(3) The value established as the result of an appraisal by a ~~member of a recognized professional appraisal society,~~ qualified real estate appraiser, if the appraisal is obtained by the applicant or beneficiary and provided to the county department.

(b) The market value of each item of personal property shall be determined by the specific methods contained in this article.

(c) The market value of notes secured by deeds of trust and mortgages which are considered as other real property in accordance with Section 50441 (b) shall be established in accordance with Section 50441 (c).

NOTE: Authority cited: Sections 10725, 14006.1, and 14124.5, Welfare and Institutions Code; and Section 57, Chapter 328, Statutes of 1982.

Reference: Sections 11153.7 and 14006, Welfare and Institutions Code.

50422. Liens. (a) A lien for the cost of medical services provided under the Medi-Cal program shall be recorded against the property of a medically needy beneficiary, if both the following conditions exist:

(1) The beneficiary is in a skilled nursing facility (SNF), intermediate care facility (ICF) or acute care hospital, and is not expected to be discharged, according to a medical determination, to return to his/her principal residence within six months of entry.

(2) The property is real property which would be exempt as the beneficiary's principal residence in accordance with Section 50425, and none of the persons listed below reside in the principal residence. The beneficiary's:

(A) Spouse.

(B) Child who is under age 21.

(C) Son or daughter who is blind or permanently and totally disabled.

(D) Sibling who has both:

1. An equity interest in the property.

2. Continuously resided in the property for at least one year immediately prior to the date the beneficiary entered the medical facility.

(b) Upon learning that the beneficiary is not expected to be discharged within six months of admission and that his/her real property meets the criteria for imposition of a lien, the county department shall:

(1) Send the beneficiary a notice which specifies all of the following:

(A) It has been determined that the beneficiary is not expected to be discharged and to return home within six months of entering the medical facility.

(B) A lien will be recorded against the beneficiary's real property for the cost of all Medi-Cal claims paid or to be paid on the beneficiary's behalf; and that recording of a lien does not mean that ownership of the property is lost or transferred.

(C) Any requirements to utilize the property or to list it for sale, that the applicant or beneficiary must meet to remain eligible for Medi-Cal, in accordance with Sections 50416, 50425 or 50427.

(D) The beneficiary has the right to a county level review and a state hearing prior to recording of the lien, or imposing any requirements to utilize the property or to list it for sale.

(E) The procedures for requesting a county level review and the time limits within which such requests must be made.

(2) Provide the Department a completed DHS 7014 30 days from the date the notice in (1) was sent to the beneficiary.

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(c) Upon receipt of a completed DHS 7014, the Department shall record a lien against the beneficiary's property.

(d) For purposes of this section, the beneficiary shall have the right to a county level review, conducted in accordance with the procedures established by the Department, if the beneficiary requests such a review within 30 days of receipt of the notice required in (b) (1). If a review is requested the county department shall immediately send a completed DHS 7013 to inform the Department of a pending county review.

(e) After the beneficiary has had an opportunity for a county level review pursuant to (c) and a state hearing pursuant to Article 12 (commencing with Section 50951) of this chapter, the county department shall make its final determination and provide the Department with a completed DHS 7013.

(f) A lien recorded under the provisions of this section shall dissolve when the beneficiary is discharged from the medical facility and returns home. The county department shall provide the Department with a completed DHS 7013 within 30 days of the date the county department is notified of the beneficiary's discharge.

(g) The Department shall collect, except as limited by (h), the monies due from the lien against a principal residence upon either:

(1) The beneficiary's death.

(2) Sale of the property.

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(h) The Department shall not collect on a lien against a principal residence upon the death of the beneficiary, so long as the beneficiary is survived by one of the following persons:

(1) A spouse.

(2) A child, who is under age 21.

(3) A son or daughter who is blind or permanently and totally disabled.

(4) Sibling, providing he/she currently resides and has continuously resided in the property since at least one year immediately prior to the date the beneficiary entered the medical facility.

(5) Son or daughter, providing he/she both:

(A) Currently resides and has continuously resided in the property at least two years immediately prior to the date the beneficiary entered the medical facility.

(B) Supplies evidence that he/she provided care which enabled the beneficiary to reside at home rather than in a medical facility.

Note: Authority Cited: Sections 10725, 14006.1, and 14124.5, Welfare and Institutions Code.

Reference: Section 14006, Welfare and Institutions Code.

50425. Principal Residence. (a) Principal residence means the property in which the applicant or beneficiary has an ownership interest and which the applicant or beneficiary uses as his/her home.

(b) The principal residence of the applicant or beneficiary is exempt from inclusion in the property reserve. The principal residence:

(1) May be either real or personal property, fixed or mobile, and located on land or water.

(2) Includes all land which appertains to the home and any other buildings located on such land.

(3) May be a multiple unit dwelling. If any portion of the multiple unit dwelling serves as the applicant's or beneficiary's principal residence, the entire multiple unit dwelling is exempt under this Section.

(c) The property shall continue to be considered the applicant's or beneficiary's principal residence and shall be exempt during his/her absence under any of the following circumstances:

(1) The applicant or beneficiary is in a skilled nursing facility or intermediate care facility and either of the following conditions exist:

(A) The applicant or beneficiary is expected, according to a medical determination, to be discharged and to return to his/her principal residence within six months of entering the facility.

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(B) A sibling or son or daughter of the applicant or beneficiary lives in the principal residence and has continuously occupied that residence at least one year immediately prior to the date the applicant or beneficiary entered the facility.

(2) During any absence of less than six months duration, other than admission to a skilled nursing facility or intermediate care facility if the applicant or beneficiary establishes an intent to return to the principal residence.

(3) The applicant's or beneficiary's spouse or a dependent relative, as defined in Section 50036.6, or his/her a child under age 21 continues to reside in the principal residence.

(4) The principal residence cannot be either:

(A) Sold, because there are legal obstacles preventing the sale of the property and the applicant or beneficiary or person acting on his/her behalf provides evidence of attempts to overcome such obstacles.

(B) Readily converted to cash, but a bona fide effort is being made to sell the property. For purposes of this section, a bona fide effort to sell means that all of the following conditions are met:

(1) The property is listed for sale with a licensed real estate broker for its fair market value as established by a qualified real estate appraiser.

(2) The applicant or beneficiary provides written documentation that a continuous effort is being made to sell the property.

(3) Offers at fair market value are accepted.

(4) All offers are reported to the county department.

(d) Only one property at a time shall be exempt as a principal residence.

(e) Real property which is no longer exempt as a principal residence, shall be considered other real property beginning the first day of the month following the date it ceases to qualify as a principal residence.

(f) Personal property which is no longer exempt as a principal residence, shall be included in the property reserve beginning the first day of the month following the date it ceases to qualify as a principal residence.

NOTE: Authority cited: Sections 10725, 14006.1, and 14124.5, Welfare and Institutions Code.

Reference: Section 14006, Welfare and Institutions Code.

50427. Other Real Property. (a) Real property not exempt as a ~~home~~ principal residence, including deeds of trust as specified in Section 50441(b), is other real property.

(b) Other real property not exempt under any other section of these regulations shall be exempt if both of the following conditions are met:

(1) The property has a net market value of \$6,000 or less.

(2) The owner meets the utilization requirements set forth in Section 50416.

(c) Other real property with a net market value of more than \$6,000 shall be considered as follows:

(1) The first \$6,000 of net market value shall be exempt if the owner meets the utilization requirements set forth in Section 50416.

(2) The net market value in excess of \$6,000 shall be included in the property reserve, ~~unless the property was the beneficiary's home and the property satisfies the requirements of Section 50428.~~

NOTE: Authority cited: Sections 10725, 14006.1, and 14124.5, Welfare and Institutions Code; Section 57(c), Chapter 328, statutes of 1982; Section 87, Chapter 1594, statutes of 1982.

Reference: Sections 11153.7 and 14006, Welfare and Institutions Code.

50425. Property Used as a Home. (a) Real or personal property used as a home shall be exempt if any of the following situations exist:

- (1) The applicant or beneficiary lives in the home.
- (2) The family of the applicant or beneficiary lives in the home and Medi-Cal eligibility is determined in either of the following ways:
 - (A) With the applicant or beneficiary and the family in a single ~~MF30~~.
 - (B) With the income of the family considered in determining the applicant's or beneficiary's eligibility.
- (3) The applicant or beneficiary is in LTC or board and care and is expected, according to a verified medical determination, to return home within six months of the date LTC or board and care status began.
- (4) The applicant or beneficiary is in LTC or board and care and has a spouse or children, as defined in Section 50030, who live in the home.

(b) A home may consist of real or personal property, fixed or mobile, located on land or water. The home may include land or buildings surrounding or contiguous to the residence which are:

- (1) Normally used as part of the home.
- (2) Not considered other real property in accordance with Sections 50427 through 50437.

(c) The following items of real property may serve as a home:

- (1) A house.
- (2) A portion of a multiple dwelling unit, in accordance with Section 50435.
- (3) The items listed in (c) shall be considered as real property when they are assessed as real property by the county assessor of the county in which the property is located.

(d) The following items of personal property may serve as a home:

- (1) A mobile home.
- (2) A houseboat.
- (3) A motor vehicle used as a residence.
- (4) Any other shelter not attached to the land and used as a residence.

(e) Two dwellings may be exempt as the home if a health condition precludes the beneficiary from living in either one throughout the year.

(f) Real property formerly used as a home shall be considered other real property, effective the first of the month following the date the property is no longer used as a home as specified in (a). Such property shall be subject to all conditions placed upon other real property in these regulations.

(g) Personal property formerly used as a home shall be evaluated as an item of personal property beginning the first of the month following the date the property is no longer used as a home as specified in (a).

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NOTE: Authority cited: Sections 10725 and 14124.5, Welfare and Institutions Code.

Reference: Sections 12152 and 14006, Welfare and Institutions Code.

50428. Other Real Property. Beneficiaries in Long-Term Care. (a) The net market value of other real property shall not be included in the property reserve if all of the following conditions are met:

(1) The beneficiary is in LTC and is not expected to return home.

(2) The property was the beneficiary's home and would have been exempt under Section 50425 if the beneficiary had not entered LTC.

(3) The property is listed for sale with a licensed real estate broker for its fair market value established by a qualified real estate appraiser, and a bona fide and continuous effort is being made to sell the property.

(4) The beneficiary has supplied to the county:

(A) The appraisal of the property as determined by a qualified real estate appraiser, including a licensed real estate broker.

(B) Evidence that the property has been listed for sale.

(C) Reports of all offers of purchase and/or acceptance within 10 days of offer and/or acceptance.

(b) The Department shall record a lien on such beneficiary's property unless either of the following conditions is met:

(1) Any of the following persons is lawfully living in the home:

(A) The individual's son or daughter who is blind or disabled.

(B) A sibling of the individual who has an equity interest in such home and was living in the home at least one year prior to the individual entering LTC.

(2) The individual did not receive a Notice of Action according to the provisions of Section 50179 or has not had the opportunity for a state hearing according to the provisions of Article 18 (commencing with Section 50951) of this Chapter. Such notice shall include statements that:

(A) The beneficiary is not expected to return home from long-term care; therefore, the property is no longer exempt as a home.

(B) A lien will be recorded against the property.

(C) The recording of the lien does not mean ownership of the property is lost or transferred.

(c) Any recorded lien for an amount equal to the cost of medical care provided may be foreclosed only after one of the following:

(1) The beneficiary sells the property.

(2) The beneficiary dies and the following conditions are met:

(A) The beneficiary's surviving spouse has died.

(B) The beneficiary has no surviving child who is under the age of 21 or who is blind or disabled.

(C) There is no sibling of the beneficiary living in the home who has lived there for at least one year immediately before the date of the beneficiary's admission to LTC and has lived there on a continuous basis since that time.

(D) There is no son or daughter of the beneficiary living in the home who both:

1. Has lived in the home for at least two years immediately before the date of the beneficiary's admission to LTC and who has lived there on a continuous basis ever since that time.

2. Can provide evidence that he or she cared for the beneficiary and as a result allowed the beneficiary to remain at home rather than in LTC.

(d) Any lien shall dissolve when that beneficiary is discharged from LTC and returns home.

(e) The county department shall provide to the Department upon a determination that:

(1) All the criteria set forth in Section 50428 (a) are met, a completed Other Real Property Questionnaire.

(2) A person in long-term care has been discharged and has returned home, a completed Change of Status-Liens form.

NOTE: Authority cited: Sections 10725 and 14124.5, Welfare and Institutions Code; Section 57(c), Chapter 328, Statutes of 1982; and Section 67, Chapter 1990, Statutes of 1982.

Reference: Section 14006, Welfare and Institutions Code.

50429. Value and Division of Real Property Where Part is Used as a Home. (a) Real property used in part as a home shall be evaluated to determine which portions of the land or buildings are part of the home and which portions are other real property, in accordance with Sections 50431, 50433, 50435 and 50437.

(b) For purposes of Sections 50433 through 50437, rooms includes any room other than the following:

- (1) Bathroom.
- (2) Hallway.
- (3) Closet.
- (4) Unfinished basement, loft or attic.

(c) If an applicant or beneficiary states that the value and division of real property made in accordance with Sections 50433 through 50437 is not accurate, the county department shall reevaluate the real property on the basis of square footage, rather than rooms.

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NOTE: Authority cited: Sections 10725, 14006.1, and 14124.5, Welfare and Institutions Code.

Reference: Section 14006, Welfare and Institutions Code.

50431. Land Contiguous to the Home - Value and Division. (a) Land contiguous to the home shall be considered part of the home when the home is located on a parcel that cannot be divided or sold separately because of zoning requirements or because such disposition would alter or impair reasonable access to, or normal use of, the home as a residence. That portion of the land in excess of one acre shall be utilized in accordance with Section 50416 unless the applicant or beneficiary provides satisfactory evidence that the land cannot be utilized.

(b) Land contiguous to the home shall be other real property in either of the following cases:

(1) The property is zoned in a manner that allows the sale of those parcels on which the home is not located.

(2) The property is used in part for business or income producing purposes. The division and value of this property shall be determined in accordance with Sections 50433, 50435 and 50437.

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NOTE: Authority cited: Sections 10725, 14006.1, and 14124.5, Welfare and Institutions Code.

Reference: Section 14006, Welfare and Institutions Code.

50433. Single Family Dwelling Used in Part as a Business - Value and Division. (a) The total value of the single family dwelling shall be exempt as a home if the business conducted in the home is any of the following:

- (1) Rental of rooms.
- (2) Provision of board and care.
- (3) Any other business which does not require that the property be zoned as commercial property.

(b) A single family dwelling which is zoned as commercial property and used in part as a business, other than as specified in (a), shall be divided, valued and exempted in accordance with the following process:

- (1) Determine the number of rooms in the:
 - (A) Total building.
 - (B) Portion of the building used as a home.
 - (C) Portion of the building used as a business.
- (2) Based on the number of rooms, determine the percentage of the buildings used as a:
 - (A) Home.
 - (B) Business.
- (3) Apply the percentages determined in (2) to the total market value of the property to determine the market value of the portion used as a:
 - (A) Home.
 - (B) Business.
- (4) The portion of the property used as a home shall be exempt as a home.
- (5) The portion of the property used as a business is other real property and shall be subject to all conditions placed on other real property in these regulations.

NOTE: Authority cited: Sections 10725, 14006.1, and 14124.5, Welfare and Institutions Code.

Reference: Section 14006, Welfare and Institutions Code.

50435. Multiple Dwelling Unit - Value and Division. (a) A multiple dwelling unit used in part as a home shall be divided, valued and exempted in accordance with the following process:

- (1) Determine the number of rooms in the:
 - (A) Total building.
 - (B) Portion of the building used as a home.
 - (C) Portion of the building not used as a home.
- (2) Based on the total number of rooms, determine the percentage of the building:
 - (A) Used as a home.
 - (B) Not used as a home.
- (3) Apply the percentages determined in (2) to the total market value of the property to determine the market value of the portion of the property:
 - (A) Used as a home.
 - (B) Not used as a home.
- (4) The portion of the property used as a home shall be exempt as a home.
- (5) The portion of the property not used as a home is other real property and shall be subject to all conditions placed upon other real property in these regulations.

NOTE: Authority cited: Sections 10725, 14006.1, and 14124.5, Welfare and Institutions Code.

Reference: Section 14006, Welfare and Institutions Code.

50437. Land with More Than One Building - Value and Division (a)

Property comprised of contiguous land with more than one building located on it, if at least one building is used in whole or part as a business or more than one building is habitable, shall be divided, valued and exempted in accordance with the following process:

(1) If the buildings on the land are assessed separately, and no single building is used both as a home and for some other purpose.

(A) Determine the market value of:

1. All buildings together.
2. Buildings used as a home.
3. Buildings not used as a home.

(B) Based on the total market value of the buildings, determine the percentages:

1. Used as a home.
2. Not used as a home.

(C) Apply the percentages determined in (B) to the total market value of the land to determine the percentage of the land:

1. Used as a home.
2. Not used as a home.

(D) The portion of the land and building used as a home shall be exempt.

(E) The portion of the land and buildings not used as a home is other real property and shall be subject to all conditions placed on other real property in these regulations.

(2) If the buildings on the land are assessed together, or the buildings are assessed separately but at least one building is used both as a home and for some other purposes:

(A) Determine the number of rooms in:

1. All buildings together.
2. The portion of the buildings used as a home.
3. The portion of the buildings not used as a home.

(B) Based on the number of rooms, determine the percentage:

1. Used as a home.
2. Not used as a home.

(C) Apply the percentages determined in accordance with (B) above to the total market value of the property to determine the market value of the portion of the property:

1. Used as a home.
2. Not used as a home.

(D) The portion of the property used as a home shall be exempt as a home.

(E) The portion of the property not used as a home is other real property and shall be subject to all conditions placed upon other real property in these regulations.

DRAFT

NOTE: Authority cited: Sections 10725, 14006.1, and 14124.5, Welfare and Institutions Code.

Reference: Section 14006, Welfare and Institutions Code.

ATTACHMENT VI

PROCEDURES: REAL PROPERTY

The attached procedures are necessary to implement the terms of the Bagley v. Dawson and Crawford v. Rank court orders and the provisions of AB 223 and AB 1490.

The specifics of each form and notice are contained in the body of this letter. Please refer to it for additional information and if you have questions, call Kristi Banion at (916) 445-1797 or (ATSS) 485-1797.

These procedures will be incorporated into the next revision of the Procedures Section of the Medi-Cal Eligibility Manual.

Case Name : _____

Case Number: _____

MO/YR of Card(s) _____

Dear _____:

Attached is your Medi-Cal card(s) for the month(s) listed above. This card was issued in accordance with Title 22, CAC Section 50746(a)(1), which authorizes county welfare departments to issue Medi-Cal cards more than one year after the date of service if a court action requires that a Medi-Cal card be issued. You were recently found eligible for Medi-Cal benefits due to a ruling in the Crawford v. Rank lawsuit.

Also attached is a letter to your doctor or other medical provider, granting permission to bill more than one year after the date of service. Please give your provider that letter, along with your Medi-Cal proof of eligibility (POE) sticker for the month of service, so that it may be attached to the completed bill. The Medi-Cal program cannot pay your provider's bill unless a copy of that letter is submitted with the bill.

If you have any questions, please call your Medi-Cal eligibility worker.

Sincerely,

Eligibility Worker_____
Telephone_____
Date

RE: _____
Patient/Client NameMO/YR of Card(s) _____

Dear Provider:

Attached is a Medi-Cal identification label for the beneficiary named above for the month(s) listed. This label was issued in accordance with Title 22, CAC, Section 50746 (a)(1), which authorizes county welfare departments to issue Medi-Cal cards more than one year after the date of service if a court action requires that a Medi-Cal card be issued. The above named beneficiary was found eligible for Medi-Cal due to a recent ruling in the Crawford v. Rank lawsuit.

A copy of this letter should be attached to your completed claim form for the month of service. The completed claim should then be submitted to:

State Department of Health Services
Fiscal Intermediary Management Division
Attention: Provider Relations Section
714 P Street, Room 950
Sacramento, CA 95814

Please note that the fiscal intermediary will not honor a claim submitted more than one year after the date of service unless a copy of this letter is attached to the claim.

Should you have any questions regarding this matter, please call.

Sincerely

Eligibility Worker_____
Telephone_____
Date

9H -- PROPERTY

Procedures and guidelines provided in this section are to be followed in Medi-Cal eligibility determinations in cases involving:

1. Real property in which an applicant/beneficiary has an ownership interest, and/or
2. Personal property in which an applicant/beneficiary has an ownership interest AND is currently using as a home or used as a home immediately prior to any absence.

A determination must be made if the property in which the applicant/recipient has an ownership interest is/was:

1. Exempt as a Principal Residence
AND/OR
2. Not exempt as a principal residence and consequently Other Real Property.

The Eligibility Worker must:

1. Inform the applicant in writing of the status of the property and conditions under which it will remain exempt.
2. Inform the applicant/beneficiary in writing of the right to a County Level Review and/or a State Hearing.
3. Complete all forms necessary to provide the State with information for placing a lien on the property if required.
4. Inform the State of any and all changes in the property status after submitting the initial lien information.

EFFECTIVE DATES OF PROPERTY CHANGES

1. Multiple Unit/Building Dwellings - January 1, 1983
 2. Other Real Property or Excess Property - July 1, 1983
- ° Cases currently eligible but identified by the county as owning:
- a. Other real property or excess property or
 - b. A multiple unit dwelling,
- since January 1, 1983 must have eligibility redetermined and receive notice to comply with regulations and procedures in this section.
- ° Cases identified by the county as denied or discontinued due to:
- a. Other real property or excess property since July 1, 1983
or
 - b. A multiple unit dwelling, since January 1, 1983
- must have eligibility redetermined based on these dates using regulations and procedures in this section.

Medi-Cal cards must be issued for all months the applicant/beneficiary is determined eligible. The beneficiary and provider notices must accompany cards issued for month(s) more than 10 months since the date of service.

MEDI-CAL ELIGIBILITY MANUAL

DEFINITIONS AND EVIDENCE

1. APPERTAINS (MEM 50425 b.2)

Appertains means any property or structure which is connected to and was/is intended to be used as a permanent part of the property. This includes, but is not limited to:

- a. Acreage which constitutes a farm or ranch, or
- b. Separately assessed parcels used as a whole, or
- c. An entire parcel or separately assessed parcels purchased or used as a whole separated by, but not limited, to any of the following:
 - 1) Easements or rights of way
 - 2) Water courses
 - 3) Streets, highways, freeways

2. BLIND OR PERMANENTLY AND TOTALLY DISABLED SON OR DAUGHTER [MEM 50422]

A son or daughter who meets the evidence requirements of ABD-MN such as receipt of SSA disability benefits [MEM 50167(1)] or is eligible to and receives SSI/SSP.

3. COUNTY LEVEL REVIEW [MEM 50422 (b)(1)(D), 50422 (d)]

A review of property information requested by the beneficiary prior to the recording of a lien. The review must be requested within 30 days of the receipt of MC 239.1, .2, or .3, Notices to list for sale, utilize, and/or lien property.

4. COURT ORDERED TRANSFER OF SALE DURING COUNTY REVIEW (Bagley vs Dawson)

Transfer or sale of property is prohibited during the County Level Review/State Hearing process unless it is court ordered or a transfer to a joint tenant upon the death of the beneficiary.

5. DEPENDENT RELATIVE: (MEM 50036.6, 50084)

- a. Claimed for tax purposes by the applicant or beneficiary
 - 1) Provide a copy of previous year tax statement or
 - 2) Statement from employer of number of exemptions claimed and this number matches number of members the person appears to be entitled to claim.
- b. Receiving more than one-half of his/her basic needs for food, shelter, clothing, and transportation from the applicant or beneficiary.
 - 1) Must show by receipts that the beneficiary has either paid for the items or provided the items in-kind.
 - 2) One-half of basic needs amount is determined as one-half of maintenance need for one person for each dependent.

6. EQUITY INTEREST (MEM 50422)

An equity interest is an interest in the value of a property. Interest in the property may be determined by evidence such as, but not limited to:

- 1) Receipts, cancelled checks, or other records of actual entire or partial payment of at least a portion of the mortgage against the property, or
- 2) A declaration of both parties that by payment of an amount to the beneficiary owner the sister or brother was entitled to an interest in the property, or
- 3) A declaration or records that a payment to the beneficiary owner of the property enabled the beneficiary owner to retain the property.

7. FAIR MARKET VALUE (MEM 50040)

Fair Market Value means the price an item would sell for, at the time of application or redetermination, in the open market, in the particular geographic area involved.

8. LEGAL OBSTACLES [MEM 50425 (c)(4)(A)]

Legal obstacles are such things as another lien or other persons on property who refuse to sell, including a spouse from whom the beneficiary is separated. The beneficiary must submit statements from other parties that they refuse to cooperate. If other parties refuse to provide statements, examples of acceptable evidence are:

- a. Statement from a realtor
- b. Sworn statement of applicant/beneficiary
- c. Copies of registered/certified letters sent from the beneficiary to other party(s) requesting reduction in price, etc.

9. LONG TERM CARE - (MEM 50056)

Inpatient medical care which lasts for more than the month of admission and is expected to last at least one full calendar month after the month of admission in one of the following:

- a. SNF - Skilled Nursing Facility such as a convalescent hospital licensed by the Department of Health Services as an SNF or a rehabilitation center licensed by the Department of Health Services as an SNF or acute care hospital.
- b. ICF - Intermediate Care Facility licensed by the State Department of Health Services to provide care. Usually is part of an SNF.
- c. Acute Care Hospital - Licensed as an acute care hospital by the State.
(NOTE: An acute care hospital is not considered LTC for MIA purposes.)

10. MARKET VALUE OF PROPERTY (MEM 50412)

Established by whichever is less of:

- a. Assessed value from most recent tax assessment in California, or
- b. Applying assessment method used in the area if property located outside California, or
- c. Value established by a qualified real estate appraiser if furnished to CWD by the applicant/beneficiary.

11. MEDICAL DETERMINATION [MEM 50422 (b), 50425 (c)(1)(A)]

The medical determination is the beneficiary's doctor's statement that the person is expected to be discharged and to return to his/her principal residence within six months of entering the facility.

12. PRINCIPAL RESIDENCE [MEM 50425(a)]

The property in which the applicant or beneficiary has an ownership interest and uses as his/her home. The principal residence may be:

- a. Real or personal property, fixed or mobile, on land or water.
- b. Includes all land that appertains to the home and all buildings on the property.
- c. A multiple unit dwelling if any portion is used as the home.

13. QUALIFIED REAL ESTATE APPRAISER [MEM 50412 (a) (3)]

A qualified real estate appraiser is a person employed as a real estate appraiser for a real estate company, a bank, a title company, or an appraisal agency.

MEDI-CAL ELIGIBILITY MANUAL

MEDI-CAL PROPERTY

REAL PROPERTY

1. Principal residence used as a home - always exempt regardless of value (includes multi-unit dwellings). (MEM 50425)
2. Other Real Property is exempt if:
 - a. Net market value (NMV) is \$6,000 or less
 AND
 Utilization requirements are met. (MEM 50416, 50417)
 NOTE: The amount over \$6,000 is included in the property reserve. If in LTC and the property is not exempt as principal residence these requirements apply.
 - b. It is exempt as a principal residence of an applicant/beneficiary prior to entering Long Term Care and sale and lien requirements are met regardless of value. The \$6,000 NMV limit does not apply for these cases.
3. American Indian land held in trust by the U.S. is exempt.

PERSONAL PROPERTY

1. Personal property being used as a home and exempt as a principal residence is exempt. (Mobile homes, boats, trailers, etc.) All others are counted.
2. One automobile is exempt for transportation, all others are counted.
3. Cash surrender value of non-exempt life insurance policies.
4. Cash, savings accounts, securities, stocks, bonds, etc.
5. Notes, mortgages.
6. Boats, campers, trailer, etc.
7. Income tax refunds.
8. Jewelry other than wedding and engagement rings, heirlooms, or other items with NVM of \$100 or less.

PROPERTY RESERVE LIMITS

PERSONAL PROPERTY + EXCESS REAL PROPERTY MEM 50420, 50427

<u>NUMBER OF PERSONS WHOSE PROPERTY IS CONSIDERED</u>	<u>PROPERTY LIMITS</u>
1 PERSON	\$ 1,500
2 PERSONS	2,250
3 PERSONS	2,300
4 PERSONS	2,400
5 PERSONS	2,500
6 PERSONS	2,600
7 PERSONS	2,700
8 PERSONS	2,800
9 PERSONS	2,900
10 PERSONS	3,000

MEDI-CAL ELIGIBILITY MANUAL

PRINCIPAL RESIDENCE (PR)

Determination of Status and Lien Procedures

Pre-Condition: The Applicant/Beneficiary owns a Principal Residence. The Principal Residence is property in which the applicant/ beneficiary has an ownership interest in and uses as a home or used as a home immediately prior to any absence. The principal residence is/was one of the following:

1. Personal property (mobile home, trailer, boat, etc) or
2. Single family dwelling or,
3. Single family dwelling with other property adjoining, with or without other buildings, or
4. Portions of a multiple unit dwelling or
5. Portions of a multiple unit dwelling with other property adjoining, with or without other buildings.

A/B - Applicant/Beneficiary
 Dep. Rel. - Dependent Relative

FMV - Fair Market Value
 PR - Principal Residence

NMV - Net Market Value

C O N D I T I O N	A C T I O N
1. A/B currently uses PR as home	Entire property exempt from consideration. List and lien requirements do not apply.
2. A/B in/enters LTC or A/B absent from PR for any other reason and one or more of the following continue to reside in PR: a. spouse b. child under 21 c. ABD adult son or daughter d. Sister or brother with equity interest in PR and has continuously lived in PR for one year prior to date A/B entered LTC.	
3. A/B in/enters LTC, will return to PR within 6 months	Entire property exempt from consideration if A/B provides to EW a medical statement that A/B will return to PR within 6 months
4. A/B absent from PR for any reason other than LTC and intends to return to PR within 6 months. (Vacation, Board and Care, staying with relatives)	Entire property exempt from consideration if A/B provides evidence to EW of intent to return to PR within 6 months such as medical statement, evidence of paying current utilities, written declaration of intent to return, etc.
5. A/B absent from PR for any reason/length of time and PR cannot be sold due to legal obstacles	Entire property exempt from consideration if A/B provides evidence of attempt to overcome obstacles, such as statements from other owners of refusal to list, Public Guardian must present evidence of application to court to sell, etc. If Real Property, EW must send MC 7014 to Recovery, MC 239.3 to A/B.
6. A/B absent from PR for any reason/length of time and PR cannot readily be converted to cash.	Entire property exempt from consideration if the A/B: a. Lists for sale with a licensed broker for fair market value established by a qualified real estate appraiser, and b. Provides written documentation that continuous effort is being made to sell the property, and c. Accept offers at Fair Market Value, and d. Report all offers to the EW. If Real Property EW must send MC 7014 to Recovery, MC 239.3 to A/B.
7. A/B in/enters LTC; no spouse, Dep. Rel., brother, sister, adult son/daughter reside in PR; A/B will not return to PR within 6 months.	Entire property exempt from consideration if A/B meets requirements of the following lien procedures. a. Send A/B MC 239.1 for PR with NMV of over \$6000, MC 239.2 for PR with NMV under \$6000 b. Set control for return of appraisal and listing or utilization for 30 days from date MC 239.1 or MC 239.2 is mailed. c. Discontinue with timely notice if appraisal/ listing or utilization intent is not received within 30 days and no request has been made for a county level review and/or State Hearing. d. Send A/B MC 239.3 and MC 7014 to Recovery within 30 days of date MC 239.1 or MC 239.2 was mailed if A/B provides appraisal and listing. e. If A/B requests county level review within 30 days of notice <u>do not</u> discontinue. Conduct review within 30 days of request. Send MC 239.4, Results of County Level Review, to A/B. Discontinue with timely notice if decision is adverse. f. Send MC 7013 to Recovery for any change to lien status for any request or decision for/ from a county level review/State Hearing.
8. A/B in/enters LTC; adult son or daughter lives in and has continuously lived in PR for one year prior to date A/B entered LTC.	
9. A/B in/enters LTC; sister or brother lives in and has continuously lived in PR for one year prior to date A/B entered LTC.	
NOTE: if sister or brother has an equity interest in the property lien requirements DO NOT apply; the entire property is exempt from consideration.	

MEDI-CAL ELIGIBILITY MANUAL

COUNTY LEVEL REVIEW (MEM 50422)

The beneficiary may request a County Level Review of the circumstances surrounding each situation where it is determined necessary to place a lien against the beneficiary's principal residence and/or to require that the property be utilized or listed for sale.

- I. The beneficiary must request the review within 30 days of the date of receiving one of the following notices:
 - A. LIST FOR SALE PROPERTY OVER \$6,000, (MC 239.1)
 - B. LIST OR UTILIZE PROPERTY UP TO \$6,000, (MC 239.2)
 - C. NOTICE OF ACTION-LIENS (MC 239.3)
- II. The County Level Review must be conducted by a person designated by the county welfare director to conduct such reviews and to prepare a written decision. The county reviewer must be an impartial party who shall not have been in anyway connected with the previous actions or decisions in the case being reviewed. The county reviewer may not later serve as the county representative at a subsequent state hearing involving the case.
- III. The CWD must schedule the review and reach a decision prior to the scheduled date for a state hearing on the matter but no later than 30 days from the date of request for the county review.
- IV. The review shall be of documents submitted to the CWD by the beneficiary or his/her representative. The beneficiary or his/her authorized representative may request to be present but is not required to personally appear at the review.
- V. The documents to be reviewed may consist of written declarations, letters, files or any type of written documents relevant to the issues specified below:
 - A. Whether or not the beneficiary is in a skilled nursing or intermediate care facility or acute care hospital and is expected to remain for six months or more.
 - B. The value of the beneficiary's property that is the subject of this review.
 - C. Any statutory or regulatory exemptions which allow the beneficiary to remain or become eligible for Medi-Cal benefits and not utilize or list his/her property for sale nor have a lien placed against it.
 - D. Any reasons why the beneficiary is unable to comply with either the utilization, listing for sale or recording of a lien requirement.
- VI. Send the Notice of Action - Result of County Review (MC 239.4) to the beneficiary immediately upon completion of the County Level Review.

NOTE: If County Level Review decision is favorable to the beneficiary and a State Hearing is pending, the EW must contact county State Hearing Officers to obtain withdrawal from the beneficiary.

COUNTY LEVEL REVIEW (MEM 50422)

The beneficiary may request a County Level Review of the circumstances surrounding each situation where it is determined necessary to place a lien against the beneficiary's principal residence and/or to require that the property be utilized or listed for sale.

- I. The beneficiary must request the review within 30 days of the date of receiving one of the following notices:
 - A. LIST FOR SALE PROPERTY OVER \$6,000, (MC 239.1)
 - B. LIST OR UTILIZE PROPERTY UP TO \$6,000, (MC 239.2)
 - C. NOTICE OF ACTION-LIENS (MC 239.3)
- II. The County Level Review must be conducted by a person designated by the county welfare director to conduct such reviews and to prepare a written decision. The county reviewer must be an impartial party who shall not have been in anyway connected with the previous actions or decisions in the case being reviewed. The county reviewer may not later serve as the county representative at a subsequent state hearing involving the case.
- III. The CWD must schedule the review and reach a decision prior to the scheduled date for a state hearing on the matter but no later than 30 days from the date of request for the county review.
- IV. The review shall be of documents submitted to the CWD by the beneficiary or his/her representative. The beneficiary or his/her authorized representative may request to be present but is not required to personally appear at the review.
- V. The documents to be reviewed may consist of written declarations, letters, files or any type of written documents relevant to the issues specified below:
 - A. Whether or not the beneficiary is in a skilled nursing or intermediate care facility or acute care hospital and is expected to remain for six months or more.
 - B. The value of the beneficiary's property that is the subject of this review.
 - C. Any statutory or regulatory exemptions which allow the beneficiary to remain or become eligible for Medi-Cal benefits and not utilize or list his/her property for sale nor have a lien placed against it.
 - D. Any reasons why the beneficiary is unable to comply with either the utilization, listing for sale or recording of a lien requirement.
- VI. Send the Notice of Action - Result of County Review (MC 239.3) to the beneficiary immediately upon completion of the County Level Review.

NOTE: If County Level Review decision is favorable to the beneficiary and a State Hearing is pending, the EW must contact county State Hearing Officers to obtain withdrawal from the beneficiary.

OTHER REAL PROPERTY QUESTIONNAIRE

COUNTY USE ONLY

- 1. Name of county: _____
- 2. Name of beneficiary: _____
- 3. Current address: _____

- 4. Responsible party if other than beneficiary: _____
Address: _____
Telephone Number: _____
- 5. Medi-Cal identification number (14 digits): _____
- 6. Social Security number: _____
- 7. Medicare number, if applicable: _____
- 8. Property address (include county where property is located): _____

- 9. Legal owner if other than beneficiary: _____
- 10. Appraised amount—attach appraisal: _____
- 11. County Assessor's parcel number, if available: _____
- 12. Date Notice of Action on liens sent: _____
- 13. State Hearing Decision issued on: _____
- 14. Lien can be recorded: Yes No
- 15. Eligibility Worker's name: _____ Telephone number: _____
- 16. Deputy Director's signature: _____

STATE USE ONLY

- 17. Recovery Branch signature: _____
- 18. All documents completed and lien filed? Yes No
- 19. The following information missing:

<input type="checkbox"/> Name of beneficiary	<input type="checkbox"/> Medi-Cal identification number
<input type="checkbox"/> Property address	<input type="checkbox"/> Current address
<input type="checkbox"/> Appraised amount (if not on appraisal)	<input type="checkbox"/> Copy of appraisal
- 20. Recovery Branch Contact _____ Telephone Number: _____

Mail to: Department of Health Services
 Recovery Branch
 1250 Sutterville Road, Room 206
 Sacramento, CA 95822

Telephone Number (916) 322-0647

MEDI-CAL ELIGIBILITY MANUAL

INSTRUCTIONS
OTHER REAL PROPERTY QUESTIONNAIRE
FORM DHS 7014

- A. For each beneficiary owning real property that may be liened in accordance with Section 50422, the CWD shall complete the Other Real Property Questionnaire and forward it to DHS' Recovery Branch, within 30 days of the date one of the following notices (whichever is appropriate) is sent to the beneficiary: LIST FOR SALE PROPERTY OVER \$6,000 MC 239.1, LIST OR UTILIZE PROPERTY UP TO \$6,000 MC 239.2, OR NOTICE OF ACTION - LIENS MC 239.3.
- B. The following describes the information which is to be provided on the Other Real Property Questionnaire. Items 1-16 must be completed by the EW, except Items 13 and 14 which should be disregarded. Items 17-20 are for DHS use only.

County Use Only

1. Name of the county. This must be the county of responsibility regardless of where the property is located.
2. Name of the beneficiary. This must be the name that appears on the CA 1. If the beneficiary's name is different on the deed to the property indicate with "AKA."
3. Current address of beneficiary. This is the skilled nursing (SNF), intermediate care facility (ICF), or acute care hospital.
4. Responsible party, if other than the beneficiary. Include his/her name, address, and telephone number.
5. Medi-Cal identification number. This must be the current entire case number. If any changes are made to this number, it must be reported to the Recovery Branch using the Change of Status - Liens forms (DHS 7013). The new number should be noted in the blank area at the bottom of the form.
6. Social Security Number. This must be verified in accordance with Section 50168. If any changes are made to this number, it must be reported to the Recovery Branch using the Change of Status - Liens (DHS 7013) form. The new number should be noted in the blank area at the bottom of the form.
7. Medicare number, or other health insurance information.
8. Property address. Included in this section would be the county and the state, if other than California, where the property is located. If the property is in California, only the county is necessary. If the location is outside the State, both the county and state are required.
9. Other legal owner. Identify individual(s) sharing title with the beneficiary.

MEDI-CAL ELIGIBILITY MANUAL

10. Appraised amount. The real estate agency listing contract with the Fair Market Value appraisal shown must be attached to the Other Real Property Questionnaire. The appraisal requirements specified in Section 50425 must be followed.
11. Enter the County Assessor's parcel number from a Tax Statement, grant deed, etc.---Furnish a copy of the deed if it is available.
12. The date the Notice of Action, (MC 239.3) specifying that a lien will be recorded, was sent. A lien will be recorded by the Recovery Branch upon receipt of the Other Real Property Questionnaire.
13. Disregard. This information will be furnished later, if applicable, on Change of Status - Liens form (DHS 7013).
14. Disregard. This information will be furnished later, if applicable, on Change of Status - Liens form (DHS 7013).
15. Enter the eligibility worker's name and telephone number in case additional information is needed.
16. The eligibility worker's signature, showing that the form is complete and has been checked, should be substituted for Deputy Director's signature.

STATE USE ONLY

- 17-18. The form will be signed by the Recovery Branch and a copy mailed to the county within 10 days of receipt, showing that the form was complete and all documents were received.
19. If information is missing that would prevent the State from filing a lien, the Recovery Branch will indicate by checking the appropriate box and returning the form and all attached documents to the county.
20. Recovery Branch contact for county questions.

State of California—Health and Welfare Agency

Department of Health Services

CHANGE OF STATUS—LIENS

Name of Beneficiary	Medi-Cal Identification Number	Social Security Number
---------------------	--------------------------------	------------------------

- Discharged from long-term care and returned home on _____
- Requested a state hearing on _____
- State hearing decision issued on _____

Lien may be recorded: Yes No

Beneficiary's Address _____

Eligibility Supervisor	Telephone Number	Date
------------------------	------------------	------

MAIL TO: Department of Health Services
 Recovery Branch
 1250 Sutterville Road, Room 206
 Sacramento, CA 95822
 Telephone Number: (916) 322-0647

DHS 7013 (1/83)

MEDI-CAL ELIGIBILITY MANUAL

INSTRUCTIONS
CHANGE OF STATUS - LIENS
FORM DHS 7013

The Change of Status - Liens form (DHS 7013) is to be completed and submitted to DHS Recovery by the county welfare department to update information already submitted to DHS on the Other Real Property Questionnaire (DHS 7014) when:

1. A person is discharged from SNF, ICF or acute hospital and returns home (DHS must then dissolve the lien);
2. A change occurs in Medi-Cal identification number, Social Security Number, or any other item on the Other Real Property Questionnaire.
3. A request or decision is received by the EW for or as a result of a County Level Review or State Hearing. The form must be completed and submitted in each of the following situations:
 - a. Beneficiary requests County Level Review.
 - b. Beneficiary requests State Hearing.
 - c. County renders decision of County Level Review.
 - d. State renders decision on State Hearing.
 - e. Rehearing is requested by State or beneficiary.
 - f. Decision is rendered on rehearing.

The Change of Status - Liens (DHS 7013) is to be mailed to the Recovery Branch at the address shown on the form. Incomplete forms will be returned to the CWD to be corrected and resubmitted.

INSTRUCTIONS:

The form is completed in duplicate; the original sent to DHS Recovery, the copy retained in the case record.

1. Enter beneficiary's full name, Medi-Cal ID Number, and Social Security number.
2. Check box and enter requested information for reason of change.
3. Eligibility Worker signs and dates form.

MEDI-CAL ELIGIBILITY MANUAL

INSTRUCTIONS
MEDI-CAL INFORMATION NOTICE, PROPERTY OVER \$6000
FORM MC 239.1

This notice is to be sent to an otherwise eligible beneficiary in or entering LTC when the exempt principal residence NMV exceeds \$6000.

INSTRUCTIONS:

The form is completed in triplicate; original and one copy to the beneficiary, one copy filed in the case record.

1. The Eligibility Worker **MUST** sign and date the notice.
2. Since the notice is conditional, a timely (10 day notice) MC 239.5 must be sent at the end of 30 days if the information is not received.

MEDI-CAL NOTICE
LIST FOR SALE
PROPERTY OVER \$6,000

CASE NAME _____

CASE NUMBER _____

DISTRICT _____

Information indicates that you own a principal residence valued at more than \$6000. Since you currently reside in either a skilled nursing facility, intermediate care facility or an acute care hospital and you are not expected to return to your home within six months from the date you entered, changes in state law may affect your eligibility for Medi-Cal.

For your Medi-Cal to continue, your property must be listed for sale with a licensed real estate broker and it must be priced at its fair market value. Evidence in the form of a listing contract from a licensed real estate broker that the property is listed as its appraised fair market value must be provided to your eligibility worker within 30 days of the date of this notice.

If you do list this property for sale and your Medi-Cal eligibility continues, a lien will be recorded against your property to cover the cost of medical care that you received under the Medi-Cal program. Before the lien is recorded, you will receive a Notice of Action advising you of your right to a state hearing. If you are subsequently discharged from the medical facility and resume use of your property as your principal residence, the lien will be dissolved.

YOU HAVE A RIGHT TO REQUEST COUNTY REVIEW OF THE ABOVE REQUIREMENTS BY FURNISHING ADDITIONAL WRITTEN INFORMATION ON THIS MATTER, TO THE COUNTY, WITHIN 30 DAYS OF THE DATE OF THIS NOTICE. SUCH ACTION ON YOUR PART WILL CONSTITUTE A REQUEST FOR A REVIEW OF YOUR CASE BY THE COUNTY. YOU WILL NOT BE REQUIRED TO TAKE ANY ACTION TO LIST YOUR HOME FOR SALE AND NO LIEN WILL BE RECORDED WHILE SUCH A REVIEW IS IN PROGRESS. INFORMATION ON HOW TO PROCEED WITH THE COUNTY REVIEW MAY BE OBTAINED FROM YOUR ELIGIBILITY WORKER.

WHILE THE COUNTY REVIEW AND/OR THE STATE HEARING RESULTS ARE PENDING, YOU SHALL NOT TRANSFER OR SELL THIS PROPERTY, WITHOUT JEOPARDIZING YOUR ELIGIBILITY FOR MEDI-CAL BENEFITS, EXCEPT:

1. UPON YOUR DEATH, PROPERTY YOU HOLD IN JOINT TENANCY MAY BE TRANSFERRED TO THE SURVIVING JOINT TENANT;
2. IF YOU ARE ORDERED TO DO SO BY A COURT.

This office will notify you whether the additional information justifies withdrawing the requirement that you list your property for sale and that a lien be recorded against it. If the requirement is not withdrawn, you may appeal the county review determination to the Office of the Chief Referee, Department of Social Services, 744 P Street, Mail Station 19-36, Sacramento, CA 95814.

Failure to either request county review or to document that you have listed your property for sale within 30 days from the date of this notice will cause a 10-day Notice of Action, terminating your Medi-Cal benefits, to be issued.

Your right to a state hearing on this matter is explained on the reverse side of this notice. At this hearing you may introduce facts concerning exemptions that may apply to you.

For further information, please contact your eligibility worker.

The regulations that require this action are Title 22, California Administrative Code, Sections 50422, 50425, 50427.

Eligibility Worker _____ Phone Number _____ Date _____

NOTE: IF THE ABOVE NAMED MEDI-CAL BENEFICIARY IS UNABLE TO ACT ON HIS/HER OWN BEHALF, EITHER A FAMILY MEMBER, A CONSERVATOR OR AN AUTHORIZED REPRESENTATIVE MUST CONTACT THE ELIGIBILITY WORKER IMMEDIATELY FOR FURTHER DETAILS ON HOW TO PROCEED.

YOUR RIGHT TO APPEAL THIS ACTION

If you are dissatisfied with the action described on the other side, or any other county action, you may request a state hearing before a Hearing Officer of State Department of Social Services. This hearing will be conducted in an informal manner to assure that everyone present is able to speak freely. Your county worker can help you request a hearing. If you decide to request a hearing, you must do so WITHIN 90 DAYS OF THE DATE OF THIS NOTICE.

Aid Paid Pending

If you are now receiving Medi-Cal and ask for a state hearing before the effective date of this notice, you will delay the county's action, thus your Medi-Cal will continue until the hearing begins.

State Regulations Available

State Regulations, including those covering state hearings, are available at the local office of the county welfare department.

Authorized Representative

You can represent yourself at the state hearing. You can also be represented by a friend, attorney or any other person, but you are expected to arrange for the representative yourself. You can get help in locating free legal assistance by calling the toll-free number of Public Inquiry and Response Unit (800) 952-5253.

Information Practices Act Notice

The information you are asked to write in below is needed to process your request, and processing may be delayed if your request is incomplete. A case file will be set up by the Chief Referee. You have a right to examine the materials that make up the record for decision and may locate this record by contacting Public Inquiry Response Unit (phone number shown above). Any information you provide may be shared with the county welfare department, with the U.S.

Department of Health and Human Services, Authority: W&IC 10950.

How to Request a State Hearing

The best way to request a hearing is to fill in and send this entire notice to:

Office of Chief Referee
State Department of Social Services
744 P Street, Mail Station 19-36
Sacramento, CA 95814

Los Angeles County Residents send to
Fair Hearing Section
P.O.Box 10280
Glendale, California 91209

You may also request a hearing by calling the toll-free number of Public Inquiry and Response Unit.

Public Inquiry and Response (Public Information)

Toll-Free Number: (800) 952-5253*

Teletypewriter(TTY)only: (800) 952-5435*

*You have to dial "1" first.

The State Public Inquiry and Response Unit can provide you with further information about your hearing rights or files. Assistance is also available in some languages other than English, including Spanish. You may phone, write, or come in.

Public Inquiry and Response
State Department of Social Services
744 P Street, Mail Station 16-23
Sacramento, CA 95814

REQUEST FOR A STATE HEARING

Name _____ Phone Number _____

Address _____ City _____ State _____ Zip Code _____

I am requesting a State hearing because of an action by the welfare department of _____ related to Medi-Cal.

Reason for my request:

I speak a language other than English and need an interpreter for my hearing. (The State will provide the interpreter at no cost to you.)

Language _____ Dialect _____

MEDI-CAL ELIGIBILITY MANUAL

INSTRUCTIONS
MEDI-CAL INFORMATION NOTICE, CONTINUING BENEFICIARIES ENTERING LONG TERM CARE,
LIST FOR SALE OR UTILIZE PROPERTY (UP TO \$6000)
FORM MC 239.2

This notice is to be sent to an otherwise eligible person who is in/entering Long Term Care and the property is under \$6000 NMV. To remain eligible the person can either meet the 6 percent net income utilization or list for sale with a DHS lien against the property.

INSTRUCTIONS:

The form is completed in triplicate; original and one copy sent to the beneficiary, one copy filed in the case record.

1. In Item 1:
 - a. Enter NMV from MC 176P
 - b. multiply by .005
 - c. enter result of $\times .005$ times NMV.
2. Eligibility Worker must sign and date form.
3. Since the notice is conditional, a timely (10 day notice) CWD/MC 239.5 must be sent at the end of 30 days.

MEDI-CAL NOTICE
CONTINUING BENEFICIARIES IN/ENTERING
LONG-TERM CARE LIST FOR SALE OR
UTILIZE PROPERTY UP TO \$6,000

Changes in state law may affect your eligibility for Medi-Cal. Information provided to the county indicates that you are not expected to be discharged from your skilled nursing facility, intermediate care facility, or acute care hospital, within six months from the date you entered, to return to your principal residence.

For your Medi-Cal eligibility to continue, you must notify the county within 30 days of the date of this notice that you intend to do one of the following:

Option 1

Rent or lease the property. You must receive net income from this property each year which is equal to six percent of the net market value of the property. The monthly net income (gross income minus expenses) you must receive from your property is:

Net Market Value of Property _____

1/12 of 6 percent

_____ x.005 _____

Net income your must receive from
property each month _____

Option 2

Sell or list the property for sale at fair market value. Evidence in the form of a listing contract from a licensed real estate broker that the property is listed at appraised fair market value must be provided to your eligibility worker within 30 days of the date of this notice.

If you choose to list your property for sale, the State may record a lien against it to cover the cost of medical care that you receive under the Medi-Cal program. Before the lien is recorded, you will receive a Notice of Action advising you of your right to a state hearing. If you are subsequently discharged from the nursing facility and resume use of your property as your principal residence, the lien will be dissolved.

YOU HAVE A RIGHT TO REQUEST COUNTY REVIEW OF THE ABOVE REQUIREMENTS BY FURNISHING ADDITIONAL WRITTEN INFORMATION ON THIS MATTER TO THE COUNTY, WITHIN 30 DAYS. SUCH ACTION ON YOUR PART WILL CONSTITUTE A REQUEST FOR A REVIEW OF YOUR CASE BY THE COUNTY. YOU WILL NOT BE REQUIRED TO TAKE ANY ACTION TO MEET THE UTILIZATION REQUIREMENTS OR TO LIST YOUR HOME FOR SALE AND NO LIEN WILL BE RECORDED WHILE SUCH A REVIEW IS IN PROGRESS. INFORMATION ON HOW TO PROCEED WITH THE COUNTY REVIEW MAY BE OBTAINED FROM YOU ELIGIBILITY WORKER.

WHILE THE COUNTY REVIEW AND/OR THE STATE HEARING RESULTS ARE PENDING, YOU SHALL NOT TRANSFER OR SELL THIS PROPERTY, WITHOUT JEOPARDIZING YOUR ELIGIBILITY FOR MEDI-CAL BENEFITS, EXCEPT:

1. UPON YOUR DEATH, PROPERTY YOU HOLD IN JOINT TENANCY MAY BE TRANSFERRED TO THE SURVIVING JOINT TENANT;
2. IF YOU ARE ORDERED TO DO SO BY A COURT.

This office will notify you whether the additional information justifies withdrawing the requirement that you utilize or list your property for sale and that a lien be recorded against it. If the requirement is not withdrawn, you may appeal the county review determination to Office of the Chief Referee, Department of Social Services, 744 P Street, MS 19-36, Sacramento, CA 95814.

YOUR RIGHT TO APPEAL THIS ACTION

If you are dissatisfied with the action described on the other side, or any other county action, you may request a state hearing before a Hearing Officer of State Department of Social Services. This hearing will be conducted in an informal manner to assure that everyone present is able to speak freely. Your county worker can help you request a hearing. If you decide to request a hearing, you must do so WITHIN 90 DAYS OF THE DATE OF THIS NOTICE.

Aid Paid Pending

If you are now receiving Medi-Cal and ask for a state hearing before the effective date of this notice, you will delay the county's action, thus your Medi-Cal will continue until the hearing begins.

State Regulations Available

State Regulations, including those covering state hearings, are available at the local office of the county welfare department.

Authorized Representative

You can represent yourself at the state hearing. You can also be represented by a friend, attorney or any other person, but you are expected to arrange for the representative yourself. You can get help in locating free legal assistance by calling the toll-free number of Public Inquiry and Response Unit (800) 952-5253.

Information Practices Act Notice

The information you are asked to write in below is needed to process your request, and processing may be delayed if your request is incomplete. A case file will be set up by the Chief Referee. You have a right to examine the materials that make up the record for decision and may locate this record by contacting Public Inquiry Response Unit (phone number shown above). Any information you provide may be shared with the county welfare department, with the U.S.

Department of Health and Human Services, Authority: W&IC 10950.

How to Request a State Hearing

The best way to request a hearing is to fill in and send this entire notice to:

Office of Chief Referee
State Department of Social Services
744 P Street, Mail Station 19-36
Sacramento, CA 95814

Los Angeles County Residents send to
Fair Hearing Section
P.O.Box 10280
Glendale, California 91209

You may also request a hearing by calling the toll - free number of Public Inquiry and Response Unit.

Public Inquiry and Response (Public Information)

Toll-Free Number: (800) 952-5253*

Teletypewriter(TTY)only: (800) 952-5435*

*You have to dial "1" first.

The State Public Inquiry and Response Unit can provide you with further information about your hearing rights or files. Assistance is also available in some languages other than English, including Spanish. You may phone, write, or come in.

Public Inquiry and Response
State Department of Social Services
744 P Street, Mail Station 16-23
Sacramento, CA 95814

REQUEST FOR A STATE HEARING

Name _____ Phone Number _____

Address _____ City _____ State _____ Zip Code _____

I am requesting a State hearing because of an action by the welfare department of _____ related to Medi-Cal.

Reason for my request: _____

I speak a language other than English and need an interpreter for my hearing. (The State will provide the interpreter at no cost to you.)

Language _____ Dialect _____

MEDI-CAL ELIGIBILITY MANUAL

INSTRUCTIONS
MEDI-CAL NOTICE OF ACTION, LIENS
FORM MC 239.3

This form is sent to the beneficiary when appraisal/listing information has been provided. It is sent to the person at the same time the DHS 7014 is submitted to DHS Recovery.

INSTRUCTION:

The form is completed in triplicate; the original and one copy is sent to the beneficiary, one copy filed in the case record.

1. The Eligibility Worker MUST sign and date the form.

Department of Health Services
Medi-Cal Program

MEDI-CAL
NOTICE OF ACTION
LIENS

State No: _____
District _____

Changes in the state law may affect your eligibility for Medi-Cal. Information provided to the county indicates that you are not expected to be discharged from your skilled nursing facility, intermediate care facility, or acute care hospital, within six months from the date you entered.

As a result of the determination that you are not expected to return to your principal residence within six months, a lien will be recorded against that property for the costs of your medical care. Your ownership of the property is not lost or transferred when the lien is recorded.

If and when your property is sold, the amount of the lien which is based on your medical costs will be recovered from the proceeds of the sale and returned to the State of California. If, prior to the sale of your property, you are discharged from the nursing facility and resume use of your property as your principal residence, the lien will be dissolved.

IF YOU HAVE NOT ALREADY DONE SO, YOU HAVE A RIGHT TO REQUEST COUNTY REVIEW OF THE ABOVE REQUIREMENTS BY FURNISHING ADDITIONAL WRITTEN INFORMATION ON THIS MATTER TO THE COUNTY, WITHIN 30 DAYS OF THE DATE OF THIS NOTICE. SUCH ACTION ON YOUR PART WILL CONSTITUTE A REQUEST FOR A REVIEW OF YOUR CASE BY THE COUNTY. NO LIEN WILL BE RECORDED WHILE SUCH A REVIEW IS IN PROGRESS. INFORMATION ON HOW TO PROCEED WITH THE COUNTY REVIEW MAY BE OBTAINED FROM YOUR ELIGIBILITY WORKER.

WHILE THE COUNTY REVIEW AND/OR THE STATE HEARING RESULTS ARE PENDING, YOU SHALL NOT TRANSFER OR SELL THIS PROPERTY, WITHOUT JEOPARDIZING YOUR ELIGIBILITY FOR MEDI-CAL BENEFITS, EXCEPT:

1. UPON YOUR DEATH, PROPERTY YOU HOLD IN JOINT TENANCY MAY BE TRANSFERRED TO THE SURVIVING JOINT TENANT;
2. IF YOU ARE ORDERED TO DO SO BY A COURT.

This office will notify you whether the additional information justifies withdrawing the requirement that a lien be recorded against your property. If the requirement is not withdrawn, you may appeal the county review determination to Office of the Chief Referee, Department of Social Services, 744 P Street, MS 19-36, Sacramento, CA 95814.

Your right to a state hearing on this matter is explained on the reverse side of this notice. At this hearing you may introduce facts concerning exemptions which may apply to you. For further information, please contact your eligibility worker.

The regulations which require this action are Title 22, California Administrative Code, Section 50422.

Eligibility Worker _____ Phone Number _____ Date _____

NOTE: IF THE ABOVE-NAMED BENEFICIARY IS UNABLE TO ACT ON HIS/HER OWN BEHALF EITHER A FAMILY MEMBER, A CONSERVATOR OR AN AUTHORIZED REPRESENTATIVE MUST CONTACT THE ELIGIBILITY WORKER IMMEDIATELY FOR FURTHER DETAILS ON HOW TO PROCEED.

YOUR RIGHT TO APPEAL THIS ACTION

If you are dissatisfied with the action described on the other side, or any other county action, you may request a state hearing before a Hearing Officer of State Department of Social Services. This hearing will be conducted in an informal manner to assure that everyone present is able to speak freely. Your county worker can help you request a hearing. If you decide to request a hearing, you must do so WITHIN 90 DAYS OF THE DATE OF THIS NOTICE.

Aid Paid Pending

If you are now receiving Medi-Cal and ask for a state hearing before the effective date of this notice, you will delay the county's action, thus your Medi-Cal will continue until the hearing begins.

State Regulations Available

State Regulations, including those covering state hearings, are available at the local office of the county welfare department.

Authorized Representative

You can represent yourself at the state hearing. You can also be represented by a friend, attorney or any other person, but you are expected to arrange for the representative yourself. You can get help in locating free legal assistance by calling the toll-free number of Public Inquiry and Response Unit (800) 952-5253.

Information Practices Act Notice

The information you are asked to write in below is needed to process your request, and processing may be delayed if your request is incomplete. A case file will be set up by the Chief Referee. You have a right to examine the materials that make up the record for decision and may locate this record by contacting Public Inquiry Response Unit (phone number shown above). Any information you provide may be shared with the county welfare department, with the U.S.

Department of Health and Human Services, Authority: W&IC 10950.

How to Request a State Hearing

The best way to request a hearing is to fill in and send this entire notice to:

Office of Chief Referee
State Department of Social Services
744 P Street, Mail Station 19-36
Sacramento, CA 95814

Los Angeles County Residents send to
Fair Hearing Section
P.O.Box 10280
Glendale, California 91209

You may also request a hearing by calling the toll - free number of Public Inquiry and Response Unit.

Public Inquiry and Response (Public Information)

Toll-Free Number: (800) 952-5253*

Teletypewriter(TTY)only: (800) 952-5435*

*You have to dial "1" first.

The State Public Inquiry and Response Unit can provide you with further information about your hearing rights or files. Assistance is also available in some languages other than English, including Spanish. You may phone, write, or come in.

Public Inquiry and Response
State Department of Social Services
744 P Street, Mail Station 16-23
Sacramento, CA 95814

REQUEST FOR A STATE HEARING

Name _____ Phone Number _____

Address _____ City _____ State _____ Zip Code _____

I am requesting a State hearing because of an action by the welfare department of _____ related to Medi-Cal.

Reason for my request: _____

I speak a language other than English and need an interpreter for my hearing. (The State will provide the interpreter at no cost to you.)

Language _____ Dialect _____

MEDI-CAL ELIGIBILITY MANUAL

INSTRUCTIONS
MEDI-CAL NOTICE OF ACTION, RESULT OF COUNTY REVIEW
FORM MC 239.4

This form is sent to the beneficiary after a county level review has been requested and completed and a decision has been reached regarding county action on property determination.

INSTRUCTIONS:

The form is completed in triplicate; the original and one copy to applicant/beneficiary, one copy filed in the case record.

1. Item 1, 2, or 3 is checked based on the notice sent to the applicant/beneficiary (MC 239.1, MC 239.2 or MC 239.3)
2. Items 4 through 9 are checked based on the county review results.
3. Item 6 - enter date for end of six months utilization period as stated on the MC 239U.
4. The EW must sign and date the form letter.
5. The form letter is mailed to the beneficiary within 30 days of the date the county level review is requested.

MEDI-CAL NOTICE OF ACTION
RESULT OF COUNTY REVIEW

Case Name : _____
State Number: _____
District : _____

Dear _____ :

- 1. [] Our notice to you dated _____ required that you either a) utilize your former principal residence, or b) list it for sale and have a lien recorded against the property, in order for you to remain eligible for Medi-Cal. (MC 239.2)
- 2. [] Our notice to you dated _____ required that you list your former principal residence for sale and that a lien be recorded against the property in order for you to remain eligible for Medi-Cal. (MC 239.1)
- 3. [] Our notice to you dated _____ required that a lien be recorded against your property in order for you to remain eligible for Medi-Cal. (MC 239.3)

WE HAVE RE-EXAMINED THAT FINDING AT YOUR REQUEST. BASED ON INFORMATION AVAILABLE TO US WE HAVE DETERMINED THAT:

- 4. [] The requirement that you utilize or list your former principal residence for sale was incorrect. The notice requiring utilization or listing is rescinded.
- 5. [] The requirement that you list your former principal residence for sale was incorrect. The notice requiring listing for sale is rescinded.
- 6. [] The requirement that a lien be recorded against your property was incorrect. The notice requiring that a lien be recorded is rescinded.
- 7. [] The requirement that you utilize or list your former principal residence for sale to remain eligible was correct. You must comply with the requirements of the notice on or before _____. If you are dissatisfied with this action you may request a state hearing before a Hearing Office of the State Department of Social Services. Your rights are explained on the reverse side of this notice.
- 8. [] The requirement that a lien be recorded against your property was correct. A lien will be recorded against your property for the cost of medical care provided under the Medi-Cal program, beginning on _____.
- 9. [] _____

WHILE THE COUNTY REVIEW AND/OR THE STATE HEARING RESULTS ARE PENDING, YOU SHALL NOT TRANSFER OR SELL THIS PROPERTY, WITHOUT JEOPARDIZING YOUR ELIGIBILITY FOR MEDI-CAL BENEFITS, EXCEPT:

- 1. UPON YOUR DEATH, PROPERTY YOU HOLD IN JOINT TENANCY MAY BE TRANSFERRED TO THE SURVIVING JOINT TENANT;
- 2. IF YOU ARE ORDERED TO DO SO BY A COURT.

(Eligibility Worker) (Phone) (Dated)

If you are dissatisfied with the results of the county review you may appeal this decision to the Office of the Chief Referee, Department of Social Services, 744 P Street, Mail Station, Sacramento, CA 95814.

PLEASE READ THE REVERSE SIDE OF THIS NOTICE

YOUR RIGHT TO APPEAL THIS ACTION

If you are dissatisfied with the action described on the other side, or any other county action, you may request a state hearing before a Hearing Officer of State Department of Social Services. This hearing will be conducted in an informal manner to assure that everyone present is able to speak freely. Your county worker can help you request a hearing. If you decide to request a hearing, you must do so WITHIN 90 DAYS OF THE DATE OF THIS NOTICE.

Aid Paid Pending

If you are now receiving Medi-Cal and ask for a state hearing before the effective date of this notice, you will delay the county's action, thus your Medi-Cal will continue until the hearing begins.

State Regulations Available

State Regulations, including those covering state hearings, are available at the local office of the county welfare department.

Authorized Representative

You can represent yourself at the state hearing. You can also be represented by a friend, attorney or any other person, but you are expected to arrange for the representative yourself. You can get help in locating free legal assistance by calling the toll-free number of Public Inquiry and Response Unit (800) 952-5253.

Information Practices Act Notice

The information you are asked to write in below is needed to process your request, and processing may be delayed if your request is incomplete. A case file will be set up by the Chief Referee. You have a right to examine the materials that make up the record for decision and may locate this record by contacting Public Inquiry Response Unit (phone number shown above). Any information you provide may be shared with the county welfare department, with the U.S.

Department of Health and Human Services, Authority: W&IC 10950.

How to Request a State Hearing

The best way to request a hearing is to fill in and send this entire notice to:

Office of Chief Referee
State Department of Social Services
744 P Street, Mail Station 19-36
Sacramento, CA 95814

Los Angeles County Residents send to
Fair Hearing Section
P.O.Box 10280
Glendale, California 91209

You may also request a hearing by calling the toll-free number of Public Inquiry and Response Unit.

Public Inquiry and Response (Public Information)

Toll-Free Number: (800) 952-5253*

Teletypewriter(TTY)only: (800) 952-5435*

*You have to dial "1" first.

The State Public Inquiry and Response Unit can provide you with further information about your hearing rights or files. Assistance is also available in some languages other than English, including Spanish. You may phone, write, or come in.

Public Inquiry and Response
State Department of Social Services
744 P Street, Mail Station 16-23
Sacramento, CA 95814

REQUEST FOR A STATE HEARING

Name _____ Phone Number _____

Address _____ City _____ State _____ Zip Code _____

I am requesting a State hearing because of an action by the welfare department of _____ related to Medi-Cal.

Reason for my request: _____

I speak a language other than English and need an interpreter for my hearing. (The State will provide the interpreter at no cost to you.)

Language _____ Dialect _____

MEDI-CAL ELIGIBILITY MANUAL

INSTRUCTIONS
MEDI-CAL NOTICE OF ACTION,
DENIAL/DISCONTINUANCE OF BENEFITS -
OTHER REAL PROPERTY
FORM MC 239.5

This form is used as the final notice of Denial or Discontinuance of Benefits when an applicant or beneficiary owns Other Real Property that exceeds property limits.

INSTRUCTIONS:

The form is completed in triplicate; original and one copy to beneficiary, one copy filed in case record.

1. Full State number, District, and person's name for whom denial/discontinuance action is intended.
2. Check appropriate box for Denial or Discontinuance and enter date required.
3. Check box for situation indicated in case. Enter complete address of the property and value from most current tax assessment. In Property Rescue limit, enter number of persons in MFBU and limit for that number of persons.
4. Eligibility Worker MUST sign and date.

MEDI-CAL
NOTICE OF ACTION,
DENIAL/DISCONTINUANCE - OTHER REAL PROPERTY

Case Name : _____
State Number: _____
District : _____

We have reviewed all information available to us about your circumstances, and we find that:

[] Your application for Medi-Cal dated _____ has been denied.
Mo. Day Year

[] Your eligibility to receive Medi-Cal will be discontinued effective the last day of _____
(month)

The reason for this denial/discontinuance is:

State law (Section 14006, Welfare and Institutions Code) and regulations now require that other real property may be exempt only if its net market value is \$6,000 or less.

Your property located at _____ is valued at _____ based on the most current tax assessment. When the amount over \$6000 is added to your Property Reserve you exceed the maximum.

Property Reserve \$ _____
Excess Other Real Property \$ _____
Total Property Reserve \$ _____
Property Reserve for _____ person(s) \$ _____

The regulations which require this action are California Administrative Code, Title 22, Section: 54029 Section 14006, Welfare and Institutions Code.

If you are eligible for Medicare and your Medi-Cal eligibility is discontinued, this means that _____
(Month)

is the last month the State will pay your premium for supplementary insurance coverage (part B Medicare). You will receive a written notice from the Social Security Administration, or you may call your Social Security District Office if you have any questions about your Medicare status.

If you have any questions about this action or if there are any additional facts relating to your circumstances which you have not reported to us, please write or telephone. We will answer your questions or make an appointment to see you in person. Please remember that this action pertains only to the circumstances you reported to us, and that you may reapply at any time.

(Eligibility Worker)

(Phone)

(Dated)

PLEASE READ THE REVERSE SIDE OF THIS NOTICE

YOUR RIGHT TO APPEAL THIS ACTION

If you are dissatisfied with the action described on the other side, or any other county action, you may request a state hearing before a Hearing Officer of State Department of Social Services. This hearing will be conducted in an informal manner to assure that everyone present is able to speak freely. Your county worker can help you request a hearing. If you decide to request a hearing, you must do so WITHIN 90 DAYS OF THE DATE OF THIS NOTICE.

Aid Paid Pending

If you are now receiving Medi-Cal and ask for a state hearing before the effective date of this notice, you will delay the county's action, thus your Medi-Cal will continue until the hearing begins.

State Regulations Available

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Authorized Representative

You can represent yourself at the state hearing. You can also be represented by a friend, attorney or any other person, but you are expected to arrange for the representative yourself. You can get help in locating free legal assistance by calling the toll-free number of Public Inquiry and Response Unit (800) 952-5253.

Information Practices Act Notice

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Department of Health and Human Services, Authority: W&IC 10950.

How to Request a State Hearing

The best way to request a hearing is to fill in and send this entire notice to:

Office of Chief Referee
State Department of Social Services
744 P Street, Mail Station 19-36
Sacramento, CA 95814

Los Angeles County Residents send to
Fair Hearing Section
P.O.Box 10280
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You may also request a hearing by calling the toll-free number of Public Inquiry and Response Unit.

Public Inquiry and Response (Public Information)

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The State Public Inquiry and Response Unit can provide you with further information about your hearing rights or files. Assistance is also available in some languages other than English, including Spanish. You may phone, write, or come in.

Public Inquiry and Response
State Department of Social Services
744 P Street, Mail Station 16-23
Sacramento, CA 95814

REQUEST FOR A STATE HEARING

Name _____ Phone Number _____

Address _____ City _____ State _____ Zip Code _____

I am requesting a State hearing because of an action by the welfare department of _____ related to Medi-Cal.

Reason for my request: _____

I speak a language other than English and need an interpreter for my hearing. (The State will provide the interpreter at no cost to you.)

Language _____ Dialect _____