

DEPARTMENT OF HEALTH SERVICES

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March 23, 1994

(916) 657-2941

**TO: All County Welfare Directors
All County Administrative Officers
All County Medi-Cal Program Specialists/Liaisons
All County Pickle Coordinators**

Letter No.: 94-33

FORM DHS 7021 AND THE VALUE OF THE ONE-THIRD REDUCTION (VTR)

Ref.: Pickle Handbook 11, Page 14-11, Item 1

The purpose of this letter is to clarify the change made to page 14-11, item 1, Pickle Handbook 11. The change in language was made to correct the statement in "Principal" which said, "Reduce the applicable payment level by one-third VTR. The VTR is the same as the payment level for a person living in the household of another". It now says, "Reduce the applicable payment level by one-third the Federal Benefit Rate (FBR). Use the VTR".

One county asked for clarification of how to now compute the DHS 7021, particularly with respect to what line F1 means. Line F1 says to enter the "current SSI/SSP payment level for an individual or couple".

The SSI/SSP payment level chart for 1994 (page 16-1) of the Pickle Handbook shows the SSI level as \$297.34 for an individual living in the household of another. Such an individual is subject to the VTR. The \$297.34 SSI level represents the amount remaining after the VTR is applied to the \$446 FBR. When the \$179.43 SSP is added, the applicable total payment is \$476.77. Therefore, \$476.77 is the amount that results after VTR applies. It would then be incorrect to also enter the VTR amount on line E1 where it would also be treated as income and deducted from the payment level which already accounts for VTR.

Therefore, when doing a VTR financial determination on the DHS 7021, place a zero in the space for Part E, 1. Also, use the SSI/SSP amount of Household of Another in the space for F1. See the described change in the enclosed DHS 7021.

Note: The DHS 7044 is only used for Presumed Maximum Value (PMV) calculations.

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If you have any questions, please contact Sylvia Finberg of my staff at (916) 657-0080.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

Enclosure

FINANCIAL ELIGIBILITY WORKSHEET (Individual or Couple, Applicant With an Ineligible Spouse)

Applicant's Name _____ Case Number _____
Applicant's Name _____

PART A. NEEDS TEST

- Applicant's total earned and unearned income (MC 176 M, Part I, Line 14) _____
- Title II COLA disregard amount _____
- Total countable income (subtract A-2 from A-1) _____
(If single applicant or couple pass the screening worksheet proceed to Part F)

PART B. INELIGIBLE SPOUSE'S UNEARNED INCOME

- Ineligible spouse's total unearned income- do not include public assistance income _____
- Title II COLA disregard amount _____
- Countable unearned income (subtract B-2 from B-1) _____
- Allocation for ineligible children. (If no children, enter zero in B-4c);
Do not include Pickle eligible children

- Allocation (couple FBR minus individual FBR)
- Subtract child's income
- Total allocation

Child No. 1	Child No. 2	Child No. 3	Child No. 4	Child No. 5
-	-	-	-	-

_____ + _____ + _____ + _____ + _____ = _____

- Remaining unearned income (subtract B-4c from B-3) _____

PART C. INELIGIBLE SPOUSE'S EARNED INCOME

- Ineligible spouse's gross earned income _____
- Unused portion of allocation for ineligible child(ren) _____
- Remaining earned income (subtract C-2 from C-1) _____

PART D. INELIGIBLE SPOUSE'S TOTAL INCOME AFTER ALLOCATIONS (Add B-5 and C-3). (If less than the difference between the FBR for a couple and the FBR for an individual, deeming not applicable. Make no entry for ineligible spouse's income in Part E.)

PART E. COMBINED INCOMES (eligible individual or couple and/or ineligible spouse after ineligible child allocations).

- Applicant's gross unearned income (including any applicable ISM-DHS 7044) _____
- Applicant's Title II COLA disregard amount _____
- Applicant's countable unearned income (subtract line E-2 from line E-1) _____
- Ineligible spouse's unearned income (line B-5) _____
- Combined unearned income (add lines E-3 and E-4) _____
- Subtract general income exclusion _____ -20
- Combined countable unearned income _____ \$
- Earned income of applicant and spouse (use amount from line C-3 for ineligible spouse) _____ Total Earned
- Subtract balance of general exclusion not offset by unearned income (line E-6) _____
- Remaining earned income _____
- Subtract work expense exclusion _____ -65
- Remaining earned income _____
- Subtract 1/2 remaining earned income _____
- Countable earned income _____ \$
- Total countable income (add lines E-7 and E-14) _____ \$ Combined Total

(IF VTR, enter 0 and use Household of 1 in F-1.)

PART F. PICKLE ELIGIBILITY CALCULATION

- Current SSI/VSP payment level for an individual or a couple _____
- Enter total countable income (line A-3 or E-15) _____

If line F-2 is less than or equal to F-1, the applicant is Pickle eligible. If ineligible, enter in Tickler System.

Eligibility Worker Signature _____	Worker Number _____	Computation Date _____	County Use _____
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