

DEPARTMENT OF HEALTH SERVICES

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TO: All County Welfare Directors
All County Administrative Officers

October 11, 1990
Letter No. 90-91

SUBJECT: **SNEEDE v. KIZER**: INTERIM PROCEDURES

REFERENCE: ACWDL 90-12, ACWDL 90-04

Overview

Federal law limits financial responsibility for medical care to parent-for-child and spouse-for-spouse. This means that the income and property of a parent or spouse may only be used in determining Medi-Cal eligibility and share of cost for himself/herself, his/her spouse, and/or natural or adopted child(ren).

The United States District Court has ruled in Sneede v. Kizer that Medi-Cal regulations governing MFBU composition violate federal law.

Under the court's order, family budget unit composition rules must ensure that:

- o a stepparent's income and property are not considered available to his/her spouse's separate children;
- o an unmarried couple's income and property are not considered available to each other nor to their separate children;
- o a child's own income and property are not considered available to anyone but him/her; and
- o a caretaker relative's income and property are not considered available to anyone but him/her.

All County Welfare Directors
All County Administrative Officers
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If there are any questions about these procedures, please contact Yvonne Lee
at (916) 324-4954, ATSS 454-4954.

Sincerely,

ORIGINAL SIGNED BY

Angeline Mrva for
Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

Enclosures

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

Expiration Date: Until Notified

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1. EFFECTIVE DATE OF CHANGE

Effective immediately as a result of an order in Sneede v. Kizer, the county may no longer include in a single Medi-Cal family budget unit (MFBU): (1) family members on the basis of their step-relationship, (2) children who have their own income and/or property, (3) unmarried parents, (4) caretaker relatives, if their inclusion results in a share of cost or ineligibility due to excess resources.

This means that when the MFBU has a share of cost or is ineligible due to excess property, then income and property must be considered in the following manner:

- o only a natural/adoptive parent(s)' income or property may be used to determine a child's eligibility and share of cost;
- o income or property of spouses may be used to determine the share of cost or eligibility for each other;
- o an unmarried partner's income or property can only be used to determine eligibility and share of cost for himself/herself and his/her natural/adoptive children;
- o the income and/or property of a child or a caretaker relative (who is an eligible member of the same MFBU as the child for whom care is provided) cannot be used to determine share of cost or eligibility for anyone but himself/herself;

County implementation of these procedures will begin February 1, 1991 for those cases which were identified in response to ACWDL 90-12 dated January 12, 1990 and the E-mail dated May 3, 1990. See subsection 1.a. below (Screening for Sneede Cases) for other types of cases which these procedures will be applied effective February 1, 1991. As discussed later in these procedures, mini budget units will be derived from the MFBU for purposes of determining property eligibility and share of cost.

Until this lawsuit is finally resolved on appeal and regulations are adopted, these interim procedures will remain in effect. These procedures must be applied to those cases which have a stepparent, or child with own income or property, or unmarried couple with mutual children, or caretaker relative who is an eligible member of the same MFBU with the children for whom care is provided, AND there is a share of cost (SOC) or ineligibility due to excess property under the existing* regulations.

When a family meets the property limits but has a share of cost under existing regulations, the county will apply the new procedures only to the

*The term "existing" is used herein to refer to regulations, the procedures, methods, limits, and the like, applicable prior to the court's January 5, 1990 order in Sneede.

At this point, the counties shall not redetermine prior months' eligibility for new applicants (beyond the normal three-month retroactive period) or for current or discontinued beneficiaries prior to the "current" eligibility period*. The issue of retroactivity for years prior to January 1, 1990 will be decided by the court at a later date. To facilitate identification of class members, a Sneede coordinator from each county will maintain a control log of all identified Sneede cases and identify the case with a flag or computer I.D. code. Specific instructions on county reporting and monitoring of Sneede cases will be issued at a later date.

c. Case Counts

Under these interim procedures, the Medi-Cal family budget unit (MFBU) will form the basis from which the multiple mini budget units are determined. Since the property and share of cost determinations are independent of each other, the county may need to determine mini budget units twice: once for the property determination (if there is excess property under the existing regulations) and again for the share of cost determination (if there is a share of cost under the existing regulations). This is because children with their own property will not necessarily have their own income.

Case counts will only be reported for the mini budget units established under the share of cost determination regardless of the number of eligibles in the mini budget unit. The reported mini budget unit must contain at least one eligible family member. Counties will not report case counts for the mini budget units established under the Sneede property determination.

If mini budget units are being established under the share of cost determination, the county will designate one of the mini budget units as the primary mini budget unit. A mini budget unit which contains one or both parent(s), if any, and children who have no income or property, or a caretaker relative (see section 7 for specific instructions on establishing mini budget units) should be the one designated as the primary unit if possible. If there are no parents or caretaker relative in the MFBU, the county will simply designate one of the mini budget units as the primary. The purpose of the primary budget unit is to add or take away persons when creating or discontinuing mini budget units (see below for further explanation).

*The counties will be required to redetermine eligibility of class members for the period between January 1, 1990 and the "current" eligibility period defined above. Instructions on when to redetermine these prior months will be issued at a later date.

New Applications

When interim procedures are applicable to new applications, the county may report a new intake for each mini budget unit established for the share of cost determination in the month of application and each of the three retroactive months, if requested. The county will designate one of these mini budget units as the primary. For each month thereafter, the county may report each of the mini budget units as a continuing case.

Continuing Cases

The county will not report the primary mini budget unit as an intake since the original MFBU was already reported on the MC 237 Caseload Movement and Activity Report (Medical Assistance Only). The county will report the primary mini budget unit as a continuing case only.

The counties may report each additional mini budget unit established under the share of cost determination as an intake on the MC 237.

Thereafter, the county may report each mini budget unit which contains at least one eligible member as a continuing case.

Merging Mini Budget Units

When the county must merge one mini budget unit into another mini budget unit (e.g., one of the children with his/her own income no longer receives income, etc.), the county will: (1) discontinue the now empty mini budget unit, (2) add the family member from the discontinued mini budget unit to the primary (or other applicable) mini budget unit, and (3) continue to report the merged mini budget unit as one continuing case.

Discontinuance of All Mini Budget Units

If all of the mini budget units under the share of cost determination are discontinued because the interim procedures are no longer applicable (e.g., the MFBU no longer has a share of cost, unmarried couple with only mutual children get married, children no longer have own income, etc.) and eligibility will continue under existing regulations, the county will report the MFBU as a continuing case.

Reestablishing MFBUs and MBUs

If the county later determines that the interim procedures are again applicable after the discontinuance of the Sneede mini budget units, the county will reestablish the mini budget units and may report the primary mini budget unit as a continuing case and each additional mini budget unit established for the share of cost determination as a new intake. (Remember

that the county will once again designate a primary mini budget unit which will only be reported as a continuing case.)

Assume for example that in February 1991 the county reviewed a continuing case (initial eligibility established 3 years ago) and determined that the interim procedures were applicable for the months January 1991 (the month a status report was received) and continuing. The county established 3 mini budget units under the share of cost determination: primary mini budget unit #1 contains a mother and father who are married, mini budget unit #2 contains a child with income, and mini budget unit #3 contains four siblings with no income who are the separate children of one of the parents. The county reported two new intakes and one continuing case for January 1991 and three continuing cases for February 1991 and later.

In December 1991, the county determines that the MFBU does not have a SOC under the existing regulations and discontinues all the mini budget units effective December 31, 1991. The MFBU will be reported as a continuing case. In February 1992, the county determines that the MFBU will have a SOC and applies the interim procedures again. In this case the county has determined that the same 3 mini budget units will be established again and reestablishes the 3 mini budget units effective February 1, 1992. The county reported 2 new intakes and one continuing case for February 1992.

Federal Poverty Level Programs

The county will generally follow the same MC 237 reporting requirements as under the regular 133/185/200 Percent programs. For reporting purposes of determining case counts under the federal poverty level programs, each mini budget unit may be treated as a MFBU.

1. Infants and children under age six

If a mini budget unit contains one or more children under age six, has a SOC, and the children are potentially eligible to the 133/185/200 Percent programs, the county may report an initial intake for each applicable federal poverty level program, regardless of the number of eligibles under each program and whether or not their income exceeds the applicable federal poverty level.

In addition, if there are other children in the mini budget unit who are only eligible under the regular MI/MN case (i.e., over age 6), the county may also report the Sneede mini budget unit as a separate case count.

Example:

On June 1991 a Medi-Cal application is filed for a married couple, their mutual child (Child A) and the wife's two separate children (Child B and Child C). They also requested three months retroactivity (March, April and May).

Child A is 3 years old; Child B is 4 years old; and Child C is 7 years old. None of the children have any income of their own. The MFBU has a share of cost in each month; the county determines that Sneede procedures are applicable. Two mini budget units are established: the primary budget unit will contain the parents and Child A, who is a mutual child with no income of his own; the second mini budget unit will contain Child B and Child C, full siblings with no income of their own.

The county determines that all of the family members are otherwise eligible and the two mini budget units have a share of cost in each month. Child A's net nonexempt family income is below 133% of the federal poverty level in each month. Child B's net nonexempt family income is over 133% in each month.

Retroactive to March 1991, the county will: (1) approve Child A under the 133% program, and (2) deny Child B under the 133% program.

For each of the months from March through June, the county may report: (1) one intake (approval) under the 133 Percent program for mini budget unit #1 (Child A), (2) one intake (denial) under the 133 Percent program for mini budget unit #2 (Child B), and (3) one intake for each of the two Sneede mini budget units. This may result in a total of four case counts for each of the months March through June.

(Please note that similiar to the 133, 185, and 200 Percent programs on non-Sneede cases, the county can report only one case count for either the mini budget unit or the 133, 185, 200 Percent program when the child is the only person in the mini budget unit.)

Thereafter, the county may report only one continuing 133 Percent case for mini budget unit #1 (Child A), and one continuing case for each of the Sneede mini budget units. This results in a total of three continuing cases each month beginning July 1991.

2. Pregnant woman

If a mini budget unit contains a pregnant woman and has a SOC, the woman must be evaluated for potential eligibility to the 185/200 Percent programs. Regardless of whether or not she is determined to be income eligible under the 185/200% programs, the county may report an initial intake for the federal poverty level program and a second case count for the Sneede mini budget unit.

If the pregnant woman is eligible under the federal poverty level program, the county may report the 185/200% case as a continuing case in the following month and report a continuing case for the Sneede mini budget unit. If there are multiple 133/185/200 Percent program eligibles in the same mini budget unit with the pregnant woman, the counties may report a case count for each of the applicable federal poverty level programs regardless of the number of eligibles under each program.

2. LINKAGE TO THE MEDI-CAL PROGRAM

The court order does not impact any existing Medi-Cal regulations on linkage. The county welfare departments will continue to determine the MFBU composition and Medi-Cal linkage (e.g., coverage is available to: pregnant women; individuals under 21 years old; AFDC-linked parents, caretaker relatives and children; and aged, blind, disabled individuals) as specified under existing Medi-Cal regulations.

If one or more family members are determined ineligible under the interim procedures, the county must determine whether linkage still exists for the remaining family members. NOTE: Current regulations (Section 50205) specify that an ineligible (or excluded) child is not used for linkage.

3. CHANGES IN PROCEDURES FOR ALL MEDI-CAL CASES (Sneede AND non-Sneede)

The following are changes to the existing Medi-Cal procedures which apply to all cases regardless of whether the case contains a Sneede class member:

a. Excluded Children - (Does not include unborns)

i. Expanded Definition

The current definition of an excluded child (Section 50381) is expanded to include a child of any age (i.e., from one day old to 21 years old) who either (a) refuses to provide information about his/her own income or property, or (b) chooses to not receive Medi-Cal*.

If information and/or verification of the excluded child's income is not provided, there will be no parental allocation of income to the excluded child (i.e., do not determine the difference of the MFBU's maintenance need with and without the excluded child and then reduce the result by the amount of the excluded child's own income - Section 50558). (See Examples 1 and 2 on pages 51 - 55.) In this situation, the county will compute the MFBU's share of cost as though the excluded child did not exist.

The counties will still apply existing regulations which state that:

(1) the counties will not include the excluded child's income or property in determining the MFBU's eligibility or share of cost (Section 50381(a));

(2) the maintenance need and property limit will not include the excluded child (Sections 50371, 50601, 50401);

*NOTE: This is not to be confused with the child who is needed for linkage and who meets all the Medi-Cal requirements but the parents do not wish to receive a Medi-Cal card for that child (e.g., the child has other health coverage). In this situation the county would include the child in the MFBU, but suppress the card issuance.

(3) the excluded child's medical expenses may not be used to meet the MFBU's share of cost (Section 50657); and

(4) the excluded and ineligible children may not be used for linkage to the Medi-Cal program (Section 50205(c)).

The county shall obtain a consent statement from the parent or caretaker relative whenever a child is excluded from the MFBU. Appendix 2 contains sample language for new applications and annual redeterminations. Appendix 3 contains sample language for use when continuing cases are initially identified as Sneede cases (e.g., when the county receives a self-identifying mailer (see Appendix 5) or a status report).

ii. Treatment of Parental Income and Property Under Interim Sneede Procedures When There Is An Excluded Child

Once interim Sneede procedures are used to establish mini budget units, the counties will not apply the existing procedures described in Section 50558 to determine the excluded child's income allocation.

Instead, the county will allocate an amount of income and/or property from the natural/adoptive parents to the excluded child which is equal to the amount allocated to eligible and ineligible children. (Specific information about the allocation procedures is described in sections 5 and 6). This procedure applies whether or not the excluded child refuses to provide information about his/her own property or income.

Under the interim procedures:

- (1) the county will not consider the excluded child's income or property;
- (2) an excluded child will not be included in the maintenance need or property limit of any mini budget unit; and
- (3) an excluded child cannot use his/her medical expenses to meet the share of cost for other family members.

b. New Treatment of the Stepparent Unit When Only the Separate Child(ren) of One Parent Wants Medi-Cal

When only the separate child(ren) of one parent wants Medi-Cal, the MFBU will be composed of only the parent and his/her separate children who want Medi-Cal. The parent will be an ineligible member of that MFBU. The counties will no longer be required to apply Section 50375 which states that: (1) if the stepparent has insufficient income to meet the needs of the stepparent unit, then the stepparent and his/her children must be included in the MFBU, and (2) if the stepparent does have sufficient income to meet the needs of the stepparent unit, the stepparent unit may be excluded.

To determine eligibility and share of cost for only the separate children of one parent, consider only the net nonexempt income and property of the parent (after equal allocations to his/her spouse and natural/adoptive children) and the net nonexempt income and property of the separate children who want Medi-Cal. Specific information about the allocation procedures is described in sections 5 and 6.

If one or more of several separate children who want Medi-Cal has his/her own income or property AND the MFBU has a share of cost or excess property, the county will apply the interim procedures.

c. New Treatment of Pregnant Minor Mother and Her Unborn Child

The existing procedures are modified in this ACWDL to allow an unborn child of a pregnant minor to be in the same MFBU as the pregnant minor and her parent(s) or caretaker relative provided that the parent or caretaker relative has knowledge of the minor's pregnancy. This change does not affect current regulations which allow the unborn to be included as an eligible member in another MFBU (i.e., the unborn's unmarried father is in the home and also wants Medi-Cal (see Example 6 on pages 65 - 67)).

However, if an MFBU consists of a parent(s) or caretaker relative and the county becomes aware of the minor's pregnancy because the minor requests confidential minor consent services, do not include the unborn in the MFBU with the pregnant minor and her parent(s) or caretaker relative.

For example, if a mother applies for Medi-Cal on behalf of her minor child AND the minor's unborn, the unborn will be included in the MFBU with the pregnant minor and any other family members. The maintenance need and the property limit for the MFBU will be increased by the unborn once verification of pregnancy is received.

After the minor's child is born, the newborn must be placed in a separate MFBU from the minor mother's parent(s) in accordance with Title 22, CCR, Section 50373(a)(5) (Example 8). Otherwise, income and property from the minor mother's parents would be improperly allocated to the minor mother's newborn.

4. MFBU, PROPERTY AND SHARE OF COST DETERMINATIONS

Once the MFBU has been established and is determined to be otherwise eligible (e.g., state residency and linkage), the counties will determine whether the MFBU has excess property and/or a share of cost. If so and it contains a Sneede class member, the county will apply these interim Sneede procedures to the property and/or SOC determination.

5. RESPONSIBLE RELATIVE DETERMINATION

In order to properly allocate income and/or property under the spouse-for-spouse and parent-for-child requirement, the county will identify the family members (including excluded children) for whom the spouse or parent are financially responsible. Unborn children will not receive any parental income or property allocation and will not be identified in the responsible relative determination.

Example of Responsible Relative Determination

The family consists of a married couple, their mutual child, their unborn child and the husband's separate child. The responsible relative determination and income and/or resource allocation would be as follows:

<u>Parent/Spouse:</u>	<u>Dad</u>	<u>Mom</u>
<u>Others for Whom</u>	Mom	Dad
<u>Parent/Spouse</u>	Mutual child	Mutual child
<u>Is Responsible:</u>	Unborn*	Unborn*
	Separate child	
	(4)	(3)

Dad's income and property would be divided by and allocated to the four persons for whom he is financially responsible: himself, his wife, their mutual child and his separate child. The unborn child does not receive an income or property allocation.

Mom's income and property would be divided by and allocated to the three persons for whom she is financially responsible: herself, her husband and their mutual child. Again, the unborn does not receive an income or property allocation.

*NOTE: The unborn should not be listed because there is no income or property allocations.

6. INCOME AND PROPERTY ALLOCATION

One of the major differences between Sneede and non-Sneede cases is the treatment of income and property. Under Sneede, there is an equal allocation of income and property from the spouse and/or parent to himself/herself, his/her spouse and/or natural or adoptive children. Income and property can only be allocated in that one-way direction. In other words:

- o a child's own income or property cannot be used to determine eligibility or share of cost for anyone other than himself/herself;
- o each unmarried partner's income or property can only be used to determine eligibility or share of cost for himself/herself and his/her own natural/adoptive children;
- o each married partner can allocate income and/or separate and 1/2 community property to himself/herself, his/her spouse, and own natural/adoptive children;
- o a stepparent's income or property can only be allocated to himself/herself, his/her spouse, and his/her natural/adopted children;
- o there is never an allocation from anyone other than a spouse or natural/adoptive parent; and
- o there is never an allocation to an unborn.

Under the existing rules, an entire MFBU may be determined ineligible due to excess property or have a share of cost. However, under these interim Sneede procedures, some family members may be determined property eligible while others may continue to be ineligible due to excess property. Similarly, under these interim procedures, some family members may have zero SOC, while others may have a SOC in different amounts.

The counties will need to verify ownership of income as well as the gross amount. Many agencies (e.g., Social Security Administration) will issue benefits for more than one person under one name. A wife, widow, or ex-spouse may receive a benefit check for herself and/or on behalf of her children. Without the award letter (or other equivalent verification), the county will be unable to determine the gross benefit amount for each person. This could result in improper allocation of income. This is also true of spousal and child support payments. A child's support payments may only be attributed to the child for whom the payments were intended.

The counties will apply these interim procedures to Sneede class members only if the MFBU was determined ineligible due to excess property and/or had a share of cost under the existing procedures.

For example, if, under existing procedures, the MFBU was property eligible but has a share of cost, the county will apply the new procedures only to the family's share of cost determination. If the family had excess property and a share of cost under existing procedures, then the county will

make two separate determinations under the interim procedures: the first for property and a second for share of cost.

Eligible, ineligible, and excluded family members will receive an equal parental or spousal income and/or property allocations. The spousal or parental allocations are not reduced by the amount of the spouse's or child's own income or property.

a. What to Do When Ineligibility Results

When ineligibility occurs (e.g., after considering the allocated share of property from a responsible relative and the applicant/beneficiary's own property), the county shall not reallocate the responsible relative's income or property to the remaining family members. Ineligible family members will continue to receive an income and property allocation.

b. Special Considerations for SNEEDE Income Deductions and Property Exemptions

i. General

Property exemptions. Whenever existing Medi-Cal property regulations specify that an MFBU may exempt only one item of a particular type of property and the MFBU owns more than one of that item (e.g., the MFBU owns more than one motor vehicle, or the MFBU owns multiple other real property which are utilized, etc.), the applicant or beneficiary shall be given the opportunity to indicate which item is to be exempt. In the absence of such an indication, the county will exempt the item of greatest value. The value of the remaining item(s) will be included in the property determination.

NOTE: It may not always be to the MFBU's advantage to exempt the item of greatest value. For example, a family is composed of a married couple and the wife's 3 separate children. The husband and wife each own one car as separate property. The car of greater value is owned by the husband who can only allocate his property to himself and his wife. The car of lesser value is owned by the mother and she must equally allocate her property to herself, her husband, and her three separate children. Depending upon the value of the children's own property and the property of the married couple, it may be more beneficial to exempt the mother's car.

In some instances, the responsible relative may have to choose which child(ren) will be property eligible based upon: (1) the property exemptions, (2) the allocation of parental property, and (3) the child's own net nonexempt property.

ii. Allocation of Property (DOES NOT APPLY TO INCOME)

STEPPARENT HOUSEHOLD: Each member of a married couple has, as property, his/her separate property and one-half share of the community property. This property is equally allocated to himself/herself, his/her spouse, and his/her natural/adoptive children.

MARRIED COUPLE WITH ONLY MUTUAL CHILDREN: The married couple's total property is combined. The combined property is equally allocated to each spouse and each mutual child.

UNMARRIED COUPLE WITH MUTUAL CHILDREN: An unmarried couple has no community property. Each parent's separate property is equally allocated to himself/herself and to his/her natural/adopted child(ren).

iii. Receipt of in-kind income.

- o In-kind income which is provided by a member of the MFBU will be considered exempt.
- o In-kind income which is provided from outside of the MFBU will be considered available only to those who receive the in-kind income.

If the entire MFBU receives the in-kind income, it is equally prorated among the members of the MFBU.

If in-kind income is only received by certain members of the MFBU, it is charged as income only to those members of the MFBU.

In-kind income received by a parent is not allocated to the natural/adopted child(ren).

Example: The MFBU consists of a married couple and their two mutual children. The family receives free rent and utilities. The in-kind income of \$287 is equally prorated among the four people. Each person's share of in-kind income equals \$69.25. The parents' share is not allocated to their children.

iv. Net Allocations

Only net nonexempt income and property will be allocated to a spouse and/or natural/adoptive child(ren). In other words, income and property deductions will be applied prior to the allocations.

Income deductions will be applied to a child's own gross income before it is combined with the net nonexempt income allocated from the

v. \$65 Plus One-Half Earned Income Deduction And \$20 Any Income Deduction for the Aged, Blind and Disabled

Each UNMARRIED ABD PARTNER or PARENT of a blind/disabled child shall receive a full set of the applicable ABD income deductions and exemptions.

Each BLIND/DISABLED CHILD with own income shall receive a full set of the applicable ABD income deductions and exemptions.

A MARRIED COUPLE (at least one of whom is ABD or has a blind/disabled child) will each receive one-half of the ABD income deductions (i.e., \$32.50 plus one-half and \$10). Any unused ABD deductions from one spouse will be applied to the remaining income of the other spouse. Exempt income will be fully exempt for both members of the couple.

ALL OTHER FAMILY MEMBERS shall receive applicable AFDC-MN/MI income deductions and exemptions.

vi. Health Insurance Premiums

Deductions for health insurance premiums are allowed only to the family member from whose income the health insurance premium is paid.

Example: Father pays entire health insurance premium for the entire family. Only father is allowed the deduction for the premium.

vii. \$50 Deduction for Child/Spousal Support Received by AFDC-MN/MI Family Members

The \$50 per month deduction for child/spousal support payments as described in Section 50554.5 will be prorated among the family members for whom the support payments are intended. Any unused portion of the prorated deduction is equally allocated to the other family members for whom the the deduction would apply.

Example: Assume that in September 1992, a mother receives \$200 child support payments for each of her two children. The payments are intended for the month of September. The \$50 deduction is prorated among the two children and they will each receive a deduction of \$25 from their child support payments.

c. Example of Income Allocation

A stepparent household consists of a married couple, their mutual child and the husband's separate child. They are all applying for Medi-Cal. The MFBU is property-eligible and has a SOC under the existing regulations. The interim procedures will be applied to the SOC determination only. Their income is as follows:

Dad (ABD)	\$700 per month SSA
Mom (not ABD)	\$900 per month earnings \$100 per month pension
mutual child (not ABD)	\$150 per month SSA from dad
dad's separate disabled child - not on SSI	\$150 per month SSA from dad \$200 per month earnings - sheltered workshop

Step 1. Responsible Relative Determination

<u>Parent/Spouse:</u>	Dad	Mother
<u>Others for Whom the Parent/Spouse Is Responsible:</u>	Mother Mutual Child Dad's Separate	Father Mutual Child
	(4)	(3)

Step 2. Income Deductions and Allocations

A. Deductions

<u>Dad</u>	<u>Mom</u>	<u>Dad's Separate Disabled Child</u>	<u>Mutual Child</u>
\$700 gross SSA	\$ 100 pension	\$150 SSA	\$150 SSA
- 10 any income	- 10 any income	- 20 any income	
\$690 net income	\$ 90 net unearned	\$130 net unearned	
divided by 4	\$ 900 gross earned	\$200 gross earned	
- \$172.50 per person	-65 earned inc. ded.	-65 work deduction	
	\$ 835 remainder	135	
	- 417.50 1/2	-67.50 1/2 deduction	
	\$ 417.50 net earned	\$ 67.50 net earned	
	+ 90.00 net unearned	+130.00 net unearned	
	\$ 507.50 total net	\$197.50 net nonexempt	
	divided by 3 = \$169.17		

B. Each Person's Net Nonexempt Income

<u>Dad</u>	<u>Mom</u>	<u>Dad's Separate Disabled Child</u>	<u>Mutual Child</u>
\$ 172.50 own	\$169.17 own	\$ 197.50 own	\$ 150 own
<u>+ 169.17</u> from wife	<u>+172.50</u> from husband	<u>+ 172.50</u> from dad	+ 172.50 from dad
\$ 341.67 net	\$ 341.67 net	\$ 370.00 net	<u>+ 169.17</u> from mom
			\$ 491.67 net

d. Example of Property Allocation

A stepparent household is comprised of a married couple, the mom's separate child, and the couple's mutual child. They all apply for Medi-Cal; the MFBU has excess property. The parents own one car, the separate child owns a \$700 car, and the mutual child own a \$900 car. The county exempts the parents' car, which is the most expensive. The MFBU's net nonexempt property consists of the following:

Dad: \$3000 separate property
 \$1000 1/2 community property

Mom: \$1000 1/2 community property

Separate Child: \$700 value of car

Mutual Child: \$900 value of car

The MFBU's net nonexempt property of \$6600 exceeds the property limit of \$3300 for a family of four. The county shall apply the interim Sneede procedures to determine whether the family is property eligible. If any of the family members are determined to be property eligible under these procedures, the county will determine whether they have a SOC under the non-Sneede rules. If there is a SOC, the county will also determine the share of cost under these interim procedures.

Step 1. Responsible Relative Determination

<u>Parent/Spouse:</u>	Dad	Mom
<u>Others for Whom the Parent/Spouse Is Responsible:</u>	Mom Mutual Child	Dad Mutual Child Separate Child
	(3)	(4)

Step 2. Property Allocation

Dad
 \$3000 separate property
 +1000 1/2 community property
 \$4000 total net nonexempt

divided by 3 = \$1333.33 each

Mom
 \$1000 1/2 community property

divided by 4 = \$250 each

Step 3. Each Person's Net Nonexempt Property

Dad

\$ 1333.33 dad's
+ 250 from mom
\$ 1583.33 net

Mom

\$ 1333.33 from dad
+ 250 mom's
\$ 1583.33 net

Mutual Child

\$ 1333.33 from dad
+ 250 from mom
+ 900 own
\$ 2483.33 net

Mom's Separate Child

\$ 250 from mom
+700 own
\$ 950 net

If any of these persons are ineligible due to excess property, the county may need to review the car exemption to determine whether eligibility can be established for any of the ineligible persons. If this review results in eligibility to a different family member, the applicant or beneficiary will need to indicate which car is to be exempt.

7. MINI BUDGET UNITS*

The term "mini budget unit" (MBU) will refer to the new family sub-units derived from the initial MFBU composition. To prevent improper commingling of income and property when determining share of cost and property eligibility, the county welfare department will establish separate mini budget units based upon certain family relationships and whether a child has income or property of his/her own. Consequently, a single family may have numerous MBUs. (NOTE: A responsible relative determination is not the same as an MBU determination.)

Net nonexempt income allocated from a parent or spouse (also known as a responsible relative) to a natural/adopted child or spouse will be added to that child's or spouse's own income after the earned and unearned income deductions have been applied. The child's or spouse's total net nonexempt income (which includes the parental/spousal allocation) will be added to the total net nonexempt income of other family members in the MBU, if any. The MBU's total net nonexempt income will be compared to the maintenance need for that MBU.

a. Separate Mini Budget Unit Determinations for Property and Share of Cost

It is possible that the MBU compositions for the property determinations will not be same as the MBU compositions for the share of cost determinations. This is due to considerations such as children who may or may not have both income and property of their own, or a stepparent who may or may not have income and property, etc..

b. Mini Budget Unit Determinations

The following guidelines shall be applied:

1. In all situations

A. Unborn child(ren):

- (1) When an MFBU contains a pregnant minor and her unborn, the unborn will be in the same mini budget unit with its mother.
- (2) When an MFBU contains a pregnant woman, her unborn will be placed in the pregnant woman's mini budget unit.

B. Ineligible family members (regardless of the basis for ineligibility) are listed in the mini budget unit(s) in accordance with these guidelines.

C. Excluded children are not listed in any mini budget unit.

*Although this section primarily addresses income and maintenance needs for the share of cost determination, these same procedures will also be used in the property determination.

- D. Family members from the same MFBU can be listed in only one mini budget unit.
- E. A minor mother (with born children) who lives at home with her parent(s) is shown as an eligible person in her natural/adoptive parent(s)' mini budget unit if she does not have her own income or property. If she does have her own income or property, the minor mother will be in her own mini budget unit.

This minor mother will also be shown as an ineligible person in the same mini budget unit with her natural/adopted child(ren) who have no income or property of their own, if interim Sneede procedures apply in this MFBU. If all of the minor mother's children have their own income or property, the minor mother and her children will each be in a separate mini budget unit.

Example: A minor mother with no income has 2 born children.

If Sneede applies in her parent(s)' MFBU because a sibling has his own income), the minor mother will be in her parent(s)' mini budget unit (as an eligible) since she has no income.

If Sneede applies in the MFBU which contains the minor's children because one child has own income or property, the minor will be in the MBU (as an ineligible) with the child who has no income or property.

Therefore, the minor mother will be in two mini budget units in the household; but these mini budget units were derived from two different MFBUs.

- 2. Married spouses and mutual children (no stepchildren)
 - A. List married spouses in single MBU. Also list in their MBU all mutual children with no income or property of their own.
 - B. List each child with own income or property in his/her own separate MBU.
- 3. Married spouses (stepparent), mutual and separate children.
 - A. List married spouses in single MBU. Also list in their MBU all mutual children with no income or property of their own.
 - B. List all separate children of Parent A with no income or property of their own together in a separate, single MBU.
 - C. List all separate children of Parent B with no income or property of their own together in a separate, single MBU.
 - D. List each child with own income or property in his/her own, separate MBU.

4. Married Parent's Separate Children Who Want Medi-Cal (Stepparent Household)

The MFBU consists of an ineligible parent and the separate children who want Medi-Cal. (See section 3b, pages 8 - 9 for new treatment of this situation.)

- A. List the parent (not the parent's spouse) and her separate children with no income or property who want Medi-Cal in a single MBU.
- B. List each separate child with own income or property who wants Medi-Cal in his/her own, separate MBU.

5. Single parent, children

- A. List parent and all his/her children (full and half siblings) with no income or property of their own in a single MBU.
- B. List each child with own income or property in his/her own separate MBU.

6. Unmarried partners, mutual and separate children

- A. List each partner in a separate MBU.
- B. List all mutual children with no income or property of their own in a single MBU separate from either parent.
- C. List all Parent A's separate children with no income or property of their own in Parent A's MBU.
- D. List all Parent B's separate children with no income or property of their own in Parent B's MBU.
- E. List each child with own income or property in his/her own separate MBU.

7. Caretaker Relative Household

A caretaker relative is financially responsible only for himself/herself, his/her spouse, and his/her own natural or adopted children. Therefore, the caretaker relative's income and property cannot be used to determine Medi-Cal eligibility or share of cost for other children who are under his/her care or supervision.

A caretaker relative, who can establish linkage without the children for whom care is provided, may choose to be in a MFBU by himself/herself or with the children for whom care is provided.

However, a caretaker relative who lives with his/her spouse and/or natural/adopted children cannot be in a MFBU separate from his/her spouse and/or natural or adopted children. Therefore, linkage and MFBU rules for caretaker relatives have not changed.

MFBUs and MBUs will be constructed as follows:

- o Caretaker relative can establish linkage on his/her own (without the child for whom he/she provides care).

In this situation two MFBUs would be established: (1) the caretaker relative, and (2) the child(ren) for whom he/she provides care. If the children's MFBU is property ineligible or has a share of cost, separate MBUs will be established for each child with own income or property. All other children with no income or property will be grouped together in a single MBU.

- o Caretaker relative doesn't wish to file for Medi-Cal for himself/herself; only the children want Medi-Cal.

Establish the MFBU with the child(ren) only. If there is a share of cost or excess property, Sneede procedures will apply. If so, separate MBUs will be established for each child with own income or property. All other children with no income or property will be grouped together in a single MBU.

- o Caretaker relative has no spouse or children, cannot establish linkage on his/her own, and wants Medi-Cal benefits.

Establish the MFBU with the caretaker relative and the children. If the MFBU has a share of cost or excess property, separate MBUs will be established for the caretaker relative and for each child with own income or property. All other children with no income or property will be grouped together in a single MBU.

Example #1:

A married couple lives with their mutual 16-year old pregnant minor (no income of her own) and their mutual 15-year old son who has his own income. The minor's parents know she is pregnant and have so informed the county.

Under the new treatment of a pregnant minor and her unborn who live with the minor's parents, the MFBU composition will now be as follows:

Dad
Mother
Pregnant Minor
Pregnant Minor's Unborn
15-Year old child with own income

The MFBU has a share of cost and the county applies the interim procedures accordingly. If (after application of the interim procedures) the pregnant minor has a share of cost, determine her eligibility to the 185/200 Percent programs (see Section 10).

Interim Procedures - MFBU #1

Mini Budget Unit Determination

MBU #1

Mom
Dad
Mutual Pregnant Minor
Minor's Unborn

MBU #2

Mutual Son with own income

After the baby is born, the MFBU composition will be as follows:

MFBU #1

Dad
Mother
Minor Mother
Child with own income

MFBU #2

<Minor Mother>
Minor Mother's Child

The minor mother will be an ineligible family member in MFBU #2 and only her own income and property (do not include her parental allocation) will be used to determine her baby's eligibility and share of cost. The ineligible minor mother is treated as a parent (not as a child) for purposes of allocating income or property and determining MNIL and property limits. If the baby also has income, the county will apply the interim procedures to MFBU #2.

The county will apply the interim procedures to MFBU #1 because it includes a child with income and has a share of cost.

Interim Procedures - MFBU #1

Mini Budget Unit Determination

MBU #1

MBU #2

Mom

Mutual Son with own income

Dad

Minor Mother

The minor mother's baby now receives child support payments. Interim procedures will now apply to MFBU #2 as follows.

Interim Procedures - MFBU #2

MBU #1

MBU #2

<Minor Mom>

Baby - \$

Example #2:

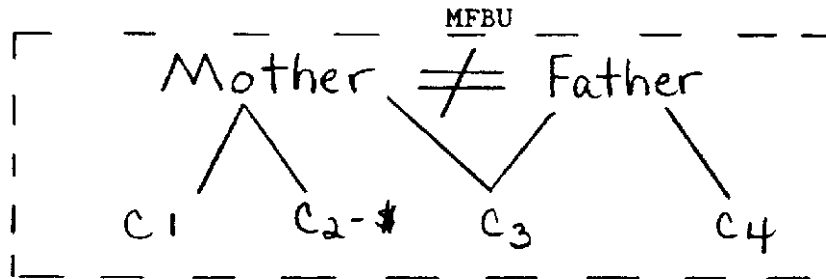
Same family as Example #1 except the pregnant minor also wants MINOR CONSENT SERVICES and her parents did not report the pregnancy to the county. The parent's MFBU has a share of cost under the existing procedures.

The county will NOT include the unborn in the MFBU with the pregnant minor and the minor's parents. The parents' MFBU will show the pregnant minor as an eligible member.

For the minor consent case, which is unrelated to the parents' case, the MFBU will show the pregnant minor as an eligible person with her eligible unborn.

c. Examples of Mini Budget Units

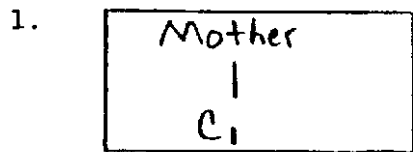
Example #1: UNMARRIED COUPLE WITH MUTUAL CHILD



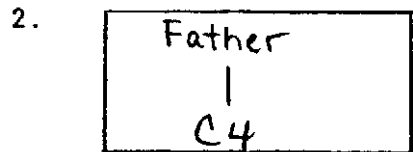
The MFBU consists of an UNMARRIED couple, the mother's 2 separate children (C1 and C2), their mutual child (C3), and the father's separate child (C4). C2 is the only child with his own income or property. The MFBU has a SOC.

MBU

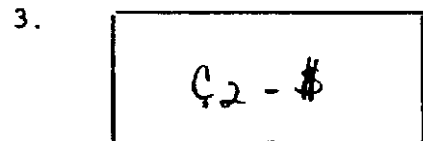
MBU RULE



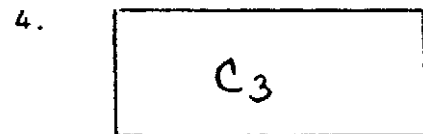
1. Unmarried partners cannot be together. Separate children with no income or property are together with their natural or adoptive parent(s).



2. Same as #1 above.

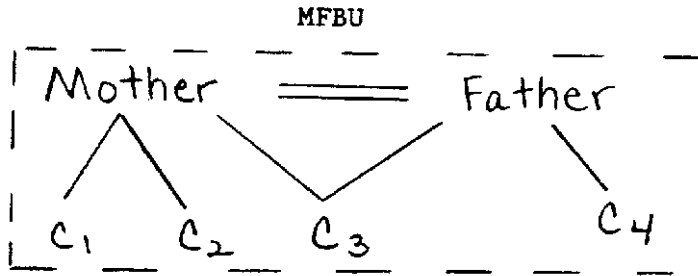


3. A child with own income or property will be in own MBU.



4. Mutual children with no income or property cannot be with their unmarried parents.

Example #2: STEPPARENT HOUSEHOLD

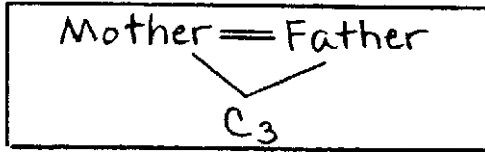


The MFBU consists of a MARRIED couple, the mother's 2 separate children (C1 and C2), their mutual child (C3), and the father's separate child (C4). None of the children have income or property of their own. The MFBU has a SOC.

MBU

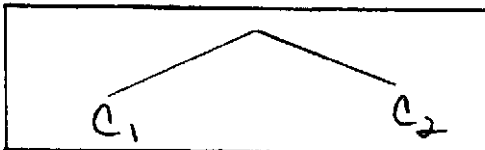
MBU RULE

1.



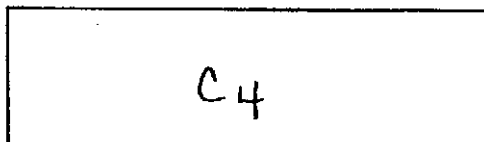
1. Married Couples stay together with mutual children who have no income or property.

2.



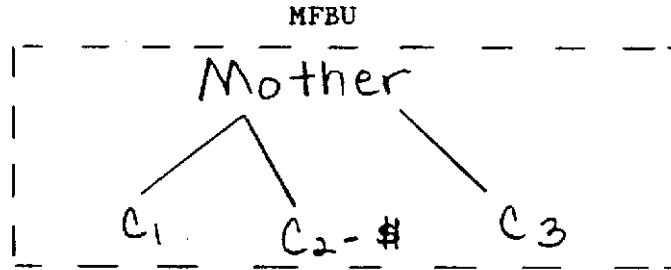
2. Separate children of the same parent with no income or property stay together. Stepchildren cannot be with their stepparent.

3.



3. Stepchildren cannot be with their stepparent.

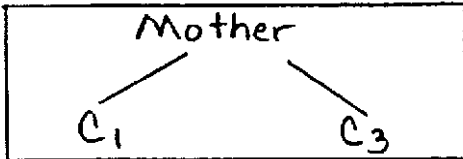
Example #3: SINGLE PARENT HOUSEHOLD



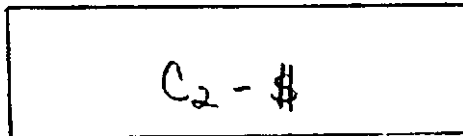
The MFBU consists of a SINGLE parent, 2 full siblings, and a half sibling. C2 is the only child with his/her own income or property. The MFBU has a SOC or excess property under existing regulations.

MBU

1.



2.

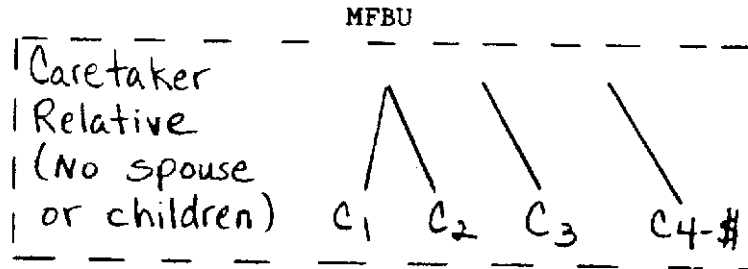


MBU RULE

1. Single parent, and children (full or half siblings) with no income or property are together.

2. A child with own income or property will be in own MBU.

Example #4: CARETAKER RELATIVE WANTS MEDI-CAL AND CHOOSES TO BE IN THE SAME MFBU WITH THE CHILDREN FOR WHOM CARE IS PROVIDED



MFBU consists of a caretaker relative and her 4 grandchildren. C1 and C2 are full siblings, C3 and C4 are half-siblings to C1 and C2. C4 is the only child with his own income or property. Grandmother wants Medi-Cal and has no other linkage (or has other linkage but chooses to be in MFBU with the children for whom she provides care). The MFBU has a SOC or excess property under existing regulations.

MBU

MBU RULE

1.

Caretaker Relative

1. Caretaker relative cannot be together with the children for whom she provides care and supervision.

2.

C₁, C₂, C₃

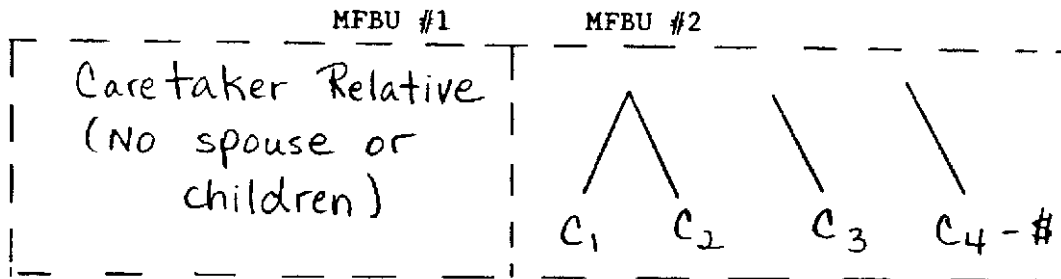
2. Children with no income or property who live with a common caretaker relative are together.

3.

C₄ - #

3. A child with own income or property is in own MBU.

Example #5: CARETAKER RELATIVE WANTS MEDI-CAL, HAS OTHER LINKAGE AND WANTS TO BE IN A SEPARATE MFBU



The household consists of a caretaker relative and her 4 grandchildren. C1 and C2 are full siblings, C3 and C4 are half-siblings to C1 and C2. C4 is the only child with his own income or property. Grandmother wants Medi-Cal, can establish linkage on her own, and chooses to be in a separate MFBU. Therefore, grandmother and the children are in different MFBUs. The children's MFBU has a share of cost or excess property under existing regulations.

The MBUs for the children in MFBU #2 are as follows:

MBU

MBU RULE

1.

C1, C2, C3

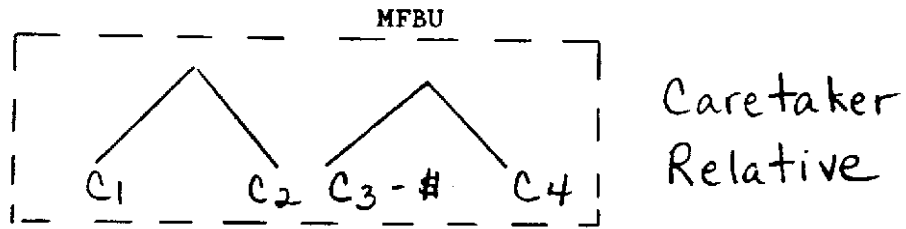
1. Children with no income or property who live with a common caretaker relative are together.

2.

C4 - \$

2. A child with own income or property will be in own MBU.

Example #6: CARETAKER RELATIVE DOES NOT WANT MEDI-CAL

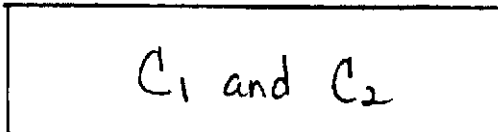


The household consists of a caretaker relative and her 4 grandchildren. C1 and C2 are full siblings, C3 and C4 are half siblings to C1 and C2. Only C3 and C4 have income or property. Grandmother does not want Medi-Cal. The MFBU has a SOC or excess property under existing regulations.

MBU

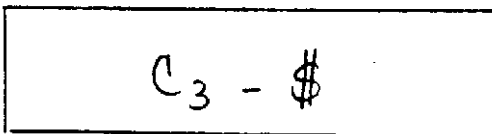
MBU RULE

1.



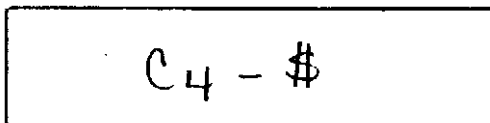
1. Children with no income or property living with a common caretaker relative are together.

2.



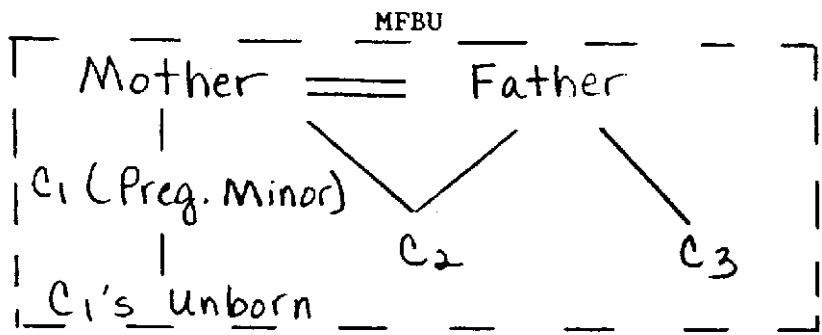
2. A child with own income or property will be in own MBU.

3.



3. Same as #2.

Example #7: STEPPARENT HOUSEHOLD WITH A PREGNANT MINOR

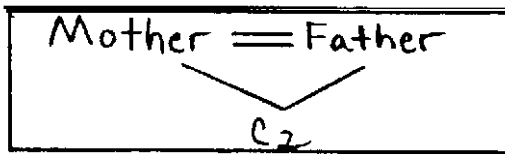


MFBU consists of a MARRIED couple, the woman's separate pregnant minor, their mutual child, and the husband's separate child. The mother reports her daughter's pregnancy so the unborn is included in the MFBU. None of the children have income or property of their own. The MFBU has a SOC under existing regulations.

MBU

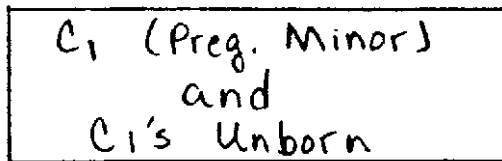
MBU RULE

1.



1. Married couples and mutual children with no income or property are together.

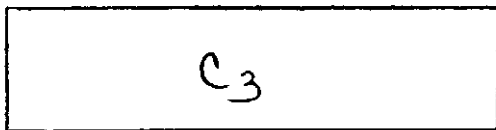
2.



2. Stepchildren are not with their stepparent.

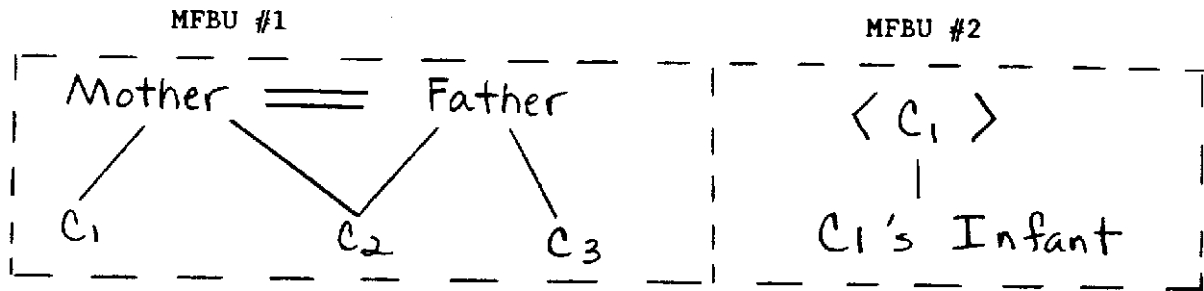
Unborns are with their mother. (After child is born, the minor mother will be an ineligible member of her child's MFBU and an eligible member in the stepparent's MFBU - see Example 8.)

3.



3. Stepchildren are not with their stepparent.

Example #8: STEPPARENT HOUSEHOLD WITH MINOR MOTHER AND MINOR MOTHER'S CHILD



MFBU #1 consists of a MARRIED couple, the woman's separate daughter, their mutual child, and the husband's separate child. MFBU #1 has a SOC or excess property under existing regulations.

MFBU #2 consists of the woman's separate daughter (minor mother) as an ineligible member and the minor mother's child as an eligible member. MFBU #2 does not have a SOC or excess property under existing regulations.

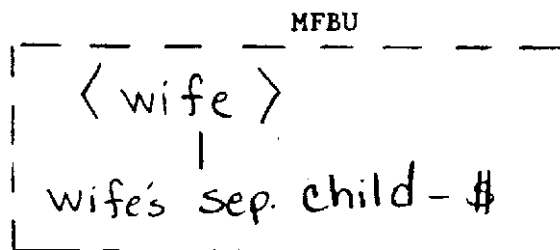
All of the children have no income or property.

MBU	<u>MFBU #1</u>	MBU RULE
1.	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> <p>Mother = Father</p> <p style="text-align: center;">C2</p> </div>	1. Married couples and mutual children with no income or property stay together.
2.	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> <p style="text-align: center;">C1</p> </div>	2. Stepchildren are not with their stepparent.
3.	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> <p style="text-align: center;">C3</p> </div>	3. Stepchildren are not with their stepparent.

MFBU #2

Since neither the minor mother nor the minor mother's child have any income and MFBU #2 does not have a SOC or excess property, the interim procedures would not apply.

Example #9: ONLY THE SEPARATE CHILD OF ONE PARENT WANTS MEDI-CAL



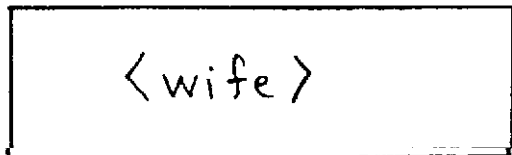
1. Husband
2. Mutual Child
3. Husband's sep. child
4. Wife's other sep. child

A married couple live with their mutual child, the wife's two separate children, and the husband's separate child. They apply for Medi-Cal for only one of the wife's separate children. This child receives child support payments from her natural father.

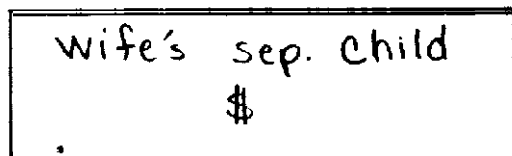
The MFBU will only consist of the ineligible mother and her eligible child. The MFBU has a SOC or excess property under existing regulations.

MBU

1.



2.



MBU RULE

1. Parent in own MBU because child has own income.

2. Separate child who wants Medi-Cal and has own income will be in a separate MBU.

8. MAINTENANCE NEED INCOME LEVELS AND PROPERTY LIMITS

Under the interim procedures, each mini budget unit's maintenance need income level (MNIL) and property limit will be determined in the following manner.

a. Separate MBU determinations for property and share of cost may be required. This would depend upon considerations such as whether or not children have both income and property of their own income, or whether or not a stepparent has both income and property, etc..

Example: Four siblings with own property are placed in four separate MBUs for the property determination. However, not all of these children have income of their own. For the SOC determination, the siblings with no income of their own are grouped together (with or without their parent(s) depending upon whether the MBU contains a stepparent or an unmarried couple with mutual child(ren)); each of the siblings with his/her own income is placed in a separate MBU.

b. One or more MBUs are property ineligible

If one or more MBUs are property ineligible after application of the interim procedures, the county must determine whether linkage for the other family members still exist. If linkage still exists, the county will determine the family's income and share of cost under these procedures.

CAUTION: Since SOC and property determinations are performed on two separate worksheets and ineligible family members (including property-ineligible persons) are included in both determinations, the counties are cautioned not to issue SOC forms (MC 177S) or Medi-Cal cards to the ineligible family members.

c. Amounts - (See the attached Sneede Maintenance Need Income Level Chart and Sneede Property Limit Chart for exact amounts.)

o Full Amount

Any time there is an adult in a mini budget unit, that mini budget unit will receive the full MNIL or property limit based upon the number of persons in the MBU.

Each MBU in a caretaker relative situation (including a MBU which contains only children) will receive the full MNIL or property limit.

An ineligible minor parent in his/her child(ren)'s MBU is considered an adult.

o Prorated Amount

In households where one or both parents are present, each MBU which contains only children will receive a prorated MNIL or property limit based upon the number of persons in the MBU and the number of

responsible relatives. These amounts were determined in the following manner:

1. determine the MNIL or property limit for a family which consists only of the natural/adoptive parent(s) and the total number of eligible and ineligible children in a MBU;
2. divide by the number of persons in step 1;
3. multiply the result by the total number of eligible and ineligible children in the MBU;
4. round up result to the nearest dollar. The result is the MNIL or property limit for the entire MBU.

Reminder:

Unborn children: - do not receive an income or property allocation;
- are included in the MNIL and property limit of the MFBU and MBU which contains its mother when the parent or caretaker relative reports the pregnancy.

Excluded children: - receive an income and property allocation;
- are not included in the MNIL or property limit;
- are not used to link other family members in the MFBU or MBU;

Ineligible children: - receive parental income and property allocations;
- are included in the MNIL and property limit when determining eligibility and SOC for other family members in the same MBU;
- are not used to link other family members in the MFBU or MBU.

a. Example of Property Limits

A married blind couple and their three mutual children applied for Medi-Cal on January 1991. Each child has a savings account of \$900 each. The parents have nonexempt property of \$1100. Their combined property of \$3800 exceeds the existing property limit of \$3450 for a family of 5.

The parents will be in a MBU by themselves and each child will be in a separate MBU since they each have property of their own. The parents will be given the full property limit for 2 persons (\$3000).

Each of the siblings will be given a prorated property limit based upon the total number of persons in the MBU and the number of natural/adoptive parents. The property limit for each child = \$1050 (1/3 of \$3150 property limit for family of 3).

Responsible Relative Determination

<u>Parent/Spouse:</u>	<u>Husband</u>	<u>Wife</u>
<u>Others for Whom The Parent/Spouse Is Responsible:</u>	Wife Child A Child B Child C (5)	Husband Child A Child B Child C (5)

Property Allocation

<u>Husband</u>	<u>Wife</u>
\$ 550 1/2 community property divided by 5 = \$110 per person	\$ 550 1/2 community property divided by 5 = \$110 per person

<u>MBU Composition:</u>	<u>MBU #1</u>	<u>MBU #2</u>	<u>MBU #3</u>	<u>MBU #4</u>
	Child A	Child B	Child C	Mom & Dad

<u>Property Limit:</u> (Standard property limit for family of 3 = \$3150)	<u>MBU #1</u>	<u>MBU #2</u>	<u>MBU #3</u>	<u>MBU #4</u>
	1/3 of \$ 3150 - \$1050*	1/3 of \$ 3150 - \$1050*	1/3 of \$ 3150 - \$1050*	full property limit for 2 persons = \$3000

*a child with 2 parents

Property Determination:

<u>MBU #1</u>	<u>MBU #2</u>	<u>MBU #3</u>	<u>MBU #4</u>
<u>Child A</u>	<u>Child B</u>	<u>Child C</u>	<u>Mom & Dad</u>
\$ 900 own net	\$ 900 own net	\$ 900 own net	\$ 110 mom's net
+110 from mom	+110 from mom	+110 from mom	+110 dad's net
+110 from dad	+110 from dad	+110 from dad	+110 from mom to dad
<u>\$1120 net</u>	<u>\$1120 net</u>	<u>\$1120 net</u>	<u>+110 from dad to mom</u>
<u>-1050 limit</u>	<u>-1050 limit</u>	<u>-1050 limit</u>	<u>\$ 440 total</u>
\$ 70 excess	\$ 70 excess	\$ 70 excess	<u>-3000 limit</u>
			0 excess

All three children are ineligible due to excess property. Only Mom and Dad are property eligible. The couple is still linked to the Medi-Cal program because they are blind.

The MBU compositions for the parents' SOC determination will be determined on the basis of whether the mutual children have income of their own. If none of the children have income of their own, do not apply these procedures to the parents' SOC determination since it is not a Sneede case. If only one or two of the children have income of their own, new MBUs must be established (see section 7).

b. Example of MNIL

An AFDC-MN family of four consists of an unmarried couple, their mutual child, and the woman's separate child; they all apply for Medi-Cal. On January 1991 the county determines the family to have excess property under the existing regulations. The county applies Sneede procedures and now determines the family to be property eligible. The county also determines there is a share of cost under existing regulations and applies the Sneede procedures to the share of cost determination as well.

The father is the principal wage earner and has unemployment income of \$600 per month; the mother has income from a pension of \$585 per month; and the two children have no income of their own.

Step 1. Responsible Relative Determination

<u>Parent/Spouse:</u>	Father	Mother
<u>Others for Whom the Parent/Spouse Is Responsible:</u>	mutual child	mutual child separate child
	(2)	(3)

Step 2. Income Allocations

<u>Father</u>	<u>Mother</u>
\$ 600 UIB	\$ 585 pension
divided by 2	divided by 3
= \$300 each	= \$195 each

<u>Father</u>	<u>Mother</u>	<u>Mutual Child</u>	<u>Mom's Separate Child</u>
\$ 300 own	\$ 195 own	\$ 195 from mom +300 from dad \$ 495 total net	\$ 195 from mom

Step 4. MBU Determination

<u>MBU #1</u>	<u>MBU #2</u>	<u>MBU #3</u>
Father	Mother Separate child	Mutual child

Step 5. MNIL Determination

Unmarried Father: full MNIL for 1 person - \$600

Unmarried Mother & her separate child: full MNIL for 2 persons - \$750

Mutual Child: prorated MNIL based on one child in MBU and 2 parents - \$312
(1/3 of \$934)

Step 6. Share of Cost Determination

<u>MBU #1</u>	<u>MBU #2</u>	<u>MBU #3</u>
<u>Dad</u>	<u>Mom & Separate Child</u>	<u>Mutual Child</u>
\$ 300 net nonexempt	\$ 195 net nonexempt	\$ 495 net nonexempt
<u>-600 MNIL</u>	<u>+195 net nonexempt</u>	<u>-312 MNIL</u>
\$ 0 SOC	\$ 390 total net nonexempt	\$ 183 SOC
	<u>- 750 MNIL for 2</u>	
	0 SOC	

9. NOTICES OF ACTION, SHARE OF COST FORMS, AND MEDICAL EXPENSES USED TO MEET A SHARE OF COST

A. Notices of Action and Share of Cost Forms

- o Each MBU may receive its own notice of action.
- o Only one status report for the Medi-Cal family budget unit (MFBU) is required.
- o Each MBU will receive its own share of cost form (MC 177S).
- o Each eligible member of a MBU will be listed as an eligible on the MBU's MC 177S.
- o Each ineligible member of a MBU will be listed as an ineligible on the MBU's MC 177S. (Note: if the ineligible is the only person in the MBU, do not issue MC 177S or Medi-Cal card).
- o Natural/adoptive parents will be listed as responsible relatives on the MC 177S of their eligible children who are in a separate MBU.
- o When an entire stepparent household wants Medi-Cal, or the separate child and his/her parent want Medi-Cal, but the stepparent has no linkage to the Medi-Cal program (i.e., stepparent has no deprived children, stepparent not ABD, spouse is not incapacitated), current regulations concerning MFBU composition apply, i.e., the stepparent is an ineligible member of the MFBU. If interim Sneede procedures apply to the MFBU, the ineligible stepparent is included as an ineligible member of his/her eligible spouse's MBU and on her MC 177S.

B. Medical Expenses Used to Meet the Share of Cost

A responsible relative's medical expense for a single service may be split up and applied towards the share of cost in his/her own MBU, his/her natural/adoptive child's MBU, or both. However, the total amount of the expenses applied towards the shares of cost cannot exceed the original medical expense; nor may the full medical expense be used more than once. All other eligible and ineligible family members can only apply their own medical expenses towards his/her MBU's share of cost.

Eligible parents will be issued their Medi-Cal cards when the share of cost is met in their own mini budget unit. It is not necessary to delay issuing the parents' Medi-Cal cards just because the share of cost in their children's MBUs was not met.

Example of NOAs, Share of Cost Forms and Use of Medical Expenses:

A stepparent household consists of a married couple and the wife's separate child. Both the parent and the separate child want Medi-Cal. The wife is not incapacitated and her spouse has no Medi-Cal linkage. Assume the MFBU has a SOC under existing regulations.

I. Responsible Relative Determination

<u>Parent/Spouse:</u>	<u>Husband</u>	<u>Wife</u>
<u>Others for Whom The Parent/Spouse Is Responsible:</u>	Wife	<Husband> Separate Child

The husband allocates income to himself and his wife; the wife allocates income to herself, her husband, and her separate child.

II. <u>MBU #1</u>	<u>MBU #2</u>
<Husband> and Wife	Separate Child

III. NOAs and Share of Cost Form (MC 177S)

Separate notices may be issued to each MBU; separate MC 177S will be sent to MBU #1 and MBU #2.

The MC 177S for MBU #1 would list the husband as an ineligible, the wife as an eligible, and the child would not be listed at all.

The MC 177S for MBU #2 would list the separate child as the eligible and his mother as the responsible relative of the MBU. The stepfather would not be listed at all.

The mother may split up her expense for a medical service and apply it towards the share of cost in MBU #1, MBU #2, or both. However, she cannot use the entire medical expense in both MBUs nor may the total amount applied towards the share of cost exceed the original medical expense.

The stepfather's medical expenses can only be applied towards his wife's share of cost. The child can only apply his medical expenses towards his/her own share of cost.

10. SPECIAL ZERO SHARE OF COST PROGRAMS FOR PREGNANT WOMEN, INFANTS AND CHILDREN UNDER 6 YEARS OLD (E.G., 185 PERCENT PROGRAM, 200 PERCENT PROGRAM, 133 PERCENT PROGRAM)

A separate computation is normally required to determine eligibility to a special zero share of cost program. Due to the court order in Sneede, those procedures are revised for the class members of this lawsuit.

o MBUs and share of cost

Depending upon the amount of income each MBU has, the various MBUs may or may not have a share of cost. If the MBU of the pregnant woman, infant, or child(ren) under age 6 does not have a share of cost, do not consider them for the special zero share of cost programs.

o Net nonexempt income

Use full net nonexempt income (not allocated amounts) of the applicant/beneficiary and his/her responsible relative to determine eligibility to the special zero share of cost programs. The county will apply only AFDC-MN/MI deductions and exemptions, and add back any health insurance premiums which may have been deducted in the SOC computation. For ABDs, substitute all ABD deductions and exemptions with AFDC-MN/MI deductions and exemptions.

o Family Size

Compare the net nonexempt family income to the federal poverty level for a family which consists of the applicant, his/her parent or spouse (responsible relative), and the other members of the MFBU for whom the applicant and/or responsible relative is financially responsible.

Examples:

- o Pregnant minor - use only the income of the pregnant minor and her natural/adoptive parents.

Compare this income to the federal poverty level for a family which consists of the pregnant minor, her unborn, her natural/adoptive parents and their other natural/adopted children.

If the minor lives with a caretaker relative, compare the minor's income to the federal poverty level for two (pregnant minor and her unborn).

- o Pregnant woman - use only the income of the pregnant woman and her husband, if married.

Compare this income to the federal poverty level for a family which consists of the:

- a) married pregnant woman, her husband, her unborn, and each of the couple's natural/adopted children;
 - b) unmarried pregnant woman, her unborn, and her natural/adopted children.
- o Child under six years old - use only the income of the child and his/her natural or adoptive parent(s).

Compare this income to the federal poverty level for a family which consists of the child under six, his/her natural/adoptive parents and each of their other natural/adopted children.

If the child under six lives with a caretaker relative, compare his/her income to the federal poverty level for one person.

Example of Special Zero Share of Cost MFBU: UNMARRIED COUPLE

The MFBU consists of a family of 5: an UNMARRIED man, an UNMARRIED pregnant woman, the mutual unborn, the man's separate child (age 9), and the woman's separate child under age one with his/her own income.

MFBU

Unmarried Man
Unmarried Woman
Mutual unborn child
Woman's separate child under one year with own income
Man's separate child 9 years old - no income

Assume the MFBU is property eligible and has a SOC under the existing regulations. The county applies the Sneede procedures to the share of cost determination. In this case, assume that the MBUs with the pregnant woman and her separate child under one each have a share of cost under the Sneede procedures.

<u>MBU #1</u>	<u>MBU #2</u>	<u>MBU #3</u>
unmarried man man's separate child	unmarried woman unborn child	woman's separate child under 1 year
(with SOC or zero SOC)	(SOC)	(SOC)

The pregnant woman, her unborn, and the woman's separate child are now potentially eligible to the special zero share of cost programs.

185/200 Percent Programs

- (1) When determining 185/200 Percent program eligibility for the unmarried pregnant woman, use only her income and compare it to 185/200 percent of the federal poverty level for the number of persons in the MFBU, except for the unmarried man and his separate children.
(Woman + Unborn + C1 - FPL for 3)
- (2) When determining 185/200 Percent program eligibility for the woman's separate infant under one year old, use only the income of the infant and his/her unmarried mother. Compare this amount to 185/200 percent of the federal poverty level based upon the number of persons in the MFBU except for the unmarried man and his separate children.

(Child + Mother + Unborn - FPL for 3)

A separate comparison is made for each potential eligible because the net nonexempt family income and the federal poverty level for each person may vary.

Example of Special Zero Share of Cost MFBU: Married Couple

The existing MFBU consists of a family of 5: a married couple, their unborn child, the husband's separate child (age 9), and the wife's separate child under age one with this his/her own income.

MFBU

Husband
Wife
Unborn

Wife's separate child under one year old with own income
Husband's separate 9-year old child - no income

Assume the MFBU is property eligible and has a SOC under the existing regulations. The county applies the Sneede procedures to the share of cost determination. In this case, assume that the MBUs with the pregnant woman and her separate child under one year each have a SOC under Sneede procedures.

MBU #1

Husband
Wife
Unborn

(with SOC)

MBU #2

Husband's separate child

(SOC)

MBU #3

wife's separate child
under 1 year old

(SOC)

The pregnant woman, her unborn, and the woman's separate child are now potentially eligible to the special zero share of cost programs.

185/200 Percent Programs

- (1) When determining 185/200 Percent program eligibility for the pregnant woman, use her income and that of her husband. Compare this amount to the federal poverty level based upon everyone in the MFBU.
- (2) When determining 185/200 Percent program eligibility for the wife's separate infant under one year old, use only the income of the infant and his/her mother. Compare this amount to the federal poverty level based upon the infant, his/her mother, her husband, and the unborn. Do not include the husband's separate child.

**11. EXAMPLES
OF
SNEEDE PROCEDURES**

Example #3: Only the Separate Child(ren) of One Parent Wants Medi-Cal

A household consists of a married couple, the wife's separate child, the husband's separate child, and the couple's two mutual children. The couple only want Medi-Cal for the wife's separate child.

The MFBU shall consists of the following:

<Ineligible Mother>
Mother's separate child

The child receives \$150 per month child support; the mother has earned income of \$2500 per month.

I. Regular Non-Sneede Method

There will be an allocation of income from the mother to those persons for whom she is responsible. (NOTE: The same procedures are followed for the property determination, but only the share of cost determination is discussed below.)

A. Responsible Relative Determination

<u>Parent:</u>	<u>Mother</u>
<u>Others for Whom The Parent Is Responsible:</u>	Husband Mutual Child A Mutual Child B Wife's Separate Child
	(5)

B. Income Allocation

\$2500 Mother's earned income
- 90 work deduction
 \$2410 net earnings
 divided by 5 = \$482.00 per person

C. Share of Cost Computation

\$ 482.00 mother's allocation to herself
 +482.00 mother's allocation to separate child
+100.00 separate child's child support after \$50 deduction
 \$1064.00 total net nonexempt income
-750.00 MNIL for 2
 314.00 SOC

Since there is a share of cost Sneede procedures will be applied.

Example #4: UNMARRIED COUPLE WITH MUTUAL CHILDREN

An unemployed (principal wage earner) pregnant woman lives with her boyfriend and their mutual child who is ten months old. The boyfriend has a separate child who is five years old and has \$200 per month child support. On June 1991, the pregnant woman applies for Medi-Cal for the entire family. The boyfriend is also the father of the unborn child.

<u>MFBU</u>	<u>Gross Income</u>	<u>Property</u>
Boyfriend:	\$ 1315 earned income	\$ 2400 savings
Pregnant Mom:	300 UIB	\$ 1200 savings
Mutual Unborn		
Mutual Child Under One:	none	\$ 25 savings
Boyfriend's sep. 5 yr old	200 child support	none
(5 persons)		Total property - \$ 3625
		Property limit <u>-3450</u>
		Excess property \$ 175

Since the MFBU has excess property under existing regulations, the county will apply the interim Sneede procedures to the property determination.

Interim Sneede Procedures

i. Responsible Relative Determination for Income/Property Allocation

<u>Parent/Spouse:</u>	<u>Unmarried Man</u>	<u>Unmarried Woman</u>
<u>Others for Whom The Parent/Spouse Is Responsible:</u>	Mutual Child Separate Child	Mutual Child
	(3)	(2)

Note: The unborn is not listed because there is no allocation to an unborn.

ii. Property Allocation - (Do not allocate to unborns)

<u>Unmarried man</u>	<u>Unmarried Woman</u>
\$2400 ÷ 3	\$1200 ÷ 2
- \$800 each	- \$600 each

vi. Income Allocation (DO NOT ALLOCATE TO UNBORNS)

<u>Unmarried Man</u>	<u>Unmarried Woman</u>
\$1315 earnings	\$300 UIB
- 90 work deduction	
<u>\$1225</u>	
Divided by 3 = \$408.33	Divided by 2 = \$150

vi. Net Nonexempt Income

<u>Unmarried Man</u>	<u>Unmarried Man's Separate Child</u>	<u>Unmarried Woman</u> -----	<u>Mutual Child Under 1*</u>
\$408.33	\$ 408.33 from dad +150.00 net child support <u>\$ 658.33</u>	\$150	\$ 408.33 from dad + 150 from mom <u>\$ 558.33 total</u>

*This child is ineligible due to excess property, but still receives income/property allocation from parents. The child does not receive a MC 177S.

vii. Mini Budget Units and Share of Cost Determination

Note: Even though the mutual child does not have any income, he is in a separate MBU because his parents are unmarried.

<u>MBU #1</u>	<u>MBU #2</u>	<u>MBU #3</u>
<u>Unmarried Man</u>	<u>Unmarried Woman & Unborn</u>	<u>Separate Child 5 Years Old</u>
\$ 408.33	\$ 150	\$ 658.33 from dad
- 600.00 limit for 1*	-750 limit for 2*	-375.00 limit*
<u>\$ 0</u> SOC	<u>0</u> SOC	<u>\$ 283.33</u>
		\$283.00 SOC

MBU #4

Mutual Child under 1

No card issued - excess property

*See Sneede MNIL chart.

Example #5: STEPPARENT HOUSEHOLD

A family of four (a pregnant woman, her husband, their mutual unborn and the woman's separate child under age one year) apply for Medi-Cal on January 2, 1991.

The husband has earnings of \$3015 per month and the wife's separate child receives child support of \$450 per month. The wife has no income. The couple has community property of \$3000 in a savings account and the husband has separate property of \$1000.

Since the MFBU contains a class member and the MFBU's net nonexempt property of \$4000 exceeds the property limit of \$3300, the interim Sneede procedures apply to the property determination.

The MFBU also has a SOC under existing regulations:

\$3375 net nonexempt income
-1100 MNIL for 4
 \$2275 SOC

Therefore, the interim procedures also apply to the share of cost determination.

Interim Sneede Procedures

i. Responsible Relative Determination for Income/Property Allocation

<u>Parent/Spouse:</u>	<u>Husband</u>	<u>Wife</u>
<u>Others for Whom The Parent/Spouse Is Responsible:</u>	Wife (2)	Husband Separate Child (3)

ii. Property Allocation (DO NOT ALLOCATE TO UNBORNS)

<u>Husband</u>	<u>Wife</u>
\$1000 separate property	\$1500 1/2 community property
<u>+1500</u> 1/2 community property	
\$2500 net nonexempt property	
Divided by 2 - \$1250	Divided by 3 - \$500

Net Nonexempt Property

<u>Husband</u>	<u>Wife</u>	<u>Wife's Separate Child</u>
\$ 1250 own	\$ 500 own	\$ 500 from mom
+ 500 from wife	+ 1250 from husband	
<u>\$ 1750 total net</u>	<u>\$ 1750 total net</u>	<u>\$ 500 total net</u>

iii. MBUs and Property Determination

<u>MBU #1</u> ----- Husband	----- \$1750 -----	(They are together because they are
Mother	+1750	married and the unborn stays with the mother.)
Unborn		
	<u>\$3500</u>	total
	-3150	property limit for 3*
	<u>\$ 350</u>	excess property
 <u>MBU #2</u>	 \$ 500	 (Separate Child is in own MBU)
Wife's	-1500	limit for 1*
Separate	<u>0</u>	property eligible
Child		

*See Sneede Property Limit Chart

iv. Income Allocation (DO NOT ALLOCATE TO UNBORNS)

<u>Husband</u>	<u>Wife</u>
\$3015 earnings	no income
- 90 work deductions	
<u>\$2925 net nonexempt</u>	
Divided by 2 =	\$1462.50

v. Net Nonexempt Income

<u>Husband</u>	<u>Wife</u>	<u>Wife's Separate Child</u>
\$1462.50	\$1462.50	\$450 child support
		-50 child support deduction
		<u>\$400 net income</u>

vi. MBUs and Share of Cost Determinations

<u>MBU #1</u>	Husband	Excess Property
	Wife	Excess Property
	Mutual unborn	Excess Property
<u>MBU #2</u>	Wife's	\$400 net nonexempt income
	Separate Infant	-375 MNIL*
	Under 1	\$ 25 SOC

*See Sneede MNIL chart

The first MBU will receive a denial notice advising them they are property ineligible. Since the second MBU has a SOC, the county will evaluate the infant under the 185/200 Percent program.

viii. Interim Sneede Procedures and the Special Zero Share of Cost Program

The stepfather's income cannot be used to determine eligibility to the special zero share of cost program for the wife's separate infant. The wife's full, net nonexempt income (in this case, she has none) and the infant's full net nonexempt income (\$400) will be compared to 185/200% of the federal poverty level for a family of 4 (the entire MFBU).

Special Zero SOC Computation

\$400 separate child's net nonexempt income

compared to

185% of federal poverty level for 4 = \$1958

Since the net nonexempt family income does not exceed 185% of the federal poverty level, the infant is eligible for the 185 Percent program. The county will send an approval notice.

If the infant had been ineligible for the 185/200 Percent program, the county would have sent two notices: (1) an approval notice advising the family of the infant's \$25 SOC, and (2) a denial notice under the 200 Percent program advising the family that they have excess income. The separate infant's MC 177S would list himself as an eligible and his mother as a responsible relative.

Example #6: STEPPARENT HOUSEHOLD WITH PREGNANT MINOR AND HER BOYFRIEND - NOT A MINOR CONSENT CASE

(If the pregnant minor's boyfriend (and father of the unborn) is not in the home, ignore the 2nd MFBU described below.)

A stepparent household consists of the married couple, the wife's separate unmarried pregnant minor, the minor's unborn child, the minor's unemployed 22-year old boyfriend (also father of the unborn), and the husband's separate 10-year old child. On January 2, 1991, the entire household applies for Medi-Cal and the mother reports her daughter's pregnancy.

There are 2 MFBU's. The first MFBU consists of 5 persons: stepfather, mother, minor mother, the unborn, and the husband's separate 10-year old child.

MFBU #1

stepfather
mother
pregnant minor (mother's separate child)
stepfather's separate 10-year old
pregnant minor's unborn

The second MFBU consists of the ineligible pregnant minor, her unborn, and the eligible boyfriend (and father of the unborn).

<ineligible pregnant minor>
unborn
boyfriend (father of the unborn)

MFBU #1

Monthly income:

\$ 900 husband's VA compensation
\$ 825 wife's UIB
\$ 300 wife's income from a trust
\$ 300 pregnant minor's support payments from an absent parent
\$ 200 10-year old's SSA from deceased mother

They do not have any property; assume MFBU #1 has a SOC under existing regulations.

Interim Sneede Procedures

i. Responsible Relative Determination for Income Allocation

<u>Parent/Spouse:</u>	<u>Husband</u>	<u>Wife</u>
<u>Others for Whom The Parent/Spouse Is Responsible:</u>	Wife 10-year old child (3)	Husband Pregnant Minor (3)

ii. Income Allocation (DO NOT ALLOCATE TO UNBORNS)

<u>Husband</u>	<u>Wife</u>
\$ 900 VA Comp	\$1125 income
divided by 3 - \$300	divided by 3 - \$375

iii. Net Nonexempt Income

<u>Husband</u>	<u>Wife</u>	<u>Pregnant Minor</u>	<u>Dad's Separate Child</u>
\$ 300 dad's +375 from wife <u>\$ 675 net</u>	\$375 wife's +300 from husband <u>\$675 net</u>	\$ 300 support - 50 deduction <u>\$ 250</u> +375 from mom <u>\$ 625 net</u>	\$ 200 SSA + 300 from dad <u>\$ 500 net</u>

iv. MBUs and Share of Cost Determinations

<u>MBU #1 Husband & Wife</u>	<u>MBU #2 Pregnant Minor & Unborn</u>	<u>MBU #3 Husband's Separate Child</u>
\$ 675 husband + 675 wife <u>\$ 1350 total net</u> - 934 MNIL for 2* <u>\$ 416 SOC</u>	\$ 625 net - 623 MNIL for 2* <u>\$ 2 SOC</u>	\$ 500 net -375 MNIL for 1* <u>\$ 125 SOC</u>

*See Sneede MNIL chart.

v. Special Zero Share of Cost Programs

Only the income of the pregnant minor and her mother may be used to determine the minor's eligibility to the special zero SOC program. The stepfather's and half-sibling's income cannot be used in this step.

Compare the mother's and the minor mother's full, net nonexempt income to 185/200% of the federal poverty level for a family which consists of (1) the applicant/beneficiary (minor mother), (2) her responsible relative (adult mother), (3) all persons in the MFBU for whom the applicant and/or the responsible relative are financially responsible (stepfather), (4) and the unborn. The federal poverty level equals four persons.

Special Zero SOC Computation

\$ 250 pregnant minor's full, net nonexempt income
+1125 mother's full, net nonexempt income
\$1375 total net nonexempt family income

Compared to

185% of federal poverty level for 4 - \$1958

Since the net nonexempt family income does not exceed 185% of the federal poverty level, the pregnant minor is eligible under the 185% program.

MFBU #2

Existing Method to Compute SOC:

\$ 250 pregnant minor's full net nonexempt income
+300 boyfriend's UIB
\$ 550 total net nonexempt income
- 934 MNIL for family of 3 (boyfriend, pregnant minor and unborn)
0 SOC

Since MFBU #2 has zero share of cost, do not apply Sneed procedures.

Example 7: STEPPARENT HOUSEHOLD WITH MINOR MOTHER, MINOR MOTHER'S BABY, AND MINOR MOTHER'S BOYFRIEND

(If the minor mother's boyfriend (and father of the minor mother's newborn) is not living in the home, ignore the boyfriend in MFBU #2.)

This is the same household as in Example #3 but now the minor has delivered the infant. A stepparent household consists of the married couple, the wife's separate teenage daughter (minor mother), the minor mother's 1-month old infant, the minor mother's boyfriend and father of the infant, and the husband's separate 11-year old child.

The MFBU compositions are:

MFBU #1

husband \$900 VA Comp
 wife \$1125 UIB & trust
 minor mother \$300 support
 11-year old child \$200 SSA

(4)

MFBU #2

<minor mother> (ineligible in this MFBU)
 minor mother's infant
 boyfriend

(3)

Computations for MFBU #1

New SneeDe Procedures

i. Responsible Relative Determination for Income Allocation

<u>Parent/Spouse:</u>	<u>Husband</u>	<u>Wife</u>
<u>Others for Whom The Parent/Spouse Is Responsible:</u>	Wife 11-year old child	Husband Minor Mother
	(3)	(3)

ii. Income Allocation

Husband

\$900 VA comp

divided by 3
 - \$300

Wife

\$1125 income

divided by 3
 - \$375

iii. Net Nonexempt Income

<u>Husband</u>	<u>Wife</u>	<u>Minor Mother</u>	<u>Dad's Separate Child</u>
\$ 300 husband's	\$300 husband's	\$300 support	\$200 SSA
<u>+ 375</u> wife's	<u>+375</u> wife's	<u>- 50</u> deduction	<u>+300</u> from dad
\$ 675 net	\$675 net	\$250	\$500 net
		<u>+375</u> from mom	
		\$ 625 net	

iv. MBUs and Share of Cost Determinations

<u>MBU #1</u> <u>Husband & Wife</u>	<u>MBU #2</u> <u>Minor Mother</u>	<u>MBU #3</u> <u>Husband's Separate Child</u>
\$ 675 husband's net	\$ 625 net	\$ 500 net
<u>+ 675</u> wife's net	<u>- 375</u> MNIL for 1*	<u>-375</u> MNIL for 1*
\$ 1350 total net	\$ 250 SOC	\$ 125 SOC
<u>- 934</u> MNIL for 2*		
\$ 416 SOC		

*See Sneede MNIL chart.

(Minor mother continues on the 185 Percent program at zero share of cost for her postpartum services throughout her 60-day postpartum period without regard to income or property changes.)

COMPUTATIONS FOR MFBU #2

MFBU composition: <minor mother>
 infant under 1 year old
 boyfriend (father of the unborn)

Follow the same procedures as in Example #1 Unmarried Couple with Mutual Children. However, in this MFBU the minor mother will not receive a Medi-Cal card although she will be listed as a responsible relative on her child's MC 177S and any of her medical expenses not covered by Medi-Cal may be used to meet her baby's share of cost. Evaluate the infant under the 185/200 Percent programs if there is a share of cost for the infant.

Example #8: Married Couple With Mutual Children: Unmarried Pregnant Minor and Father of the Unborn Live with Minor's Parents and Filing for Minor Consent Services

A pregnant minor lives with her natural/adoptive parents, her full siblings, and her boyfriend. On January 2, 1991, the minor and her minor boyfriend file for minor consent services (no one else in the family needs Medi-Cal). The minor has no income and the minor boyfriend has earned income of \$1500 per month; their property is under the limit for a family of 3.

The MFBU composition is as follows: boyfriend
 pregnant minor
 unborn

Existing Method to Compute SOC:

\$1500	earned income
- 90	earned income deduction
<u>\$1410</u>	net earned income
-934	MNIL for 3
<u>\$ 476</u>	SOC

Interim SneeDe Procedures:

a. Responsible Relative Determination

<u>Parent/Spouse:</u>	<u>Unmarried Pregnant Minor</u>	<u>Father of Unborn</u>
<u>Others for Whom The Parent/Spouse Is Responsible:</u>	none	none

The unborn is not listed since there is no allocation to an unborn. Each minor is responsible only to him/herself since parental income and property are not considered under the Minor Consent Services program and because the minors are unmarried.

b. Income Allocation

There is no income allocation determination for the same reason cited in subsection a above. Each minor's income is considered only in his/her own MBU.

Determination

Unmarried Pregnant Minor & Unborn	Father of Unborn
(2)	(1)
\$750	\$600

le Relatives

and Share of Cost Determination

<u>MBU #2</u>	<u>Father of the Unborn</u>
Unmarried Minor Mother Unborn	
Net nonexempt income	\$1500 earned income
MNIL for 2	- 90 earned income deduction
Share of cost	\$1410 net earned income
	-600 MNIL for 1
	\$ 810 SOC

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When baby is born, the MFBU is composed of the unmarried minor mother, married father of the infant, and the infant. Assume that the MFBU share a share of cost. Under Sneed, the mini budget units would be divided as follows:

write
per are

<u>MBU #2</u>	<u>MBU #3</u>
Unmarried Minor Mother	Unmarried father of the infant
Infant	