

## DEPARTMENT OF HEALTH SERVICES

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March 23, 1994

(916) 657-2941

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

Letter No.: 94-33

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

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

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

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

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

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

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

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

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief  
Medi-Cal Eligibility Branch

Enclosure

# FINANCIAL ELIGIBILITY WORKSHEET

## (Individual or Couple, Applicant With an Ineligible Spouse)

Applicant's Name \_\_\_\_\_ Case Number \_\_\_\_\_

Applicant's Name \_\_\_\_\_

### PART A. NEEDS TEST

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

### PART B. INELIGIBLE SPOUSE'S UNEARNED INCOME

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

- a. Allocation (couple FBR minus individual FBR)
- b. Subtract child's income
- c. Total allocation

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

5. Remaining unearned income (subtract B-4c from B-3) \_\_\_\_\_

### PART C. INELIGIBLE SPOUSE'S EARNED INCOME

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

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

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

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

### PART F. PICKLE ELIGIBILITY CALCULATION

1. Current SSI/SSP payment level for an individual or a couple \_\_\_\_\_
2. Enter total countable income (line A-3 or E-15) \_\_\_\_\_

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

Eligibility Worker Signature

Worker Number

Computation Date

County Use