TO: All County Welfare Directors
   All County Administrative Officers
   All County Medi-Cal Specialist/Liaisons
   All County Health Executives
   All County Mental Health Directors

Letter No.: 01-62

SECTION 1931(b) VEHICLE EVALUATION

Reference: EMCS Department of Health No. 2001-51, Department of Social Services All County Letter 01-24

Effective June 1, 2001, counties are instructed that in addition to the current Section 1931(b) methodology for evaluating motor vehicles, any vehicle that has an equity value of $1,500 or less shall be exempt regardless of the usage and is not to be included in the property reserve when determining eligibility for the Section 1931(b) program. The purpose of this letter is to instruct counties in the implementation of this change. In addition, this letter provides counties with the revised Vehicle Determination Work Sheet for 1931 Group (MC 176 P-V (8/01) 1931 Group).

Counties are instructed that the change to this Section 1931(b) methodology is applicable to all new applicants and all current beneficiaries effective June 1, 2001. If the county becomes aware of any applicant that was denied or any beneficiary that was discontinued from the Section 1931(b) program due to the delay in applying this new methodology, the denial or discontinuance shall be rescinded and eligibility established or restored if otherwise eligible.

Form Revisions

The MC 176 P-V has been revised as follows:

Step One - Exemption Criteria No. 4 changed to include "incapacitated."
Step Two - D changed to include "If $1,500 or less, then exempt, STOP."
If you have any questions regarding this issue, you may contact Ms. Kim McCord of my staff at (916) 657-3723, E-mail KMccord@dhs.ca.gov.

Sincerely,

ORIGINAL SIGNED BY

Shar Schroepfer, Chief
Medi-Cal Eligibility Branch

Enclosure
# Vehicle Determination Work Sheet for 1931 Group

**DIRECTIONS**

List all vehicles owned by anyone in the MFBU.  

**NOTE:** Complete additional work sheets if more than three vehicles.

<table>
<thead>
<tr>
<th>DIRECTION</th>
<th>VEHICLE NUMBER ONE</th>
<th>VEHICLE NUMBER TWO</th>
<th>VEHICLE NUMBER THREE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make</td>
<td></td>
<td></td>
<td>Make</td>
</tr>
<tr>
<td>Model</td>
<td></td>
<td></td>
<td>Model</td>
</tr>
<tr>
<td>Year</td>
<td></td>
<td></td>
<td>Year</td>
</tr>
</tbody>
</table>

**STEP ONE—Only Unlicensed Vehicles on Indian Reservation Which Do Not Require Licensing and All Licensed Vehicles. For All Other Vehicles, Go to Step Two.**

A vehicle used by or for the benefit of any person living in the home for any reason listed below is exempt.

1. On the job or for income producing purposes even if only on a seasonal basis or temporarily unemployed.
2. Long distance travel essential to individual's employment, e.g., traveling sales, migrant farm worker moving from job to job.
3. Home (only one vehicle per household).
4. Transportation of incapacitated or disabled individual living in the home.
5. Transportation of primary fuel/water for the home.

Is vehicle exempt?  

If yes, list reason and STOP.  
If NO, go to Step Two.

<table>
<thead>
<tr>
<th>Is vehicle exempt?</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

**STEP TWO—Only Vehicles Not Exempt in Step One**

A. Enter estimate of Fair Market Value (FMV).

<table>
<thead>
<tr>
<th></th>
<th>FMV $</th>
<th>FMV $</th>
<th>FMV $</th>
</tr>
</thead>
</table>

B. Licensed Only—If Unlicensed, Go to Step Two (C).

Enter excess FMV (estimate of FMV minus $4,650).  
If zero, then exempt, STOP.  
If not zero, go to Step Two (C).

<table>
<thead>
<tr>
<th>Excess FMV $</th>
<th>Excess FMV $</th>
<th>Excess FMV $</th>
</tr>
</thead>
</table>

C. All Remaining Vehicles—Enter encumbrance (amount owed).

<table>
<thead>
<tr>
<th>Amount owed $</th>
<th>Amount owed $</th>
<th>Amount owed $</th>
</tr>
</thead>
</table>

D. Determine equity value (EV) of vehicle (FMV of vehicle from Step Two (A) minus encumbrance in Step Two (C)). If $1,500 or less, then exempt. STOP.

<table>
<thead>
<tr>
<th>Exempt: Yes</th>
<th>No</th>
<th>Exempt: Yes</th>
<th>No</th>
<th>Exempt: Yes</th>
<th>No</th>
</tr>
</thead>
</table>

**STEP THREE—Countable Vehicle Value**

A. Compare Step Two (B) and amounts listed for nonexempt vehicles in Step Two (D). Enter the lesser value.

<table>
<thead>
<tr>
<th>Check One</th>
<th>Check One</th>
<th>Check One</th>
</tr>
</thead>
</table>

B. Enter $1,500 in the column under the one vehicle with the highest equity value. If excess FMV is the lesser amount, enter zero. Enter zero in all columns where $1,500 is not entered.

| $ | $ | $ |

C. Subtract Step Three (B) from Step Three (A) and enter result. If zero, then car is exempt. If not zero, then enter amount on Property Reserve Work Sheet (MC 176 P (Back) 1931).

| $ | $ | $ |