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September 19, 2000

MEDICAL ELIGIBILITY PROCEDURES MANUAL LETTER NO.: 229

TO: All Holders of the Medi-Cal Eligibility Procedures Manual

5C DEPRIVATION – LINKAGE TO THE AID TO FAMILIES WITH DEPENDENT CHILDREN AND SECTION 1931(b) PROGRAM

Enclosed is an updated Article 5C of the Medi-Cal Eligibility Procedures Manual. This article replaces Manual Letter No. 216, dated October 26, 1999, makes some corrections, and includes the March 1, 2000 changes in the unemployment regulations which allow the principal wage earner to work 100 hours or more if the family's earned income is at or below 100 percent of the federal poverty level. These procedures incorporate All County Welfare Directors Letters Nos. 99-54 and 00-04 and the Erratas to 00-04.

These procedures also include the new Principal Wage Earner (PWE) Working 100 hours or More Unemployed Parent Determination Worksheet (MC 337) and revisions to the Vocational and Work History Form (MC 210 S-W) and the Medical Report Form (MC 61).

Filing Instructions:

Remove Pages:

Article 5
Pages 5C-1 and 5C-2
Pages 5C-5 and 5C-6
Pages 5C-11 through 5C-14

Insert Pages:

Article 5
Pages 5C-1 and 5C- 2
Pages 5C-5 and 5C-6
Pages 5C-11 through 5C-28

If you have any questions, please contact Margie Buzdas of my staff at (916) 657-0727.

Sincerely,

Original signed by

Glenda Arellano, Acting Chief
Medi-Cal Eligibility Branch

Enclosures



MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

5C--DEPRIVATION--LINKAGE TO THE AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC) MEDICALLY NEEDY (MN) PROGRAM

The purpose of this section is to provide various tools to assist in the determination of deprivation and linkage to AFDC under the MN Program and for the Section 1931(b) program. See Section 5S for more information on Section 1931(b). Regulations for Section 1931(b) have not yet been finalized.

BACKGROUND

Linkage to AFDC is an important eligibility factor as the majority of nonblind or nondisabled persons between the ages of 21 and 64 are not federally eligible for Medi-Cal unless they are pregnant or linked to AFDC. Inappropriate linkage to AFDC has proven to be a major source of quality control errors. Therefore, it is critical that eligibility staff fully understand the deprivation factors which link family members to AFDC.

1. TITLE 22 REGULATIONS PERTINENT TO ESTABLISHING LINKAGE TO AFDC

Section 50030--Definition of a child.

Section 50061--Definition of family member.

Sections 50068, 50069, and 50069.5--Various definitions relating to parents.

Section 50071--Definition of persons living in the home.

Sections 50084 and 50085--Definition of relative and caretaker relative.

Section 50167 (a)(2)--Verification of incapacity.

Section 50203--Medically Needy Program.

Section 50205--Linkage to AFDC.

Sections 50209, 50211, 50213, and 50215--Various bases of deprivation.

Section 50216--Good cause for refusing employment.

Section 50373 (a)(3)--Family members to be considered when determining program linkage.

Section 50373 (a)(5)(A) 12. and 13.--Inclusion of caretaker relative in the Medi-Cal Family Budget Unit (MFBU) of sibling children.

Section 50701 (d)--Eligible for one day in month, eligible for entire month.

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2. CHART-MFBU MEMBERS LINKED TO AFDC

The following chart displays which family members living in the home are linked to AFDC in accordance with current Medi-Cal regulations. Persons linked to AFDC are identified by Aid Code 34 or 37. It is important that family members be properly coded. If linkage exists for one day in the month, linkage exists for the entire month and the aid code assigned should reflect that linkage.

a. Explanation of Symbols

○ = mother

or

○ = MFBU

△ = father

— = married
— = unmarried

□ = child, including an unborn

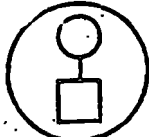

ex. = excluded

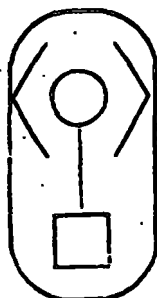
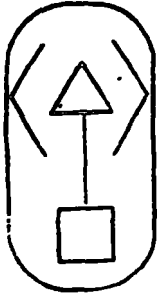
△
R
△ = caretaker relative

< > = ineligible member

PA = Public Assistance

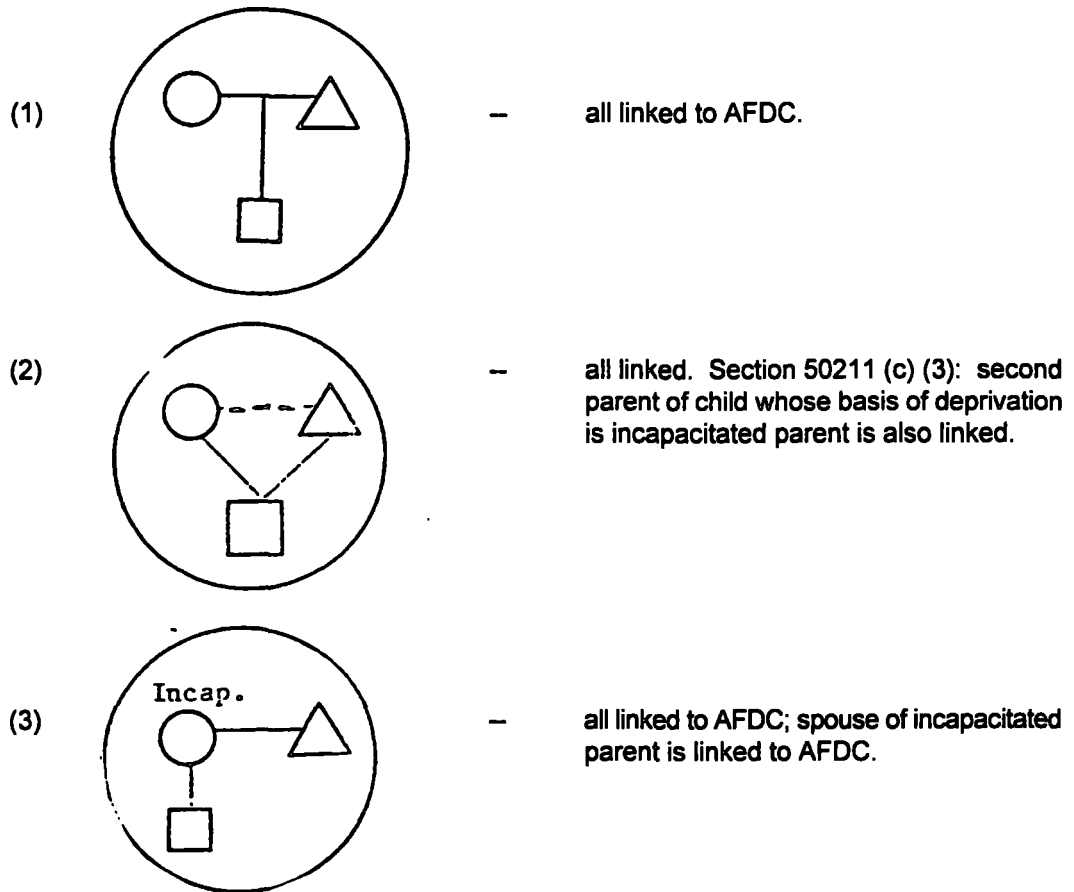
b. Absent Parent or Deceased Parent Deprivation, Title 22, Sections 50213 and 50209

(1)  or  — all linked to AFDC.

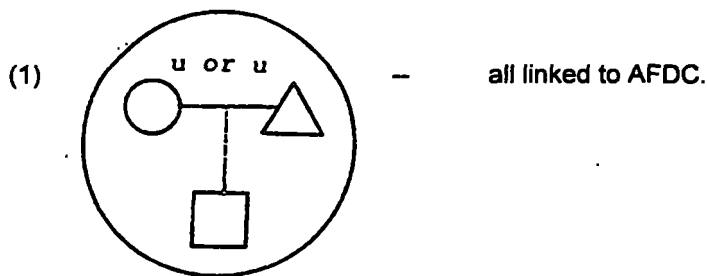
(2)  or  — child linked to AFDC.

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- c. Incapacitated Parent Deprivation, Section 50211. (If incapacitated parent's condition is severe, explore linkage to SSI/SSP on basis of disability.)



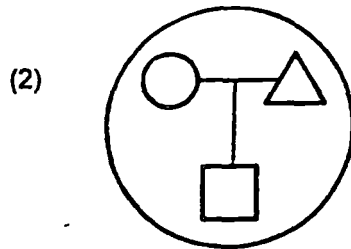
- d. Unemployed Parent Deprivation, Section 50215



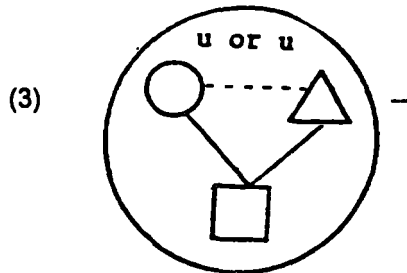
- (a) Parent is the principal wage earner (PWE).

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(b) The PWE meets the requirements of 50215



at least one of the conditions in previous example not met.



all conditions in example 1 are met.

e. Unmarried Minor Parent Living With Parents, Two MFBUs, Sections 50373 and 50379.

In such situations, the minor parent is considered a child in determining linkage for the MFBU which includes the minor parent and his/her parent(s), and a parent in the MFBU which includes his/her child(ren) with him/her as an ineligible member.

3. EXAMPLES OF DEPRIVATION

a. Death

- (1) A husband and wife have two children. The husband dies. The wife is left with two children. Is there deprivation?

Answer: Yes. Death of a parent constitutes deprivation. The wife and two children are linked to AFDC.

- (2) A father and mother are unmarried and have two children in common. The father dies. The mother is left with two children. Is there deprivation?

Answer: Yes. Death of a parent (whether or not he/she was married to the other parent) constitutes deprivation. The mother and the two children are linked.

- (3) A husband and wife have one child. The husband goes on a boating trip and is presumed lost at sea. He has been missing over 30 days, and the search is called off. The wife comes in and applies for Medi-Cal for herself and her child. Is there deprivation?

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- (2) A husband and wife have two children. In the last two years the husband worked full time and had the most earnings. His wife worked part time. The wife loses her job because of plant closure. Is there deprivation?

Answer: No. The wife is not the PWE.

- (3) A husband and wife have one child. Neither parent works and neither has ever been employed. Is there deprivation?

Answer: Yes. When both parents qualify as the principal wage earner (PWE) and have earned an identical amount of income (or no income) in a 24-month period, the county in consultation with the parents shall **designate** which parent is the PWE.

Once the PWE has been determined, this parent continues to be the PWE for each consecutive month, even if the other parent has earnings in the next two years as stated in Section 50215 (c), Title 22, California Code of Regulations.

- (4) A husband and wife have three children. The husband is employed full time. In June 1995, the wife became unemployed. The wife was employed full time for the 3 years before June 1995 and had income equal to or greater than her husband in 12 of the last 24 months in that period. Is there deprivation?

Answer: There would be deprivation if 1) the wife were the PWE, (i.e., if either the wife's income exceeded the husband's income during the June 1993 through May 1995 period or if her income equaled his during this period, if she were designated as the PWE) and 2) the remaining requirements of Section 50215 were met.

- (5) A husband and wife have eight children. The husband works full time; the wife is not employed. The husband's union goes out on strike. Is there deprivation?

Answer: Yes. A person can be on strike and be aided under U-Parent deprivation.

- (6) May the nonparent spouse of an unemployed parent (i.e., a stepparent to the parent's separate children) be linked to the Medically Needy program if they have no mutual children?

Answer: No. A spouse who has no deprived children living in the home may only be linked if his/her spouse has children who are deprived by the parent's incapacity. However, the spouse may be linked as an essential person in the 1931(b) program.

- (7) Must the PWE actively seek work?

Answer: No. This is no longer a requirement for this program.

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- (8) The family was receiving Medi-Cal for three years due to the incapacity of the mother. The father worked during this time. The mother returned to work but the father became unemployed. Who is the PWE?

Answer: The father. Per Section 50125 (c), "the principal wage earner is the parent who has earned the greater amount of income in the 24-month period immediately preceding either of the following:

- a) The month of application, reapplication or restoration.
- b) The date of a redetermination that a family's circumstances have changed in such a way as to meet the requirements for deprivation due to the unemployment of a parent.

Exception: An unemployed PWE who becomes incapacitated and then returns to work does not need to be redetermined.

- (9) The family received a California Work Opportunity and Responsibility to Kids (CalWORKs) cash grant based on unemployed parent. The father was determined to be the PWE. The family was discontinued from CalWORKs due to the mother's unearned income. For Medi-Cal only purposes, is the father still the PWE or is it now the mother?

Answer: The father continues to be the PWE if there was no reapplication or restoration. If the family failed to return any county requested information and the discontinuance notice was not rescinded for good cause, the PWE must be redetermined.

- (10) May a parent be determined as the PWE if his/her only employment was in a refugee camp outside the United States? His earnings were not part of the regular camp requirements.

Answer: Earnings whether in cash or in-kind from work performed either inside or outside the United States, including work performed in refugee camps are acceptable, as long as they meet the definition of earned income contained in Article 10.

- (11) A principal earner is self-employed as a salesperson selling a product door-to-door. The individual spent the following hours in the month of April in connection with his occupation:

40 hours collecting orders for the product.

15 hours ordering the products from the supplier. This includes completing the necessary work and going to the post office.

5 hours developing and delivering flyers advertising the business.

4 hours with floor duty at the distributor's office.

32 hours delivering the products to the customers.

10 hours distributing new catalogs.

Are all these hours counted?

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Answer: In this situation, all of the above hours count as hours worked because all hours were spent promoting the business or attempting to or making contact with prospective or actual customers.

- (12) Some self-employed persons may possibly control their hours. If they work under 100 hours and are the PWE, or work 100 hours or more and pass the U-Parent earned income test which is effective March 1, 2000, do we have to aid them?

Answer: Yes. There is nothing that precludes us from doing so.

- (13) Are paid vacation and sick leave hours counted in determining hours?

Answer: Yes. Paid vacation and sick leave hours are counted in determining hours unless the PWE is incapacitated and is using sick leave or will not be returning to work after his vacation hours are depleted. In those cases, the PWE may apply as an incapacitated or unemployed parent if he/she meets those requirements.

- (14) Would we aid a working individual under U-Parent Deprivation if a person worked less than 100 hours in the prior two months, nor was expected to work 100 or more hours in the following month.

Answer: Yes.

- (15) Assume the U-parent has, without good cause quit a job or employment training or refused a bona fide offer of employment or employment related training. Do these requirements still exist to determine U-Parent deprivation in the MN Program?

Answer: No. These requirements no longer pertain to unemployment parent deprivation for the medically needy.

- (16) What if an individual comes in on the first day of the month, how would this case be treated?

Answer: The eligibility worker (EW) can look at the past history of the individual. If the person has no work history in the last month and indicates he/she does not expect to work the rest of the month, grant Medi-Cal if otherwise eligible. If the person has a sporadic work history where it is apparent that this individual has worked over 100 hours in past months and may do so in the current month, the EW can request that this individual verify (written verification from his employer) that he will not exceed the 100-hour requirement.

- (17) Assembly Bill 1107, Chapter 146, Statutes of 1999 allows the Medically Needy applicant and recipient PWE as well as the Section 1931(b) applicant PWE to work 100 hours or more if the family earned income at or below 100 percent of the federal poverty level on March 1, 2000. Section 1931(b) and CalWORKs recipient PWEs are already allowed to work 100 hours or more without this test as long as they remain otherwise eligible. Whose income is counted in this test, how is earned income defined, and what deductions are allowable?

Answer: The earned income of all family members living in the home will be counted in determining the U-parent income test. This includes only the nonexempt earned income of all parents, spouses, and children under 21 who are required to be in the

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Medi-Cal Family Budget Unit (MFBU) regardless of whether they are eligible for Section 1931(b), the Medically Needy (MN), Medically Indigent (MI), or Percent programs. Sneede rules do NOT apply for this deprivation test.

The only exceptions when earned income of a family member is not counted are when the earned income is from either:

1. An excluded child(ren), or
2. A family member who is not in the MFBU because he/she receiving Public Assistance (PA) or Other PA.

These persons are not included in the family size when determining the 100 percent limit.

If the child was excluded for the U-Parent income test, he/she must remain excluded for Medi-Cal benefits when the family is determined for the Section 1931(b) or the MN programs. The parents must have at least one other eligible child included in the family income test as well as for all Medi-Cal program that require the parents to be linked to a deprived child.

Although a PA or Other PA child's earnings would not be counted in the U-parent income test, and the child is not part of the MFBU for Section 1931(b), MN, or other programs, the child (as always) may be used as linkage.

If the PWE is working over 100 hours and the family passes the U-parent income test, but is not eligible for Section 1931(b) due to income and property rules or other reasons, (e.g., some family members may not be eligible due to Sneede v. Kizer, the youngest child is above the age requirements, the father of the pregnant woman in her last trimester has no other deprived children), they should be evaluated for MN or other programs.

If the PWE is working over 100 hours, he/she is not a recipient of Section 1931(b), the family does not pass the U-parent test, and there is no other basis for deprivation, the family is not eligible for Section 1931(b) or the Aid to Families with Dependent Children (AFDC)-MN program. The children should be evaluated for the MI program or the Percent programs.

Earned income is defined in Article 10 of the California Code of Regulations and includes income from employment as well as other forms of earnings such as State Disability Insurance. This is different from the Transitional Medi-Cal Program, which only totals the average three months of gross earnings from employment minus child care deductions and does not include other types of earned income.

Only earned income deductions which are used in the Section 1931(b) and the Percent programs are allowable. These include allowable income deductions for Section 1931(b) applicants and the AFDC-MN families program, e.g., court order child/spousal support, the \$90 work related expenses earned income disregard. Health insurance premium deductions and deductions which are solely applicable to those who are aged, blind, or disabled (ABD) are not allowable. We have enclosed a draft of the U-parent worksheet designed by Orange County which counties may use prior to the development of a final form.

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Example 1

U-Parent Income Test

| | |
|---------------------------------------|---------------------------------------|
| Mom | \$ 0 |
| Dad (PWE working over 100 hours) | - 1,000 (net nonexempt earned income) |
| Mutual 10-year-old | 0 |
| Mutual 19-year-old | - 300 (net nonexempt earned income) |
| Total family net nonexempt earnings = | \$1,300 |
| U-parent limit 100% for 4 | = \$1,421 |

Married Mom, Dad, the 19-year-old and 10-year-old apply for Medi-Cal. Dad is the PWE and is working over 100 hours. The parents have no other basis for linkage. The family passes the U-Parent test and the PWE is considered unemployed. They are evaluated for the Section 1931(b) program using the existing property rules and the new March 1, 2000, income limits of 100 percent for applicants. The 19-year-old is ineligible for Section 1931(b) due to the age requirements; however, the other family members are eligible for Section 1931(b). Note: If this family had unearned income, they may not pass the income test for Section 1931(b). They would then be evaluated for the MN program. The 10-year-old would also be evaluated for the Percent program, if the family had a share of cost (SOC) in the MN program.

The 19-year-old is evaluated for the MN program because he/she is not considered a child for Section 1931(b). If he/she had unearned income, he/she may have a SOC. We are assuming he/she is property eligible.

One month later, the 19-year-old's net nonexempt earned income increases to \$500. The PWE continues to work over 100 hours.

Since the PWE in this family is eligible for Section 1931(b), the family would qualify as a recipient and is exempt from the 100 hour rule and the U-parent income limit test. Since there is a change in circumstances (the 19-year-old had an income increase), Section 1931(b) eligibility must be redetermined. The family members (including the 19-year-old) are all put back into the same Section 1931(b) MFBU and must still meet the Section 1931(b) unearned and earned net nonexempt income and property limits of that program. Sneed rules apply and the 19-year-old would be in his own Mini Budget Unit (MBU) if the family was over the income limit.

If this family is no longer income eligible for Section 1931(b) and is not eligible for Transitional Medi-Cal (TMC) because the family did not receive CalWORKs or Section 1931(b) for three out of the last six months nor was the increase in earnings from the PWE or the caretaker relative, the family should be evaluated for the U-parent earned income test as the applicants for the MN program. In this case, the family's net nonexempt earned income is over the 100 Percent limit, there is no U-parent deprivation and the mutual 19-year-old child would be eligible under the MI program and the 10-year-old may be eligible for the Percent program.

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Example 2

U-Parent Income Test

| | |
|-----------------------------------|---------------------------------------|
| Mom | \$ 0 earned income |
| Dad (PWE working over 100 Hours) | \$1,000 (net nonexempt earned income) |
| Mutual 4-year-old child | <u>\$ 0</u> |
| Total net nonexempt earned income | \$1,100 |
| U Parent 100% Limit for 3 | \$1,180 |

This married couple and child apply for Medi-Cal and pass the U-parent deprivation test. They are then evaluated for the Section 1931(b) program.

Mom also has \$300 unemployment insurance benefits (UIB) unearned income; therefore, the total family net nonexempt unearned and earned income is \$1,300. The April 1, 2000 limit is 100 percent for the FPL for applicants (\$1,180). The family is income ineligible and must be evaluated for the MN program. We will assume the family is property eligible for both programs. The MN limit for three is \$934; therefore, the parents have a SOC. The four-year-old is eligible for the 133 Percent program.

Two months later, Mom begins working and receives net nonexempt earnings of \$400 per month. Since the U-parent income test applies to recipients of the MN program and the family's net nonexempt earnings are now \$1,400 which is over the 100 Percent U-parent limit for three. Mom and Dad are no longer eligible as parents of a deprived child. The child is still eligible for the 133 Percent program.

Example 3

U-Parent Income Test

| | |
|---------------------------|---------------------------------------|
| Mom | \$ 300 (net nonexempt earned income) |
| Dad (PWE) | \$1,000 (net nonexempt earned income) |
| Mom's separate child | \$ 300 (net nonexempt earned income) |
| Mutual child | <u>\$ 0</u> |
| Total net earned income | \$1,600 |
| U Parent 100% Limit for 4 | \$1,421 |

This unmarried couple, their mutual (age 5), and separate children (age 19), apply for Medi-Cal. Dad is working over 100 hours and family is over the U-parent income limit. Dad and the mutual child are not eligible for the Section 1931(b) or the MN programs due to lack of deprivation. They are not eligible for TMC because they have not received CalWORKs or Section 1931(b) for three of the last six months. Since Mom's separate child is age 19, she has no deprived child in the home and is not eligible for Section 1931(b). Evaluate her and her separate child for the MN program. Evaluate the mutual child for the MI or Percent program, if applicable. Dad is ineligible for any program because he is not a spouse and cannot qualify as an essential person for Section 1931(b).

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Mom has \$1,000 of net nonexempt unearned income. The total family unearned and earned income equals \$2,600. The maintenance need for the MN/MI program for four persons is \$1,100. Sneede rules apply.

MBU #1

| | |
|----------------------------------|--------------|
| Mom's total net nonexempt income | \$1,300 |
| Less Parental Needs Deduction | <u>- 600</u> |
| Income to be Allocated ÷ 2 | \$ 700 |
| Limit | \$ 600 |

MBU #2

| | |
|----------------------|------------|
| Mom's Separate Child | \$300 |
| Allocation from Mom | <u>350</u> |
| Total | \$650 |
| Limit | \$375 |

MBU #3

| | |
|------------------------------------|--------------|
| <Dad's> total net nonexempt income | \$1,000 |
| Less Parental Needs Deduction | <u>- 600</u> |
| Income to be Allocated ÷ 1 | \$ 400 |
| Limit | \$ 600 |

MBU #4

| | |
|---------------------|------------|
| Mutual Child | \$ 0 |
| Allocation from Mom | 350 |
| Allocation from Dad | <u>400</u> |
| Total income | \$750 |
| Limit | \$312 |

Mom is eligible for the MN program with no SOC as a parent of a deprived child (age 21 for this program). Mom's separate child is also eligible with a SOC of \$275. Dad is not eligible for any Medi-Cal program. The mutual child has a SOC of \$438 under the MI program. Evaluate the mutual child for the 133 Percent program. Only the income of the mutual child and his/her parents are counted.

| | |
|----------------------|------------|
| Mom's total income | \$1,300 |
| Dad's total income | \$1,000 |
| Child's total income | \$ 0 |
| Mom's separate child | <u>N/A</u> |
| Total | \$2,300 |
| Limit for 4 (133%) | \$1,890 |

Mutual child is not eligible for the 133 Percent program. He/she would have a \$438 SOC in the MI program.

Two months later, Mom and her separate child stop working. Redetermine the U-parent earned income deprivation income test. Since the PWE is still working over 100 hours and the family is not a recipient of the Section 1931(b) program, the U-parent income test is required. The net nonexempt earned income of Dad is \$1,000 which is under the 100 percent limit for 4.

| | |
|---------------------|-------------|
| Dad's earned income | \$1,000 |
| Mom's earned income | \$ 0 |
| Mom's child " " | \$ 0 |
| Mutual child " " | <u>\$ 0</u> |
| Total | \$1,000 |
| Limit for 4 (100%) | \$1,421 |

Dad is unemployed and he and the mutual child are linked.

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Reevaluate family for the Section 1931(b) program as applicants.

| | |
|---------------------------|---------|
| Mom's total income | \$1,000 |
| Dad's total income | \$1,000 |
| <Mom's separate child> | \$ 0 |
| Mutual child | \$ 0 |
| Total | \$2,000 |
| Section 1931(b) limit (4) | \$1,421 |

Mom, Dad, and the mutual child are not eligible for Section 1931(b). Sneede rules would then again apply.

Section 1931(b) MBU#1

| | |
|----------------------------|---------|
| Mom's net nonexempt income | \$1,000 |
| Less Parental Needs | - 696 |
| Income ÷ 2 | \$ 304 |

| | |
|------------------------|-----------------|
| Mom's Income | \$ 696 |
| <Mom's separate child> | \$ 152 from Mom |
| Total | \$ 848 |
| Limit for 2 | \$ 938 |

Section 1931(b) MBU #2

| | |
|----------------------------|---------|
| Dad's net nonexempt income | \$1,000 |
| Less Parental Needs | - 696 |
| Income ÷ 1 | \$ 304 |

| | |
|--------------|--------|
| Dad's Income | \$ 696 |
| Total | \$ 696 |
| Limit for 1 | \$ 696 |

MBU #3

| | |
|--------------|----------------|
| Mutual Child | \$304 from Dad |
| | \$152 from Mom |
| Total | \$456 |
| Limit | \$393 |

Dad and Mom are eligible for the Section 1931(b) program. The 19-year-old separate child and the mutual child should be evaluated for the MN program.

MN MFBU

| | |
|----------------------|-------|
| Mom's separate child | \$ 0 |
| Mutual child | 0 |
| Limit | \$750 |

Since neither child has income, they are eligible with no SOC. In the second month, the family should be redetermined as recipients.

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Example 4

Married couple and their children apply for Medi-Cal. They have one mutual four-year-old child and each have one separate child under age 18. Dad is determined to be the PWE and he is working under 100 hours. No applicant U-parent earned income test is required. Mom has \$699 net nonexempt income and Dad has \$1,000 net nonexempt income. The children have no income. We will assume that the family is property eligible. Evaluate for Section 1931(b).

| | | |
|-----------------------|---------|----------------------|
| Mom | \$ 699 | net nonexempt income |
| Dad | 1,000 | net nonexempt income |
| Mutual Child | 0 | |
| Dad's Separate Child | 0 | |
| Mom's Separate Child | 0 | |
| Total | \$1,699 | |
| Section 1931(b) Limit | \$1,663 | |

The family fails to qualify for Section 1931(b). Sneede rules apply since this is a stepparent household.

| | | | |
|----------------------|-------|----------------------|---------|
| Mom's Net Income | \$699 | Dad's Net Income | \$1,000 |
| Mom's Parental Needs | - 696 | Dad's Parental Needs | - 696 |
| Total | \$ 3 | Total | \$ 304 |
| Total Allocation ÷3 | \$ 1 | Total Allocation ÷3 | \$ 101 |

| MBU #1 | | MBU #2 | | MBU #3 | |
|--------------|--------------|-------------|-------|-------------|-------|
| Mom | \$696+ \$101 | Mom's Child | \$ 1 | Dad's Child | \$101 |
| Mutual Child | \$ 1 + \$101 | Total | \$ 1 | Total | \$101 |
| Dad | \$696 + \$ 1 | Limit | \$469 | Limit | \$469 |
| Total | \$1,596 | | | | |
| Limit (3) | \$1,180 | | | | |

Mom, Dad, and the mutual child in MBU #1 are not eligible. They must be evaluated for the MN program. Both Mom and Dad's separate children are eligible for Section 1931(b).

MN Program Determination

| | |
|--------------|---|
| Mom | \$ 698 (\$699 minus the \$1 allocation to Section 1931(b) eligible child) |
| Dad | \$ 899 (\$1,000 minus the \$101 allocation to Section 1931(b) eligible child) |
| Mutual Child | \$ 0 |
| Total | \$1,597 |
| MN Limit | \$ 934 |

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Mom, Dad and mutual child have a share of cost of \$657. Evaluate mutual child for the 133 Percent program. Only the income of the mutual child and his/her parents are counted (although in this example they have no income).

| | |
|----------------------|---------|
| Mom | \$ 699 |
| Dad | 1,000 |
| Mutual Child | 0 |
| Dad's Separate Child | N/A |
| Mom's Separate Child | N/A |
| Total | \$1,699 |
| 133% Limit for 5 = | \$2,212 |

Mutual child is eligible for the 133 Percent program.

Several months later, Dad takes a job and is now working over 100 hours. Since he and Mom are not recipients of the Section 1931(b) program the U-parent income test is required to determine whether unemployment linkage still exists even though the separate children are recipients of Section 1931(b) and the mutual child is in the 133 Percent program.

U-Parent Income Test

| | | |
|-----------------------|---------|-----------------------------|
| Mom | \$ 100 | net nonexempt earned income |
| Dad | 1,500 | net nonexempt earned income |
| Mutual Child | 0 | |
| Dad's Separate Child | 0 | |
| Mom's Separate Child | 0 | |
| Total | \$1,600 | |
| Section 1931(b) Limit | \$1,663 | |

The family's net nonexempt earned income is under the 100 percent limit for five; therefore, they pass the U-parent test. The family should now be recombined into one MFBU to see if they will pass the regular Section 1931(b) income and property test. If the family does not pass Section 1931(b), only the separate children are eligible for TMC. They will be ineligible members of the other family members MFBU. The parents and the mutual child should be evaluated for the AFDC-MN program. If they have a SOC, the mutual child should be evaluated for the 133 Percent program.

Example 5

Unmarried Mom, Dad, their mutual eight-month-old child, and Mom's separate child (age four) apply for Medi-Cal. Dad is incapacitated. Mom works part time and has \$1,300 net nonexempt income. Dad has \$500 net nonexempt income. The children have no income.

Section 1931(b) Determination

| | |
|----------------------------|---------|
| Mom's net nonexempt income | \$1,300 |
| Dad's net nonexempt income | 500 |
| Mutual child | 0 |
| Mom's child | 0 |
| Total income | \$1,800 |
| Limit for 4 | \$1,421 |

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

Since the family is above the Section 1931(b) income limit and the couple is not married, Sneede rules apply. We will assume they are property eligible.

| | | | | | |
|------------------|---------|----------------------|------------|----------------|-------|
| Mom's income | \$1,300 | Mom's Separate Child | \$ 0 | Dad's income | \$500 |
| Parental needs | - 696 | Allocation from Mom | <u>302</u> | Parental Needs | - 696 |
| Total | \$ 604 | Total | \$302 | Allocation | 0 |
| Allocation ÷ 2 = | \$ 302 | | | | |

| | |
|-----------------------|----------|
| Mutual Child's income | \$ 0 |
| Allocation from Mom | 302 |
| Allocation from Dad | <u>0</u> |
| Total | \$302 |

| MBU #1 | | MBU #2 | | MBU #3 | |
|-------------|------------|--------------|--------------|--------|--------------|
| Mom | \$696 | Mutual Child | \$302 | Dad | \$500 |
| Mom's Child | <u>302</u> | Total | <u>\$302</u> | Total | <u>\$500</u> |
| Total | \$998 | Limit | \$393 | Limit | \$696 |
| Limit | \$938 | | | | |

Mom and her separate child fail to pass Section 1931(b). They should be evaluated for the MN program. The mutual child and Dad pass Section 1931(b).

MN Program

| | |
|----------------|---|
| Mom | \$998 (\$1,300- \$302 allocation used for Section 1931(b) Mutual Child) |
| Separate Child | 0 |
| Total | 998 |
| Limit for 2 | <u>750</u> |
| SOC | \$248 |

Mom has a SOC of \$248. Note: An unmarried parent may not deduct any income used to make the other parent eligible for Section 1931(b). Evaluate the separate child for the 133 Percent program. Only the income of Mom and the separate child is used.

133 Percent Program

| | |
|----------------|------------|
| Mom | \$1,300 |
| Dad | N/A |
| Separate child | 0 |
| Mutual child | <u>N/A</u> |
| Total | \$1,300 |
| Limit for 4 | \$1,890 |

Mom's separate child is eligible for the 133 percent program.

Five months later Mom takes a full time job with a net nonexempt earned income of \$1,500 and she is working over 100 hours. Dad is no longer incapacitated and has \$500 net nonexempt earned income. Mom is determined to be the PWE. Because Mom is not a recipient of the Section 1931(b) program, the U-Parent income test applies.

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

U-Parent Test

Mom \$1,500 net nonexempt earned income
Dad 500 net nonexempt earned income
Total \$2,000
Limit for 4 \$1,421

Mom still has deprivation because her separate child has an absent parent; however, Dad and the mutual child have no deprivation. Dad may not be an essential person because he is not married.

Mom and her separate child are reevaluated for Section 1931(b) as applicants. Dad and the mutual child are ineligible members of the MFBU. If Mom and her separate child are not eligible for Section 1931(b), they should be evaluated for the AFDC-MN program. Dad has no linkage. The mutual child should be evaluated for the MI or the Percent program. Dad and the mutual child are not eligible for TMC because they were terminated from Section 1931(b) due to loss of deprivation rather than increased earnings from Mom.

Note: To be eligible for Section 1931(b), a parent must have at least one deprived child in a zero SOC program.

e. Multiple Linkage Factors

A husband and wife have one mutual child. The wife has two children by a previous marriage, and the husband has three children by a previous marriage. They all live together. Neither absent parent is deceased. The father is unemployed according to the provision of Title 22, CCR, Section 50215. All are requesting Medi-Cal. Is there deprivation for each child? Are the parents linked?

Answer: Yes. The wife's separate children and the husband's separate children are deprived by the absence of a parent. Both parents may be linked by absence. The mutual child is deprived by the unemployment of his father. Only the mutual child will lose linkage once the father returns to work but may be aided under the federal poverty programs or as medically indigent.

Note: If there were no deprived mutual children and one spouse had no separate children, that spouse's only linkage must be through the spouse's incapacity (see previous example), or pregnancy or disability. The spouse may not be linked through the unemployment of the spouse for the AFDC MN program. This rule does not apply to Section 1931(b), which may aid the stepparent as an essential person because the spouse's child is deprived through absence of his or her parent.

f. Forms

1. Principal Wage Earner (PWE) Working 100 Hours or More Unemployed Parent Determination Worksheet - MC 337
2. Vocational and Work History - MC 210 S-W.
3. Vocational and Work History- Spanish MC 210 S-W (SP)
4. Medical Report for Incapacitated Parent - MC 61

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

State of California—Health and Human Services Agency

Department of Health Services

PRINCIPAL WAGE EARNER (PWE) WORKING 100 HOURS OR MORE UNEMPLOYED PARENT DETERMINATION WORKSHEET

| | |
|-----------|-------------|
| Case name | Case number |
|-----------|-------------|

SECTION 1931(b) APPLICANTS AND MEDICALLY NEEDY (MN) FAMILIES

County Use

Note: If the PWE is a Section 1931(b) recipient he/she may work 100 hours or more without a separate unemployment income test.

| | | | |
|----|--|---|--|
| 1 | Earnings of Principal Wage Earner (PWE) | – \$90 | |
| 2 | Earnings of Second Parent/Spouse | – \$90 | |
| 3 | Earnings of Child #1 | – \$90 | |
| 4 | Earnings of Child #2 | – \$90 | |
| 5 | Earnings of Child #3 | – \$90 | |
| 6 | Countable Earned Income (lines 1+2+3+4+5) | \$ | |
| 7 | Dependent Care Deduction | | |
| 8 | Court Ordered Child/Spousal Support Deduction | | |
| 9 | Allocation to PA Member | | |
| 10 | Allocation to Excluded Children | | |
| 11 | Total Deductions (lines 7+8+9+10) | \$ | |
| 12 | Total Net Nonexempt Earned Income (lines 6-11) | \$ | |
| 13 | 100% FPL Limit for Family Size of (Number in MFBU) | \$ | |
| 14 | Is Total Net Nonexempt Earned Income at or below 100% of the FPL? | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| 15 | <p>If line 14 is <u>Yes</u>, then the PWE is considered an Unemployed Parent.</p> <p>Evaluate family for the Section 1931(b) program if the youngest child in the home is under 18 or 18 and enrolled in school and expected to graduate prior to age 19. If not and the youngest child is under 21, then determine eligibility for the Medically Needy program.</p> <p>If line 14 is <u>No</u>, then the PWE is employed and there is no Unemployed Parent deprivation.</p> | | |

| | | |
|-------------------------|---------------|------|
| Eligibility Worker name | Worker number | Date |
|-------------------------|---------------|------|

MC 337 (2/00)

SECTION NO.: 50205

MANUAL LETTER NO.: 229

DATE: 9/19/00

5C-23

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

State of California—Health and Human Services Agency

Department of Health Services

VOCATIONAL AND WORK HISTORY (To Be Completed By Applicant/Beneficiary)

Parent Number 1

Name: _____

List your employment and training history for the last two years. Begin with your current or latest job or training.

| Name of Employer or Training Program | Work or Training | When Employed | Gross Amount Monthly | Name of Employer or Training Program | Work or Training | When Employed | Gross Amount Monthly |
|--------------------------------------|--|------------------------------------|----------------------|--------------------------------------|--|------------------------------------|----------------------|
| 1. | <input type="checkbox"/> Work <input type="checkbox"/> Training | From ___/___/___ To ___/___/___ | \$ | 4. | <input type="checkbox"/> Work <input type="checkbox"/> Training | From ___/___/___ To ___/___/___ | \$ |
| 2. | <input type="checkbox"/> Work <input type="checkbox"/> Training | From ___/___/___ To ___/___/___ | \$ | 5. | <input type="checkbox"/> Work <input type="checkbox"/> Training | From ___/___/___ To ___/___/___ | \$ |
| 3. | <input type="checkbox"/> Work <input type="checkbox"/> Training | From ___/___/___ To ___/___/___ | \$ | 6. | <input type="checkbox"/> Work <input type="checkbox"/> Training | From ___/___/___ To ___/___/___ | \$ |

Parent Number 2

Name: _____

List your employment and training history for the last two years. Begin with your current or latest job or training.

| Name of Employer or Training Program | Work or Training | When Employed | Gross Amount Monthly | Name of Employer or Training Program | Work or Training | When Employed | Gross Amount Monthly |
|--------------------------------------|--|------------------------------------|----------------------|--------------------------------------|--|------------------------------------|----------------------|
| 1. | <input type="checkbox"/> Work <input type="checkbox"/> Training | From ___/___/___ To ___/___/___ | \$ | 4. | <input type="checkbox"/> Work <input type="checkbox"/> Training | From ___/___/___ To ___/___/___ | \$ |
| 2. | <input type="checkbox"/> Work <input type="checkbox"/> Training | From ___/___/___ To ___/___/___ | \$ | 5. | <input type="checkbox"/> Work <input type="checkbox"/> Training | From ___/___/___ To ___/___/___ | \$ |
| 3. | <input type="checkbox"/> Work <input type="checkbox"/> Training | From ___/___/___ To ___/___/___ | \$ | 6. | <input type="checkbox"/> Work <input type="checkbox"/> Training | From ___/___/___ To ___/___/___ | \$ |

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

MEDI-CAL U-PARENT DETERMINATION WORKSHEET (To Be Completed By CWD Staff)

Case name: _____ Worker number: _____

Case number: _____ Date: _____

1. Determination of Principal Wage Earner (PWE)

- a. Application date OR date U-Parent deprivation began: _____
- b. To establish 24-month earnings period, check month on chart for each parent:

Month number 1: subtract two years from line (a): _____

Month number 24: Month/Year immediately preceding line (a): _____

| Parent 1's Earnings | Current year _____ | | Year _____ | | Year _____ | |
|---------------------|--------------------|------|------------|------|------------|------|
| | \$ | Dec. | \$ | Dec. | \$ | Dec. |
| | Nov. | | Nov. | | Nov. | |
| | Oct. | | Oct. | | Oct. | |
| | Sep. | | Sep. | | Sep. | |
| | Aug. | | Aug. | | Aug. | |
| | Jul. | | Jul. | | Jul. | |
| | Jun. | | Jun. | | Jun. | |
| | May | | May | | May | |
| | Apr. | | Apr. | | Apr. | |
| | Mar. | | Mar. | | Mar. | |
| | Feb. | | Feb. | | Feb. | |
| | Jan. | | Jan. | | Jan. | |
| Total: \$ _____ | | | | | | |

| Parent 2's Earnings | Current year _____ | | Year _____ | | Year _____ | |
|---------------------|--------------------|------|------------|------|------------|------|
| | \$ | Dec. | \$ | Dec. | \$ | Dec. |
| | Nov. | | Nov. | | Nov. | |
| | Oct. | | Oct. | | Oct. | |
| | Sep. | | Sep. | | Sep. | |
| | Aug. | | Aug. | | Aug. | |
| | Jul. | | Jul. | | Jul. | |
| | Jun. | | Jun. | | Jun. | |
| | May | | May | | May | |
| | Apr. | | Apr. | | Apr. | |
| | Mar. | | Mar. | | Mar. | |
| | Feb. | | Feb. | | Feb. | |
| | Jan. | | Jan. | | Jan. | |
| Total: \$ _____ | | | | | | |

The parent earning the greater amount is the PWE: _____ (Name of PWE)

2. Is the PWE working 100 hours or more a month? ☐ Yes ☐ No
If "yes," complete the Unemployed Parent Worksheet (MC 337).

Note: If the PWE is a recipient of Section 1931(b), he/she may exceed 100 hours with no earned income test.

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

State of California—Health and Human Services Agency

Department of Health Services

VOCATIONAL AND WORK HISTORY/HISTORIAL VOCACIONAL Y LABORAL (To Be Completed By Applicant/Beneficiary/Para que el solicitante/beneficiario lo complete)

Parent Number 1/Padre/Madre Número 1 Name/Nombre: _____

List your employment and training history for the last two years. Begin with your current or latest job or training.
Anoté su historial de empleo y capacitación durante los últimos dos años. Comience con su empleo o capacitación actual o más reciente.

| Name of Employer or Training Program/Nombre del Empleador o Programa de Capacitación | Work or Training/ Trabajo o Capacitación | When Employed/ Cuando se le Empleó | Gross Amount Monthly/ Cantidad Mensual Bruta | Name of Employer or Training Program/Nombre del Empleador o Programa de Capacitación | Work or Training/ Trabajo o Capacitación | When Employed/ Cuando se le Empleó | Gross Amount Monthly/ Cantidad Mensual Bruta |
|--|---|---|--|--|---|---|--|
| 1. _____ | <input type="checkbox"/> Trabajo <input type="checkbox"/> Capacitación | Del ____/____/____ Al ____/____/____ | \$ _____ | 4. _____ | <input type="checkbox"/> Trabajo <input type="checkbox"/> Capacitación | Del ____/____/____ Al ____/____/____ | \$ _____ |
| 2. _____ | <input type="checkbox"/> Trabajo <input type="checkbox"/> Capacitación | Del ____/____/____ Al ____/____/____ | \$ _____ | 5. _____ | <input type="checkbox"/> Trabajo <input type="checkbox"/> Capacitación | Del ____/____/____ Al ____/____/____ | \$ _____ |
| 3. _____ | <input type="checkbox"/> Trabajo <input type="checkbox"/> Capacitación | Del ____/____/____ Al ____/____/____ | \$ _____ | 6. _____ | <input type="checkbox"/> Trabajo <input type="checkbox"/> Capacitación | Del ____/____/____ Al ____/____/____ | \$ _____ |

Parent Number 2/Padre/Madre Número 2 Name/Nombre: _____

List your employment and training history for the last two years. Begin with your current or latest job or training.
Anoté su historial de empleo y capacitación durante los últimos dos años. Comience con su empleo o capacitación actual o más reciente.

| Name of Employer or Training Program/Nombre del Empleador o Programa de Capacitación | Work or Training/ Trabajo o Capacitación | When Employed/ Cuando se le Empleó | Gross Amount Monthly/ Cantidad Mensual Bruta | Name of Employer or Training Program/Nombre del Empleador o Programa de Capacitación | Work or Training/ Trabajo o Capacitación | When Employed/ Cuando se le Empleó | Gross Amount Monthly/ Cantidad Mensual Bruta |
|--|---|---|--|--|---|---|--|
| 1. _____ | <input type="checkbox"/> Work <input type="checkbox"/> Capacitación | Del ____/____/____ Al ____/____/____ | \$ _____ | 4. _____ | <input type="checkbox"/> Trabajo <input type="checkbox"/> Capacitación | Del ____/____/____ Al ____/____/____ | \$ _____ |
| 2. _____ | <input type="checkbox"/> Trabajo <input type="checkbox"/> Capacitación | Del ____/____/____ Al ____/____/____ | \$ _____ | 5. _____ | <input type="checkbox"/> Trabajo <input type="checkbox"/> Capacitación | Del ____/____/____ Al ____/____/____ | \$ _____ |
| 3. _____ | <input type="checkbox"/> Trabajo <input type="checkbox"/> Capacitación | Del ____/____/____ Al ____/____/____ | \$ _____ | 6. _____ | <input type="checkbox"/> Trabajo <input type="checkbox"/> Capacitación | Del ____/____/____ Al ____/____/____ | \$ _____ |

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

MEDI-CAL U-PARENT DETERMINATION WORKSHEET (To Be Completed By CWD Staff)

Case name: _____ Worker number: _____

Case number: _____ Date: _____

1. Determination of Principal Wage Earner (PWE)

- Application date OR date U-Parent deprivation began: _____
- To establish 24-month earnings period, check month on chart for each parent:

Month number 1: subtract two years from line (a): _____

Month number 24: Month/Year immediately preceding line (a): _____

| Parent 1's Earnings = | Current year _____ | | Year _____ | | Year _____ | |
|--------------------------|--------------------|------|------------|------|------------|------|
| | \$ | Dec. | \$ | Dec. | \$ | Dec. |
| Name _____ | | Nov. | | Nov. | | Nov. |
| | | Oct. | | Oct. | | Oct. |
| | | Sep. | | Sep. | | Sep. |
| | | Aug. | | Aug. | | Aug. |
| | | Jul. | | Jul. | | Jul. |
| | | Jun. | | Jun. | | Jun. |
| | | May | | May | | May |
| | | Apr. | | Apr. | | Apr. |
| | | Mar. | | Mar. | | Mar. |
| | | Feb. | | Feb. | | Feb. |
| | | Jan. | | Jan. | | Jan. |
| | Total: \$ _____ | | | | | |

| Parent 2's Earnings | Current year _____ | | Year _____ | | Year _____ | |
|---------------------|--------------------|------|------------|------|------------|------|
| | \$ | Dec. | \$ | Dec. | \$ | Dec. |
| Name _____ | | Nov. | | Nov. | | Nov. |
| | | Oct. | | Oct. | | Oct. |
| | | Sep. | | Sep. | | Sep. |
| | | Aug. | | Aug. | | Aug. |
| | | Jul. | | Jul. | | Jul. |
| | | Jun. | | Jun. | | Jun. |
| | | May | | May | | May |
| | | Apr. | | Apr. | | Apr. |
| | | Mar. | | Mar. | | Mar. |
| | | Feb. | | Feb. | | Feb. |
| | | Jan. | | Jan. | | Jan. |
| | Total: \$ _____ | | | | | |

The parent earning the greater amount is the PWE: _____ (Name of PWE)

2. Is the PWE working 100 hours or more a month? ☐ Yes ☐ No
If "yes," complete the Unemployed Parent Worksheet (MC 337).

Note: If the PWE is a recipient of Section 1931(b), he/she may exceed 100 hours with no earned income test.

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

State of California—Health and Human Services Agency

Department of Health Services

MEDICAL REPORT

COUNTY USE ONLY

| | | | |
|-----------|-------------|-------------|---------------|
| Case name | Case number | Worker name | Worker number |
|-----------|-------------|-------------|---------------|

SECTION I: PATIENT/CLIENT INFORMATION AND MEDICAL RELEASE

Name of patient/client (last, first, middle) / Nombre del paciente/cliente (apellido, primer nombre, segundo nombre)

| | | | |
|----------------------------------|---|---|--|
| Birth date / Fecha de nacimiento | Social Security number / Número del Seguro Social | Sex / Sexo <input type="checkbox"/> Male/masculino <input type="checkbox"/> Female/femenino | Ages of children in home / Edades de los niños en el hogar |
|----------------------------------|---|---|--|

I authorize / Autorizo _____ of / de _____
Name of licensed physician or certified psychologist / Nombre del doctor con licencia o psicólogo certificado
Name of clinic or medical group / Nombre de la clínica o grupo médico

to release my medical information on this form to the county welfare department. This authorization is valid for one year from the date signed and I may ask for a copy of this authorization.

al departamento de bienestar público del condado para que proporcione la información médica que se solicita en este formulario. Esta autorización es válida por un año a partir de la fecha de la firma y tengo derecho a solicitar una copia de esta autorización.

| | |
|---|------------|
| Patient/client signature / Firma del paciente/cliente | Date/Fecha |
|---|------------|

SECTION II: PHYSICIAN OR LICENSED/CERTIFIED PSYCHOLOGIST INSTRUCTIONS AND CERTIFICATION

The county welfare department needs your information to determine if the above-named person has a physical or mental incapacity that prevents or substantially reduces the patient's ability to engage in full-time work, training, and/or provide necessary care for his/her child(ren).

Please complete the rest of this form. Explain if you need additional lab work or other exam(s) before you can determine the duration of incapacity. If you need more space, use another sheet of paper and attach it to this form.

PLEASE GIVE THIS FORM TO THE PATIENT OR RETURN IT AND/OR OTHER VERIFICATION WITHIN FIVE WORKING DAYS TO:

(County Stamp)

1. Does the patient have a physical or mental incapacity that prevents or substantially reduces his/her ability to work full time at his/her customary job?

☐ Yes If yes, expected duration: _____
☐ Temporary, expect to release patient for full-time work on _____ (month, day, year)
☐ Permanent
☐ No

2. Does the patient have a physical or mental incapacity that prevents or substantially reduces his/her ability to care for his/her children?

☐ Yes If yes, expected duration: _____
☐ Temporary, expect to release patient for full-time work on _____ (month, day, year)
☐ Permanent
☐ No

3. List DIAGNOSIS and PROGNOSIS for this patient:

| |
|--|
| |
| |
| |

4. Onset date: _____
(month, day, year)

- I understand that the statements I have made on this form are subject to verification and investigation for welfare fraud.
- I declare under penalty of perjury under the laws of the United States and the State of California that the information contained in this report is true, correct, and complete.

| | | | |
|--|------|---------------------|----------|
| Signature of physician, licensed certified psychologist, or person authorized to complete form | | Date | |
| Printed name and title/specialty | | Phone number () | |
| Street address (mailing address, if different) | City | State | ZIP code |

MC 61 (5/00)

