

**DEPARTMENT OF HEALTH SERVICES**

714/744 P Street  
P.O. Box 942732  
Sacramento, CA 94234-7320  
(916) 657-0258



March 14, 2001

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL LETTER NO.: 238

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

ARTICLE 8G-MEDI-CAL FAMILY BUDGET UNIT (MFBU) DETERMINATIONS FOR  
THE SECTION 1931(b) PROGRAM

Enclosed are corrections and clarifications to certain pages of Article 8G of the Medi-Cal Eligibility Procedures Manual. These changes are indicated by a black line in the right-hand margin.

**Filing Instructions:**

**Remove Pages:**

Pages 8G-1 and 8G-2  
Pages 8G-7 through 8G-10  
Pages 8G-17 through 8G-20

**Insert Pages:**

Pages 8G-1 and 8G-2  
Pages 8G-7 through 8G-10  
Pages 8G-17 through 8G-20

If you have any questions, please contact Margie Buzdas of my staff at (916) 657-0726.

Sincerely,

Original signed by

Glenda Arellano  
Acting Chief  
Medi-Cal Eligibility Branch

Enclosures





---

# MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

---

## 8G –MFBU DETERMINATIONS FOR THE SECTION 1931(b) PROGRAM

---

### A. BACKGROUND

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 (Public Law 104-193) established a new mandatory coverage group at Section 1931(b) of the Social Security Act. Section 1931(b) requires that Medi-Cal be provided to low-income families, who meet the provisions of the July 16, 1996, Aid to Families with Dependent Children (AFDC) State plan requirements for income, resources and deprivation, (subject to modification at State option). PRWORA also deleted many of the requirements for establishing deprivation based on unemployment.

Section 161 of AB 1542 (Chapter 270, Statutes of 1997) established the California Work Opportunity and Responsibility to Kids (CalWORKs) program and provided that it was to be implemented January 1, 1998. This law also adopted Section 14005.30 of the Welfare and Institutions Code which provided that to the extent federal financial participation is available, the Department of Health Services shall extend eligibility for health care services under Medi-Cal to all recipients of aid under CalWORKs as well as those in the Section 1931(b) Only program.

For purposes of establishing requirements for the Section 1931(b) group, the July 16, 1996, AFDC provisions have been modified as of January 1, 1998, to the extent possible as permitted by PRWORA, in order to align the Section 1931(b) program with CalWORKs. Therefore, former AFDC rules will be referred to as the Section 1931(b) rules.

Assembly Bill (AB) 1107, Chapter 146, Statutes of 1999, expanded the definition of the unemployed parent for purposes of establishing eligibility based upon deprivation of a child. Prior to this bill, if the principal wage earner works less than 100 hours per month, based upon the AFDC rules in effect July 16, 1996, or is considered unemployed under the terms of an existing federal waiver of the 100-hour rule for recipients of the Section 1931(b) Medi-Cal program, then deprivation exists for purposes of the child's eligibility. As of March 1, 2000, if the principal wage earner (PWE) is an applicant for the Section 1931(b) program (or if the PWE is either an applicant or a recipient in the MN program), he/she may work 100 hours or more if the family's net nonexempt earned income is at or below 100 percent of the FPL. Recipients of Section 1931(b) may continue to work 100 hours or more if they meet the regular income and property requirements. NOTE: Section 50215 requires that the PWE be redetermined at the time of application, reapplication, restoration, or if the family's circumstances have changed in such a way as to meet the requirements for deprivation. If the PWE is working 100 hours or more, the U-Parent test applies regardless of whether or not the family are recipients for income purposes. See Procedures 5C.

In addition, Senate Bill (SB) 708, chaptered on July 22, 1999, raises the income limits for the Section 1931(b) program to 100 percent of the FPL. The effective date for both changes is March 1, 2000.

Persons applying for Medi-Cal who are not on Public Assistance (PA), Other PA, or Pickle must first be evaluated for the Section 1931(b) program prior to any other full scope Medi-Cal programs if they are otherwise eligible, e.g., meet residency, age, deprivation, income and property requirements. See the Section 5C and 5S of this Manual for more information about deprivation and implementation of the Section 1931(b) program.

### B. MFBU (MEDI-CAL FAMILY BUDGET UNIT) COMPOSITION RULES

The MFBU for Section 1931(b) shall be the basic unit of persons considered in determining an individual's or family's eligibility. Note: Sneede is applicable to the Section 1931(b) determination. Persons eligible for Section 1931(b) have a zero share of cost (SOC).

---

## MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

---

The following are some basic Section 1931(b) rules for the MFBU determination:

- All persons in the family who are living in the home and who are not already receiving a cash grant e.g., Supplemental Security Income (SSI), CalWORKs, In-Home Supportive Services (IHSS) are evaluated for Section 1931(b) in the same Medi-Cal Family Budget Unit (MFBU) regardless of whether or not they have linkage. Persons who are considered to be receiving Public Assistance (PA), or Other PA are not in the MFBU except for those receiving Four Month Continuing and Transitional Medi-Cal benefits (see 50373 California Code of Regulations). Note: If a family member is aged, blind, disabled and in LTC, he/she is not consider to be living in the home, nor is he/she included in the MFBU.
- If some persons in the household are receiving CalWORKs, the remaining family members who are not eligible for CalWORKs or choose to not receive CalWORKs are considered to be eligible for Section 1931(b) without a determination. Some examples are:
  - 1) Persons who are sanctioned from CalWORKs such as those who do not cooperate with work requirements, fleeing felons, the parent of an unborn who is not eligible for CalWORKs until the child is born but whose income is counted in the CalWORKs determination, or those who have reached their time limits. NOTE: These persons must still meet Medi-Cal program requirements to receive benefits (See Section 50379 California Code of Regulations).
  - 2) Persons who are not eligible to receive CalWORKs benefits because they do not have satisfactory immigration status, are eligible for restricted Section 1931(b) benefits.

The exceptions to this rule are: persons who do not meet the age requirements of a child (they are not under 18 or not enrolled in school and expected to graduate prior to age 19), or a non-needy caretaker relative who was not financially eligible as a CalWORKs applicant or recipient and whose income and resources were not counted when determining the CalWORKs case. These individuals cannot be assumed to be eligible for Section 1931(b) without a determination.

- Those persons who are in the same MFBU with other family members who are being evaluated for Section 1931(b), but are ineligible because they do not have linkage or who are not eligible after a Sneede determination, should be evaluated for the Medically Needy (MN), Medically Indigent (MI), or the Percent programs, if otherwise eligible.
- There must be at least one deprived child eligible for a Medi-Cal program with a zero SOC i.e., PA, CE, and CEC, for a parent to be eligible for the Section 1931(b) program.
- An unborn may be used to increase the Section 1931(b) family size prior to the last four months of pregnancy regardless of whether the unborn is deprived if there are other deprived children in the family who are otherwise eligible.
- If the only deprived child is an unborn in the last four months of pregnancy and the mother is being evaluated for Section 1931(b), the spouse or unmarried father is an ineligible member of the Section 1931(b) MFBU and is not eligible for Section 1931(b) until the birth of the unborn. The father should be evaluated for the MN program. Continued Eligibility and Sneede rules apply. The unmarried father may choose to opt out if he wishes.

## MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

### Example 2: (Family Members Who are Not Eligible for Section 1931(b) Due to Age)

A father and two children age six and eight were receiving CalWORKs. His spouse was not eligible for CalWORKs because she did not participate in the CalWORKs work requirements and was receiving Medi-Cal under the Section 1931(b) program. The oldest child was not eligible for CalWORKs because he is age 20. The father and the two younger children have now been terminated from CalWORKs because of an increase in earnings from employment. Reevaluate the entire family for Section 1931(b). As of March 1, 2000 all are considered recipients, even if the 20 year old was not receiving CalWORKs or Section 1931(b) in the first month of eligibility.

<u>1931(b)</u>	<u>MN/MI</u>
Father	20-year-old
Child #1 (\$)	
Child #2	
Mom	
<20-year-old>	

Mother can be considered for 1931(b) because there are no work requirements for this program. The 20-year-old is included as an ineligible member of the Section 1931(b) MFBU, but also evaluated under regular Medi-Cal in his/her own MFBU. If the rest of the family is eligible for Section 1931(b), they may continue to receive zero SOC Medi-Cal under this program. Should they later be terminated for an increase in earnings, they would be eligible for Transitional Medi-Cal; however, the 20 year old would not.

### Example 3: (Applicant Family – Sneede & Poverty Level Programs Apply)

The same family above now has different circumstances. They are applying as applicants and are not eligible for 1931(b) using applicant (Alternative B) income limits (100 percent with \$90 deductions). Sneede rules apply because Child #1 has income. In this case everyone except the 20 year old and Child #1 are found to be eligible for 1931(b) after the Sneede determination.

<u>1931(b)</u>	<u>Sneede</u>	
	MBU#1	MBU#2
Father	Father	Child #1 (\$)
Child #2	Mom	
Mom	Child #2	
Child #1 (\$)	<20-year-old>	
<20-year-old>		

Child #1 would be evaluated with the 20-year-old under the MN program. Sneede would apply if they have an SOC.

<u>MN/MI</u>	<u>Sneede MN/MI</u>	
	MBU #1	MBU#2
20-year-old		
Child #1(\$)	20-year-old	Child #1(\$)
These children have a SOC	20-year-old has no SOC	Child #1 has a SOC

---

## MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

---

### Poverty Level Program

All family members are included in the poverty level determination for child #1. Compare the net nonexempt income of the responsible relatives to the poverty limit for five. If child #2 or the 20-year-old had income, their income would not be used, but the family size would remain the same.

<Father>  
<Child #2>  
<Mom>  
Child #1(\$)  
<20-year-old>

Assume Child #1 is eligible. The Section 1931(b) family members are considered recipients in the following month. The family should be redetermined as recipients to see if Child #1 is now be eligible for Section 1931(b) using Alternative A limits and deductions. The 20 year old is still ineligible.

### Example 4: (Stepparent with Separate and Non-Deprived Mutual Children)

Husband and wife with separate and two mutual children apply for Medi-Cal. This family was not terminated from CalWORKs or Section 1931(b) in the last four months; therefore, they are treated as applicants. The children have no income. The wife is the principal wage earner, is employed over 100 hours and the family's earned income is above the Unemployed Parent income limit (100 percent of the FPL); therefore, the mutual children are ineligible for Section 1931(b) because they are not deprived. Since the separate children are deprived due to an absent parent, only the mutual children have no linkage.

<u>1931(b)</u>	<u>Sneede</u>	<u>Sneede</u>	<u>Sneede</u>
Husband	MBU #1	MBU #2	MBU #2
Wife	Husband		
<Mutual Children>	Wife	Mom's Child	Dad's Child
Wife's Separate Child	<Mutual Children>		
Husband's Separate Child			

Assume family fails the current Section 1931(b) 100% income limit. Sneede rules apply. Assume MBU#1 passes. Evaluate the separate children for the MN or Percent programs if they have a SOC. Evaluate the mutual children for the MI program. If the children have a SOC in the MN/MI program, they would be evaluated for the Percent program using the responsible relative's family's income in the MFBU. Compare the income limit to the poverty limit for a family size of six. If the parents have no mutual or separate child eligible for a program with zero SOC, they are not be eligible for the Section 1931(b) program and should be evaluated for the MN program.

Note: If the stepparent had no separate child in the household, he/she could be linked as an essential person for Section 1931(b), but not for the MN program. His income must be included if his spouse is requesting benefits even if he does not wish to be aided. See Example 7.

<u>MN Program</u>	<u>MI Program</u>
Separate Children	Mutual Children

---

## MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

---

### Example 5: (Only the Separate Children of a Parent in a Stepparent Household Apply)

If only the separate children of a parent wish to be aided (applicants), Section 1931(b) uses the same rules as the MN/MI program. Only the separate children and their ineligible parent are in the MFBU. Follow the procedures as described in Article 5K Example C, or Article 8F Example 10; however, use the applicant (Alternative B) income deductions, parental needs allowance, and income limits. The ineligible wife is allowed to allocate to her spouse, separate child, and any non-deprived mutual children which reduces her total income. The allocation to her spouse and any mutual children are deducted from the net non-exempt income (net balance available to the MFBU from Mom). This balance plus any income from the separate children are compared to the 100 percent limit for a family size of those in the budget unit only. If the separate children are ineligible for Section 1931(b) and are eligible as MN's with a SOC, determine eligibility for the Percent program and compare the parent and her children's income to the limit for only the ineligible parent and her separate children.

#### 1931(b)

<Mom> (Net income minus deductions and allocations to spouse and mutual children)  
Mom's Separate Children

### Example 6: (Sneede Case - Child with Income is only Eligible For Percent Program)

A single mother and her nine month-old child with income apply for Medi-Cal. The mother has net nonexempt income of \$889 and the child has net nonexempt income of \$620. The county determines Section 1931(b) and then applies Sneede because the family is over the Section 1931(b) limit.

<u>Section 1931(b) MFBU</u>		<u>Sneede</u> <u>MBU No. 1</u>	<u>Sneede</u> <u>MBU No. 2</u>
Mother	\$ 889	Mother \$696	Child \$620 + \$193 from Mother
Child	\$ 620	Total \$696	Total \$813
Total	\$1,509	Limit \$696	Limit \$469
Limit (2)	\$ 938		

The mother passes Section 1931(b) because she keeps her parental needs amount of \$696 and allocates the remainder to her child; however, the child is above the prorated Sneede 100% limit. The county then evaluates the child for the MN program. Since the child has a SOC, he or she is evaluated for the 200 Percent program. There are no health premiums to add back.

#### MN

Child \$620  
Total \$620  
Limit \$600

#### 200 Percent Program

Mother's Income \$ 889  
Child's Income \$ 620  
Total \$1,509  
Limit (2) \$1,875

Child is eligible for the 200 Percent program. Mom is eligible for Section 1931(b) because she has a child who is eligible for Medi-Cal with no SOC. The child may be eligible as a recipient the following month if Mom has earned income using Alternative B.

### Example 7: (Married Couple, Mutual and Separate Children, and a 20 Year Old)

Married parents apply for Medi-Cal for themselves, their two mutual children and the mother's two separate children, one of which is a 20-year-old child. The mother's net nonexempt earned income is \$1000 and the father's net nonexempt unearned income is \$589. The mother's 20-year-old has net nonexempt earned

## MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

income of \$500. The principal wage earner works 100 hours or more and the family pass the earned income U-parent test so there is deprivation for their mutual children.

### Section 1931(b) MFBU

Mother	\$ 1000
Father	\$ 589
Mutual Child no. 1	0
Mutual Child no. 2	0
Mother's 10-Year-Old	0
<Mother's 20-Year-Old>	<u>\$ 500</u>
Total	<u>\$2,089</u>
Limit for 6	\$1,905

Since the family is over the Section 1931(b) 100% limit and there are Sneede class members, Sneede rules apply. The Section 1931(b) Sneede parental needs amount at this time is \$696. The mother keeps \$696 and allocates  $\$304 \div 5 = \$60.80$ . The father keeps \$589 because he has less than the parental needs limit.

### MBU No. 1 Sneede

Mother	\$696	\$696.00
Father	\$589 + \$60.80 from Mother	\$649.80
Mutual Child no. 1	\$60.80 from Mother	\$ 60.80
Mutual Child no. 2	\$60.80 from Mother	<u>\$ 60.80</u>
Total		<u>\$1467.40</u>
Limit		\$1421.00

The mother, father, and mutual children are not eligible for Section 1931(b). The mother, father, and the mutual children should be evaluated for the MN program.

### MBU No. 2 Sneede

Mother's 10-year-old = \$0 + \$60.80(from Mother)	
Total	<u>\$60.80</u>
Limit	\$469.00

Mother's 10-year-old is eligible for 1931(b)

### MBU No. 3 Sneede

< 20-Year-Old > = \$500 + \$60.80 from Mother	
Total	<u>\$560.80</u>
Limit	\$469.00

This child is not eligible for 1931(b) because he/she is over the age limit.

The income of the 20-year-old is used again because children are not responsible relatives. If a mutual child in MBU No. 1 had his or her own income, it also would be used again.

### MN/MI

Father	\$ 589
Mother	\$ 1000- \$60.80 allocated to 10 year old
Mutual Child No. 1	\$ 0
Mutual Child No. 2	\$ 0
Mother's 20-Year-Old	<u>\$ 500</u>
Total	<u>\$ 2028.20</u>
Limit	\$ 1259.00

These family members are over the limit. Sneede rules would apply. Those children who did not pass would be evaluated for the Percent program. NOTE: If Sneede applies to a MN/MI budget unit and there are no parents in the MFBU because they were eligible for Section 1931(b), the child(ren) in the MBU receive a full standard of need rather than a prorated income/property limit similar to when a parent is PA or other PA. In month two, redetermine the family as recipients using Alternative A and the \$240+1/2 disregards.

---

## MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

---

### Example 17: (Recipient Senior Parent with Care and Control, Adult Parent, and Adult Parent's Child)

Same example as 16; however, the adult parent has \$1500 gross earned income using Alternative A which makes the family ineligible for Section 1931(b).

#### Section 1931(b) MFBU

Grandmother	\$620 net nonexempt unearned income
Adult Parent	\$1500 - \$240 + 1/2 = \$630 net nonexempt earned income
Child	\$ 0
Total	\$1250
Limit (3)	\$ 793

Alternative B should now be applied using the \$90 and the 100% FPL limit to determine if this method would be more beneficial. The Sneede computation is postponed pending the results of the Alternative B (100% FPL) determination.

#### Section 1931(b) MFBU

Grandmother	\$620 net nonexempt unearned income
Adult Parent	\$1500 - \$90 = \$1410 net nonexempt earned income
Child	\$ 0
Total	\$2030
Limit (3)	\$1180

The family is still ineligible. Apply Sneede rules for Alternative A.

#### Section 1931(b) Sneede MBU#1

Grandmother	\$620 net nonexempt unearned
Total	\$620
Limit (1)	\$390

#### Section 1931(b) Sneede MBU #2

Adult Parent	\$1500 - \$240 + 1/2 = \$630
Child	\$ 0
Total	\$630
Limit for (2)	\$639

The adult parent and child in MBU#2 are eligible for Section 1931(b). Determine Sneede MBU #1 again using Alternative B income limits. No \$90 deduction is allowed because Grandmother's income is unearned. No aged, blind, or disabled MN deductions are allowed under the Section 1931(b) program.

#### Section 1931(b) Sneede MBU#1

Grandmother	\$620 net nonexempt unearned income
Total	\$620
Limit (1)	\$696

Grandmother is eligible. Note: If Grandmother were not eligible, she could not be aided in the MN program unless she has linkage of her own such as aged, blind, or disabled because the MN program does not allow a caretaker relative to be aided if there is a parent living in the home regardless of who has care and control. If she were terminated from CalWORKs because the family's earnings were from employment and they had received CalWORKs for three of the last six months, she would be eligible for TMC.

---

## MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

---

### Example 18: (20 Year Old Parent Living with Her Child and Senior Parents)

A 20-year-old parent has care and control of her two year old child, lives with her senior parents, and all are requesting Medi-Cal as applicants. There is absent parent deprivation for the child. The 20-year-old is considered an adult in the Section 1931(b) determination. The senior parents are not in the Section 1931(b) MFBU because they are not caretaker relatives of a Section 1931(b) child. The senior parents may be aided under the MN program if the 20-year-old is not eligible for Section 1931(b) and he is deprived by the senior parent's incapacity, unemployment. Otherwise the 20-year-old is MI and the senior parents are ineligible unless they are aged, blind, or disabled.

#### Section 1931(b) MFBU

20-Year-Old Parent	\$1090-\$90=\$1000 net nonexempt earned income
20-Year-Old Parent's Child	\$ 0
Total	\$1000
Limit	\$938

The 20-year-old and her child are not eligible for Section 1931(b), all family members may be evaluated for the MN program following the minor mother MN/MI MFBU rules since the 20 year old is still considered a child. Assume the senior parent is incapacitated.

#### MN MFBU #1

Senior Dad	\$650 net unearned income
Senior Mom	\$ 0 income
20-year-old Parent	\$1000 net earned income
Total	\$1650
Limit	\$ 934

#### MN MFBU#2

<20-year-old Parent>	\$1000 net earned income
20-year-old Parent's Child	\$ 0
Total	\$1000
Limit	\$ 750

The senior parents and the 20 year old have a SOC of \$716. Redetermine MFBU#1 using Sneed rules. Mom and Dad are eligible with no SOC. The 20-year old parent has a \$688 SOC. Evaluate the two year old child for the 133 percent program using only the income of her 20 year old parent (\$1000) with a family size of two. The two year old is eligible for the 133 percent program.

### Example 19: (Essential Person)

Married couple with no mutual children apply for Medi-Cal. The wife has a separate child. The stepfather requests to be aided as essential person. He may not opt out because his wife wants to be aided; however, he can be an ineligible member of the MFBU if he does not want to be aided. The wife has no income. The child has net income of \$100. The stepfather has \$2,000 net nonexempt income per month.

#### Section 1931(b)

Stepfather	\$2,000
Mother	\$ 0
Separate Child	\$ 100
Total	\$2,100
Limit	\$1,180

Since the family is ineligible for Section 1931(b), Sneed rules apply. The stepfather keeps \$696 and allocates the remainder to his wife = \$1,304. The mother has no income and allocates nothing to her child.

## MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

**Section 1931(b) Sneede**  
**MBU#1**

Stepfather	\$	696
Mother	\$0 +	\$1,304
Total		<u>\$2,000</u>
Limit		\$938

**Section 1931(b) Sneede**  
**MFBU #2**

Separate Child	\$100
Total	<u>\$100</u>
Limit	\$469

The child is eligible; however, the mother and stepfather are not eligible for Section 1931(b) and should be evaluated for the MN and county programs. The stepfather is not eligible for the MN program as an essential person. NOTE: He may only be aided as an MN if his wife is incapacitated since he has no deprived child.

**MN**

<Stepfather>	\$2,000
Mother	<u>0</u>
Total	\$2,000
Limit	934

The mother has a share of cost of \$1,066. Redetermine case as recipients in month two using Alternative A, if family has earned income.

**Example 20: (Spouse in Long Term Care)**

Mother is disabled and in long term care. She is in her own MFBU. Father and their mutual two children apply for Medi-Cal. Mom allocates \$400 to her husband. Each child receives \$200 from Social Security. The father has \$890 gross earned income.

Father	\$1200 (\$400 from Mom + \$890-\$90)
Child #1\$	\$ 200
Child #2 \$	<u>\$ 200</u>
Total	\$1600
Limit	\$1180

The family is ineligible for Section 1931(b) as applicants. Sneede rules apply. The Father keeps \$696 and allocates the remainder to his children ( $\$1200 - \$696 = \$504 \div 2 = \$252$ )

MBU#1	MBU#2	MBU#3
Father <u>\$696</u>	Child #1 <u>\$200+\$252</u>	Child #2 <u>\$200 +\$252</u>
Total \$696	Total \$452	Total \$452
Limit \$696	Limit \$469	Limit \$469

All are eligible for Section 1931(b). Note: If Mom allocated income to children who had no other income, that would also become a Sneede case.

**Example 21: (Married Applicants and Children with Earned and Unearned Income)**

Married parents with two mutual children (assume Dad is incapacitated) are applying for Medi-Cal. Mom earns \$800/month and the father receives \$200/month in Social Security disability income. Child #1 (who is 17 and not in school) has earnings of \$300/month. Child #2 receives \$400/month in Social Security Disability. For purposes of determining the Section 1931 eligibility for applicant's, Dad's \$200 and Child #2's \$400/month in Social Security disability payments are treated as unearned income (the \$240 and one-half deduction does not apply to applicants.) Therefore, the father's \$200 and child #2's \$400 disability income amounts result

## MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

in the family having \$600 in net unearned income. Subtract the \$90 work expense deduction from Mom's earning and Child #1's earnings, leaving Mom with \$710 in net earnings and Child #1 with \$210 in net earnings. Add these two amounts together to get the family's total net earnings: \$920. Add the family's total net earnings (\$920) and the family's total net unearned income (\$600) together to get the family's total net nonexempt income: \$1,520. Compare this to the current Section 1931 Program income limit for a family of 4: \$1421 (Alternative B- 100 percent of the FPL).

### Section 1931(b) MFBU

Mom	\$ 710 net nonexempt
Dad	\$ 200 net nonexempt
Child #1\$	\$ 210 net nonexempt
Child #2\$	\$ 400 net nonexempt
Total	<u>\$1,520 net nonexempt</u>
Limit	\$1,421 net nonexempt

As applicants, the family is ineligible because their net nonexempt income of \$1,520 exceeds the Section 1931 income limit for the family. Sneede rules would then apply. Mom keeps the \$696 parental needs allocation and divides the remainder of \$14 by 3 = \$4.66. Dad's income is below the parental needs limit; therefore, he keeps the entire \$200. See the Applicant Budget Sheet in the Attachments for this example.

### Section 1931(b) Sneede

<u>MBU #1</u>	<u>MBU #2</u>	<u>MBU #3</u>
Mother \$696	Child #1 \$210 + \$4.66	Child #2 \$400+\$4.66
Father <u>\$200+ \$4.66</u>	Total <u>\$214.66</u>	Total <u>\$404.66</u>
Total \$900.66	Limit \$393	Limit \$393
Limit \$938		

Mother, Father, and Child #1 are eligible for Section 1931(b). Evaluate Child #2 for the MN program.

### MN Program

MFBU  
 Child #2\$ \$400  
 Limit \$600

Child #2 is eligible without a SOC. In month #2, use Alternative A and the \$240 +1/2 deductions for recipients to determine if Child #2 is eligible for Section 1931(b). See the worksheet example (a) in the Charts and Forms section.

### **Example 22: (Unmarried Parent Working 100 Hours or More)**

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 \$690 earned income and \$700 unearned income. Dad has \$500 unearned income. The children have no income.

### Section 1931(b) Determination

Mom's net nonexempt income	\$1300 (690-\$90+\$700)
Dad's net nonexempt income	500
Mutual child	0
Mom's child	<u>0</u>
Total income	\$1,800
Limit for 4	\$1,421