

State of California—Health and Human Services Agency
Department of Health Services



California
Department of
Health Services

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Director

April 19, 2002

GRAY DAVIS
Governor

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL LETTER NO.: 265

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

ARTICLE 5R - 250 PERCENT WORKING DISABLED PROGRAM

Enclosed are revised pages of Article 5R of the Medi-Cal Eligibility Procedures Manual, including corrected Table of Contents pages.

Filing Instructions:

Remove Pages

Table of Contents
Pages TC-9 and TC-10

Article 5R
Pages 5R-1 and 5R-2
Pages 5R-5 and 5R-6

Insert Pages

Table of Contents
Pages TC-9 and TC-10

Article 5R
Pages 5R-1 and 5R-2
Pages 5R-5 and 5R-6

If you have any questions regarding these procedures, please contact Ms. Vicki Partington of my staff at (916) 654-5909 or E-mail Vparting@dhs.ca.gov.

Sincerely,

Original signed by

Richard Brantingham
Acting Chief
Medi-Cal Eligibility Branch

Enclosures

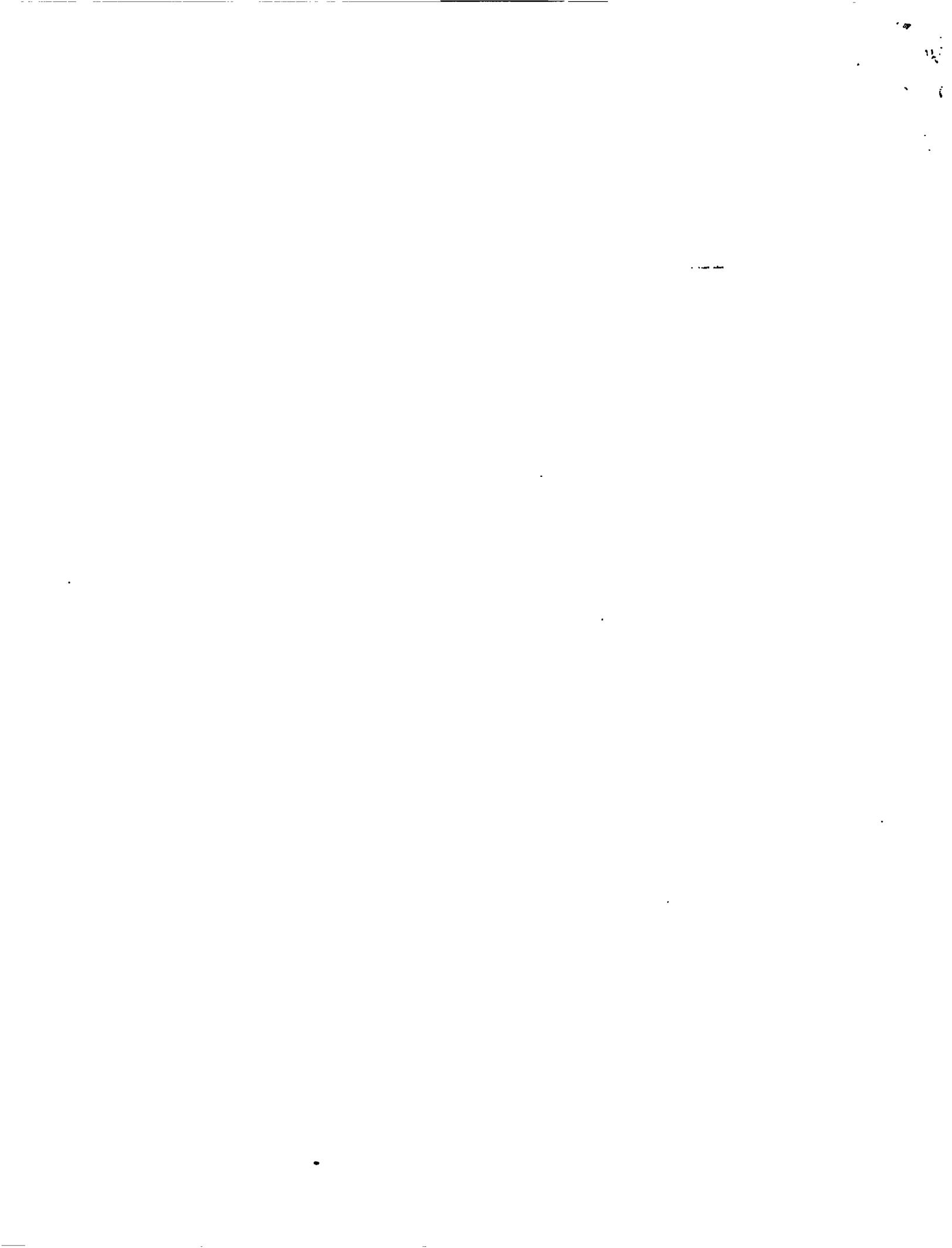


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- V. MC 278 TB TUBERCULOSIS (TB) PROGRAM PROPERTY WORKSHEET-ADULT
- VI. MC 279 TB TUBERCULOSIS (TB) PROPERTY WORKSHEET-CHILD
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- VIII. MC 282 TB TUBERCULOSIS (TB) PROGRAM INCOME ELIGIBILITY WORKSHEET

50 -- VOID - NOT TO BE USED

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5R - 250 PERCENT WORKING DISABLED PROGRAM

1. LEGISLATIVE BACKGROUND

Section 4733 of the federal Balanced Budget Act of 1997, Public law 105-33, created a new optional categorically needy group for the employed disabled individuals with income below 250 percent of the federal poverty level (FPL). California adopted this option pursuant to Assembly Bill 155, Chapter 820, Statutes of 1999 as the 250 Percent Working Disabled (WD) program with an April 1, 2000 effective date.

2. PROGRAM DESCRIPTION

The 250 percent WD program is full-scope Medi-Cal coverage with the Aid Code of 6G. To be eligible for the 250 percent WD program the individual must:

- be employed;
- meet the federal definition of disability except the individual is allowed to perform Substantial Gainful Activity (SGA);
- have net nonexempt income below 250 percent of the FPL;
- be eligible to receive SSI/SSP benefits if earning were disregarded;
- pay a monthly premium based on the individual's income;
- meet all other non-financial Medi-Cal eligibility requirements.

California adopted the federal option of using the more liberal income and resource methodology to determine eligibility as follows:

- Exempting the individual's disability income, and
- Exempting retirement arrangements authorized through the Internal Revenue Code.

Individuals receive full-scope Medi-Cal for a monthly premium to be paid to the Department of Health Services. Individuals will be issued a monthly premium statement by the Department, including an invoice and envelope with which to return their payments. Individuals will be discontinued from the program if they do not pay premiums for two consecutive months. Eligibility for the program is retained for these two transition months.

There is a six-month penalty period following the month of discontinuance based on nonpayment of premiums. Individuals wishing to reenroll in the program during the 6 month penalty period must either:

- pay the premiums for the current month and the premiums owed for the two transition months in which premiums were not paid; or
- reapply after the six-month penalty has passed. No premiums will be owed for past months; the individual is treated as a new applicant.

3. MEDI-CAL FAMILY BUDGET (MFBU) COMPOSITION

The 250 percent WD beneficiary is to be treated as "Other Public Assistance (PA)." He or she is in his or her own MFBU. Couples are in the MFBU together only if both parties of a couple meet the eligibility criteria for the 250 percent WD program.

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To determine the MFBU:

- First evaluate the whole family, including the working disabled individual for Section 1931(b) eligibility.
- If the entire family is ineligible for Section 1931(b) with the working disabled person, evaluate the working disabled person for the 250 percent WD program.
- If he or she is eligible, he or she is considered "other PA" and is in his or her own MFBU.
- Evaluate the rest of the family for the Section 1931(b) program without the 250 percent WD individual in that MFBU.
- If the family is ineligible for Section 1931(b), usual Medi-Cal procedures are followed to determine that family's eligibility for other Medi-Cal programs.

In the case of a parent and child both qualifying for the 250 percent WD program, each will be in his or her own MFBU.

4. COUNTY RESPONSIBILITIES

Determine program eligibility for children and adults:

The county welfare department (CWD) shall determine whether an applicant meets Medi-Cal's financial and non-financial requirements, including California residency, and in addition meets all program requirements for the 250 percent WD program.

- a. Determine whether the individual is employed. For purposes of the 250 percent WD program "work" is undefined. Individuals are required to provide proof of employment (e.g., pay stubs or written verification from an employer). If an applicant or beneficiary is self-employed, he or she is required to provide bona fide records (e.g., a contract, which may include the work-duration, and W2 forms, or the 1099 Internal Revenue Service form. An individual is considered working if he or she is receiving sick leave or vacation pay from his or her employer.
- b. Determine whether a disability exists according to the conditions of the California Code of Regulations, Title 22, Section 50223. For applicants that have not had a disability determination, the CWD shall prepare a disability package in the same manner used for any individual applying for Medi-Cal under the disability category. However, 250 percent WD individuals cannot be denied disability status by the State Disability and Adult Programs Divisions (DAPD) for performing SGA. The CWD shall send the completed disability package to DAPD in accordance with the provisions outlined in Procedures, Section 22-C-6 of the Medi-Cal Eligibility Manual.

Note: When completing the MC 331, the county shall check the box identified as "Other" in Section No. 8 and annotate the following in Section No. 10, "250 Percent Working Disabled Program-No SGA Determination Required."

- c. Determine net nonexempt income in accordance with the provisions outlined in CCR, Title 22, Article 5, except as follows:
 1. Determine inkind income using Supplemental Security Income's (SSI's) requirements for treating inkind support and maintenance (ISM). See Section 5, and the attached Section 14 of the Pickle Handbook which provides detailed instructions about ISM.

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income must be equal to or less than the SSI/SSP payment level for:

- One person, if the individual is a child, an adult without a spouse, or an adult with an ineligible spouse and spousal deeming does not apply; or
- Two persons, if a couple is applying, or an individual with an ineligible spouse is applying and spousal deeming applies.

3. SSI/SSP property determination:

- a. To determine whether net nonexempt property meets the SSI/SSP property test, complete the MC 338C, "SSI/SSP Property Test Worksheet for the 250 Percent Working Disabled Program Adults and Child Applicants".
- b. To meet the SSI/SSP property test, the net nonexempt property of a child or single individual must be less or equal to the property level for one (\$2,000) or, for an individual with a spouse, the property level for two (\$3,000).

4. Ensure that the individual is provided with the MC 338G entitled "Premium Payment Information for the 250 Percent Working Disabled Program" at the time of initial approval and redetermination. This form describes the various requirements relating to the premium payment system. Although no face-to-face interview is required, if an interview is requested, the county must review the contents of this form with the individual.

g. Determine premium amounts:

Based on the nonexempt net countable income as determined by completing the MC 338, "250 Percent Income Test Work Sheet for the 250 Percent Working Disabled Program-Adults" for either an individual or a couple; or the MC 338B, "250 Percent and SSI/SSP Income Test Work Sheet for the 250 Percent Working Disabled Program-Child Applying With or Without Ineligible Parent(s)" for a child, the county will determine the monthly premium amount according to the following chart.

Net Countable Income		Premium Amount for One Eligible Individual	Premium Amount for an Eligible Couple
From	To		
\$1	\$600	\$20	\$30
\$601	\$700	\$25	\$40
\$701	\$900	\$50	\$75
\$901	\$1,100	\$75	\$100
\$1,101	\$1,300	\$100	\$150
\$1,301	\$1,500	\$125	\$200
\$1,501	\$1,700	\$150	\$225
\$1,701	\$1,900	\$175	\$275
\$1,901	\$2,100	\$200	\$300
\$2,101	Up to 250 percent of the FPL for two	\$250	\$375

Use the net countable income for one if an individual or child is applying.

Use the net countable income for two if an individual is applying and the spouse's income is counted or if a couple is applying.

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h. Reporting to MEDS:

If the CWD determines that the individual is eligible for the 250 percent WD program, the county must report his or her Aid Code 6G via a transaction to MEDS through standard operating procedures. The county shall report the amount of premium in the share-of-cost (SOC) field.

The premium amount will show in the SOC amount field on the INQM screen. This screen will show the 6G with an eligibility status code reflecting whether the month:

1. is a month in which full premiums have been paid;
2. is an unpaid retroactive month;
3. is one of the "history" months (eligibility was reported for a month or months prior to the current MEDS months);
4. is one of the two months of exception eligibility where the individual has not paid full premiums but is still eligible (eligibility is terminated after two consecutive months of nonpayment of premiums); or
5. is a month of ineligibility because the individual has been terminated from the 250 percent WD program.

i. Redetermining for other programs

DHS will send an MC 338F "Notice of Action" with appeal rights to individuals that are discontinued from the 250 percent WD program for failure to pay premiums. Refer to Section VIII of these procedures for additional information of the premium payment process.

DHS will update the MEDS to show ineligibility and will notify the county of the discontinuance via a worker alert. The CWD shall conduct an expedited exparte redetermination as to whether the individual is eligible for any other Medi-Cal program.

5. INKIND SUPPORT AND MAINTENANCE (ISM):

ISM is defined as any food, clothing, or shelter that is either given to or received by a 250 percent WD individual that is paid for by another person. Shelter includes room, rent, gas, electricity, water, sewer, and garbage collection services. ISM is valued using two different methods described below. The following chart will describe when to use VTR or PMV.

- a. The value of the one-third reduction (VTR). This value is one third of the SSI (but not the combined SSI/SSP) payment rate.
- b. The presumed maximum value (PMV). This value is one-third of the SSI (but not the combined SSI/SSP) payment rate plus \$20. This value may be rebutted if the actual values for the item are less than the PMV.

Unless the VTR applies, PMV applies when the individual receives partial or full support from someone who is not a legally responsible relative. PMV can apply if given by a person outside the individual's home/household.

An individual is not charged both VTR and PMV in the same month. If VTR is charged, PMV may not be used. These values are unearned income and used to determine income eligibility.