To: All County Welfare Directors
All County Administrative Officers

April 10, 1990
Letter No: 90-34

SUBJECT: IMPLEMENTATION OF THE 133 PERCENT PROGRAM FOR CHILDREN UNDER AGE SIX

REFERENCE: ACWDL 89-50, 89-103

The purpose of this letter is to provide information on Section 6401 of the Omnibus Budget Reconciliation Act (OBRA) of 1989 which requires States on April 1, 1990, to provide Medi-Cal benefits at no share of cost to eligible children who have attained age one but who have not attained age six if the family income does not exceed 133 percent of the appropriate federal poverty level (FPL).

BACKGROUND

This provision of OBRA 89 which amends Section 1902 of the Social Security Act is similar to the requirements of the 185-Percent program and the 200 percent program except that the program is limited to otherwise eligible children of age one up to the age of six with a family income of 133 percent of the FPL.

PERIOD OF ELIGIBILITY

Eligibility under the 133 Percent program will begin for children who have attained age one but not age six, unless the child's eligibility continues under the 185 or 200 Percent programs because he/she was receiving inpatient services during a continuous period which began before and continues beyond the child's first birthday. Eligibility ceases at the end of the month in which the child attains age 6 unless the child is receiving inpatient services during a continuous period which began before and continues beyond the child's sixth birthday.
BENEFITS AND AID CODES

There will be two groups of children under the 133 Percent Program:

Aid Code 72 Citizen/lawful permanent resident/PRUCOL/Conditional Status

No special message will be printed on this Medi-Cal card; full scope benefits.

Aid Code 74 Undocumented status/temporary visa (OBRA)

Provides for treatment of emergency medical conditions only. This Medi-Cal card will bear the phrase: "Emergency services only."

These aid codes were formerly used for TPN and kidney dialysis patients. Further instructions will be provided on how to convert those individuals to other codes.

ELIGIBILITY DETERMINATION

1. **Regular Medically Indigent (MI) or Medically Needy (MN) Program**

   Similar to the 185 and 200 Percent programs, the county will continue to first determine whether a child who has attained age one but not age six is otherwise eligible for Medi-Cal and has a share of cost under the regular MI/MN program. If the child has no share of cost, approve aid under the regular MI/MN program. If the net nonexempt family income exceeds the maintenance need level, proceed to step 2.

2. **133 Percent Program**

   If the child is otherwise eligible and has a share of cost, determine if eligibility can be established under the 133 Percent program. If the net nonexempt family income does not exceed the 133 percent FPL, approve aid under this program. Net nonexempt family income is determined under the same criteria as the 185 and 200 Percent programs, (i.e., do not deduct health insurance premiums, apply only AFDC-MN deductions, do not reduce net nonexempt income by deducting medical expenses used to meet the share of cost, etc.). If the net nonexempt family income is over 133 percent of FPL, deny the case under the 133 Percent program.
Example:

1. Regular MI/MN SOC Program

<table>
<thead>
<tr>
<th>MFBU - MN</th>
<th>INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pregnant mom</td>
<td>$1200 net unearned income</td>
</tr>
<tr>
<td>unborn</td>
<td>- 40 health insurance premium</td>
</tr>
<tr>
<td>3 mo. old</td>
<td>$1160 net nonexempt income</td>
</tr>
<tr>
<td>Matthew</td>
<td>-1100 maintenance need level for 4</td>
</tr>
<tr>
<td>2 yr. old</td>
<td>$60 share-of-cost</td>
</tr>
<tr>
<td>Ryan</td>
<td></td>
</tr>
</tbody>
</table>

2. 133 Percent Program

The MFBU of the 133 Percent Program consists of Ryan.

Since health insurance premiums, medical expenses used to meet a share of cost, and deductions solely for the aged, blind, and disabled cannot be used to reduce the family's net nonexempt income for this program as well as for the 185 and 200 Percent program, the EW will recompute the family's net nonexempt income.

\[
\begin{align*}
\text{$1160 \text{ net nonexempt income}} \\
\text{+ 40 health insurance premium} \\
\text{$1200 \text{ adjusted net nonexempt income}} \\
\end{align*}
\]

Compare to 133 percent of the federal poverty level for 4 persons: $1408 (effective April 1, 1990).

Ryan is eligible for 133 Percent program.

Robyn, unborn, and Matthew are eligible for 185 Percent Program (compare 185 percent of the federal poverty level for 4 persons: $1958 effective April 1, 1990).

CASE COUNTS

As in the 185 and 200 Percent programs, cases which include children covered under the 133 Percent program will be counted only once whether or not they
are a new or existing case. Intake activity may be claimed either for an approved application or, where eligibility is not established under this program due to excess family income, for a denied application.

Regardless of the number of eligibles in a case receiving benefits under the 133 Percent program, they are all counted as one 133 Percent case.

Thus, if some of the Medi-Cal Family Budget Unit (MFBU) members are in a 133 percent case, some are eligible for the 185 or 200 Percent Program, and some are just in the regular MFBU, the county would receive three case counts.

FAMILY BUDGET UNITS

The eligible child of age one up to the age of six will be issued a card only under the 133 Percent program at no share of cost rather than from the regular MI/MN program (with a share of cost) since there is no difference in the scope of the benefits under either program. The child will be included in the maintenance need level under the regular MI/MN program and will be treated as an ineligible child (IC) of that Medi-Cal Family Budget Unit (MFBU).

Example

<table>
<thead>
<tr>
<th>133% Program</th>
<th>185% Program</th>
<th>Regular MI/MN Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 yr. old</td>
<td>Pregnant Mom</td>
<td>Unemployed Father</td>
</tr>
<tr>
<td></td>
<td>unborn</td>
<td>Pregnant Mom</td>
</tr>
<tr>
<td></td>
<td>5 mo. old</td>
<td>unborn</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5 mo. old (IC)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 yr. old (IC)</td>
</tr>
</tbody>
</table>

STUFFER OR MAILER

DHS will be sending a stuffer or mailer probably in June 1990, to all Medi-Cal beneficiaries who are age one up to age six with a share of cost. We have enclosed a draft of the stuffer or mailer for your review (Enclosure 1).

FORMS

The MC 176M will be revised for the 133 Percent program (see Enclosure 2 and 3) and will be available for county use at a later date. A camera ready copy will be provided as soon as possible.
NOTICES OF ACTION

Camera ready copies of Notices of Actions (NOA) for the 133 Percent program will be provided as soon as they are available. Counties may use NOAs similar to Enclosures 4 and 5.

Due to the many systems changes, (for example, MEDS may not be able to accommodate coverage of children under the converted aid codes (72 and 74) until June, 1990), counties will not be able to implement this program until June 1990. Counties should begin flagging cases with a 133 percent eligible child beginning April 1, 1990 so that retroactive cards can be issued in June. We will issue further instructions as soon as possible.

If you have any questions about this new program, please contact Marge Buzdas (916) 324-4972. Questions about system changes for the 133 Percent program or the aid code conversion should be directed to Tina Velasquez at (916) 323-9510.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

Enclosures

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

Expiration Date: April 10, 1991
NEW MEDI-CAL PROGRAM FOR CHILDREN AGE ONE UP TO SIX YEARS OLD
(133 PERCENT PROGRAM)

Beginning April 1, 1990, a new Medi-Cal program will provide medical care at no share-of-cost (deductible) to children who are age one up to age six.

This new program for children from ages one up to six will allow the family's monthly income to be higher for those children than for people who are on most other Medi-Cal programs. Even if the family is working or has other monthly income, the child may still be eligible under this new program.

Early and regular medical care will help ensure a healthy start for your child and are important to prevent future health problems.

If your child already gets Medi-Cal at no share-of-cost, you do not need this program since your child already receives those same Medi-Cal benefits at no share of cost. If your child already gets Medi-Cal but has a share of cost, the county welfare office will determine whether he/she is eligible for this new program.

For more information about this new program, contact your county welfare office.
I. Income of MFBU members applying as aged, blind, or disabled plus income of spouse or parent (except PA or other PA)

<table>
<thead>
<tr>
<th>A. NONEXEMPT UNEARNED INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. OASDI</td>
</tr>
<tr>
<td>2. Net Income from Property</td>
</tr>
<tr>
<td>3. Other - Itemize</td>
</tr>
</tbody>
</table>
| 4. Total
|   (add 1 thru 3)             |
| 5. Combined unearned income   |
|   (add 4 and 5)               |
| 6. Any income deduction       |
| 7. Countable unearned income  |
|   (6 minus 7)                 |

B. NONEXEMPT EARNED INCOME

9. Gross Earned Income
10. Combined earned Income
11. Self-earned Inc. deduction
12. Remainder (10 minus 11)
13. Countable Earned Income
14. Total countable income
   (add 8 and 13)

NOTE:
Any of the following deductions apply, complete
MC 176W, Part VI before completing Column I:
1. Educational Expenses
2. Student Deduction
3. $20 plus 1/3
4. Work Expenses for the Blind
5. Income for Self-Support

IV. Exempt Income

Is there a child of age 1 to 6 in MFBU?

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

Does MFBU have SOT? | YES | NO |

If both are "yes", do 133% computation

Eligibility Worker Signature

MC 176W (7/74)

- 133% COMPUTATION
- Eligible for 133% YES NO

Do not allow above deductions on earned income.

- Adjusted net non-exempt income
- 133% PFL for MFBU of

- Eligibility Worker Signature

- Adjusted Share of Cost
### Robyn Jones

**Case Name:**

- **New Application:**
- **Redetermination:**
- **Change:**
- **Retroactive Elig:**
- **Correction:**

**County District:**

**County Use:**

**Effective Eligibility Date for this Budget:**

<table>
<thead>
<tr>
<th>Mo.</th>
<th>Yr.</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4</td>
<td>Yr. 90</td>
</tr>
</tbody>
</table>

**State Number**

<table>
<thead>
<tr>
<th>Co.</th>
<th>Aid</th>
<th>7 Digit Serial No.</th>
<th>MFBU</th>
<th>Paras No.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Name – First, Middle, Last**

- **Robyn Jones**
- **Unborn (EDC: 8-9-90)**
- **Matthew Jones 12-2-89**
- **Ryan Jones 1-8-88**

**Case Number:**

<table>
<thead>
<tr>
<th>Name – First, Middle, Last</th>
<th>Birthdate</th>
<th>Sex</th>
<th>(1) Social Security No.</th>
<th>(2) Health Insurance Claim No.</th>
<th>Other Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robyn Jones</td>
<td>12-7-40</td>
<td>F</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unborn (EDC: 8-9-90)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Matthew Jones</td>
<td>12-2-89</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ryan Jones</td>
<td>1-8-88</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### I. Income of MFBU members applying as aged, blind, or disabled plus income of spouse or parent (except PA or other PA)

#### A. NONEXEMPT UNEARNED INCOME

- **a. ABD-MN**
- **b. Spouse or Parent**

1. **OASDI**

2. Net Income from Property

3. Other-Itemize

4. **Trust Income $1200**

5. Total unearned income (add 1 thru 4)

6. Combined unearned income (add 5 a and b)

7. Any Income deduction

8. Countable unearned income (16 minus 7)

### II. Income of MFBU members not listed in I. (except PA or other PA)

#### A. NONEXEMPT UNEARNED INCOME

1. Countable Income from 14

2. Countable Income from 11 9

3. Income allocated from LTC/B&C person to family members at home (167W, Part I)

4. Combined Countable Income (add 1, 2, and 3)

### III. Share of cost computation

#### A. NONEXEMPT UNEARNED INCOME

1. Countable Income from 14

2. Countable Income from 11 9

3. Income allocated from LTC/B&C person to family members at home (167W, Part I)

4. Combined Countable Income (add 1, 2, and 3)

#### B. NONEXEMPT EARNED INCOME

1. Total Net Earned Income

2. Countable Net Earned Income (MC 176W, Part IV, Line 11)

3. Total Countable Income

4. Subtotal (add 5 and 6)

5. Child Support/Alimony Paid

6. Total countable income (7 minus 8)

7. 133% Computation

8. Net countable income

9. 133% FPL for MFBU of

10. Eligible for 133% NO

#### NOTE:

- If there is income from which Educational Expenses are deducted (Section 50547), show calculations here. Enter net amount on line 3 or 4.

### IV. Exemptions

- **Are there a child of age 1 to 6 in MFBU?**
  - Yes
  - No

- **Does MFBU have SCHD?**
  - Yes
  - No

- **If both are "yes", do 133% computation**

**Eligibility Worker Signature**

**Worker Number**
DENIAL OR DISCONTINUANCE OF BENEFITS UNDER THE 133 PERCENT (%) PROGRAM

Case No. __________________
District: ________________
This affects: ________________
Name(s) ____________________

The 133% Program is a program for children from one to six years of age that provides Medi-Cal benefits at no share-of-cost. In addition to meeting other Medi-Cal eligibility rules, family income must be within certain limits to qualify for this program.

☐ A review of your case shows that your child(ren) does not qualify for this program because your family's income is over the allowable limit. This does not affect your child(ren)'s regular Medi-Cal eligibility.

☐ Eligibility for benefits under the 133% program ends because your child(ren) is six years old.

☐ Eligibility for benefits under the 133% program ends because:

IMPORTANT: If your child(ren) was hospitalized before his/her sixth birthday and continues to be in the hospital after the age of six, he/she may continue to be eligible for benefits at no share-of-cost. You must tell your worker about this right away.

The regulation which requires this action is California Code of Regulations, Title 22, Section __________.

(Eligibility Worker) __________ (Phone) __________ (Date) __________

PLEASE READ THE REVERSE SIDE OF THIS NOTICE

MC 239 B-5 (4/90)
MEDICAL NOTICE OF ACTION

APPROVAL FOR THE 133 PERCENT (%) PROGRAM

Case No. _________________
District: _________________
This affects: ___________________
____________________________
Name(s)

Beginning _________________, your child(ren) is eligible to receive Medi-Cal benefits without a share of cost under the 133% program for children from one to six years of age. Under this program, the child's Medi-Cal card will provide:

☐ Full Medi-Cal benefits.

☐ Restricted Medi-Cal benefits (services for treatment of emergency medical conditions only).

Eligibility under this program is based on your family's income, in addition to other program requirements. You must let your worker know about any changes within 10 days to see if your child(ren) is still eligible under this program.

The regulation which requires this action is California Code of Regulations, Title 22, Section ____________.

__________________________  _________________  ________________
(Eligibility Worker)        (Phone)    (Date)

PLEASE READ THE REVERSE SIDE OF THIS NOTICE

MC 239 B-6 (4/90)