



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



April 16, 2019

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 19-12
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALIST/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS
ALL QMB/SLMB/QI-1 AND 250 PERCENT WORKING DISABLED
COORDINATORS

SUBJECT: PROCESSING ELIGIBILITY DETERMINATIONS FOR THE 250
PERCENT WORKING DISABLED PROGRAM
(REF: ALL COUNTY WELFARE DIRECTORS LETTERS [17-03](#), [11-38](#),
[09-33](#), [00-51](#), [Welfare and Institutions Code section 14007.9](#))

The purpose of this All County Welfare Directors Letter (ACWDL) is to serve as an inclusive resource for the counties on the 250 Percent Working Disabled Program (250% WDP). Counties must familiarize themselves with the benefits of the program, and screen for potential eligibility for the program for all individuals who are disabled and working. This letter provides counties with the following informational enclosure: 250 Percent Working Disabled Program Advantages and Program Considerations.

For beneficiaries who have a share-of-cost (SOC), counties should be screening for potential 250% WDP eligibility, and share the 250% WDP Advantages and Program Considerations enclosure when appropriate. Counties are encouraged to incorporate its contents into their eligibility worker educational materials.

Background

In April 1, 2000, the 250% WDP expanded Medi-Cal eligibility to working disabled individuals who meet certain eligibility conditions, and provided an opportunity to buy into the Medi-Cal program by paying monthly premiums on a sliding scale based on net countable income. In [ACWDL 11-38](#), the Department of Health Care Services (DHCS) implemented the provisions of Assembly Bill (AB) 1269, which expanded the 250% WDP by allowing additional income and resource exemptions, and up to twenty-six weeks of temporary unemployment.

As a reminder, the order or hierarchy in which Medi-Cal eligibility must be determined is:

- Mega Mandatory Groups
- Modified Adjusted Gross Income (MAGI)
- Non-MAGI Optional Categorical
- Non-MAGI Medically Needy(MN)/Medically Indigent
- Non-MAGI (State Only)

The 250% WDP is a Non-MAGI Optional Categorical Program that allows certain working disabled individuals to become eligible for Medi-Cal by paying low monthly premiums based on their net countable income. Program enrollment is done at the local county social services department. See [ACWDL 17-03](#) for more information on the Medi-Cal hierarchy.

Evaluation Process

Eligibility for the 250% WDP must be determined before MN in accordance with the Medi-Cal hierarchy. In cases where the county has conducted a MN evaluation resulting in a Medi-Cal SOC for a beneficiary with a disability, the county must screen for 250% WDP eligibility, educate the beneficiary on the work requirement if they do not yet have earned income, and grant eligibility for the 250% WDP if all eligibility requirements are met.

Counties must provide individuals with information about the program, and the advantages and program differences between the 250% WDP in comparison to the MN program with a SOC. Counties must allow the individual to choose which program they prefer as instructed in [ACWDL 17-03](#).

Enclosed is an informational tool that county staff can provide to applicants and beneficiaries undergoing Medi-Cal eligibility determinations to help communicate the differences between the two programs.

Eligibility Requirements

To qualify for the program, individuals must meet the following eligibility requirements for the 250% WDP:

1. Meet the federal definition of disability, notwithstanding Substantial Gainful Activity requirements.

In order to meet the federal definition of disability, an individual must be determined disabled by the Social Services Administration (SSA) or undergo a disability determination from the Disability Determination Service Division (DDSD). Except for earnings, all 250% WDP eligibles must meet the federal definition of disability, as defined in federal law, and meet the nonfinancial requirements of the Medi-Cal program. The individual does not need to be currently receiving Social Security disability payments in order to meet the federal definition of disability.

If an applicant or beneficiary alleges a disability but has not yet had a disability determination, refer the case to DDSD for a disability determination.

During the period of time the individual is going through the DDSD disability determination, they will not be eligible for the 250% WDP until they are determined disabled.

2. Meet the eligibility requirements for the Supplemental Security Income/State Supplementary Payment (SSI/SSP) program, excluding exempt and earned income.

All 250% WDP eligibles must meet the income and property eligibility requirements of the SSI/SSP program; however, there is no requirement to have received SSI/SSP at any time.

A. SSI/SSP Income Determination

The county eligibility worker must first determine whether net nonexempt income is less than the SSI/SSP payment standard. (All disability-related income and all earnings of the individual are exempt in this determination).

This determination is based on SSI/SSP methodology. Use the following worksheets for the SSI/SSP income test for:

- Adult(s): [MC 338A SSI/SSP Income Test Worksheet for the 250% Working Disabled Program – Adults](#). Note: in order to complete the [MC 338A](#), the county must first complete the form [MC 338](#).
- Child(ren): [MC 338B](#)

To determine whether an individual meets the SSI/SSP income test, net nonexempt income must be equal to or less than the SSI/SSP payment level for:

- One person where one of the following applies:
 - A child is applying,
 - An individual adult without a spouse is applying, or
 - An individual adult has an ineligible spouse and spousal deeming does not apply.

- Two persons where either of the following applies:
 - Both spouses are applying for the 250% Working Disabled Program, or
 - An individual with an ineligible spouse is applying and spousal deeming applies.

B. SSI/SSP Property Determination

To meet the SSI/SSP property limits, the net non-exempt property of an individual with a spouse must be less than or equal to the property level for two (\$3000). If the person being screened is a child or an individual with no spouse, the net non-exempt property must be less than or equal to the property level for one (\$2000).

Individuals on the 250% WDP are allowed to build or keep Internal Revenue Service-approved retirement accounts (i.e. 401k, 403b, deferred compensation plans, etc.). These accounts are exempt and do not count towards the typical \$2,000 or \$3,000 asset/resource limit for Medi-Cal.

3. Net Countable Income Below 250 percent of the Federal Poverty Level (FPL)

The applicant's or beneficiary's family net non-exempt countable income must be less than 250 percent of the FPL. Income eligibility is based upon SSI program methodology, with the exception that the individual's disability based income is exempt. In counting income, "family income" includes:

- The applicant's or beneficiary's own income, except for disability-related income

- The spouse's income, if the spouse has income above a certain SSI threshold
- The parent(s)' income, if the applicant or beneficiary is a child

Effective April 1, 2019, 250 percent of the FPL for a single individual is \$2603 per month and \$3523 per month for two persons.

Note: DHCS publishes an annual ACWDL with updated FPL amounts. Use the 250 percent FPL for one person if the individual is a single individual, or is married and spousal deeming does not apply. If a couple is applying, or the individual is married and spousal deeming applies, use 250 percent of the FPL for two persons.

Note: Spousal deeming is an SSI budget methodology, and to determine if spousal deeming applies, follow the step-by-step instructions using the 250% WDP income test work sheet for the 250% WDP - adults ([MC 338](#)).

4. Working

All program participants must participate in a work activity, whether seeking eligibility as an individual or couple. For purposes of the 250% WDP, the definition of "work" is flexible. There are no minimum hours to work or minimum income to earn under the policy rules for the 250% WDP. Many people recycle cans, or work for a neighbor or friend as their work activity for the program. They only need to provide proof of employment by submitting a receipt or written verification from an employer. If an applicant or beneficiary is self-employed, he/she is required to provide bona fide records to substantiate work.

5. Pay a monthly premium

All beneficiaries must pay a monthly premium, based on countable income, ranging from \$20 to \$250 for an eligible individual or from \$30 to \$375 for an eligible couple.

Note: Couples pay a combined monthly premium to be enrolled in the program. Each spouse does not pay a separate monthly premium. See [ACWDL 18-18](#) for updated guidance and notices of action (NOAs) regarding 250% WDP premiums for spouses.

Example: Each spouse receives a NOA granting eligibility for the 250% WDP, showing a monthly premium amount of \$30. The total monthly premium the couple must pay is \$30, not \$60. DHCS issued an updated approval NOA (MC 338D) in [ACWDL 18-18](#). This updated NOA clarifies that couples do not pay separate premiums and that the premium amount listed on one spouse's NOA is the combined premium amount for both spouses.

Additional Program Features

- 26 Weeks of Unemployment

Counties must permit 250% WDP beneficiaries to remain on the program during periods of temporary unemployment up to 26 weeks during each annual eligibility period as long as they continue paying their monthly premiums. In this context, unemployment generally refers to the beneficiary's inability to do their work activity for a period of time due to illness, hospitalization, and the like. The 250% WDP beneficiary does not need to be receiving unemployment benefits of any type.

The timeline for measuring the period of unemployment begins with the date that the 250% WDP beneficiary states their unemployment began. The county needs to document this information in the county's eligibility record for this individual and after the 26 week period expires, the county must contact the individual regarding their employment status. If the 250% WDP beneficiary remains unemployed past 26 weeks per each annual eligibility period, the county shall review the case and redetermine eligibility for other Medi-Cal programs.

- Retained Earned Income in Separate Identifiable Account

The 250% WDP beneficiary has the option to retain their earned income in a separately identifiable account, but it is not a requirement. If they choose this option, the retained earned income is exempt as countable property and not counted in the Medi-Cal property reserve, and will continue to be exempt as long as it is held in a separately identifiable account and not commingled with other resources. Additionally, there is no limit on the amount that an individual can keep in their separately identifiable account as exempt retained earned income. A separately identifiable account is any account that the county can distinguish from a 250% WDP individual's other financial accounts, such as checking and savings accounts, that are countable property for Medi-Cal eligibility purposes.

Counties shall require individuals to furnish verification of their exempt retained earned income. Once verified, counties shall not include the individual's exempt retained earned income in the property reserve with checking, savings, or other countable property.

- Exempt Social Security Disability Income That Converts to Retirement Income

Social Security disability income that has converted to Social Security retirement income when the individual reaches full retirement age, including any increase (e.g., cost-of-living increase) in that income, is exempt for the 250% WDP. This provision applies to new applicants, beneficiaries, and individuals currently enrolled in the 250% WDP who reach their full retirement age for Social Security purposes. This exemption also includes recipients of Disabled Adult Child and Disabled Widow/Widower benefits.

Disability-related income from sources other than Social Security, such as other public or private retirement organizations, does not continue to be exempt income when the individual starts receiving retirement income from Social Security.

Example: If an individual receives disability benefits through a public entity, such as the California Public Retirement System, and then becomes eligible for Social Security income based on retirement, this provision would not apply and the income would no longer be exempt and, therefore, counted in the eligibility determination.

Counties should evaluate all sources of information available to them, including information from the Social Security Administration and the Medi-Cal Eligibility Data System, to substantiate Social Security income based on disability. Acceptable forms of verification include award letters or other written verification provided by the local Social Security office. For Disabled Adult Child or Disabled Widow(er), DHCS suggests obtaining an award letter or written verification from SSA. Workers may also obtain verbal verification from the local SSA office. Counties should document any verbal verification from SSA in the county case file since this specified retirement income is exempt for the 250% WDP.

- Continue to Exempt Retirement Accounts When Leaving 250% WDP

Under this program, retirement accounts (Individual Retirement Accounts, 401ks, 403bs, etc.) are exempt property. The exemption continues even if the person is

no longer eligible for the 250% WDP but is eligible for another Medi-Cal program for aged, blind, and disabled individuals.

- Eligibility for In-Home Supportive Services

A 250% WDP beneficiary can qualify for In-Home Supportive Services (IHSS), but he/she must meet the IHSS program requirements for Medi-Cal beneficiaries.

Premium Payment Options and Electronic Funds Transfer Process

DHCS is in the process of revising form MC 0384 with current information on the payment options for the 250% WDP. In the interim counties must utilize the Electronic Funds Transfer (EFT) flyer published in [ACWDL 18-18](#) to provide 250% WDP beneficiaries with current information on electronic payments.

The beneficiary has the option of making payments for the 250% WDP by check, money order, or through EFT. If the 250% WDP beneficiary chooses to make payments through EFT, the county should direct them to the EFT website and provide instructions on the One-Time pay option or how they can enroll. The EFT website is: www.govone.com/PAYCAL/DHCS

Note: If the county approves an individual for the 250% WDP, it does not mean that they are automatically enrolled in EFT. The 250% WDP beneficiary needs to follow the process outlined on the EFT website or in the EFT flyer. EFT payments may only be scheduled up to three months in advance. The only way for a beneficiary to set up automatic recurring payments is through their financial institution's bill payment service.

Refund Process

A 250% WDP beneficiary may request a refund in cases where a couple or individual continued to make payments when they were no longer enrolled in the program or when a couple made double payments in error. When requesting a refund for the 250% WDP premium payments, the beneficiary must provide satisfactory evidence of payment; e.g., copy of canceled check(s), copy of bank statement, and/or EFT reference number. Refund requests are processed by the Third Party Liability and Recovery Division. If the beneficiary has additional questions and/or need to request a refund, they can contact the 250% WDP Payment voicemail box at (916) 445-9891. The beneficiary can leave a voicemail, and will be contacted within two business days.

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If you have any further questions, please contact Tammy Kaylor at (916) 345-8060 or by email at Tammy.Kaylor@dhcs.ca.gov or Derek Soiu at (916) 345-8193 or by email at Derek.Soiu@dhcs.ca.gov.

Original Signed By

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Enclosure



JENNIFER KENT
DIRECTOR

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



GAVIN NEWSOM
GOVERNOR

Enclosure

**250 Percent Working Disabled Program
Advantages and Program Considerations
Advantages to 250 Percent Working Disabled Program (250% WDP):**

1. No share of cost (SOC)

- 250% WDP is Medi-Cal with no SOC.
- Monthly premium payments as low as \$20, instead of a high SOC.
- Access to medical care and In-Home Supportive Services benefits without SOC.

2. Extra benefits for persons with Medicare and Medi-Cal (dual eligibles)

- Medi-Cal pays for Medicare costs such as Part B monthly premiums, yearly deductibles, and Medicare cost sharing.
- If you qualify for Medicare, you may also qualify for Medi-Cal co-pay or premium payment programs, called Medicare Savings Programs.
- Automatic enrollment in Medicare Part D Prescription Drug Plan.
- Automatic eligibility for the Medicare Part D Low Income Subsidy.

3. Exemptions for disability income

- Disability-related income is **not** counted as countable income for monthly premium amount or program eligibility. Examples of disability income include Social Security Disability Insurance, State Disability Insurance, private disability benefits, Disabled Widow(er) and Adult Child benefits, or Workers Compensation.
- Social Security disability income is **not** counted when you retire and change to Social Security retirement income.

4. Flexible work requirements

- No minimum hours or income to earn for required work.
- Flexible definition of “work.” You **must** do some type of work. Qualifying work includes self-employment and work for a friend or neighbor. It includes a wide range of activities. Examples include reading aloud to or tutoring a child or language learner, opening and sorting someone’s mail, clipping coupons, sorting a neighbor’s recycling, or childcare.
- You get one 26-week period of unemployment each year if you get sick and cannot work.

5. Other benefits

- You can keep and build Internal Revenue Service (IRS)-approved retirement accounts such as 401k, 403b, and deferred compensation plans. These accounts do **not** count towards the usual \$2,000 or \$3,000 Medi-Cal asset and resource limit.
- If you live in a Medi-Cal managed care county, you can enroll in health plans with more providers and free Medicare advantage plans.
- Money you earn while in the 250% WDP stays exempt if you keep it in a separate account from other money.
- Your retirement accounts stay exempt, even if you later switch to another kind of Medi-Cal program.

Things to Consider When Comparing the Medi-Cal 250% WDP to Medi-Cal with a Share of Cost (SOC):

1. Must pay monthly premium cost for 250% WDP

- Payments are as low as \$20. Premiums are in place of paying SOC when you need Medi-Cal services.

2. Must earn some income each month to be approved for 250% WDP

- You must prove earned income with a letter from employer, photocopy of payment, paystub, contract or proof of income from self-employment.