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9A--PROPERTY HELD IN LIFE ESTATE

SCOPE:

This procedure section defines the terms used when referring to a "life estate" and provides instructions regarding the methods for determining the value of real and personal property held in nonexempt life estates or the values needed for transfer of property purposes.

NOTE: Life estates may be exempt as the principal residence if any of the conditions of Title 22, California Code of Regulations (CCR), Section 50425(c) exist.

BACKGROUND:

A life estate is an interest in real or personal property whose duration is limited to the life of the person holding it, or the lives of one or more other designated persons. Generally, a life estate entitles the owner of the life estate to possess, use, and obtain profits from the property as long as he/she lives. Actual ownership of the property is passed to another individual. A purchaser of the property would have to buy the property subject to the life estate, unless the life estate was also sold.

A life estate is a legal arrangement which may be created by any method of voluntary transfer of ownership permitted by law, for example, deed or testamentary will. Title 22, CCR, Section 50442, states that a life estate interest in real property shall be considered real property and a life estate interest in personal property shall be considered personal property. Procedures for determining the value of a life estate are based on whether the life estate is one or more of the following:

- ✓ revocable, or
- ✓ irrevocable, and
- ✓ whether the applicant/beneficiary was the owner of the property contained in the life estate when title of the property was transferred and the life estate was established.

Life estates held by Medi-Cal clients are often exempt as the principal residence. In many cases the applicant/owner of the property will grant a remainder (future) interest in his/her property to another individual(s) and reserve a life estate interest for him/herself. Frequently a life estate is created upon the death of one spouse from his/her separate property. The deceased spouse bequeaths the ownership of the property to a son or daughter but grants the surviving spouse a life estate interest in the property so that the surviving spouse may continue to live in the property for the remainder of his/her life.

Generally a life estate guarantees the life tenant/beneficiary the right to make full use of the property for as long as he/she lives and the right to income (if any) earned from the property. Some life estates may be restricted, however. Some may require the life estate owner to actually reside on the property and may not allow the property to be rented. Some entitle the remainderman (see definition below) to any and all income from the property. Some also require the remainderman to pay part or all of the maintenance, taxes or other expenses related to the property rather than the life tenant. The document granting the life estate should reflect any restrictions, if they exist, and must be viewed by the EW.

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Although life estates in the strict legal definition, refer only to estates in real property, common usage of the term also refers to interests in personal property based on the life of the life tenant or some other person(s). For example, a brother could put certificates of deposit into a life estate for a sister so that she may receive the interest income for the rest of her life, with the actual certificates of deposit reverting to the brother's children upon the death of the sister.

DEFINITIONS:

- **LIFE ESTATE** - An interest in real or personal property whose duration is limited to the lifetime of a person holding it, or to the lifetime of one or more other designated persons. It is also not essential that the words "life estate" be used when a life estate is created. Other phrases commonly used are:
 1. "To person A for the term of his/her life",
 2. "Person A reserves the possession or use of the property for the term of person A's lifetime",
 3. "To person A for the life of person X", or
 4. "To person A, but on person A's death to go to person B and his/her heirs."
- **LIFE TENANT/BENEFICIARY** - The person who holds a life estate interest. The life tenant/beneficiary need not be the same person as the grantor.
- **GRANTOR/TRUSTOR** - The person who owns property and gives a life estate to a life tenant with a future interest to one or more remainderman. The grantor may reserve a life estate interest for someone other than him/herself.
- **REMAINDERMAN** - The person(s) who owns the property subject to the life estate and who is entitled to the use of the property once the life estate ends (usually upon the death of the life tenant). Remainderman have a remainder interest or future interest (i.e., right to use or right to income) in the property.
- **REVOCABLE** - A life estate which can be revoked or terminated by its own terms.
- **IRREVOCABLE** - A life estate which cannot, in any way, be revoked by its own terms.

IMPLEMENTATION:

Counties shall implement the use of the revised Life Estate Value Table, (based on the California State Gift Inheritance Tax Formula and the Internal Revenue Service Actuarial Table) per Title 22, CCR, Section 50442, included here, on June 1, 1996, at application and redetermination. No potential overpayments shall be calculated. When a life estate results in ineligibility due to excess resources, counties shall issue an adequate 10-day notice and take action on a prospective basis only.

VERIFICATION:

Obtain a copy of the legal document which created the life estate. This is usually a grant deed.

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TREATMENT:

The value of a life estate must be calculated as part of the eligibility determination when:

1. The life estate is a nonexempt resource; or
2. The nonexempt life estate was transferred and the transfer is determined to be a disqualifying transfer. A determination must be made as to whether adequate consideration was received for the transfer; or
3. Nonexempt property was transferred with retention of life estate. The value of the life estate is needed to determine the amount of consideration received for the property transfer.

CALCULATING THE VALUE OF A LIFE ESTATE:

Title 22, CCR, Section 50442, states that a life estate interest in real property shall be considered real property and a life estate interest in personal property shall be considered personal property.

The three different sets of criteria for determining the value of a life estate for Medi-Cal eligibility purposes are as follows.

REVOCABLE LIFE ESTATE:

The net market value of a revocable life estate is determined by using the net market value of the property on which the life estate is held if all of the following conditions exist.

- ✓ The life estate is revocable by someone in the MFBU or the community spouse, and
- ✓ The MFBU member or community spouse was the owner of the property when the life estate was established, and
- ✓ The MFBU member or community spouse is retaining a life estate interest in the property.

To determine the net market value of a revocable life estate:

- a. Determine the current market value of the property in accordance with Title 22, CCR, Section 50412 (i.e., assessed value or appraised value).
- b. Deduct all encumbrances of record from the market value to determine the net market value of the property in accordance with Title 22, CCR, Section 50415.

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IN ALL OTHER CASES:

The net market value of the life estate is determined by using the "Life Estate Value Tables". The following are some examples of when to use this method.

- ✓ The life estate is irrevocable.
- ✓ The MFBU member or community spouse was not the owner of the property when the life estate was established.
- ✓ The life estate is revocable, but not by anyone in the MFBU or the community spouse.

To determine the net market value of life estates "in all other cases" using the "Life Estate Value Table":

- a. Determine the current market value of the property in accordance with Title 22, CCR, Section 50412 (i.e., assessed value or appraised value).
- b. Deduct the all encumbrances of record from the market value to determine the net market value of the property in accordance with Title 22, CCR, Section 50415.
- c. Using the "Life Estate Value Table", determine the life estate value factor based upon the life tenant's current age.
- d. Multiply the life estate value factor by the net market value found in b (above).

NOTE: A lesser value will be used if the applicant or beneficiary provides an appraisal of the life estate with a lesser value, determined by a party qualified to appraise life estates, i.e., a real estate appraiser, bank, savings and loan association, credit union, licensed loan or mortgage broker.

☆ **Example:** Mrs. Jones is 85 years old and has entered a long-term care facility. She does not intend to return to her home. No family member is living in the home. Her deceased sister had granted Mrs. Jones a life estate interest in the home and Mrs. Jones lived in it prior to entering long-term care. The life estate is not otherwise exempt as a principal residence in accordance with Section 50425(c). The value of her life estate interest, which is now considered other real property and not her principal residence, must be determined for utilization purposes. The net market value of the real property is \$20,000. The property is unencumbered.

☆ **Discussion:** Since Mrs. Jones is 85 years, her life estate value factor is .35359. The value of her life estate is $(\$20,000 \times .35359 =) \$7,071.80$. The value of her life estate interest must be utilized in order for her to have a \$6,000 exemption. In accordance with Title 22, CCR, Section 50427(c)(2), the net market value in excess of \$6,000 (in this example \$1,071.80) shall be included in the property reserve.

DETERMINATION OF PAST VALUE: To determine the value of a life estate at a time in the past when a nonexempt property transfer occurred:

- a. Determine the market value in accordance with Title 22, CCR, Section 50412 (i.e., assessed value or appraised value) at the time of transfer.

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- b. Deduct the all encumbrances of record at the time of the transfer from the market value to determine the net market value of the property.
- c. Use the "Life Estate Value Table" to determine the life estate value factor based on the life tenant's age at the time of transfer.
- d. Multiply the life estate value factor by the net market value found in b (above).

☆ **Example:** Mr. Johnson, age 83, transferred his nonexempt, second home [other real property (ORP)] to his son one year ago prior to applying for Medi-Cal. Mr. Johnson retained a irrevocable life estate interest in the ORP. In order to compute the value of the property transferred, the value of the life estate interest at the time the property was transferred must be determined. The period of ineligibility can then be determined. The assessed value of Mr. Johnson's ORP at the time it was transferred was \$19,000. Encumbrances of record totaled \$4,000 at the time of the transfer; therefore the net market value of the property was \$15,000.

☆ **Discussion:** Mr. Johnson was 82 years old when he transferred ownership to his son. The life estate value factor for an 82 year old is .40295. The value of Mr. Johnson's life estate interest at the time of the transfer was ($\$15,000 \times .40295 =$) \$6,044.25. The value of the life estate is subtracted from the net market value of the ORP at the time of the transfer, to determine the value of the ORP transferred without receipt of adequate consideration ($\$15,000 - \$6,044.25 = \$8,955.75$). The remaining amount, \$8,955.75, is used to determine the period of ineligibility in accordance with draft regulation Sections 50411.3 and 50411.5 in ACWDL 90-01.

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LIFE ESTATE SUMMARY CHART

Status of Property Transferred	Status of Life Estate	Treatment	Example
Property Was Exempt	Life Estate Exempt	Nothing to Count / No Disqualifying Transfer	Real Property Exempt Principal Residence Transferred and Exempt Life Estate Retained
Property Was Exempt	Life Estate Not Exempt	Value Life Estate / No Disqualifying Transfer	Real Property Exempt Principal Residence Transferred and Life Estate Retained But Currently No Intent to Return
Property Was Not Exempt	Life Estate Exempt	Potentially Disqualifying Transfer / Value Both the Life Estate and the Property Transferred to Determine Adequate Consideration / Value of Life Estate Not Included in the Property Reserve	Other Real Property Transferred and Life Estate Retained / Became Principal Residence
Property Was Not Exempt	Life Estate Not Exempt	Potentially Disqualifying Transfer / Value Both the Life Estate and the Property Transferred to Determine Adequate Consideration / Value of Life Estate Included in Property Reserve / Utilization	Other Real Property Transferred and Life Estate Retained with Right to Rental Income

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LIFE ESTATE VALUE TABLE

Based on the California State Gift Inheritance Tax Formula and the Internal Revenue Service Actuarial Table

AGE	LIFE ESTATE VALUE FACTOR						
1	.98988	28	.96062	55	.80046	82	.40295
2	.99017	29	.95813	56	.79006	83	.38642
3	.99008	30	.95543	57	.77931	84	.36998
4	.98981	31	.95254	58	.76822	85	.35359
5	.98938	32	.94942	59	.75675	86	.33764
6	.98884	33	.94608	60	.74491	87	.32262
7	.98822	34	.94250	61	.73267	88	.30859
8	.98748	35	.93868	62	.72202	89	.29526
9	.98663	36	.93460	63	.70696	90	.28221
10	.98565	37	.93026	64	.69352	91	.26955
11	.98453	38	.92567	65	.67970	92	.25771
12	.98329	39	.92083	66	.66551	93	.24692
13	.98198	40	.91571	67	.65098	94	.23728
14	.98066	41	.91030	68	.63610	95	.22887
15	.97937	42	.90457	69	.62086	96	.22181
16	.97815	43	.89855	70	.60522	97	.21550
17	.97700	44	.89221	71	.58914	98	.21000
18	.97590	45	.88558	72	.57261	99	.20486
19	.97480	46	.87863	73	.55571	100	.19975
20	.97365	47	.87137	74	.53862	101	.19532
21	.97245	48	.86374	75	.52149	102	.19054
22	.97120	49	.85578	76	.50441	103	.18437
23	.96986	50	.84743	77	.48742	104	.17856
24	.96841	51	.83674	78	.47049	105	.16962
25	.96678	52	.82969	79	.45357	106	.15488
26	.96495	53	.82028	80	.43659	107	.13409
27	.96290	54	.81054	81	.41967	108	.10068

50425

SECTION NO.: 50442

MANUAL LETTER NO.: 167 DATE: 8/20/96 9A-7



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SAMPLE : LIFE ESTATE

1 Recording Requested By
2
3
4 And When Recorded Mail To:
5 Attorney at Law
6 Sacramento, CA 95728
7 Mail Tax Statement to:
8 Sacramento, CA 95728
9
10 The undersigned grantor declares: No taxable Consideration. FOR
11 A VALUABLE CONSIDERATION, receipt of which is hereby
12 acknowledged,
13
Grantor → 14 [NAME OF GRANTOR]

Remainderman → 15 hereby remise, release, and forever quitclaim to (REMAINDERMAN
16 #1), (REMAINDERMAN #2), (REMAINDERMAN #3), AND
17 (REMAINDERMAN #4), as tenants in common, all of her right, title
18 and interest in and to the following described real property in the
19 County of Sacramento, State of California:

Description of Property → 20 Lot in Block , as shown and designated on the map
21 entitled " Subdivision " per map thereof on file
22 in the Office of the Recorder of the County of Sacramento, State of
23 California, in Map Book, Cities and Towns, at page
24 on
25
Creation of Life Estate by and for Grantor → 26 Grantor reserves the exclusive possession and the use and
(Life Tenant/ 27 enjoyment in her own right of the rents, issues, and profits of the
Beneficiary) 28 property described in this deed for the term of her lifetime.
29
(Signature of Grantor)

30 State of California
31 County of Sacramento
32 On July 3, 1995, before me, the
33 undersigned, a Notary Public in
34 and for said State, personally
35 appeared, known to me to be the
36 person whose name is subscribed to
37 within the instrument and acknowledged
38 that she executed the same.

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9B – MOTOR VEHICLES

In accordance with the McKnight vs. McMahon court order, counties have the responsibility to determine **a reasonable value** for motor vehicles. The applicant does not need to obtain three appraisals by auto dealers, insurance adjustors, or personal property appraisers. Some of the methods which may be used to determine the reasonable value include, **BUT ARE NOT LIMITED TO:**

- The market value determined by the wholesale “Kelley Blue Book”, the Kelley Blue Book’s Website: <http://www.cars.com/go/kbb/kbbInput.jsp>
- The market value determined by the “National Auto Dealers Association (NADA) Guide”, Website: <http://www.nadaguides.com/autohome2.aspx?Lnk=1&wSec=10&wPr=0&wPg=2111>
- An estimate of market value obtained by the applicant from a disinterested knowledgeable source.

or;

- DMV Vehicle License Fee Rate Table: You must type in the link exactly as seen below:
Note: There are two underscores (__) in the link.
http://www.dmv.ca.gov/forms/reg/vlf_chart_2005.pdf

For counties who do not have Internet access, any reasonable estimate of value may be used to determine the estimated value. The eligibility worker must document the case record.

The Vehicle License Fee Rate (VLF) chart is updated by the Department of Motor Vehicles and **not** by the Department of Health Services. The current 2% VLF chart has now been replaced with a .65% VLF chart. This percentage change has superseded prior instruction in CCR Title 22, Section 50485. No longer will the license fee be multiplied by \$50 to derive the market value of the motor vehicle.

The new procedure for determining the market value of a motor vehicle shall be determined by the following process (**Note: The VLF chart is just one method of obtaining a reasonable value**):

1. Determine the class of the motor vehicle.
2. Determine the year the motor vehicle was purchased. (Note: This could be initial purchase of a new vehicle or resale date.)
3. Divide the vehicle license fee by .0065, **NOT** .65.
4. Subtract any encumbrances of record from the market value. This is the net market value.

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(Note: Do not use the monthly prorated vehicle license fee portion of the chart.)

MOBILE HOMES

Title 22, Section 50167(a)(7)(H), states that the market value of real property other than principal residence is to be verified. (**Note:** Counties **need NOT determine** the market value of an exempt principal residence.) Mobile homes that are not the principal residence (i.e. not exempt) shall be valued in accordance with Title 22, Section 50427 (Other Real Property) or Section 50463 (Boats, Campers, Trailers). The DMV is responsible for registering all motor vehicles. The Department of Housing and Community Development (DHCD) is responsible for registering mobile homes and trailers.

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VLF

VEHICLE LICENSE FEE RATE TABLE

REG. 360 (New 4/92)

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VEHICLE LICENSE FEE RATE TABLE

The Vehicle License Fee Rate Table, Form Reg. 360, is used to determine vehicle license fee amounts. It is divided into two parts, "Full Year Vehicle License Fees", and "Monthly Prorated Vehicle License Fees".

The first part is a table of *full year* vehicle license fee amounts applicable to any year of sale or vehicle license fee classification immediately adjacent to their respective two letter codes.

The second part is a table of annual fee amounts ranging from \$1 through \$1.926 which has been *prorated* on a monthly basis. Full year vehicle license fee amounts for the current year are located in the "12 Month" column.

UPDATING:

The full year part of this table is to be updated each 1 Jan by entering the proper columnar headings in pencil.

Examples:

For 1992
Enter current year in this column.

VLF CLASS	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	VLF CLASS
AA											AA
AB											AB
AC											AC

For 1993

VLF CLASS	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984	VLF CLASS
AA											AA
AB											AB
AC											AC

IMPORTANT:

1. Asterisk year (*-yr.) and class code on the registration form are the factors which determine the vehicle license fee. When no asterisk year has been assigned, the year first sold should be used.
2. To determine prior year vehicle license fees from a table which has been updated for the current year, move one column to the left for *EACH* prior year, i.e. 1991 vehicle license fees for a vehicle assigned asterisk year or year first sold 1987 would be located in the 1988 column of a table updated for the year 1992.

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

2%		VEHICLE LICENSE FEE RATE TABLE												2%											
COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH MO.	11TH MO.	10TH MO.	9TH MO.	8TH MO.	7TH MO.	6TH MO.	5TH MO.	4TH MO.	3RD MO.	2ND MO.	1ST MO.
\$1,400	\$1,599.99	AK	30	27	24	21	18	15	12	9	7	6	4	31	28	26	23	21	18	15	13	10	8	5	3
\$1,600	\$1,799.99	AL	34	31	27	24	20	17	14	10	8	7	6	34	31	28	25	23	20	17	14	11	8	6	3
\$1,800	\$1,999.99	AM	38	34	30	27	23	19	16	11	9	8	6	37	34	31	28	25	22	19	16	13	9	6	3
\$2,000	\$2,199.99	AN	42	38	34	29	25	21	17	13	10	8	6	40	37	33	30	27	23	20	17	13	10	7	3
\$2,200	\$2,399.99	AP	46	41	37	32	28	23	18	14	11	9	7	43	40	36	33	29	26	22	18	15	11	8	4
\$2,400	\$2,599.99	AQ	50	45	40	35	30	25	20	15	12	10	7	46	43	39	35	31	27	23	20	16	12	8	4
\$2,600	\$2,799.99	AR	54	49	43	38	32	27	22	16	13	11	8	49	46	42	38	34	30	25	21	17	13	9	5
\$2,800	\$2,999.99	AS	58	52	46	41	36	29	23	17	14	12	9	52	49	45	41	37	33	29	25	21	17	13	9

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VEHICLE LICENSE FEE RATE TABLE
2%

COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH MO.	11TH MO.	10TH MO.	9TH MO.	8TH MO.	7TH MO.	6TH MO.	6TH MO.	4TH MO.	3RD MO.	2ND MO.	1ST MO.
\$5,800	BK	118	106	94	83	71	59	47	35	23	24	18	121	111	101	91	81	71	60	50	40	30	20	10	
\$6,000	BL	122	110	98	85	73	61	49	37	30	24	18	124	114	103	93	83	73	62	52	42	31	21	10	
\$6,200	BM	128	113	101	88	76	63	50	38	31	25	19	128	117	107	96	85	75	64	53	43	32	21	11	
\$6,400	BN	130	117	104	91	78	65	52	39	32	26	19	133	122	111	100	89	78	66	55	44	33	22	11	
\$6,600	BP	134	121	107	94	80	67	54	40	33	27	20	137	126	114	103	91	80	68	57	46	34	23	11	
\$6,800	BQ	138	124	110	97	83	69	55	41	34	28	21	140	128	117	105	93	82	70	59	47	35	23	12	
\$7,000	BR	142	128	114	99	85	71	57	43	35	28	21	144	132	120	108	96	84	72	60	48	36	24	12	
\$7,200	BS	146	131	117	102	88	73	58	44	36	29	22	148	136	123	111	99	86	74	62	49	37	25	12	

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

VEHICLE LICENSE FEE RATE TABLE

2%

2%

COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES												
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST	
		MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.
\$8,600	CB	178	160	142	125	107	89	71	53	44	36	27	181	166	151	136	121	106	90	75	60	45	30	15		
		\$9,000	CC	182	164	146	127	109	91	73	55	45	36	27	186	170	155	139	124	108	93	77	62	46	31	15
				\$9,200	CD	188	167	149	130	112	93	74	56	46	37	28	189	173	157	142	126	110	94	79	63	47
\$9,400	CE					190	171	152	133	114	95	76	57	47	38	28	194	178	162	145	129	113	97	81	65	48
		\$9,600	CF			184	175	155	136	116	97	78	58	48	39	29	195	179	162	146	130	114	97	81	65	49
				\$9,800	CH	198	178	158	139	119	99	79	59	49	40	30	196	180	163	147	131	114	98	82	65	49
\$10,000	CJ					202	182	162	141	121	101	81	61	50	40	30	197	181	164	148	131	115	98	82	66	49
		206	189			172	154	137	120	103	86	69	51	34	17	200	183	166	149	133	116	99	83	66	49	33
		207	190	172	155	138	121	104	87	69	51	34	17	201	184	167	151	134	117	100	84	67	50	34	17	
208	191	173	156	139	121	104	87	69	51	34	17	202	185	168	151	135	118	101	84	67	50	34	17			
209	192	174	157	139	122	104	87	70	52	35	17	203	186	169	152	135	118	101	85	68	51	34	17			
210	192	175	157	140	122	105	87	70	52	35	17	204	187	170	153	136	119	102	85	68	51	34	17			
													205	188	171	154	137	120	102	85	68	51	34	17		
													206	189	172	154	137	120	103	86	69	51	34	17		
													207	190	172	155	138	121	103	86	69	51	34	17		
													208	191	173	156	139	121	104	87	69	51	34	17		
													209	192	174	157	139	122	104	87	70	52	35	17		
													210	192	175	157	140	122	105	87	70	52	35	17		

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

COST		VEHICLE LICENSE FEE RATE TABLE												MONTHLY PRORATED VEHICLE LICENSE FEES																																																																																																																																																																																																																																																																																																																																																																				
		FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES																																																																																																																																																																																																																																																																																																																																																																				
VLF CLASS	2%	19	19	19	19	19	19	19	19	19	19	19	12TH MO.	12TH MO.	11TH MO.	10TH MO.	9TH MO.	8TH MO.	7TH MO.	6TH MO.	5TH MO.	4TH MO.	3RD MO.	2ND MO.	1ST MO.																																																																																																																																																																																																																																																																																																																																																									
		DB	\$13,200	208	238	213	186	100	80	66	53	40	271	248	226	203	181	159	135	113	90	68	45	23	272	249	227	204	181	159	136	113	91	68	45	23	273	250	227	205	182	159	136	114	91	68	45	23	274	251	228	206	183	160	137	114	91	68	46	23	275	252	229	206	183	160	137	115	92	69	46	23	276	253	230	207	184	161	138	115	92	69	46	23	277	254	231	208	185	162	139	115	92	69	46	23	278	255	232	208	185	162	139	116	93	69	46	23	279	256	232	209	186	163	139	116	93	70	46	23	280	257	233	210	187	163	140	117	93	70	47	23	281	258	234	211	187	164	140	117	94	70	47	23	282	258	235	211	188	164	141	117	94	70	47	23	283	259	236	212	189	165	141	118	94	71	47	24	284	260	237	213	189	166	142	118	95	71	47	24	285	261	237	214	190	166	142	119	95	71	47	24	286	262	238	214	191	167	143	119	95	71	48	24	287	263	239	215	191	167	143	120	96	72	48	24	288	264	240	216	192	168	144	120	96	72	48	24	289	265	241	217	193	169	144	120	96	72	48	24	290	266	242	217	193	169	145	121	97	72	48	24	291	267	242	218	194	170	145	121	97	73	48	24	292	268	243	219	195	170	146	122	97	73	49	24	293	269	244	220	195	171	146	122	98	73	49	24	294	269	245	220	196	171	147	122	98	73	49	24	295	270	246	221	197	172	147	123	98	74	49	25	296	271	247	222	197	173	148	123	99	74	49	25	297	272	247	223	198	173	148	124	99	74	49	25	298	273	248	223	199	174	149	124	99	74	49	25	299	274	249	224	199	174	149	125	100	75	50	26	300	275	250	225	200	175	150	125	100	75

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MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

VEHICLE LICENSE FEE RATE TABLE		MONTHLY PRORATED VEHICLE LICENSE FEES											
		1ST	2ND	3RD	4TH	5TH	6TH	7TH	8TH	9TH	10TH	11TH	12TH
COST	CLASS	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.
		\$16,200	\$16,399.99	DT	326	293	261	228	196	163	130	98	65
\$16,400	\$16,599.99	DV	300	297	264	231	198	165	132	99	66	49	
\$16,600	\$16,799.99	DW	344	301	267	234	200	167	134	100	67	50	
\$16,800	\$16,999.99	DX	306	304	270	237	203	169	135	101	68	61	
\$17,000	\$17,199.99	DY	342	308	274	239	205	171	137	103	68	51	
\$17,200	\$17,399.99	DZ	346	311	277	242	208	173	138	104	69	52	
\$17,400	\$17,599.99	EA	350	315	280	245	210	175	140	105	70	52	

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MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

		VEHICLE LICENSE FEE RATE TABLE												MONTHLY PRIORATED VEHICLE LICENSE FEES											
COST	CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRIORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST
		MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.
\$17,600	EB	354	319	283	248	212	177	142	106	88	71	53	361	331	301	271	241	211	180	150	120	90	60	30	
\$17,800	EC	366	322	286	251	215	179	143	107	89	72	54	366	335	304	274	243	213	182	152	122	91	61	30	
\$18,000	ED	362	326	290	253	217	181	145	109	90	72	54	370	339	308	277	247	216	185	154	123	92	62	31	
\$18,200	EE	366	329	293	256	220	183	146	110	91	73	55	374	343	312	280	249	218	187	156	125	94	63	31	
\$18,400	EF	370	333	296	259	222	185	148	111	92	74	55	377	346	314	283	251	219	188	157	126	94	63	31	
\$18,600	EI	374	337	299	262	224	187	150	112	93	75	56	381	349	317	286	254	222	190	158	127	95	63	32	
\$18,800	EJ	378	340	302	265	227	189	151	113	94	76	57	384	352	320	288	256	224	192	160	128	96	64	32	
\$19,000	EK	382	344	306	267	229	191	153	115	95	76	57	389	357	324	292	260	227	194	162	130	97	65	32	

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MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

COST		FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST
CLASS	VLF	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.
\$20,600	ET	414	373	331	290	248	207	166	124	103	83	62	421	386	351	316	281	246	210	175	140	105	70	35	
\$20,800	EV	418	376	334	293	251	209	167	125	104	84	63	422	387	352	317	282	247	211	176	141	106	71	35	
\$21,000	EW	422	380	338	295	253	211	169	127	105	84	63	423	388	353	318	283	248	212	177	142	107	72	36	
\$21,200	EX	426	383	341	298	256	213	170	128	106	85	64	424	389	354	319	284	249	213	178	143	108	73	36	
\$21,400	EY	430	387	344	301	258	215	172	129	107	86	64	425	390	355	320	285	250	214	179	144	109	74	36	
\$21,600	EZ	434	391	347	304	260	217	174	130	108	87	65	426	391	356	321	286	251	215	180	145	110	75	37	
\$21,800	FA	438	394	350	307	263	219	175	131	109	88	66	427	392	357	322	287	252	216	181	146	111	76	37	
													428	393	358	323	288	253	217	182	147	112	77	37	
													429	394	359	324	289	254	218	183	148	113	78	37	
													430	395	360	325	290	255	219	184	149	114	79	37	
													431	396	361	326	291	256	220	185	146	115	80	37	
													432	397	362	327	292	257	221	186	147	116	81	37	
													433	398	363	328	293	258	222	187	148	117	82	37	
													434	399	364	329	294	259	223	188	149	118	83	37	
													435	400	365	330	295	260	224	189	150	119	84	37	
													436	401	366	331	296	261	225	190	151	120	85	37	
													437	402	367	332	297	262	226	191	152	121	86	37	
													438	403	368	333	298	263	227	192	153	122	87	37	
													439	404	369	334	299	264	228	193	154	123	88	37	
													440	405	370	335	300	265	229	194	155	124	89	37	
													441	406	371	336	301	266	230	195	156	125	90	37	
													442	407	372	337	302	267	231	196	157	126	91	37	
													443	408	373	338	303	268	232	197	158	127	92	37	
													444	409	374	339	304	269	233	198	159	128	93	37	
													445	410	375	340	305	270	234	199	160	129	94	37	
													446	411	376	341	306	271	235	200	161	130	95	37	
													447	412	377	342	307	272	236	201	162	131	96	37	
													448	413	378	343	308	273	237	202	163	132	97	37	
													449	414	379	344	309	274	238	203	164	133	98	37	
													450	415	380	345	310	275	239	204	165	134	99	37	

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REG. MO (NEW 6-92)

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19__	19__	19__	19__	19__	19__	19__	19__	19__	19__	19__	19__	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST
\$22,000	FB	442	398	364	309	285	221	177	133	110	88	66	451	413	376	338	301	263	225	188	150	113	75	38	
\$22,200	FC	446	401	367	312	268	223	178	134	111	89	67	456	418	380	342	304	266	228	190	152	114	76	38	
\$22,400	FD	450	405	369	315	270	225	180	135	112	90	67	459	421	382	344	306	268	230	192	154	116	78	40	
\$22,600	FE	454	409	373	318	272	227	182	136	113	91	68	462	423	384	346	308	270	232	194	156	118	80	42	
\$22,800	FF	458	412	376	321	275	229	185	137	114	92	69	466	427	388	349	311	272	233	195	157	119	81	43	
\$23,000	FH	462	416	379	323	277	231	188	139	116	92	69	470	431	392	353	314	275	236	197	158	120	82	44	
\$23,200	FJ	466	419	379	326	280	233	188	140	116	93	70	474	434	395	355	316	276	237	198	160	122	84	45	
\$23,400	FK	470	423	379	329	282	235	188	141	117	94	70	478	438	399	359	319	279	239	200	160	122	84	45	

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

VEHICLE LICENSE FEE RATE TABLE

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COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST
\$23,600	FL	474	427	379	332	284	237	190	142	116	95	71	481	441	401	361	321	281	240	200	160	120	80	40	
		475	428	380	333	285	238	191	143	117	96	72	482	442	402	362	322	282	241	201	161	121	81	41	
		476	429	381	334	286	239	192	144	118	97	73	483	443	403	363	323	283	242	202	162	122	82	42	
		477	430	382	335	287	240	193	145	119	98	74	484	444	404	364	324	284	243	203	163	123	83	43	
\$23,800	FM	478	431	383	336	288	241	194	146	120	99	75	485	445	405	365	325	285	244	204	164	124	84	44	
		479	432	384	337	289	242	195	147	121	100	76	486	446	406	366	326	286	245	205	165	125	85	45	
		480	433	385	338	290	243	196	148	122	101	77	487	447	407	367	327	287	246	206	166	126	86	46	
		481	434	386	339	291	244	197	149	123	102	78	488	448	408	368	328	288	247	207	167	127	87	47	
\$24,000	FN	482	435	387	340	292	245	198	150	124	103	79	489	449	409	369	329	289	248	208	168	128	88	48	
		483	436	388	341	293	246	199	151	125	104	80	490	450	410	370	330	290	249	209	169	129	89	49	
		484	437	389	342	294	247	200	152	126	105	81	491	451	411	371	331	291	250	210	170	130	90	50	
		485	438	390	343	295	248	201	153	127	106	82	492	452	412	372	332	292	251	211	171	131	91	51	
\$24,200	FP	486	439	391	344	296	249	202	154	128	107	83	493	453	413	373	333	293	252	212	172	132	92	52	
		487	440	392	345	297	250	203	155	129	108	84	494	454	414	374	334	294	253	213	173	133	93	53	
		488	441	393	346	298	251	204	156	130	109	85	495	455	415	375	335	295	254	214	174	134	94	54	
		489	442	394	347	299	252	205	157	131	110	86	496	456	416	376	336	296	255	215	175	135	95	55	
\$24,400	FQ	490	443	395	348	300	253	206	158	132	111	87	497	457	417	377	337	297	256	216	176	136	96	56	
		491	444	396	349	301	254	207	159	133	112	88	498	458	418	378	338	298	257	217	177	137	97	57	
		492	445	397	350	302	255	208	160	134	113	89	499	459	419	379	339	299	258	218	178	138	98	58	
		493	446	398	351	303	256	209	161	135	114	90	500	460	420	380	340	300	259	219	179	139	99	59	
\$24,600	FR	494	447	399	352	304	257	210	162	136	115	91	501	461	421	381	341	301	260	220	180	140	100	60	
		495	448	400	353	305	258	211	163	137	116	92	502	462	422	382	342	302	261	221	181	141	101	61	
		496	449	401	354	306	259	212	164	138	117	93	503	463	423	383	343	303	262	222	182	142	102	62	
		497	450	402	355	307	260	213	165	139	118	94	504	464	424	384	344	304	263	223	183	143	103	63	
\$24,800	FS	498	451	403	356	308	261	214	166	140	119	95	505	465	425	385	345	305	264	224	184	144	104	64	
		499	452	404	357	309	262	215	167	141	120	96	506	466	426	386	346	306	265	225	185	145	105	65	
		500	453	405	358	310	263	216	168	142	121	97	507	467	427	387	347	307	266	226	186	146	106	66	
		501	454	406	359	311	264	217	169	143	122	98	508	468	428	388	348	308	267	227	187	147	107	67	

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST
		MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.
\$25,000	FT	502	452	402	351	301	251	201	151	125	100	75	511	488	426	383	341	296	255	213	170	128	85	43	
		503	453	403	352	302	252	202	152	126	101	76	512	489	427	384	341	299	256	214	171	128	85	43	
		504	454	404	353	303	253	203	153	127	102	76	513	470	427	385	342	299	256	214	171	128	86	43	
\$25,200	FV	505	455	405	354	304	254	204	154	128	101	76	514	471	428	385	343	300	257	214	171	128	86	43	
		506	456	406	355	305	255	205	155	129	102	76	515	472	429	386	343	300	257	214	171	128	86	43	
		507	457	407	356	306	256	206	156	130	103	77	516	473	430	387	344	301	258	215	172	128	86	43	
\$25,400	FW	508	458	408	357	307	257	207	157	130	104	78	517	474	431	388	345	302	258	215	172	128	86	43	
		509	459	409	358	308	258	208	158	131	105	79	518	475	432	389	345	302	259	216	173	129	86	43	
		510	459	409	357	308	255	204	153	127	102	76	519	476	432	389	346	303	259	216	173	129	86	43	
\$25,600	FX	511	463	411	360	308	257	206	154	128	103	77	520	477	433	390	347	303	260	217	173	130	87	43	
		512	463	411	360	308	257	206	154	128	103	77	521	478	434	391	348	304	260	217	174	130	87	43	
		513	463	411	360	308	257	206	154	128	103	77	522	478	434	391	348	304	261	217	174	130	87	43	
\$25,800	FY	514	466	414	363	311	259	207	155	129	104	78	523	479	435	392	349	305	261	216	174	131	87	44	
		515	466	414	363	311	259	207	155	129	104	78	524	480	437	393	349	306	262	216	175	131	87	44	
		516	466	414	363	311	259	207	155	129	104	78	525	481	437	394	350	306	262	219	175	131	87	44	
\$26,000	FZ	517	470	418	365	313	261	209	157	130	104	78	526	482	438	394	351	307	263	219	175	131	88	44	
		518	470	418	365	313	261	209	157	130	104	78	527	483	439	395	351	307	263	220	176	132	88	44	
		519	470	418	365	313	261	209	157	130	104	78	528	484	440	396	352	308	264	220	176	132	88	44	
\$26,200	HA	520	473	421	368	316	263	210	158	131	105	79	529	485	441	397	353	309	264	220	176	132	88	44	
		521	473	421	368	316	263	210	158	131	105	79	530	486	442	397	353	309	265	221	177	132	88	44	
		522	473	421	368	316	263	210	158	131	105	79	531	487	442	398	354	310	265	221	177	133	88	44	
		523	473	421	368	316	263	210	158	131	105	79	532	488	443	399	355	310	266	222	177	133	89	44	
		524	473	421	368	316	263	210	158	131	105	79	533	489	444	400	355	311	266	222	178	133	89	44	
		525	473	421	368	316	263	210	158	131	105	79	534	489	445	400	356	311	267	222	178	133	89	44	
		526	473	421	368	316	263	210	158	131	105	79	535	490	446	401	357	312	267	223	178	134	89	45	
		527	473	421	368	316	263	210	158	131	105	79	536	491	447	402	357	313	268	223	179	134	89	45	
		528	473	421	368	316	263	210	158	131	105	79	537	492	447	403	358	313	268	224	179	134	89	45	
		529	473	421	368	316	263	210	158	131	105	79	538	493	448	403	359	314	269	224	179	134	89	45	
		530	473	421	368	316	263	210	158	131	105	79	539	494	449	404	359	314	269	225	180	135	90	45	
		531	473	421	368	316	263	210	158	131	105	79	540	495	450	405	360	315	270	225	180	135	90	45	

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

VEHICLE LICENSE FEE RATE TABLE

2%

2%

CCST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST
\$26,400	HB	530	477	424	371	318	265	212	159	132	106	79	541	498	451	408	361	316	270	225	180	135	90	45	
\$26,600	HC	534	481	427	374	320	267	214	160	133	107	80	545	500	454	409	363	318	272	227	182	136	91	45	
\$26,800	HD	538	484	430	377	323	269	216	161	134	108	81	549	503	457	412	366	320	274	229	183	137	91	46	
\$27,000	HE	542	488	434	379	325	271	217	163	135	108	81	553	507	461	415	369	323	277	231	185	139	92	46	
\$27,200	HF	546	491	437	382	328	273	218	164	138	109	82	557	511	464	418	372	326	280	234	188	142	93	47	
\$27,400	HH	550	495	440	385	330	275	220	165	137	110	82	561	514	467	421	374	327	281	235	189	143	94	47	
\$27,600	HI	554	499	443	388	332	277	222	166	138	111	83	565	518	471	424	377	330	284	238	192	144	94	47	
\$27,800	HK	558	502	446	391	335	279	223	167	139	112	84	569	522	474	427	380	333	287	241	195	145	95	47	

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

VEHICLE LICENSE FEE RATE TABLE 2%

2%

COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST
\$28,000	HL	542	506	490	393	337	281	225	169	140	112	64	571	523	476	428	381	333	285	238	190	143	95	48	
\$28,200	HM	566	509	453	396	340	283	226	170	141	113	85	578	530	482	433	385	337	289	241	193	145	96	48	
\$28,400	HN	570	513	456	399	342	285	228	171	142	114	85	583	534	486	437	389	340	291	243	194	146	97	49	
\$28,600	HP	574	517	459	402	344	287	230	172	143	115	86	588	539	491	441	392	343	294	245	195	147	98	49	
\$28,800	HQ	578	520	462	405	347	289	231	173	144	116	87	591	542	492	443	394	345	295	246	196	148	99	49	
\$29,000	HN	582	524	466	407	349	291	233	175	145	116	87	594	544	494	444	395	346	296	247	197	148	99	49	
\$29,200	HS	586	527	469	410	352	293	234	176	146	117	88	597	547	497	447	397	347	297	248	198	149	99	50	
													600	550	500	450	400	350	300	250	200	150	100	50	

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

COST		VEHICLE LICENSE FEE RATE TABLE												
		2%												
CLASS	VLF	MONTHLY PRORATED VEHICLE LICENSE FEES												
		12TH MO.	11TH MO.	10TH MO.	9TH MO.	8TH MO.	7TH MO.	6TH MO.	5TH MO.	4TH MO.	3RD MO.	2ND MO.	1ST MO.	
\$29,400 - \$29,599.99	HT	19__	601	551	501	451	401	351	300	250	200	150	100	50
		19__	602	552	502	451	401	351	301	251	201	150	100	50
		19__	603	553	502	452	402	352	301	251	201	151	100	50
		19__	604	554	503	453	403	352	302	252	201	151	101	50
\$29,600 - \$29,799.99	HV	19__	605	555	504	454	403	353	302	252	202	151	101	50
		19__	606	555	505	454	404	353	303	253	202	151	101	50
		19__	607	556	506	455	405	354	303	253	202	152	101	51
		19__	608	557	507	456	405	355	304	253	203	152	101	51
\$29,800 - \$29,999.99	HW	19__	609	558	507	457	406	355	304	254	203	152	101	51
		19__	610	559	508	457	407	356	305	254	203	152	102	51
		19__	611	560	509	458	407	356	305	255	204	153	102	51
		19__	612	561	510	459	408	357	306	255	204	153	102	51
\$30,000 - \$30,199.99	HX	19__	613	562	511	460	409	358	306	255	204	153	102	51
		19__	614	563	512	460	409	358	307	256	205	153	102	51
		19__	615	564	512	461	410	359	307	256	205	154	102	51
		19__	616	565	513	462	411	359	308	257	205	154	103	51
\$30,200 - \$30,399.99	HY	19__	617	566	514	463	411	360	308	257	206	154	103	51
		19__	618	566	515	463	412	360	309	257	206	154	103	51
		19__	619	567	516	464	413	361	309	258	206	155	103	52
		19__	620	568	517	465	413	362	310	258	207	155	103	52
\$30,400 - \$30,599.99	HZ	19__	621	569	517	466	414	362	310	259	207	155	103	52
		19__	622	570	518	466	415	363	311	259	207	155	104	52
		19__	623	571	519	467	415	363	311	260	208	156	104	52
		19__	624	572	520	468	416	364	312	260	208	156	104	52
\$30,600 - \$30,799.99	JA	19__	625	573	521	469	417	365	312	260	208	156	104	52
		19__	626	574	522	469	417	365	313	261	209	156	104	52
		19__	627	575	522	470	418	366	313	261	209	157	104	52
		19__	628	576	523	471	419	366	314	262	209	157	105	52
		19__	629	577	524	472	419	367	314	262	210	157	105	52
		19__	630	577	525	472	420	367	315	262	210	157	105	52

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST
		MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.
\$30,800	JB	618	556	484	433	371	309	247	185	124	83	631	576	526	473	421	368	315	263	210	168	105	53		
		618	556	484	433	371	309	247	185	124	83	631	576	526	473	421	368	315	263	210	168	105	53		
		618	556	484	433	371	309	247	185	124	83	631	576	526	473	421	368	315	263	210	168	105	53		
\$31,000	JC	622	560	488	435	373	311	249	187	124	83	635	582	529	476	423	370	317	265	212	159	106	53		
		622	560	488	435	373	311	249	187	124	83	635	582	529	476	423	370	317	265	212	159	106	53		
		622	560	488	435	373	311	249	187	124	83	635	582	529	476	423	370	317	265	212	159	106	53		
\$31,200	JD	626	563	491	438	376	313	250	188	125	94	640	587	533	480	427	373	320	267	213	160	107	53		
		626	563	491	438	376	313	250	188	125	94	640	587	533	480	427	373	320	267	213	160	107	53		
		626	563	491	438	376	313	250	188	125	94	640	587	533	480	427	373	320	267	213	160	107	53		
\$31,400	JE	630	567	494	441	378	315	252	189	126	94	644	590	537	483	429	376	322	269	215	161	107	53		
		630	567	494	441	378	315	252	189	126	94	644	590	537	483	429	376	322	269	215	161	107	53		
		630	567	494	441	378	315	252	189	126	94	644	590	537	483	429	376	322	269	215	161	107	53		
\$31,600	JF	634	571	497	444	380	317	254	190	127	95	648	594	540	486	432	378	324	270	216	162	108	54		
		634	571	497	444	380	317	254	190	127	95	648	594	540	486	432	378	324	270	216	162	108	54		
		634	571	497	444	380	317	254	190	127	95	648	594	540	486	432	378	324	270	216	162	108	54		
\$31,800	JH	638	574	510	447	383	319	256	191	128	96	652	598	543	489	435	380	326	272	217	163	109	54		
		638	574	510	447	383	319	256	191	128	96	652	598	543	489	435	380	326	272	217	163	109	54		
		638	574	510	447	383	319	256	191	128	96	652	598	543	489	435	380	326	272	217	163	109	54		
\$32,000	JJ	642	578	514	449	385	321	257	193	128	96	656	601	546	491	437	382	327	273	218	164	109	55		
		642	578	514	449	385	321	257	193	128	96	656	601	546	491	437	382	327	273	218	164	109	55		
		642	578	514	449	385	321	257	193	128	96	656	601	546	491	437	382	327	273	218	164	109	55		
\$32,200	JK	646	581	517	452	388	323	258	194	129	97	660	605	550	495	440	385	329	275	220	165	110	55		
		646	581	517	452	388	323	258	194	129	97	660	605	550	495	440	385	329	275	220	165	110	55		
		646	581	517	452	388	323	258	194	129	97	660	605	550	495	440	385	329	275	220	165	110	55		

VEHICLE LICENSE FEE RATE TABLE

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MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

VEHICLE LICENSE FEE RATE TABLE		MONTHLY PRORATED VEHICLE LICENSE FEES																																							
COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES																																							
		19	19	19	19	19	19	19	19	19	19	19	19																												
\$32,400	\$32,599.99	650	585	520	455	390	325	260	195	130	97	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690
\$32,600	\$32,799.99	654	589	523	458	392	327	262	196	131	98	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690
\$32,800	\$32,999.99	658	592	526	461	395	329	263	197	132	99	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690
\$33,000	\$33,199.99	662	596	530	463	397	331	265	199	132	99	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690
\$33,200	\$33,399.99	666	599	533	466	400	333	268	200	133	100	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690
\$33,400	\$33,599.99	670	603	536	469	402	335	268	201	134	100	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690
\$33,600	\$33,799.99	674	607	539	472	404	337	270	202	135	101	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

VEHICLE LICENSE FEE RATE TABLE

2%

2%

COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH MO.	11TH MO.	10TH MO.	9TH MO.	8TH MO.	7TH MO.	6TH MO.	5TH MO.	4TH MO.	3RD MO.	2ND MO.	1ST MO.
\$33,800	JT	678	610	642	475	407	339	271	203	136	102	691	633	576	518	461	403	345	288	230	173	115	58		
\$34,000	JV	682	614	646	477	409	341	273	205	136	102	696	640	582	523	465	407	349	291	233	175	116	58		
\$34,200	JW	688	617	649	480	412	343	274	206	137	103	700	642	583	525	467	409	351	292	234	175	117	58		
\$34,400	JX	690	621	652	483	414	345	276	207	138	103	704	645	586	527	469	411	352	293	235	176	117	59		
\$34,600	JY	694	625	655	486	416	347	278	208	139	104	706	647	588	529	471	412	353	294	236	177	118	59		
\$34,800	JZ	698	628	658	489	419	349	279	209	140	105	709	650	591	532	473	414	354	295	237	177	118	59		
\$35,000	KA	702	632	662	491	421	351	281	211	140	105	710	651	592	532	473	414	355	296	237	177	118	59		
												711	652	592	533	474	415	355	296	237	178	118	59		
												712	653	593	534	475	415	356	297	237	178	119	59		
												713	654	594	535	475	416	356	297	238	178	119	59		
												714	654	595	535	476	416	357	297	238	178	119	59		
												715	655	596	536	477	417	357	298	238	179	119	60		
												716	656	597	537	477	418	358	298	239	179	119	60		
												717	657	597	538	478	418	358	299	239	179	119	60		
												718	658	598	538	479	419	359	299	239	179	120	60		
												719	659	599	539	479	419	359	300	240	180	120	60		
												720	660	600	540	480	420	360	300	240	180	120	60		

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

COST		FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST
VLF CLASS		MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.
\$35,200	\$35,399.99	KB	706	635	565	494	424	353	282	212	176	141	106	721	661	601	541	481	421	360	300	240	180	120	60
\$35,400	\$35,599.99	KC	710	639	568	497	426	355	284	213	177	142	106	722	662	602	542	482	422	361	301	241	181	121	60
\$35,600	\$35,799.99	KD	714	643	571	500	428	357	286	214	178	143	107	723	663	603	543	483	423	362	302	242	182	122	61
\$35,800	\$35,999.99	KE	718	646	574	503	431	359	287	215	179	144	108	724	664	604	544	484	424	363	303	243	183	123	61
\$36,000	\$36,199.99	KF	722	650	578	505	433	361	289	217	180	144	108	725	665	605	545	485	425	364	304	244	184	124	61
\$36,200	\$36,399.99	KH	726	653	581	508	436	363	290	218	181	145	109	726	665	605	544	484	424	363	302	242	181	121	60
\$36,400	\$36,599.99	KJ	730	657	584	511	438	365	292	219	182	146	109	727	666	606	545	485	425	364	303	243	182	122	61
\$36,600	\$36,799.99	KK	734	661	587	514	440	367	294	220	183	147	110	728	667	607	546	485	425	364	303	243	182	122	61

2% VEHICLE LICENSE FEE RATE TABLE 2%

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

COST		FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST
\$38,200	KT	766	689	613	536	460	383	306	230	153	115		781	716	651	586	521	456	390	325	260	195	130	65	
		768	691	615	538	462	385	309	233	157	119		782	717	652	587	522	457	391	326	261	196	131	66	
		770	693	617	540	464	387	311	235	161	121		783	718	653	588	523	458	392	327	262	197	132	67	
		772	695	619	542	466	389	313	237	163	123		784	719	654	589	524	459	393	328	263	198	133	68	
\$38,400	KV	770	693	616	539	462	385	308	231	154	115		785	720	655	590	525	460	394	329	264	199	134	69	
		772	695	618	541	464	387	310	232	155	116		786	721	656	591	526	461	395	330	265	200	135	70	
		774	697	620	543	466	389	312	234	157	117		787	722	657	592	527	462	396	331	266	201	136	71	
		776	699	622	545	468	391	314	236	159	119		788	723	658	593	528	463	397	332	267	202	137	72	
\$38,600	KW	774	697	619	542	464	387	310	232	155	116		789	724	659	594	529	464	398	333	268	203	138	73	
		776	699	621	544	466	389	312	234	157	117		790	725	660	595	530	465	399	334	269	204	139	74	
		778	701	623	546	468	391	314	236	159	119		791	726	661	596	531	466	400	335	270	205	140	75	
		780	703	625	548	470	393	316	238	161	121		792	727	662	597	532	467	401	336	271	206	141	76	
\$38,800	KX	778	700	622	545	467	389	311	233	156	117		793	728	662	597	532	467	401	336	271	206	141	76	
		780	702	624	547	469	391	313	235	158	119		794	729	663	598	533	468	402	337	272	207	142	77	
		782	704	626	549	471	393	315	237	160	121		795	730	663	598	533	468	402	337	272	207	142	77	
		784	706	628	551	473	395	317	239	162	123		796	731	664	599	534	469	403	338	273	208	143	78	
\$39,000	KY	782	704	626	547	469	391	313	235	156	117		797	731	664	599	534	469	403	338	273	208	143	78	
		784	706	628	549	471	393	315	237	158	119		798	732	665	600	535	470	404	339	274	209	144	79	
		786	708	630	551	473	395	317	239	160	121		799	733	665	600	535	470	404	339	274	209	144	79	
		788	710	632	553	475	397	319	241	162	123		800	734	666	601	536	471	405	340	275	210	145	80	
\$39,200	KZ	786	707	629	550	472	393	314	236	157	118		801	734	666	601	536	471	405	340	275	210	145	80	
		788	709	631	552	474	395	316	238	159	120		802	735	667	602	537	472	406	341	276	211	146	81	
		790	711	633	554	476	397	318	240	161	122		803	736	667	602	537	472	406	341	276	211	146	81	
		792	713	635	556	478	399	320	242	163	124		804	737	668	603	538	473	407	342	277	212	147	82	
\$39,400	LA	790	711	632	553	474	395	316	237	158	118		805	738	668	603	538	473	407	342	277	212	147	82	
		792	713	634	555	476	397	318	239	160	120		806	739	669	604	539	474	408	343	278	213	148	83	
		794	715	636	557	478	399	320	241	162	122		807	740	670	605	540	475	409	344	279	214	149	84	
		796	717	638	559	480	401	322	243	164	124		808	741	670	605	540	475	409	344	279	214	149	84	
		810	742	675	540	472	395	316	237	158	118		809	742	671	606	541	410	345	280	215	150	85		
		810	742	675	540	472	395	316	237	158	118		810	742	675	607	542	411	346	281	216	151	86		

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

VEHICLE LICENSE FEE RATE TABLE

2%

2%

COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST
\$39,600	LB	794	715	636	556	476	397	318	238	159	119	811	743	676	608	541	473	405	338	270	203	135	68		
\$39,800	LC	798	718	638	559	479	399	319	239	160	120	816	748	680	612	544	476	408	340	272	204	136	68		
\$40,000	LD	802	722	642	561	481	401	321	241	160	120	820	752	683	615	547	478	410	342	273	205	137	68		
\$40,200	LE	806	725	645	564	484	403	322	242	161	121	824	755	687	618	549	481	412	343	274	206	137	69		
\$40,400	LF	810	729	648	567	488	405	324	243	162	121	828	759	690	621	552	483	414	345	276	207	138	69		
\$40,600	LH	814	733	651	570	488	407	328	244	163	122	832	763	693	624	555	485	416	347	277	208	139	69		
\$40,800	LI	818	737	655	573	491	409	327	245	164	123	836	766	697	627	557	488	418	348	279	209	139	70		
\$41,000	LK	822	740	658	575	493	411	329	247	164	123	840	770	700	630	560	490	420	350	280	210	140	70		

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

VEHICLE LICENSE FEE RATE TABLE 2%

COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRIORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST
\$41,200	LL	828	743	661	578	486	413	330	248	208	165	124	841	771	701	631	561	491	420	350	280	210	140	70	
\$41,400	LM	830	747	664	581	490	415	332	249	207	166	124	848	777	707	636	565	495	424	353	283	212	141	71	
\$41,600	LN	834	751	667	584	500	417	334	250	208	167	125	851	780	709	638	567	496	425	354	284	213	142	71	
\$41,800	LP	838	754	670	587	503	419	335	251	209	168	126	855	784	712	641	570	499	427	356	285	214	143	71	
\$42,000	LQ	842	758	674	589	505	421	337	253	210	168	126	860	788	716	645	573	502	430	358	287	215	143	72	
\$42,200	LR	846	761	677	592	508	423	338	254	211	169	127	864	792	720	648	576	504	432	360	288	216	144	72	
\$42,400	LS	850	765	680	595	510	425	340	255	212	170	127	868	796	724	651	579	508	434	362	289	217	145	72	

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

VEHICLE LICENSE FEE RATE TABLE

2%

2%

COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES												
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST	
\$42,600	\$42,799.99	LT	854	769	683	598	512	427	342	256	171	128	871	798	726	653	581	508	435	363	290	218	145	73		
\$42,600	\$42,999.99	LV	858	772	686	601	515	429	343	257	172	129	876	803	730	657	584	511	438	365	292	219	146	73		
\$43,000	\$43,199.99	LW	862	776	690	603	517	431	345	259	172	129	880	807	733	660	587	513	440	367	293	220	147	73		
\$43,200	\$43,399.99	LX	866	779	693	606	520	433	346	260	173	130	884	811	737	664	590	516	442	369	295	221	147	74		
\$43,400	\$43,599.99	LY	870	783	696	609	522	435	348	261	174	130	888	815	741	667	593	519	444	370	296	222	148	74		
\$43,600	\$43,799.99	LZ	874	787	699	612	524	437	350	262	175	131	892	819	744	670	595	521	446	372	298	224	149	74		
\$43,800	\$43,999.99	MB	878	790	702	615	527	439	351	263	176	132	896	823	748	673	598	524	449	374	299	224	149	75		
			900	825	750	675	600	525	450	375	300	225	150	75	900	825	750	675	600	525	450	375	300	225	150	75

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MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

VEHICLE LICENSE FEE RATE TABLE
2%

COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST
\$44,000	MC	882	794	706	617	529	441	353	265	220	176	132	901	826	751	676	601	526	450	375	300	225	150	75	
\$44,200	MD	888	797	709	620	532	443	354	266	221	177	133	905	830	754	679	603	528	452	377	302	226	151	75	
\$44,400	ME	890	801	712	623	534	445	355	267	222	178	133	910	834	758	682	607	531	455	380	304	228	152	76	
\$44,600	MF	894	805	716	626	536	447	356	268	223	179	134	913	837	761	685	609	533	458	383	307	231	154	77	
\$44,800	MH	898	808	719	629	539	449	359	269	224	180	135	918	841	765	689	612	535	459	384	308	232	154	77	
\$45,000	MJ	902	812	722	631	541	451	361	271	225	180	135	922	845	769	692	615	538	461	385	308	231	154	77	
\$45,200	MK	906	815	725	634	544	453	362	272	226	181	136	924	847	770	693	616	539	462	386	308	231	154	77	
\$45,400	ML	910	819	728	637	547	455	364	273	227	182	136	929	852	774	697	620	542	465	387	310	232	155	77	

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST
\$45,600	MM	914	823	731	640	549	457	366	274	183	137	931	853	776	698	621	543	465	388	310	233	155	78		
\$45,800	MM	916	826	734	643	551	459	367	275	184	138	939	861	784	706	628	550	472	394	316	238	160	82		
\$46,000	MP	922	830	738	645	553	461	369	277	184	138	943	865	788	710	632	554	476	398	320	242	164	84		
\$46,200	MO	926	833	741	648	556	463	370	278	185	139	947	869	792	714	636	558	480	402	324	246	166	86		
\$46,400	MR	930	837	744	651	558	465	372	279	186	139	951	873	796	718	640	562	484	406	328	250	168	88		
\$46,600	MS	934	841	747	654	560	467	374	280	187	140	955	877	800	722	644	566	488	410	332	254	170	90		
\$46,800	MT	938	844	750	657	563	469	375	281	188	141	959	881	804	726	648	570	492	414	336	256	172	92		

VEHICLE LICENS. RATE TABLE 2%

MONTHLY PRORATED VEHICLE LICENSE FEES

FULL YEAR VEHICLE LICENSE FEES

2%

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

VEHICLE LICENSE FEE RATE TABLE

2%

2%

COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES													
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST		
\$47,000	MV	942	848	764	659	565	471	377	283	235	188	141															
		946	851	757	662	568	473	378	284	236	189	142															
		950	855	760	665	570	475	380	285	237	190	142															
\$47,200	MV	954	859	763	668	572	477	382	286	238	191	143															
		958	862	768	671	575	479	383	287	239	192	144															
		962	866	770	673	577	481	385	289	240	192	144															
\$47,400	MV	966	869	773	676	580	483	386	290	241	193	145															
		970	873	777	679	583	485	388	291	242	193	145															
		974	877	781	681	585	487	389	292	243	194	146															
\$47,600	MV	978	881	785	684	588	489	390	293	244	194	146															
		982	885	789	687	591	491	391	294	245	195	147															
		986	889	793	690	593	493	392	295	246	195	147															
\$47,800	MV	990	893	797	693	595	495	393	296	247	196	148															
		994	897	801	696	597	497	394	297	248	196	148															
		998	901	805	699	599	499	395	298	249	197	149															
\$48,000	MV	1002	905	809	702	601	501	400	300	250	198	149															
		1006	909	813	705	603	503	401	301	251	198	149															
		1010	913	817	708	605	505	402	302	252	199	150															

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

VEHICLE LICENSE FEE RATE TABLE

2%

2%

COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	4TH	3RD	2ND	1ST	
\$48,400	\$48,599.99 NC	970	873	776	679	582	485	388	291	242	194	145	991	908	826	743	661	578	495	413	330	248	165	83	
\$48,600	\$48,799.99 ND	974	877	779	682	584	487	390	292	243	195	146	995	912	829	746	663	580	497	415	332	249	166	83	
\$48,800	\$48,999.99 NE	978	880	782	685	587	489	391	293	244	196	147	999	916	832	749	666	583	499	416	333	250	168	83	
\$49,000	\$49,199.99 NF	982	884	786	687	589	491	393	295	245	196	147	1000	917	833	750	667	583	500	417	333	250	167	83	
\$49,200	\$49,399.99 NH	986	887	789	690	592	493	394	296	246	197	148	1004	920	837	753	669	586	502	418	335	251	167	84	
\$49,400	\$49,599.99 NJ	990	891	792	693	594	495	396	297	247	198	148	1008	924	840	756	672	588	504	420	336	252	168	84	
\$49,600	\$49,799.99 NK	994	895	795	696	596	497	398	298	248	199	149	1012	928	843	759	675	590	506	422	337	253	169	84	
\$49,800	\$49,999.99 NL	998	898	798	699	599	499	399	299	249	200	150	1016	931	847	762	677	593	508	423	338	254	169	85	

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MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

VEHICLE LICENSE FEE RATE TABLE 2%

COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST
		MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.
\$50,000	NM	1002	902	802	701	601	501	401	301	250	200	150	1021	936	851	766	681	596	510	425	340	255	170	85	
		1002	902	802	701	601	501	401	301	250	200	150	1022	937	852	767	682	597	511	426	341	256	171	85	
		1002	902	802	701	601	501	401	301	250	200	150	1023	938	853	768	683	598	512	427	342	257	172	86	
		1002	902	802	701	601	501	401	301	250	200	150	1024	939	854	769	684	599	513	428	343	258	173	86	
		1002	902	802	701	601	501	401	301	250	200	150	1025	940	855	770	685	600	514	429	344	259	174	87	
		1002	902	802	701	601	501	401	301	250	200	150	1026	940	855	769	684	599	513	428	343	258	173	86	
		1002	902	802	701	601	501	401	301	250	200	150	1027	941	856	770	685	600	514	429	344	259	174	87	
		1002	902	802	701	601	501	401	301	250	200	150	1028	942	857	771	686	601	515	430	345	260	175	87	
		1002	902	802	701	601	501	401	301	250	200	150	1029	943	858	772	687	602	516	431	346	261	176	88	
		1002	902	802	701	601	501	401	301	250	200	150	1030	944	859	773	688	603	517	432	347	262	177	88	
		1002	902	802	701	601	501	401	301	250	200	150	1031	945	860	774	689	604	518	433	348	263	178	89	
		1002	902	802	701	601	501	401	301	250	200	150	1032	946	861	775	690	605	519	434	349	264	179	89	
1002	902	802	701	601	501	401	301	250	200	150	1033	947	862	776	691	606	520	435	350	265	180	90			
\$50,200	NN	1006	905	805	704	604	503	402	302	251	201	151	1034	948	863	777	692	607	521	436	351	266	181	90	
		1006	905	805	704	604	503	402	302	251	201	151	1035	949	864	778	693	608	522	437	352	267	182	91	
		1006	905	805	704	604	503	402	302	251	201	151	1036	950	865	779	694	609	523	438	353	268	183	91	
		1006	905	805	704	604	503	402	302	251	201	151	1037	951	866	780	695	610	524	439	354	269	184	92	
		1006	905	805	704	604	503	402	302	251	201	151	1038	951	866	781	696	611	525	440	355	270	185	92	
		1006	905	805	704	604	503	402	302	251	201	151	1039	952	867	782	697	612	526	441	356	271	186	93	
		1006	905	805	704	604	503	402	302	251	201	151	1040	953	868	783	698	613	527	442	357	272	187	93	
		1006	905	805	704	604	503	402	302	251	201	151	1041	954	869	784	699	614	528	443	358	273	188	94	
		1006	905	805	704	604	503	402	302	251	201	151	1042	955	870	785	700	615	529	444	359	274	189	94	
		1006	905	805	704	604	503	402	302	251	201	151	1043	956	871	786	701	616	530	445	360	275	190	95	
		1006	905	805	704	604	503	402	302	251	201	151	1044	957	872	787	702	617	531	446	361	276	191	95	
		1006	905	805	704	604	503	402	302	251	201	151	1045	958	873	788	703	618	532	447	362	277	192	96	
1006	905	805	704	604	503	402	302	251	201	151	1046	959	874	789	704	619	533	448	363	278	193	96			
\$50,400	NP	1010	909	809	707	606	505	404	303	252	202	151	1047	960	875	790	705	620	534	449	364	279	194	97	
		1010	909	809	707	606	505	404	303	252	202	151	1048	961	876	791	706	621	535	450	365	280	195	97	
		1010	909	809	707	606	505	404	303	252	202	151	1049	962	877	792	707	622	536	451	366	281	196	98	
		1010	909	809	707	606	505	404	303	252	202	151	1050	963	878	793	708	623	537	452	367	282	197	98	
		1010	909	809	707	606	505	404	303	252	202	151	1051	964	879	794	709	624	538	453	368	283	198	99	
		1010	909	809	707	606	505	404	303	252	202	151	1052	965	880	795	710	625	539	454	369	284	199	99	
		1010	909	809	707	606	505	404	303	252	202	151	1053	966	881	796	711	626	540	455	370	285	200	100	
		1010	909	809	707	606	505	404	303	252	202	151	1054	967	882	797	712	627	541	456	371	286	201	100	
		1010	909	809	707	606	505	404	303	252	202	151	1055	968	883	798	713	628	542	457	372	287	202	101	
		1010	909	809	707	606	505	404	303	252	202	151	1056	969	884	799	714	629	543	458	373	288	203	101	
		1010	909	809	707	606	505	404	303	252	202	151	1057	970	885	800	715	630	544	459	374	289	204	102	
		1010	909	809	707	606	505	404	303	252	202	151	1058	971	886	801	716	631	545	460	375	290	205	102	
1010	909	809	707	606	505	404	303	252	202	151	1059	972	887	802	717	632	546	461	376	291	206	103			
\$50,600	NQ	1014	913	811	710	608	507	406	304	253	203	152	1060	973	888	803	718	633	547	462	377	292	207	103	
		1014	913	811	710	608	507	406	304	253	203	152	1061	974	889	804	719	634	548	463	378	293	208	104	
		1014	913	811	710	608	507	406	304	253	203	152	1062	975	890	805	720	635	549	464	379	294	209	104	
		1014	913	811	710	608	507	406	304	253	203	152	1063	976	891	806	721	636	550	465	380	295	210	105	
		1014	913	811	710	608	507	406	304	253	203	152	1064	977	892	807	722	637	551	466	381	296	211	105	
		1014	913	811	710	608	507	406	304	253	203	152	1065	978	893	808	723	638	552	467	382	297	212	106	
		1014	913	811	710	608	507	406	304	253	203	152	1066	979	894	809	724	639	553	468	383	298	213	106	
		1014	913	811	710	608	507	406	304	253	203	152	1067	980	895	810	725	640	554	469	384	299	214	107	
		1014	913	811	710	608	507	406	304	253	203	152	1068	981	896	811	726	641	555	470	385	300	215	107	
		1014	913	811	710	608	507	406	304	253	203	152	1069	982	897	812	727	642	556	471	386	301	216	108	
		1014	913	811	710	608	507	406	304	253	203	152	1070	983	898	813	728	643	557	472	387	302	217	108	
		1014	913	811	710	608	507	406	304	253	203	152	1071	984	899	814	729	644	558	473	388	303	218	109	
1014	913	811	710	608	507	406	304	253	203	152	1072	985	900	815	730	645	559	474	389	304	219	109			
\$50,800	NR	1018	916	814	713	611	509	407	305	254	204	153	1073	986	901	816	731	646	560	475	390	305	220	110	
		1018	916	814	713	611	509	407	305	254	204	153	1074	987	902	817	732	647	561	476	391	306	221	110	
		1018	916	814	713	611	509	407	305	254	204	153	1075	988	903	818	733	648	562	477	392	307	222	111	
		1018	916	814	713	611	509	407	305	254	204	153	1076	989	904	819	734	649	563	478	393	308	223	111	
		1018	916	814	713	611	509	407	305	254	204	153	1077	990	905	820	735	650	564	479	394	309	224	112	
		1018	916	814	713	611	509	407	305	254	204	153	1078	991	906	821	736	651	565	480	395	310	225	112	
		1018	916	814	713	611	509	407	305	254	204	153	1079	992	907	822	737	652	566	481	396	311	226	113	
		1018	916	814	713	611	509	407	305	254	204	153	1080	993	908	823	738	653	567	482	397	312	227	113	
		1018	916	814																					

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

COST		VEHICLE LICENSE FEE RATE TABLE																																																					
		2%																																																					
VLF CLASS		MONTHLY PRORATED VEHICLE LICENSE FEES																																																					
		12TH MO.	11TH MO.	10TH MO.	9TH MO.	8TH MO.	7TH MO.	6TH MO.	5TH MO.	4TH MO.	3RD MO.	2ND MO.	1ST MO.																																										
\$51,400	\$51,599.99	NV	1030	927	824	721	618	515	412	309	206	154	1051	1052	1053	1054	1055	1056	1057	1058	1059	1060	1061	1062	1063	1064	1065	1066	1067	1068	1069	1070	1071	1072	1073	1074	1075	1076	1077	1078	1079	1080													
			1034	931	827	724	620	517	414	310	207	155	1058	1059	1060	1061	1062	1063	1064	1065	1066	1067	1068	1069	1070	1071	1072	1073	1074	1075	1076	1077	1078	1079	1080	1081	1082	1083	1084	1085	1086	1087	1088	1089	1090										
			1038	934	830	727	623	519	415	311	208	156	1062	1063	1064	1065	1066	1067	1068	1069	1070	1071	1072	1073	1074	1075	1076	1077	1078	1079	1080	1081	1082	1083	1084	1085	1086	1087	1088	1089	1090	1091	1092	1093	1094	1095	1096	1097	1098	1099	1100				
\$52,000	\$52,199.99	NY	1042	938	834	729	625	521	417	313	208	156	1064	1065	1066	1067	1068	1069	1070	1071	1072	1073	1074	1075	1076	1077	1078	1079	1080	1081	1082	1083	1084	1085	1086	1087	1088	1089	1090	1091	1092	1093	1094	1095	1096	1097	1098	1099	1100						
			1046	941	837	732	628	523	418	314	209	157	1068	1069	1070	1071	1072	1073	1074	1075	1076	1077	1078	1079	1080	1081	1082	1083	1084	1085	1086	1087	1088	1089	1090	1091	1092	1093	1094	1095	1096	1097	1098	1099	1100	1101	1102	1103	1104	1105	1106	1107	1108	1109	1110
			1050	945	840	735	630	525	420	315	210	157	1072	1073	1074	1075	1076	1077	1078	1079	1080	1081	1082	1083	1084	1085	1086	1087	1088	1089	1090	1091	1092	1093	1094	1095	1096	1097	1098	1099	1100	1101	1102	1103	1104	1105	1106	1107	1108	1109	1110				
\$52,400	\$52,599.99	PB	1054	949	843	738	632	527	422	316	211	158	1076	1077	1078	1079	1080	1081	1082	1083	1084	1085	1086	1087	1088	1089	1090	1091	1092	1093	1094	1095	1096	1097	1098	1099	1100	1101	1102	1103	1104	1105	1106	1107	1108	1109	1110								
			1058	953	847	742	636	531	426	321	216	158	1080	1081	1082	1083	1084	1085	1086	1087	1088	1089	1090	1091	1092	1093	1094	1095	1096	1097	1098	1099	1100	1101	1102	1103	1104	1105	1106	1107	1108	1109	1110	1111	1112	1113	1114	1115	1116	1117	1118	1119	1120		
			1062	957	851	746	640	535	430	325	221	158	1084	1085	1086	1087	1088	1089	1090	1091	1092	1093	1094	1095	1096	1097	1098	1099	1100	1101	1102	1103	1104	1105	1106	1107	1108	1109	1110	1111	1112	1113	1114	1115	1116	1117	1118	1119	1120						

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

VEHICLE LICENSE FEE RATE TABLE

2%

2%

COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRIORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH MO.	11TH MO.	10TH MO.	9TH MO.	8TH MO.	7TH MO.	6TH MO.	5TH MO.	4TH MO.	3RD MO.	2ND MO.	1ST MO.
\$52,800	\$52,999.99	1058	952	846	741	635	529	423	317	264	212	159	1081	991	901	811	721	631	540	450	360	270	180	90	
\$53,000	\$53,199.99	1062	956	850	743	637	531	425	319	265	212	159	1084	994	903	813	723	632	542	452	362	271	181	90	
\$53,200	\$53,399.99	1066	959	853	746	640	533	428	320	266	213	160	1088	997	907	816	725	635	544	453	363	272	181	91	
\$53,400	\$53,599.99	1070	963	856	749	642	535	428	321	267	214	160	1091	1000	909	818	727	636	545	455	364	273	182	91	
\$53,600	\$53,799.99	1074	967	859	752	644	537	430	322	268	215	161	1094	1003	912	820	729	638	547	456	365	273	182	91	
\$53,800	\$53,999.99	1078	970	862	755	647	539	431	323	269	216	162	1097	1005	913	821	730	639	548	457	365	274	183	91	
\$54,000	\$54,199.99	1082	974	866	757	649	541	433	325	270	216	162	1099	1007	916	824	733	641	549	458	366	274	183	91	
\$54,200	\$54,399.99	1086	977	869	760	652	543	434	326	271	217	163	1100	1008	917	825	734	642	550	458	367	275	183	92	
													1101	1009	917	826	734	642	550	459	367	275	183	92	
													1102	1010	918	826	735	643	551	459	367	275	184	92	
													1103	1011	919	827	735	643	551	460	368	276	184	92	
													1104	1012	920	828	736	644	552	460	368	276	184	92	
													1105	1013	921	829	737	645	552	460	368	276	184	92	
													1106	1014	922	829	737	645	553	461	369	276	184	92	
													1107	1015	922	830	738	646	553	461	369	277	184	92	
													1108	1016	923	831	739	646	554	462	369	277	185	92	
													1109	1017	924	832	739	647	554	462	370	277	185	92	
													1110	1017	925	832	740	647	555	462	370	277	185	92	

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

COST		VEHICLE LICENSE FEE RATE TABLE												MONTHLY PHORATED VEHICLE LICENSE FEES											
		FULL YEAR VEHICLE LICENSE FEES												MONTHLY PHORATED VEHICLE LICENSE FEES											
CLASS	VLF	19			19			19			19			19			19			19			19		
		MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.		
\$55.800	PV	1116	1006	894	783	671	559	447	335	279	224	188	1141	1046	951	858	761	666	570	475	380	285	190	95	
		1143	1048	952	857	762	667	571	476	381	286	191	95	1144	1049	953	858	763	668	572	477	382	286	191	95
		1145	1050	954	859	764	669	573	478	383	287	191	96	1146	1050	955	859	764	669	573	478	383	287	191	96
\$56.000	PW	1122	1010	898	785	673	561	449	337	280	224	168	1147	1051	956	860	765	669	573	478	382	287	191	96	
		1148	1052	957	861	765	670	574	478	383	287	191	96	1149	1053	957	862	766	670	574	479	383	287	191	96
		1150	1054	958	862	767	671	575	479	383	287	192	96	1151	1055	959	863	767	671	575	480	384	288	192	96
\$56.200	PX	1126	1013	901	788	676	563	450	338	281	225	169	1152	1056	960	864	768	672	576	480	384	288	192	96	
		1153	1057	961	865	769	673	577	481	385	289	193	96	1154	1058	962	865	769	673	577	481	385	289	193	96
		1155	1059	962	866	770	674	577	481	385	289	193	96	1156	1060	963	867	771	674	578	482	386	289	193	96
\$56.400	PY	1130	1017	904	791	678	565	452	339	282	226	169	1157	1061	964	868	771	675	578	482	386	289	193	96	
		1158	1061	965	868	772	675	579	482	386	289	193	96	1159	1062	966	869	773	676	579	483	386	290	193	97
		1160	1063	967	870	773	677	580	483	387	290	193	97	1161	1064	967	871	774	677	580	484	387	290	193	97
\$56.600	PZ	1134	1021	907	794	680	567	454	340	283	227	170	1162	1065	968	871	775	678	581	484	387	290	194	97	
		1163	1066	969	872	775	678	581	484	387	290	194	97	1164	1067	970	873	776	679	582	485	388	291	194	97
		1165	1068	971	874	777	680	582	485	388	291	194	97	1166	1069	972	874	777	680	583	486	389	291	194	97
\$56.800	QA	1138	1024	910	797	683	569	455	341	284	228	171	1167	1070	972	875	778	681	583	486	389	292	194	97	
		1168	1071	973	876	779	681	584	487	389	292	195	97	1169	1072	974	877	779	682	584	487	390	292	195	97
		1170	1072	975	877	780	682	585	487	390	292	195	97	1171	1073	976	878	780	683	585	487	390	292	195	97

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

COST	VLF CLASS	VEHICLE LICENSE FEE RATE TABLE												MONTHLY PRORATED VEHICLE LICENSE FEES											
		2%												2%											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST
\$57,200	\$57,399.99	1146	1031	917	802	688	573	458	344	286	229	172	1171	1073	976	876	781	683	585	488	390	293	195	88	
\$57,400	\$57,599.99												1172	1074	977	877	781	684	586	489	391	293	195	88	
													1173	1075	977	880	783	685	587	490	392	294	196	88	
													1174	1076	978	881	784	686	588	491	393	295	197	88	
													1175	1077	979	882	785	687	589	492	394	296	198	88	
													1176	1078	980	883	786	688	590	493	395	297	199	88	
													1177	1079	981	884	787	689	591	494	396	298	199	88	
													1178	1080	982	885	788	690	592	495	397	299	200	100	
													1179	1081	982	886	789	691	593	496	398	299	200	100	
													1180	1082	983	887	790	692	594	497	399	299	200	100	
													1181	1083	984	888	791	693	595	498	399	299	200	100	
													1182	1083	985	889	792	694	596	499	399	299	200	100	
													1183	1084	986	890	793	695	597	500	400	300	200	100	
													1184	1085	987	891	794	696	598	501	401	301	201	101	
													1185	1086	988	892	795	697	599	502	402	302	202	101	
													1186	1087	988	893	796	698	600	503	403	303	203	101	
													1187	1088	989	894	797	699	601	504	404	304	204	101	
													1188	1089	990	895	798	700	602	505	405	305	205	101	
													1189	1090	991	896	799	701	603	506	406	306	206	101	
													1190	1091	992	897	800	702	604	507	407	307	207	101	
													1191	1092	992	898	801	703	605	508	408	308	208	101	
													1192	1093	993	899	802	704	606	509	409	309	209	101	
													1193	1094	994	900	803	705	607	510	410	310	210	101	
													1194	1094	995	901	804	706	608	511	411	311	211	101	
													1195	1095	996	902	805	707	609	512	412	312	212	101	
													1196	1096	997	903	806	708	610	513	413	313	213	101	
													1197	1097	997	904	807	709	611	514	414	314	214	101	
													1198	1098	998	905	808	710	612	515	415	315	215	101	
													1199	1099	999	906	809	711	613	516	416	316	216	101	
													1200	1100	1000	907	810	712	614	517	417	317	217	101	

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

VEHICLE LICENSE FEE RATE TABLE

2%

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COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH MO.	11TH MO.	10TH MO.	9TH MO.	8TH MO.	7TH MO.	6TH MO.	5TH MO.	4TH MO.	3RD MO.	2ND MO.	1ST MO.
\$58,800	QM	1178	1060	942	825	707	589	471	353	294	236	177	1201	1101	1001	901	801	701	600	500	400	300	200	100	
\$59,000	QN	1182	1064	946	827	709	591	473	355	295	236	177	1209	1109	1009	909	809	709	604	504	403	302	201	101	
\$59,200	QP	1186	1067	949	830	712	593	474	356	296	237	178	1213	1113	1013	913	813	713	606	506	404	303	202	101	
\$59,400	QQ	1190	1071	952	833	714	595	476	357	297	238	178	1217	1117	1017	917	817	717	607	507	405	304	203	101	
\$59,600	QR	1194	1075	955	836	716	597	478	358	298	239	179	1221	1121	1021	921	821	721	610	510	407	305	203	102	
\$59,800	QS	1198	1078	958	839	719	599	479	359	299	240	180	1225	1125	1025	925	825	725	612	512	408	306	204	102	
\$60,000	QT	1202	1082	962	841	721	601	481	361	300	240	180	1229	1129	1029	929	829	729	613	513	409	307	205	102	
													1230	1127	1024	922	819	717	614	512	410	307	205	102	

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

COST		FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST
MO	MO	MO	MO	MO	MO	MO	MO	MO	MO	MO	MO	MO	MO	MO	MO	MO	MO	MO	MO	MO	MO	MO	MO	MO	MO
\$60,200	\$60,399.99	1208	1085	965	844	724	603	482	362	301	241	181	1231	1128	1026	923	821	718	615	513	410	308	205	103	
\$60,400	\$60,599.99	1210	1089	969	847	726	605	484	363	302	242	181	1236	1133	1030	927	824	721	618	515	412	309	206	103	
\$60,600	\$60,799.99	1214	1093	971	850	728	607	486	364	303	243	182	1240	1137	1033	930	827	724	620	517	414	310	207	103	
\$60,800	\$60,999.99	1218	1098	974	853	731	609	487	365	304	244	183	1246	1142	1038	934	831	727	623	519	415	311	208	104	
\$61,000	\$61,199.99	1222	1100	976	855	733	611	489	367	305	244	183	1248	1144	1040	936	832	728	624	520	416	312	208	104	
\$61,200	\$61,399.99	1226	1103	981	858	736	613	490	368	306	245	184	1250	1146	1042	937	833	729	625	521	417	312	209	104	
\$61,400	\$61,599.99	1230	1107	984	861	738	615	492	369	307	246	184	1251	1147	1042	938	834	730	625	521	417	313	209	105	
													1252	1148	1043	939	835	730	626	522	417	313	209	104	
													1253	1149	1044	940	835	731	626	522	418	313	209	104	
													1254	1149	1045	940	836	731	627	522	418	313	209	104	
													1255	1150	1046	941	837	732	627	523	418	314	209	105	
													1256	1151	1047	942	837	733	628	523	419	314	209	105	
													1257	1152	1047	943	838	733	628	524	419	314	209	105	
													1258	1153	1048	943	839	734	629	524	419	314	210	105	
													1259	1154	1049	944	839	734	629	525	420	315	210	105	
													1260	1155	1050	945	840	735	630	525	420	315	210	105	

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MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

VEHICLE LICENSE FEE RATE TABLE

2%

COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST
\$63,200	RM	1266	1139	1013	886	760	633	506	380	253	190														
		1291	1183	1076	968	861	753	645	538	430	323	215	108												
		1292	1184	1077	969	861	754	646	539	431	323	215	108												
\$63,400	RN	1270	1143	1016	889	762	635	508	381	254	190														
		1297	1189	1081	973	865	757	648	540	432	324	216	108												
		1298	1190	1082	973	865	757	649	541	433	324	216	108												
\$63,600	RP	1274	1147	1019	892	764	637	510	382	255	191														
		1300	1192	1083	975	867	759	650	542	434	325	217	108												
		1301	1193	1084	976	867	759	650	542	434	325	217	108												
\$63,800	RQ	1278	1150	1022	895	767	639	511	383	256	192														
		1302	1193	1085	976	868	760	651	543	435	326	218	109												
		1303	1194	1086	977	869	760	651	543	435	326	218	109												
\$64,000	RR	1282	1154	1026	897	769	641	513	385	256	192														
		1304	1195	1087	978	870	761	652	544	436	327	218	109												
		1305	1196	1087	978	870	761	652	544	436	327	218	109												
\$64,200	RS	1286	1157	1029	900	772	643	514	386	257	193														
		1306	1197	1088	979	871	762	653	544	436	327	218	109												
		1307	1198	1089	980	871	762	653	544	436	327	218	109												
\$64,400	RT	1290	1161	1032	903	774	645	516	387	258	193														
		1308	1199	1090	981	872	763	654	545	437	328	219	109												
		1309	1200	1091	982	873	764	655	546	437	328	219	109												
		1310	1201	1092	982	873	764	655	546	437	328	219													
		1311	1202	1092	983	874	765	655	547	438	328	219													
		1312	1203	1093	984	875	765	656	547	438	328	219													
		1313	1204	1094	985	875	766	656	547	438	328	219													
		1314	1204	1095	985	876	766	657	547	438	328	219													
		1315	1205	1096	986	877	767	657	548	438	328	219													
		1316	1206	1097	987	877	768	658	548	439	329	219													
		1317	1207	1097	988	878	768	658	549	439	329	219													
		1318	1208	1098	988	879	769	659	549	439	329	219													
		1319	1209	1099	989	879	769	659	550	440	330	220													
		1320	1210	1100	990	880	770	660	550	440	330	220													

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

VEHICLE LICENSE FEE RATE TABLE

2%

2%

COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST
		MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.
\$64,600	RV	1284	1165	1005	906	776	647	510	388	259	184	1321	1211	1101	991	881	771	660	550	440	330	220	110		
		1284	1165	1005	906	776	647	510	388	259	184	1322	1212	1102	991	881	771	661	551	441	330	220	110		
		1323	1213	1102	992	882	772	661	551	441	331	220	110	1324	1214	1103	993	883	772	662	552	441	331	221	110
\$64,800	RW	1288	1168	1008	909	779	649	519	389	260	185	1325	1215	1104	994	883	773	662	552	442	331	221	110		
		1326	1215	1105	994	884	773	663	552	442	331	221	110	1327	1216	1106	995	885	774	663	553	442	332	221	111
		1328	1217	1107	996	885	776	664	553	443	332	221	111	1329	1218	1107	997	886	776	664	554	443	332	221	111
\$65,000	RX	1302	1172	1042	911	781	651	521	391	260	185	1330	1219	1108	997	887	776	665	554	443	332	222	111		
		1331	1220	1109	998	887	776	665	554	443	333	222	111	1332	1221	1110	999	888	777	666	555	444	333	222	111
		1333	1222	1111	1000	889	778	666	555	444	333	222	111	1334	1223	1112	1000	889	778	667	558	445	334	222	111
\$65,200	RY	1306	1175	1045	914	784	653	522	392	261	186	1335	1224	1112	1001	890	779	667	555	445	334	222	111		
		1336	1225	1113	1002	891	779	668	557	445	334	223	111	1337	1226	1114	1003	891	780	668	557	446	334	223	111
		1338	1226	1115	1003	892	780	669	557	446	334	223	111	1339	1227	1116	1004	893	781	669	558	446	335	223	112
\$65,400	RZ	1310	1179	1048	917	786	655	524	393	262	186	1340	1228	1117	1005	893	782	670	558	447	335	223	112		
		1341	1229	1117	1006	894	782	670	558	447	335	223	112	1342	1230	1118	1006	895	783	671	559	447	335	224	112
		1343	1231	1119	1007	895	783	671	559	447	335	224	112	1344	1232	1120	1008	896	784	672	560	448	336	224	112
\$65,600	SA	1314	1183	1051	920	788	657	526	394	263	197	1345	1233	1121	1009	897	785	672	560	448	336	224	112		
		1346	1234	1122	1009	897	785	673	561	449	336	224	112	1347	1235	1122	1010	898	786	673	561	449	337	224	112
		1348	1236	1123	1011	899	786	674	562	449	337	225	112	1349	1237	1124	1012	899	787	674	562	450	337	225	112
\$65,800	SB	1318	1186	1054	923	791	659	527	395	264	196	1350	1237	1125	1012	900	787	675	562	450	337	225	112		

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

VEHICLE LICENSE FEE RATE TABLE
2%

COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH MO.	11TH MO.	10TH MO.	9TH MO.	8TH MO.	7TH MO.	6TH MO.	5TH MO.	4TH MO.	3RD MO.	2ND MO.	1ST MO.
\$66,000	SC	1322	1190	1068	925	793	661	529	397	264	196	1351	1238	1126	1013	901	788	675	563	450	338	225	113		
\$66,200	SD	1326	1193	1061	928	796	663	530	398	265	199	1354	1241	1128	1015	903	790	677	565	452	339	226	113		
\$66,400	SE	1330	1197	1064	931	799	665	532	399	266	199	1358	1245	1132	1018	905	792	679	566	453	340	226	113		
\$66,600	SF	1334	1201	1067	934	800	667	534	400	267	200	1360	1247	1133	1020	907	793	680	567	454	340	227	113		
\$66,800	SH	1338	1204	1070	937	803	669	535	401	268	201	1364	1250	1137	1023	909	796	682	568	455	341	227	114		
\$67,000	SJ	1342	1208	1074	939	805	671	537	403	268	201	1366	1252	1138	1024	911	797	683	569	455	341	228	114		
\$67,200	SK	1346	1211	1077	942	808	673	538	404	269	202	1370	1256	1142	1027	913	799	685	571	457	342	228	114		
\$67,400	SL	1350	1215	1080	945	810	675	540	405	270	202	1374	1259	1145	1030	916	801	687	572	458	343	229	114		

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MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

VEHICLE LICENSE FEE RATE TABLE

2%

COST	VLF CLASS	1 YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST
\$69,000	SV	1382	1244	1106	967	829	691	553	415	276	207	1411	1293	1176	1058	941	823	705	588	470	353	235	116		
		1386	1247	1109	970	832	693	554	416	277	208	1412	1294	1177	1059	942	824	706	589	471	353	235	116		
		1386	1247	1109	970	832	693	554	416	277	208	1413	1295	1177	1060	942	824	706	589	471	353	235	116		
\$69,200	SW	1386	1247	1109	970	832	693	554	416	277	208	1414	1296	1178	1060	943	825	707	590	472	354	236	118		
		1386	1247	1109	970	832	693	554	416	277	208	1415	1297	1179	1061	943	825	707	590	472	354	236	118		
		1386	1247	1109	970	832	693	554	416	277	208	1416	1298	1180	1062	944	826	708	590	472	354	236	118		
\$69,400	SX	1390	1251	1112	973	834	695	556	417	278	208	1417	1299	1181	1063	945	827	708	590	472	354	236	118		
		1390	1251	1112	973	834	695	556	417	278	208	1418	1300	1182	1063	945	827	709	591	473	354	236	118		
		1390	1251	1112	973	834	695	556	417	278	208	1419	1301	1182	1064	946	828	709	591	473	355	236	118		
\$69,600	SY	1394	1255	1115	976	836	697	558	418	279	209	1420	1302	1183	1065	947	828	710	592	474	355	237	119		
		1394	1255	1115	976	836	697	558	418	279	209	1421	1303	1184	1066	947	829	710	592	474	355	237	119		
		1394	1255	1115	976	836	697	558	418	279	209	1422	1303	1185	1066	948	829	711	592	474	355	237	119		
\$69,800	SZ	1398	1258	1118	979	839	699	559	419	280	210	1423	1304	1186	1067	949	830	711	593	474	356	238	119		
		1398	1258	1118	979	839	699	559	419	280	210	1424	1305	1187	1068	949	831	712	593	475	356	238	119		
		1398	1258	1118	979	839	699	559	419	280	210	1425	1306	1187	1069	950	831	712	594	475	356	238	119		
\$70,000	TA	1402	1262	1122	981	841	701	561	421	280	210	1426	1307	1188	1069	951	832	713	594	475	356	238	119		
		1402	1262	1122	981	841	701	561	421	280	210	1427	1308	1189	1070	951	832	713	595	476	357	238	119		
		1402	1262	1122	981	841	701	561	421	280	210	1428	1309	1190	1071	952	833	714	595	476	357	238	119		
\$70,200		1406	1265	1125	984	844	703	562	422	281	211	1429	1310	1191	1072	953	834	714	595	476	357	238	119		
		1406	1265	1125	984	844	703	562	422	281	211	1430	1311	1192	1072	953	834	715	596	477	357	238	119		
		1406	1265	1125	984	844	703	562	422	281	211	1431	1312	1192	1073	954	835	715	596	477	358	239	119		
		1406	1265	1125	984	844	703	562	422	281	211	1432	1313	1193	1074	955	835	716	597	477	358	239	119		
		1406	1265	1125	984	844	703	562	422	281	211	1433	1314	1194	1075	955	836	716	597	478	358	239	119		
		1406	1265	1125	984	844	703	562	422	281	211	1434	1314	1195	1075	956	836	717	597	478	358	239	119		
		1406	1265	1125	984	844	703	562	422	281	211	1435	1315	1196	1076	957	837	717	598	478	359	239	120		
		1406	1265	1125	984	844	703	562	422	281	211	1436	1316	1197	1077	957	838	718	598	479	359	239	120		
		1406	1265	1125	984	844	703	562	422	281	211	1437	1317	1197	1078	958	838	718	599	479	359	239	120		
		1406	1265	1125	984	844	703	562	422	281	211	1438	1318	1198	1078	959	839	719	599	479	359	239	120		
		1406	1265	1125	984	844	703	562	422	281	211	1439	1318	1199	1079	959	839	719	600	480	360	240	120		
		1406	1265	1125	984	844	703	562	422	281	211	1440	1320	1200	1080	960	840	720	600	480	360	240	120		

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MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

VEHICLE LICENSE FEE RATE TABLE

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COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRIORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST
\$70,400	\$70,599.99	1410	1269	1128	987	846	705	564	423	352	282	211	1441	1321	1201	1081	961	841	720	600	480	360	240	120	
\$70,600	\$70,799.99	1414	1273	1131	990	848	707	566	424	353	283	212	1444	1324	1203	1083	963	842	722	602	482	362	242	122	
\$70,800	\$70,999.99	1418	1276	1134	993	851	709	567	425	354	284	213	1448	1327	1206	1086	965	844	724	604	484	364	244	124	
\$71,000	\$71,199.99	1422	1280	1138	995	853	711	569	427	355	284	213	1451	1330	1209	1089	967	846	726	606	486	366	246	126	
\$71,200	\$71,399.99	1426	1283	1141	998	856	713	570	428	356	285	214	1454	1333	1212	1092	970	849	729	609	489	369	249	129	
\$71,400	\$71,599.99	1430	1287	1144	1001	858	715	572	429	357	286	214	1458	1336	1214	1094	972	851	731	611	491	371	251	131	
\$71,600	\$71,799.99	1434	1291	1147	1004	860	717	574	430	358	287	215	1461	1339	1217	1097	975	854	734	614	494	374	254	134	
\$71,800	\$71,999.99	1438	1294	1150	1007	863	719	575	431	359	288	216	1465	1343	1221	1101	977	855	735	615	495	375	255	135	

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

VEHICLE LICENSE FEE RATE TABLE

2%

COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST
		MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.
\$72,000	TM	1442	1298	1154	1009	865	721	577	433	360	288	216	1471	1348	1226	1103	981	858	735	613	490	368	245	123	
\$72,200	TN	1446	1301	1157	1012	868	723	578	434	361	289	217	1476	1353	1230	1107	984	861	738	615	492	369	246	123	
\$72,400	TP	1450	1305	1160	1015	870	725	580	435	362	290	217	1481	1358	1235	1111	988	864	741	617	494	370	247	123	
\$72,600	TQ	1454	1309	1163	1018	872	727	582	436	363	291	218	1483	1359	1236	1112	989	865	741	618	494	371	247	124	
\$72,800	TR	1458	1312	1166	1021	875	729	583	437	364	292	219	1485	1361	1237	1114	990	866	742	619	495	371	247	124	
\$73,000	TS	1462	1316	1170	1023	877	731	585	439	365	292	219	1486	1362	1238	1114	991	867	743	619	495	371	248	124	
\$73,200		1466	1319	1173	1026	880	733	586	440	366	293	220	1487	1363	1239	1115	991	867	743	620	496	372	248	124	
													1488	1364	1240	1116	992	868	744	620	496	372	248	124	
													1489	1365	1241	1117	993	869	744	620	496	372	248	124	
													1490	1366	1242	1117	993	869	745	621	497	372	248	124	
													1491	1367	1242	1118	994	870	745	621	497	373	249	124	
													1492	1368	1243	1119	995	870	746	622	497	373	249	124	
													1493	1369	1244	1120	995	871	746	622	498	373	249	124	
													1494	1369	1245	1120	996	871	747	622	498	373	249	124	
													1495	1370	1246	1121	997	872	747	623	498	374	249	125	
													1496	1371	1247	1122	997	873	748	623	498	374	249	125	
													1497	1372	1247	1123	998	873	748	624	499	374	249	125	
													1498	1373	1248	1123	999	874	749	624	499	375	250	125	
													1499	1374	1249	1124	999	874	749	625	500	375	250	125	
													1500	1375	1250	1125	1000	875	750	625	500	375	250	125	

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MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

VEHICLE LICENSE FEE RATE TABLE 2%

COST	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES												
	19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST	
CLASS	1488	1346	1196	1049	899	749	599	449	374	300	225	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.
VC	1488	1346	1196	1049	899	749	599	449	374	300	225	1531	1403	1276	1148	1021	893	765	638	510	383	255	128		
VD	1602	1352	1202	1051	901	751	601	451	375	300	225	1532	1404	1277	1149	1021	894	766	639	511	383	255	128		
VE	1506	1355	1205	1054	904	753	602	452	376	301	226	1533	1405	1277	1150	1022	894	766	639	511	383	255	128		
VF	1610	1359	1206	1057	906	755	604	453	377	302	226	1534	1406	1278	1150	1023	895	767	640	512	384	256	128		
VH	1614	1363	1211	1060	908	757	606	454	378	303	227	1535	1407	1279	1151	1023	895	767	640	512	384	256	128		
VJ	1516	1366	1214	1063	911	759	607	455	379	304	228	1536	1408	1280	1152	1024	896	768	640	512	384	256	128		
VK	1522	1370	1218	1065	913	761	609	457	380	304	228	1537	1409	1281	1153	1025	897	768	640	512	384	256	128		
VL	1526	1373	1221	1068	916	763	610	458	381	305	229	1538	1410	1282	1153	1025	897	769	641	513	384	256	128		
												1539	1411	1282	1154	1026	898	769	641	513	385	256	128		
												1540	1412	1283	1155	1027	898	770	642	513	385	257	129		
												1541	1413	1284	1156	1027	899	770	642	514	385	257	129		
												1542	1413	1285	1156	1028	899	771	642	514	385	257	129		
												1543	1414	1286	1157	1029	900	771	643	514	386	257	129		
												1544	1415	1287	1158	1029	901	772	643	515	386	257	129		
												1545	1416	1287	1159	1030	901	772	644	515	386	257	129		
												1546	1417	1288	1159	1031	902	773	644	515	386	257	129		
												1547	1418	1289	1160	1031	902	773	645	516	387	258	129		
												1548	1419	1290	1161	1032	903	774	645	516	387	258	129		
												1549	1420	1291	1162	1033	904	774	645	516	387	258	129		
												1550	1421	1292	1162	1033	904	775	646	517	387	258	129		
												1551	1422	1292	1163	1034	905	775	646	517	388	258	129		
												1552	1423	1293	1164	1035	905	776	647	517	388	259	129		
												1553	1424	1294	1165	1035	906	776	647	518	388	259	129		
												1554	1424	1295	1165	1036	906	777	647	518	388	259	129		
												1555	1425	1296	1166	1037	907	777	648	518	389	259	130		
												1556	1426	1297	1167	1037	908	778	648	519	389	259	130		
												1557	1427	1297	1168	1038	908	778	649	519	389	259	130		
												1558	1428	1298	1168	1039	909	779	649	519	389	260	130		
												1559	1429	1299	1169	1039	909	779	650	520	390	260	130		
												1560	1430	1300	1170	1040	910	780	650	520	390	260	130		

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

VEHICLE LICENSE FEE RATE TABLE
2%

COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRO-RATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST
\$76,400	VM	1530	1377	1224	1071	918	765	612	459	306	229	1561	1431	1301	1171	1041	911	780	650	520	390	260	130		
\$76,600	VN	1534	1381	1227	1074	920	767	614	460	307	230	1566	1436	1306	1176	1046	916	785	655	525	395	265	135		
\$76,800	VP	1538	1384	1230	1077	923	769	615	461	308	231	1571	1440	1309	1178	1047	916	785	655	524	393	262	131		
\$77,000	VO	1542	1388	1234	1079	925	771	617	463	308	231	1576	1445	1313	1182	1051	919	788	657	526	394	263	131		
\$77,200	VR	1546	1391	1237	1082	928	773	618	464	309	232	1581	1448	1316	1184	1053	921	789	658	526	394	263	131		
\$77,400	VS	1550	1395	1240	1085	930	775	620	465	310	232	1586	1452	1320	1188	1056	924	792	660	528	396	264	132		
\$77,600	VT	1554	1399	1243	1088	932	777	622	466	311	233	1591	1456	1324	1191	1059	927	794	662	529	397	265	132		

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

VEHICLE LICENSE FEE RATE TABLE 2%

COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST
\$77,800	VV	1558	1402	1246	1091	935	779	623	467	389	312	234	1591	1458	1326	1193	1061	928	795	663	530	398	265	133	
\$78,000	VW	1562	1406	1250	1093	937	781	625	469	390	312	234	1596	1463	1330	1197	1064	931	798	665	532	399	266	133	
\$78,200	VX	1566	1409	1253	1096	940	783	626	470	391	313	235	1599	1466	1333	1200	1067	934	801	668	535	402	269	136	
\$78,400	VY	1570	1413	1256	1099	942	785	628	471	392	314	235	1604	1471	1337	1204	1070	936	802	669	536	403	270	136	
\$78,600	VZ	1574	1417	1259	1102	944	787	630	472	393	315	236	1607	1474	1340	1206	1072	938	804	671	538	405	271	137	
\$78,800	WA	1578	1420	1262	1105	947	789	631	473	394	316	237	1611	1477	1342	1207	1073	939	805	672	539	406	272	138	
\$79	WB	1582	1424	1266	1107	949	791	633	475	395	317	237	1616	1481	1346	1211	1076	941	807	673	540	407	273	139	

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

VEHICLE LICENSE FEE RATE TABLE

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2%

COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST
\$79,200	\$79,399.99	1588	1427	1269	1110	952	793	634	476	396	317	238	1621	1486	1351	1216	1081	946	810	675	540	405	270	135	
\$79,400	\$79,599.99	1690	1431	1272	1113	954	795	636	477	397	318	238	1622	1487	1352	1217	1082	947	811	676	541	406	271	135	
\$79,600	\$79,799.99	1594	1435	1275	1116	956	797	638	478	398	319	239	1623	1488	1353	1218	1083	948	812	677	542	407	272	136	
\$79,800	\$79,999.99	1698	1438	1278	1119	959	799	639	479	399	320	240	1624	1489	1354	1219	1084	949	813	678	543	408	272	136	
\$80,000	\$80,199.99	1602	1442	1282	1121	961	801	641	481	400	320	240	1625	1490	1355	1220	1085	950	814	679	544	409	273	136	
\$80,200	\$80,399.99	1608	1445	1285	1124	964	803	642	482	401	321	241	1626	1491	1356	1221	1086	951	815	680	545	410	273	137	
\$80,400	\$80,599.99	1610	1449	1288	1127	966	805	644	483	402	322	241	1627	1492	1357	1222	1087	952	816	681	546	411	274	137	
\$80,600	\$80,799.99	1614	1453	1291	1130	968	807	646	484	403	323	242	1628	1493	1358	1223	1088	953	817	682	547	412	275	137	
													1629	1494	1359	1224	1089	954	818	683	548	413	276	137	
													1630	1495	1360	1225	1090	955	819	684	549	414	277	138	
													1631	1496	1361	1226	1091	956	820	685	550	415	278	138	
													1632	1497	1362	1227	1092	957	821	686	551	416	279	138	
													1633	1498	1363	1228	1093	958	822	687	552	417	280	138	
													1634	1499	1364	1229	1094	959	823	688	553	418	281	138	
													1635	1500	1365	1230	1095	960	824	689	554	419	282	138	
													1636	1501	1366	1231	1096	961	825	690	555	420	283	138	
													1637	1502	1367	1232	1097	962	826	691	556	421	284	138	
													1638	1503	1368	1233	1098	963	827	692	557	422	285	138	
													1639	1504	1369	1234	1099	964	828	693	558	423	286	138	
													1640	1505	1370	1235	1100	965	829	694	559	424	287	138	
													1641	1506	1371	1236	1101	966	830	695	560	425	288	138	
													1642	1507	1372	1237	1102	967	831	696	561	426	289	138	
													1643	1508	1373	1238	1103	968	832	697	562	427	290	138	
													1644	1509	1374	1239	1104	969	833	698	563	428	291	138	
													1645	1510	1375	1240	1105	970	834	699	564	429	292	138	
													1646	1511	1376	1241	1106	971	835	700	565	430	293	138	
													1647	1512	1377	1242	1107	972	836	701	566	431	294	138	
													1648	1513	1378	1243	1108	973	837	702	567	432	295	138	
													1649	1514	1379	1244	1109	974	838	703	568	433	296	138	
													1650	1515	1380	1245	1110	975	839	704	569	434	297	138	

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST
		MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.
\$80,800	WM	1616	1456	1294	1133	971	809	647	485	324	243	1651	1513	1376	1238	1101	963	825	688	550	413	275	138		
\$81,000	WN	1622	1460	1298	1135	973	811	649	487	324	243	1657	1519	1381	1243	1105	967	829	691	553	415	277	139		
\$81,200	WP	1628	1463	1301	1138	976	813	650	488	325	244	1660	1522	1383	1245	1107	968	830	692	554	416	277	139		
\$81,400	WQ	1630	1467	1304	1141	978	815	652	489	326	244	1666	1527	1388	1249	1111	972	832	694	555	416	277	139		
\$81,600	WR	1634	1471	1307	1144	980	817	654	490	327	245	1671	1532	1393	1254	1114	975	835	696	557	417	278	139		
\$81,800	WS	1638	1474	1310	1147	983	819	655	491	328	246	1677	1537	1398	1259	1117	978	838	699	559	419	279	140		
\$82,000	WT	1642	1478	1314	1149	985	821	657	493	328	246	1680	1540	1400	1260	1120	980	840	700	560	420	280	140		

VEHICLE LICENSE FEE RATE TABLE

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MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

VEHICLE LICENSE FEE RATE TABLE
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COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH MO.	11TH MO.	10TH MO.	9TH MO.	8TH MO.	7TH MO.	6TH MO.	5TH MO.	4TH MO.	3RD MO.	2ND MO.	1ST MO.
\$82,200	WV	1646	1481	1317	1152	988	823	658	494	329	247	1681	1541	1401	1261	1121	981	840	700	560	420	280	140		
\$82,400	WV	1650	1485	1320	1155	990	825	660	495	330	247	1685	1545	1405	1265	1125	985	844	704	564	424	284	144		
\$82,600	WX	1654	1489	1323	1158	992	827	662	496	331	248	1689	1549	1409	1269	1129	989	848	708	568	428	288	148		
\$82,800	WY	1658	1492	1326	1161	995	829	663	497	332	249	1691	1551	1411	1271	1131	991	850	710	570	430	290	150		
\$83,000	WZ	1662	1496	1330	1163	997	831	665	499	332	249	1695	1555	1415	1275	1135	995	854	714	574	434	294	154		
\$83,200	XA	1666	1499	1333	1166	1000	833	666	500	333	250	1699	1559	1419	1279	1139	999	858	718	578	438	298	158		
\$83,400	XB	1670	1503	1336	1169	1002	835	668	501	334	250	1703	1563	1423	1283	1143	1003	862	722	582	442	302	162		

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

COST		FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST
		MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.	MO.
\$83,600	\$83,799.99	1674	1507	1339	1172	1004	837	670	502	418	335	251	1711	1568	1426	1283	1141	998	855	713	570	428	285	143	
\$84,000	\$84,999.99	1678	1510	1342	1175	1007	839	671	503	419	336	252	1716	1573	1430	1287	1144	1001	858	715	572	429	286	143	
\$84,000	\$84,199.99	1682	1514	1346	1177	1009	841	673	505	420	336	252	1717	1574	1431	1288	1145	1002	859	716	573	430	287	144	
\$84,200	\$84,399.99	1686	1517	1349	1180	1012	843	674	506	421	337	253	1722	1578	1435	1291	1148	1004	861	717	574	430	287	143	
\$84,400	\$84,599.99	1690	1521	1352	1183	1014	845	676	507	422	338	253	1726	1582	1439	1295	1151	1007	863	719	575	431	288	144	
\$84,600	\$84,799.99	1694	1525	1355	1186	1016	847	678	508	423	339	254	1730	1586	1442	1297	1153	1009	865	721	577	432	288	144	
\$84,800	\$84,999.99	1698	1528	1358	1189	1019	849	679	509	424	340	255	1731	1587	1442	1298	1154	1010	865	721	577	433	288	144	
\$85,000	\$85,199.99	1702	1532	1362	1191	1021	851	681	511	425	340	255	1732	1588	1443	1299	1155	1010	866	722	577	431	289	144	
													1733	1589	1444	1300	1155	1011	866	722	578	433	289	144	
													1734	1589	1445	1300	1156	1011	867	722	578	433	289	144	
													1735	1590	1446	1301	1157	1012	867	723	578	434	289	145	
													1736	1591	1447	1302	1157	1013	868	723	579	434	289	145	
													1737	1592	1447	1303	1158	1013	868	724	579	434	289	145	
													1738	1593	1448	1303	1159	1014	869	724	579	434	289	145	
													1739	1594	1449	1304	1159	1014	869	725	580	435	290	145	
													1740	1595	1450	1305	1160	1015	870	725	580	435	290	145	

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

VEHICLE LICENSE FEE RATE TABLE 2%

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COST	VIF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST
\$85,200		1706	1535	1365	1194	1024	853	682	512	426	341	256	1741	1597	1452	1306	1161	1016	870	725	580	435	290	145	
\$85,400		1710	1539	1368	1197	1026	855	684	513	427	342	256	1746	1600	1454	1309	1163	1018	873	727	582	436	291	145	
\$85,600		1714	1543	1371	1200	1028	857	686	514	428	343	257	1751	1605	1459	1313	1167	1021	875	730	584	438	292	146	
\$85,800		1718	1546	1374	1203	1031	859	687	515	429	344	258	1755	1609	1462	1316	1170	1024	877	731	585	439	292	146	
\$86,000		1722	1550	1378	1205	1033	861	688	517	430	344	258	1760	1613	1466	1320	1173	1027	880	733	587	440	293	147	
\$86,200		1726	1553	1381	1208	1036	863	690	518	431	345	259	1765	1618	1471	1324	1175	1028	881	734	587	440	293	147	
\$86,400		1730	1557	1384	1211	1038	865	692	519	432	346	259	1770	1622	1475	1327	1179	1032	885	737	590	442	295	147	

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MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

VEHICLE LICENSE FEE RATE TABLE
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COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH MO.	11TH MO.	10TH MO.	9TH MO.	8TH MO.	7TH MO.	6TH MO.	5TH MO.	4TH MO.	3RD MO.	2ND MO.	1ST MO.
\$86,600	XV	1734	1561	1397	1214	1040	867	694	520	433	347	260	1771	1623	1476	1328	1181	1033	885	738	590	443	295	148	
\$86,800	XW	1738	1564	1399	1217	1043	869	695	521	434	348	261	1775	1627	1479	1331	1183	1035	887	740	592	444	296	148	
\$87,000	XX	1742	1568	1394	1219	1045	871	697	523	435	348	261	1778	1630	1482	1333	1185	1037	889	741	593	444	296	148	
\$87,200	XY	1746	1571	1397	1222	1048	873	698	524	436	349	262	1779	1631	1482	1334	1186	1038	889	741	593	445	296	148	
\$87,400	XZ	1760	1575	1400	1225	1050	875	700	525	437	350	262	1780	1632	1483	1335	1187	1039	890	742	593	445	297	148	
\$87,600	YA	1754	1579	1403	1228	1052	877	702	526	438	351	263	1781	1633	1484	1336	1188	1039	891	742	594	445	297	148	
\$87,800	YB	1758	1582	1406	1231	1055	879	703	527	439	352	264	1782	1634	1485	1337	1189	1040	891	743	594	446	297	149	
													1783	1635	1486	1338	1190	1041	892	743	595	446	297	149	
													1784	1636	1487	1339	1191	1041	892	744	595	446	297	149	
													1785	1637	1488	1339	1191	1042	893	744	595	446	298	149	
													1786	1637	1488	1340	1191	1042	893	745	596	447	298	149	
													1787	1638	1489	1341	1192	1043	894	745	596	447	298	149	
													1788	1639	1490	1341	1192	1043	894	745	596	447	298	149	
													1789	1640	1491	1342	1193	1044	894	745	596	447	298	149	
													1790	1641	1492	1342	1193	1044	895	746	597	447	298	149	
													1791	1642	1492	1343	1194	1045	895	746	597	448	298	149	
													1792	1643	1493	1344	1195	1045	896	747	597	448	299	149	
													1793	1644	1494	1345	1195	1046	896	747	598	448	299	149	
													1794	1644	1495	1345	1196	1046	897	747	598	448	299	149	
													1795	1645	1496	1346	1197	1047	897	748	598	449	299	150	
													1796	1646	1497	1347	1197	1048	898	748	599	449	299	150	
													1797	1647	1497	1348	1198	1048	898	749	599	449	299	150	
													1798	1648	1498	1348	1199	1049	899	749	599	449	299	150	
													1799	1649	1499	1349	1199	1049	899	750	600	450	300	150	
													1800	1650	1500	1350	1200	1050	900	750	600	450	300	150	

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MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

VEHICLE LICENSE FEE RATE TABLE

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FULL YEAR VEHICLE LICENSE FEES

MONTHLY PRORATED VEHICLE LICENSE FEES

COST	CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	8TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST
\$88,000	YF	1762	1596	1410	1233	1067	881	705	529	440	352	264	1801	1651	1501	1351	1201	1051	900	750	600	450	300	150	
\$88,200	YD	1766	1589	1413	1236	1060	883	706	530	441	353	265	1803	1653	1503	1353	1203	1053	902	752	602	452	302	152	
\$88,400	YE	1770	1593	1416	1239	1062	885	708	531	442	354	268	1805	1655	1505	1355	1205	1055	904	754	604	454	304	154	
\$88,600	YF	1774	1597	1419	1242	1064	887	710	532	443	355	268	1806	1656	1506	1356	1206	1056	905	755	605	455	305	155	
\$88,800	YH	1778	1600	1422	1245	1067	889	711	533	444	356	267	1808	1658	1508	1358	1208	1058	906	756	606	456	306	156	
\$89,000	YJ	1782	1604	1426	1247	1069	891	713	535	445	356	267	1810	1660	1510	1360	1210	1060	907	757	607	457	307	157	
\$89,200	YK	1786	1607	1429	1250	1072	893	714	536	446	357	268	1811	1661	1511	1361	1211	1061	908	758	608	458	308	158	
\$89,400	YL	1790	1611	1432	1253	1074	895	716	537	447	358	268	1812	1662	1512	1362	1212	1062	909	759	609	459	309	159	

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

COST		MONTHLY PRORATED VEHICLE LICENSE FEES												FULL YEAR VEHICLE LICENSE FEES											
		12TH MO.	11TH MO.	10TH MO.	9TH MO.	8TH MO.	7TH MO.	6TH MO.	5TH MO.	4TH MO.	3RD MO.	2ND MO.	1ST MO.	19__	19__	19__	19__	19__	19__	19__	19__	19__	19__		
\$89,600 - \$89,799.99	VLF CLASS	1831	1678	1526	1373	1221	1068	915	763	610	458	305	153												
	YM	1832	1679	1527	1374	1221	1069	916	764	611	458	305	153	1794	1615	1435	1256	1076	897	718	538	448	359	269	
	YN	1833	1680	1527	1375	1222	1070	917	764	611	458	306	153												
\$89,800 - \$89,999.99	VLF CLASS	1834	1681	1528	1376	1223	1071	918	765	612	459	306	153												
	YM	1835	1682	1529	1377	1224	1072	919	766	613	459	306	153	1798	1618	1438	1259	1079	899	719	539	449	360	270	
	YN	1836	1683	1530	1378	1225	1073	920	767	614	460	307	153												
\$90,000 - \$90,199.99	VLF CLASS	1837	1684	1531	1379	1226	1074	921	768	615	461	307	154												
	YM	1838	1685	1532	1380	1227	1075	922	769	616	462	308	154	1802	1622	1442	1261	1081	901	721	541	450	360	270	
	YN	1839	1686	1533	1381	1228	1076	923	770	617	463	309	154												
\$90,200 - \$90,399.99	VLF CLASS	1840	1687	1534	1382	1229	1077	924	771	618	464	309	155												
	YM	1841	1688	1535	1383	1230	1078	925	772	619	465	310	155	1806	1625	1445	1264	1084	903	722	542	451	361	271	
	YN	1842	1689	1536	1384	1231	1079	926	773	620	466	310	155												
\$90,400 - \$90,599.99	VLF CLASS	1843	1690	1537	1385	1232	1080	927	774	621	467	311	155												
	YM	1844	1691	1538	1386	1233	1081	928	775	622	468	311	155	1810	1629	1449	1267	1088	905	724	543	452	362	271	
	YN	1845	1692	1539	1387	1234	1082	929	776	623	469	312	155												
\$90,600 - \$90,799.99	VLF CLASS	1846	1693	1540	1388	1235	1083	930	777	624	470	312	155												
	YM	1847	1694	1541	1389	1236	1084	931	778	625	471	313	155	1814	1633	1451	1270	1088	907	726	544	453	363	272	
	YN	1848	1695	1542	1390	1237	1085	932	779	626	472	313	155												
\$90,800 - \$90,999.99	VLF CLASS	1849	1696	1543	1391	1238	1086	933	780	627	473	314	155												
	YM	1850	1697	1544	1392	1239	1087	934	781	628	474	314	155	1818	1636	1454	1273	1091	909	727	545	454	364	273	
	YN	1851	1698	1545	1393	1240	1088	935	782	629	475	314	155												
\$90,000 - \$90,999.99	VLF CLASS	1852	1699	1546	1394	1241	1089	936	783	630	476	315	155												
	YM	1853	1700	1547	1395	1242	1090	937	784	631	477	315	155	1860	1705	1550	1395	1240	1085	930	775	620	465	310	155
	YN	1854	1701	1548	1396	1243	1091	938	785	632	478	315	155												

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

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VEHICLE LICENSE FEE RATE TABLE

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MONTHLY PRORATED VEHICLE LICENSE FEES

FULL YEAR VEHICLE LICENSE FEES

COST	VLF CLASS	MONTHLY PRORATED VEHICLE LICENSE FEES												FULL YEAR VEHICLE LICENSE FEES																							
		12TH MO.	11TH MO.	10TH MO.	9TH MO.	8TH MO.	7TH MO.	6TH MO.	5TH MO.	4TH MO.	3RD MO.	2ND MO.	1ST MO.	19	19	19	19	19	19	19	19	19	19														
\$91,000	YV	1861	1706	1551	1396	1241	1086	930	775	620	465	310	155	1862	1707	1552	1397	1242	1087	931	776	621	466	311	156	1863	1708	1553	1398	1243	1088	932	777	622	467	312	157
		1864	1709	1554	1399	1244	1089	933	778	622	468	312	157	1865	1710	1555	1400	1245	1090	934	779	623	469	313	158	1866	1711	1556	1401	1246	1091	935	780	624	470	314	159
		1867	1712	1557	1402	1247	1092	936	781	625	471	315	160	1868	1713	1558	1403	1248	1093	937	782	626	472	316	161	1869	1714	1559	1404	1249	1094	938	783	627	473	317	162
\$91,200	YW	1870	1715	1560	1405	1250	1095	939	784	627	473	160	1871	1716	1561	1406	1251	1096	940	785	628	474	318	161	1872	1717	1562	1407	1252	1097	941	786	629	475	319	162	
		1873	1718	1563	1408	1253	1098	942	787	630	476	319	162	1874	1719	1564	1409	1254	1099	943	788	631	477	320	163	1875	1720	1565	1410	1255	1100	944	789	632	478	321	164
		1876	1721	1566	1411	1256	1101	945	790	633	479	322	165	1877	1722	1567	1412	1257	1102	946	791	634	480	323	166	1878	1723	1568	1413	1258	1103	947	792	635	481	324	167
\$91,400	YX	1879	1724	1569	1414	1259	1104	948	793	635	480	323	165	1880	1725	1570	1415	1260	1105	949	794	636	481	324	166	1881	1726	1571	1416	1261	1106	950	795	637	482	325	167
		1882	1727	1572	1417	1262	1107	951	796	638	483	326	168	1883	1728	1573	1418	1263	1108	952	797	639	484	327	169	1884	1729	1574	1419	1264	1109	953	798	640	485	328	170
		1885	1730	1575	1420	1265	1110	954	799	641	486	329	170	1886	1731	1576	1421	1266	1111	955	800	642	487	330	171	1887	1732	1577	1422	1267	1112	956	801	643	488	331	172
\$91,600	YY	1888	1733	1578	1423	1268	1113	957	802	644	330	171	1889	1734	1579	1424	1269	1114	958	803	645	489	331	172	1890	1735	1580	1425	1270	1115	959	804	646	490	332	173	
		1891	1736	1581	1426	1271	1116	960	805	647	332	172	1892	1737	1582	1427	1272	1117	961	806	648	491	333	173	1893	1738	1583	1428	1273	1118	962	807	649	492	334	174	
		1894	1739	1584	1429	1274	1119	963	808	650	493	335	174	1895	1740	1585	1430	1275	1120	964	809	651	494	336	175	1896	1741	1586	1431	1276	1121	965	810	652	495	337	176
\$91,800	YZ	1897	1742	1587	1432	1277	1121	966	811	653	494	336	175	1898	1743	1588	1433	1278	1122	967	812	654	495	337	176	1899	1744	1589	1434	1279	1123	968	813	655	496	338	177
		1899	1745	1590	1435	1280	1124	969	814	656	497	339	177	1900	1746	1591	1436	1281	1125	970	815	657	498	340	178	1901	1747	1592	1437	1282	1126	971	816	658	499	341	179
		1900	1748	1593	1438	1283	1127	972	817	659	500	341	178	1901	1749	1594	1439	1284	1128	973	818	660	501	342	179	1902	1750	1595	1440	1285	1129	974	819	661	502	343	180
\$92,000	ZA	1903	1751	1596	1441	1286	1130	975	820	662	502	179	1904	1752	1597	1442	1287	1131	976	821	663	503	344	180	1905	1753	1598	1443	1288	1132	977	822	664	504	345	181	
		1906	1754	1599	1444	1289	1133	978	823	665	505	346	181	1907	1755	1600	1445	1290	1134	979	824	666	506	347	182	1908	1756	1601	1446	1291	1135	980	825	667	507	348	183
		1907	1757	1602	1447	1292	1136	981	826	668	508	349	182	1908	1758	1603	1448	1293	1137	982	827	669	509	350	183	1909	1759	1604	1449	1294	1138	983	828	670	510	351	184
\$92,200	ZB	1908	1760	1605	1450	1295	1139	984	829	670	510	183	1909	1761	1606	1451	1296	1140	985	830	671	511	352	184	1910	1762	1607	1452	1297	1141	986	831	672	512	353	185	
		1909	1763	1608	1453	1298	1142	987	832	673	513	184	1910	1764	1609	1454	1299	1143	988	833	674	514	354	185	1911	1765	1610	1455	1300	1144	989	834	675	515	355	186	
		1910	1766	1611	1456	1301	1145	990	835	676	516	356	186	1911	1767	1612	1457	1302	1146	991	836	677	517	357	187	1912	1768	1613	1458	1303	1147	992	837	678	518	358	188

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MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

2%
VEHICLE LICENSE FEE RATE TABLE

COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PROMOTED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST
\$92,400	ZC	1650	1655	1480	1295	1110	925	740	555	462	370	277	1891	1733	1576	1418	1261	1103	945	788	630	473	315	158	
\$92,600	ZD	1854	1669	1483	1298	1112	927	742	556	463	371	278	1892	1734	1577	1419	1261	1104	946	789	631	473	315	158	
\$92,800	ZE	1858	1672	1486	1301	1115	929	743	557	464	372	279	1893	1735	1577	1420	1262	1104	946	789	631	473	315	158	
\$93,000	ZF	1862	1676	1490	1303	1117	931	745	559	465	372	279	1894	1736	1578	1420	1263	1105	947	790	632	474	316	158	
\$93,200	ZH	1866	1679	1493	1306	1120	933	746	560	466	373	280	1895	1737	1579	1421	1263	1105	947	790	632	474	316	158	
\$93,400	ZJ	1870	1683	1496	1309	1122	935	748	561	467	374	280	1896	1738	1580	1422	1264	1106	948	790	632	474	316	158	
\$93,600	ZK	1874	1687	1499	1312	1124	937	750	562	468	375	281	1897	1739	1581	1423	1265	1107	948	790	632	474	316	158	
\$93,800	ZL	1878	1690	1502	1315	1127	939	751	563	469	376	282	1898	1740	1582	1423	1265	1107	949	791	633	474	316	158	

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MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

VEHICLE LICENSE FEE RATE TABLE 2%

COST	VLF CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19	19	19	19	19	19	19	19	19	19	19	19	12TH MO.	11TH MO.	10TH MO.	9TH MO.	8TH MO.	7TH MO.	6TH MO.	5TH MO.	4TH MO.	3RD MO.	2ND MO.	1ST MO.
\$94,000	ZM	1802	1694	1506	1317	1129	941	753	565	470	376	282	1921	1761	1601	1441	1281	1121	961	801	641	481	321	161	
\$94,200	ZN	1806	1697	1509	1320	1132	943	754	566	471	377	283	1926	1765	1604	1444	1283	1123	962	802	642	481	321	161	
\$94,400	ZP	1690	1701	1512	1323	1134	945	756	567	472	378	283	1927	1768	1607	1447	1286	1125	964	804	643	482	321	161	
\$94,600	ZO	1694	1705	1515	1326	1136	947	758	568	473	379	284	1928	1769	1608	1448	1287	1126	965	805	644	483	322	161	
\$94,800	ZR	1698	1708	1518	1329	1139	949	759	569	474	380	285	1931	1770	1609	1449	1288	1127	966	806	645	484	322	161	
\$95,000	ZS	1802	1712	1522	1331	1141	951	761	571	475	380	285	1932	1771	1610	1450	1289	1128	966	806	645	484	322	161	
\$95,200	ZT	1906	1715	1525	1334	1144	953	762	572	476	381	286	1933	1772	1611	1451	1290	1129	967	807	646	485	323	162	
													1934	1773	1612	1452	1291	1130	968	808	647	486	324	162	
													1935	1774	1613	1453	1292	1131	969	809	648	487	325	162	
													1936	1775	1614	1454	1293	1132	970	810	649	488	326	162	
													1937	1776	1615	1455	1294	1133	971	811	650	489	327	162	
													1938	1777	1616	1456	1295	1134	972	812	651	490	328	162	
													1939	1778	1617	1457	1296	1135	973	813	652	491	329	162	
													1940	1779	1618	1458	1297	1136	974	814	653	492	330	162	
													1941	1780	1619	1459	1298	1137	975	815	654	493	331	162	
													1942	1781	1620	1460	1299	1138	976	816	655	494	332	162	
													1943	1782	1621	1461	1300	1139	977	817	656	495	333	162	
													1944	1783	1622	1462	1301	1140	978	818	657	496	334	162	
													1945	1784	1623	1463	1302	1141	979	819	658	497	335	162	
													1946	1785	1624	1464	1303	1142	980	820	659	498	336	162	
													1947	1786	1625	1465	1304	1143	981	821	660	499	337	162	
													1948	1787	1626	1466	1305	1144	982	822	661	500	338	162	
													1949	1788	1627	1467	1306	1145	983	823	662	501	339	162	
													1950	1789	1628	1468	1307	1146	984	824	663	502	340	162	

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

VEHICLE LICENSE FEE RATE TABLE

2%

2%

COST	CLASS	FULL YEAR VEHICLE LICENSE FEES												MONTHLY PRORATED VEHICLE LICENSE FEES											
		19__	19__	19__	19__	19__	19__	19__	19__	19__	19__	19__	19__	12TH	11TH	10TH	9TH	8TH	7TH	6TH	5TH	4TH	3RD	2ND	1ST
\$95,400	ZV	1910	1719	1528	1337	1146	955	764	573	477	382	286	1951	1788	1626	1463	1301	1138	975	813	650	488	325	163	
\$95,600	ZW	1914	1723	1531	1340	1148	957	766	574	478	383	287	1956	1793	1630	1467	1304	1141	978	815	652	489	326	163	
\$95,800	ZX	1918	1728	1534	1343	1151	959	767	575	479	384	288	1960	1797	1633	1470	1307	1143	980	817	653	490	327	163	
\$96,000	ZY	1822	1730	1538	1345	1153	961	769	577	480	384	288	1964	1800	1637	1473	1309	1145	981	818	654	491	327	184	
\$96,200	ZZ	1926	1733	1541	1348	1156	963	770	578	481	385	289	1968	1804	1640	1476	1312	1148	984	820	656	492	328	164	
\$96,400	MA																								

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9C -- STATE RENTER'S CREDIT

This section contains information and procedures regarding the treatment of renter's credit payments received by medically needy and medically indigent Medi-Cal beneficiaries.

1. Background

Revenue and Taxation Code, Section 17053.5, establishes a state credit against net state taxes for qualified renters. There is no prohibition against public assistance recipients receiving a State Renter's Credit. Married couples, heads of households, and surviving spouses are entitled to a credit of up to \$137. Other individuals may claim a credit of up to \$60.

Welfare and Institutions Code, Section 11008.4, provides that renter's credits as defined in Section 17053.5 of the Revenue and Taxation Code shall not be considered as income or resources for public assistance purposes.

2. Procedures

Renter's credit payments should be exempt as income in the month of receipt and exempt as a resource in following months for all Medi-Cal applicants and beneficiaries. The renter's credit is available either as a credit against income tax due or a cash payment in the absence of a tax liability.

If both a state income tax refund and a renter's credit payment are due, the two sums will be issued via one tax refund check. Only that portion of a check which is the renter's credit is exempt. The remainder of the tax refund must be treated as property in accordance with Title 22, California Administrative Code, Section 50454.

In those instances where it is determined that verification is required, the eligibility worker must review a copy of the completed Individual Income Tax Form 540 which will identify the amount of the check that is renter's credit.

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9D -- LOANS REQUIRING REPAYMENT

Loans requiring repayment and not exempt under Title 22, Section 50533, are considered property in the month of receipt rather than income (Title 22, Section 50483). The purpose of this section is to provide procedures for determining if a loan requires repayment. The following loans are to be considered property:

1. Commercial Loans

Commercial loans are usually negotiated between two or more individuals, or between individuals and financial institutions such as banks or finance companies, and involve formal contracts. Such formal contracts usually specify the borrower's promise to pay a designated sum of money at a specified time upon demand.

If only a portion of the loan must be repaid, as may be the case with certain nonexempt student loans, only the portion that must be repaid is considered property in the month of receipt. The remaining portion should be considered as income and apportioned in accordance with Section 50517.

2. Personal Loans

Personal loans are negotiated between private parties and are often informal. They may involve oral or written agreements.

To be considered property for Medi-Cal purposes, a personal loan must be based on an agreement (whether written or oral) which contains the following components:

- a. The borrower's acknowledgment of an obligation to repay (with or without interest) and
- b. Either:
 - (1) A timetable and plan for repayment (e.g., the borrower plans to repay the loan when he/she receives future income) or
 - (2) The borrower's express intent to repay the loan by pledging real or personal property or anticipated income as collateral (e.g., the loan will be repaid as soon as unemployment insurance begins or employment begins).

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- c. In the case of oral loans, a statement must be obtained from the borrower and the lender which documents that the conditions listed above existed at the time the loan occurred.

3. Home Equity Conversion (HEC) Plans

HEC plans allow homeowners age 65 and over to convert the equity in their homes into cash without being forced to leave the home. This enables elderly homeowners to increase their available monthly cash. Since these plans are loans requiring repayment, the proceeds are to be considered property.

Some HEC plans may provide that part of the purchase price of the home be used to purchase an annuity payable to the homeowner for life. The payments from these shall be considered unearned income pursuant to Section 50507.

The Department anticipates an infrequent use of these plans by elderly homeowners because the proceeds are counted as resources for Medi-Cal eligibility purposes.

A summary of the most prevalent HEC plans is provided below. However, there are endless variations of these plans, and each plan should be examined on an individual basis. A copy of an individual's HEC plan shall be contained in the file.

a. Reverse Annuity Mortgage (RAM)

RAM HEC plans allow a homeowner to borrow, through a formal mortgage contract, 60 to 80 percent of the appraised value of the home equity for a specified period of time. The homeowner receives funds periodically for the duration of the lending period. At the end of the lending period, the loan must be repaid.

b. Deferred Payment Loan (DPL)

The DPL is similar to a RAM but differs in the following ways:

- (1) Rather than being used as a supplemental monthly income, the proceeds from the DPL are used for some specific purpose, such as payment of real estate taxes, home repairs, or major personal expenses.

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- (2) The DPL is received from the lender in one lump sum rather than in periodic payments.
- (3) The DPL is secured by placing a lien on the property, which must be satisfied for sale of the property.
- (4) The amount of the loan may be recovered from the estate upon the death of the homeowner.

c. Sale-Leaseback

Sale-leaseback is an arrangement where an investor (buyer) purchases the home from an elderly person (seller) and as part of the sales agreement, leases the home back to the seller. The lease allows the seller to live in the home either for life or until a specified time.

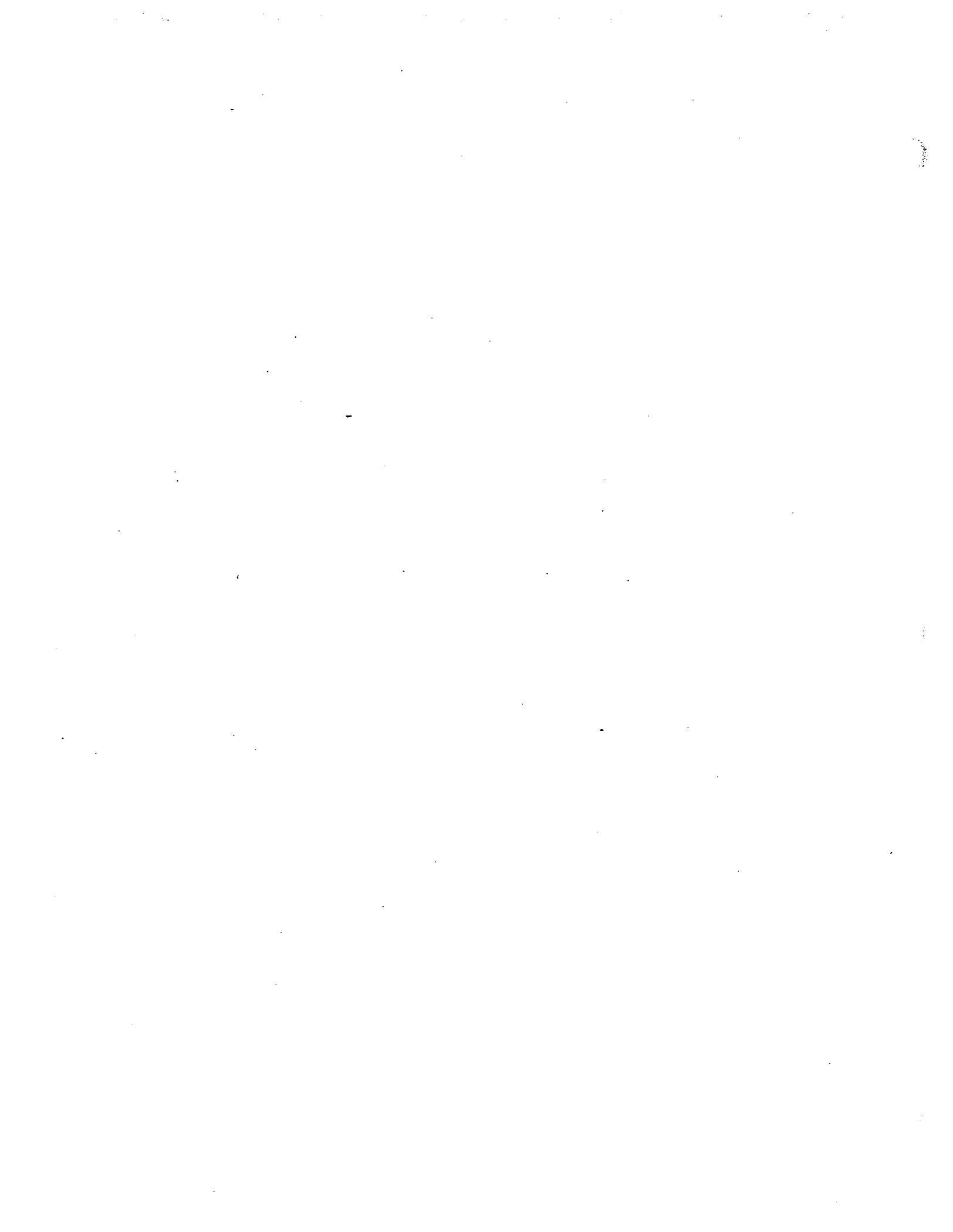
The buyer usually pays the seller a down payment and monthly installments on an interest-bearing promissory note. The interest on the note is considered unearned income in the month of receipt. If the note can be sold, it shall be counted as a resource under Title 22, California Administrative Code, Section 50441. The buyer is responsible for payment of real estate taxes, major maintenance costs, and casualty insurance. The value of these in-kind items is not in-kind support and maintenance to the seller who is paying rent.

The seller pays the buyer rent. If the payments on the note are greater than the rental fee, the difference minus the interest portion of the monthly payment will be treated as cash on hand under Section 50451 and included in the property reserve (i.e., monthly note payment minus rent minus interest portion of monthly note payment equals cash on hand).

d. Time Sale

In a Time Sale HEC Plan, an elderly homeowner contracts to sell his/her home at death. In the meantime, he/she retains title and the right of continued residence in the home. In effect, under this arrangement, the homeowner retains a life estate.

The buyer usually agrees to pay property insurance, property taxes, and certain maintenance and repair cost, plus a monthly cash amount to the homeowner during his/her lifetime. These proceeds shall be considered property conversion whether paid in cash or in kind.



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9E -- PUBLIC LAW PAYMENTS PROPERTY EXEMPTIONS

This section contains information and procedures regarding payments which are received by Medi-Cal-only applicants or beneficiaries pursuant to public laws. Unless otherwise specified, the public law payments in this section are not considered as a resource for purposes of determining eligibility. The majority of these payments are made to low income persons or families for a specific purpose, and are therefore not available for current medical needs.

1. PL 94-385 and PL 97-35 -- Home Energy Assistance

PL 94-385 provides for a Low Income Weatherization Assistance Program (LIWAP) through the Department of Energy. PL 97-35 provides for a Low Income Energy Assistance Program (LIEAP) through the Department of Health and Human Services. LIEAP is composed of the Energy Crisis Intervention Program (ECIP) and the Home Energy Assistance Program (HEAP).

These programs provide payments either to the recipient or to vendors on behalf of the recipient for the purpose of home energy assistance (e.g., heating, cooling, weatherization, blankets, storm doors, etc.). These payments shall not be considered income or resources.

2. PL 95-171 -- Disaster Assistance

PL 95-171 provides for the exemption of any assistance in cash or in kind furnished under federal statute specifically in conjunction with a presidentially declared disaster. Disaster assistance received in cash is exempt for a period of nine months from the date the assistance is originally received. The cash assistance resource exemption may be extended for good cause for reasonable periods, not to exceed an additional nine months, where circumstances beyond the individual's control prevented the use of the cash within the initial nine-month period. This may occur in cases where property is damaged or destroyed, and repair or replacement cannot be accomplished within the initial nine-month period. Anytime such retained assistance is converted to another form, its exemption under PL 95-171 ends and that resource must be evaluated in accordance with Medi-Cal regulations.

Any interest payments resulting from the retention of disaster funds are also exempt. Individuals should be advised to retain these funds in a separate account, rather than commingling them with other resources, so the interest that accrues can be readily identified and exempted.

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3. PL 96-420 — Payments Distributed Under the Maine Indian Claims Settlement Act of 1980

These are payments to specific tribes or bands of Indians to settle their claims for ownership of land in the State of Maine. Section 9 (c) of this Act prohibits the consideration of these payments as income or resources or their use in any other basis for determining eligibility or share of cost.

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9F -- LONG-TERM CARE INSURANCE - MEDI-CAL PROPERTY EXEMPTION

1. BACKGROUND:

State legislation was passed in 1990 and federal authorization was received in 1992 for the development of the California Partnership for Long-Term Care.

The California Partnership for Long-Term Care is a five-year statewide demonstration project operated within the Department of Health Services (DHS). The program is designed as a partnership between the private and public sectors and was developed with four goals:

- * To educate the public of the facts about long-term care (LTC) risks and costs.
- * To increase LTC insurance sales to middle income Californians who, without insurance, become financially impoverished by paying the high cost for LTC services.
- * To improve the quality and availability of high-quality LTC insurance at an affordable price.
- * To constrain Medi-Cal costs by reducing the number of individuals who "spend-down" because of LTC expenses.

DHS has formed a partnership with private insurance companies to make available LTC insurance policies or certificates that will potentially reduce federal and state Medicaid costs and provide Medi-Cal applicants/beneficiaries a Medi-Cal property exemption equal to the amount of benefits paid under a Partnership approved LTC insurance policy. This exemption will be referred to as the Medi-Cal LTC insurance exemption or the LTC insurance exemption.

The Medi-Cal property exemption for LTC insurance results in exempt real and personal property equal to the sum of qualifying insurance benefits paid through a Partnership approved LTC insurance policy or certificate for qualifying LTC services on behalf of the Medi-Cal applicant or beneficiary.

Qualifying insurance benefits are those paid under a certified LTC insurance policy or certificate for the following services: LTC in nursing facilities, home and community based services, residential care facility services, personal care services, and adult day health care services. The policies or certificates provide LTC coverage for a minimum of one year and a maximum of five years.

Title 22, California Code of Regulations (CCR), Section 50453.7, "Long-Term Care Insurance Exemption" became effective March 31, 1994. The sale of Partnership approved LTC insurance policies and certificates began July 29, 1994.

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2. IMPLEMENTATION:

Counties have been instructed to implement these procedures no later than September 1, 1994. Counties shall continue to flag all cases containing an individual who has a certified LTC insurance policy or certificate, who is receiving benefits under a Partnership approved LTC insurance policy or certificate and/or who is entitled to a Medi-Cal LTC insurance exemption pursuant to Section 50453.7.

3. VERIFICATION:

To qualify for the Medi-Cal LTC insurance exemption, the applicant or beneficiary shall provide a "Service Summary" from the insurance company, to the county welfare department. The "Service Summary" verifies that the insurance policy or certificate is Partnership approved and indicates the amount of benefits paid under the Partnership approved LTC insurance policy or certificate. The "Service Summary" shall be on company letterhead with a company seal and shall list the insured's:

- ✓ name,
- ✓ date of birth,
- ✓ Social Security number,
- ✓ address,
- ✓ policy number,
- ✓ policy issuance date, and
- ✓ total amount of qualifying benefits that have been paid to date.

A copy of the "Service Summary" form that may be used by the insurance companies is contained on page 9F-11.



Note:

Each Partnership approved LTC insurance policy or certificate holder will receive a Medi-Cal Property Exemption Report, from the insurance company, at least quarterly when payments have been paid out in that quarter. The report will include:

- ① the cumulative amount of benefits paid prior to the current reporting period that count towards the Medi-Cal LTC insurance exemption,
- ② the amount paid during the current reporting period that counts towards the Medi-Cal LTC insurance exemption, and
- ③ the total cumulative amount paid to date that counts towards the Medi-Cal LTC insurance exemption. (This amount is clearly indicated on the "Service Summary".)

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4. TREATMENT:

The Medi-Cal LTC insurance exemption is limited to insurance policies of companies that have been approved by DHS for participation in the California Partnership for Long-Term Care. The insurance companies that are authorized to sell certified LTC insurance policies and certificates are limited to:

-  BANKERS LIFE AND CASUALTY
-  JOHN HANCOCK MUTUAL LIFE
-  CNA INSURANCE
-  TIME/FORTIS LIFE
-  TRANSAMERICA LIFE
-  GE CAPITAL ASSURANCE (previously known as AMEX ASSURANCE)
-  NEW YORK LIFE
-  PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

A. PROPERTY EXEMPTION:

The amount paid out by a Partnership-approved LTC insurance policy or certificate shall be used to reduce the countable real and personal property (property reserve) of the Medi-Cal applicant or beneficiary. Nonexempt real and personal property equal to the amount of benefits paid on behalf of the Medi-Cal applicant or beneficiary shall be exempt.

The exemption continues for as long as the applicant/beneficiary lives, and regardless of whether the person is in LTC. It is also exempt for estate recovery purposes in accordance with Section 50453.7(b).

The LTC insurance exemption shall be entered on the MC 176P - Property Reserve Worksheet - Section II - line 11.



Note:

When a beneficiary acquires additional property after establishing eligibility for Medi-Cal such as the sale of his/her former principal residence, inheritance, etc., the amount of additional benefits paid under a Partnership-approved LTC insurance policy must be verified again to determine if any of the newly acquired nonexempt property could be exempted.

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 **EXAMPLE:**

Husband and wife apply for Medi-Cal for the husband who is in a LTC facility. The couple have an exempt principal residence, a savings account of \$87,000, other real property with a net market value of \$100,000 (currently meeting utilization requirements), and stock certificates valued at \$125,000. The husband owns a Partnership-approved LTC insurance policy and has provided the "Service Summary" which verifies that \$225,000 has been paid out under the policy. After applying the LTC insurance exemption the applicant's total net nonexempt property is \$0.

 **Note:**

The couple receives the benefit of the \$225,000 exemption since property held in the name of either or both spouses is included when determining initial Medi-Cal eligibility for the institutionalized spouse under the spousal impoverishment provisions.

CALCULATION

Savings Account :		\$ 87,000
Other Real Property:	\$100,000	
	- <u>6,000</u> (utilization exemption)	\$ 94,000
Stock Certificates:		+ <u>\$ 125,000</u>
Net Countable Property (subtotal Property Reserve):		\$ 306,000
Less payments from a Partnership-approved LTC insurance policy:		- \$ 225,000
Less Community Spouse Resource Allowance (CSRA 1997):		- \$ 79,020
Less Property Limit for One:		- <u>\$ 2,000</u>
Total Net Nonexempt Property (Total Property Reserve):		<u><u>\$ 0</u></u>

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QUESTION 1:

Given the previous example, if the wife needs LTC while her husband is still alive (either in LTC or at home), would she qualify for Medi-Cal?



ANSWER:

State law exempts the \$225,000 from Medi-Cal eligibility and recovery. The \$225,000 would remain exempt property if the wife applies for Medi-Cal during her husband's lifetime.

When the husband applied for Medi-Cal, a CSRA in the amount of \$79,020 (1997 level) was allowed. The property in the CSRA was transferred into the wife's name. An additional \$2,000 (the property limit for one) remained in the name of the institutionalized individual. Since the wife was allowed a CSRA of \$79,020 at the time of her husband's approval for Medi-Cal, she would be required to spend down the CSRA and any separate property she had subsequently acquired to bring her nonexempt property to below the \$2,000 limit (property limit for one person.)



QUESTION 2

The husband purchases a Partnership-approved LTC insurance policy worth \$225,000 and the policy pays out \$225,000. The husband recovers and never applies for Medi-Cal. The wife then enters LTC and applies for Medi-Cal. The couple has the same property as described in the example. Can the benefits paid out under the Partnership-approved LTC insurance policy be used to reduce the property limits for the wife?



ANSWER:

Yes. As long as the husband is alive, the couple receives the benefit of the \$225,000 LTC insurance exemption since the property of both spouses is used in the Medi-Cal eligibility determination.



Note: Once her husband dies and after estate recovery, the LTC insurance exemption is eliminated. The \$225,000 exemption would no longer exist. The wife would not be eligible for Medi-Cal until she spent down all of her nonexempt property below the \$2,000 limit.



QUESTION 3

Husband and wife apply for Medi-Cal for the husband who is in a LTC facility. The couple have an exempt principal residence, a savings account of \$87,000, other real property with a net market value of \$100,000 (currently meeting utilization requirements), and stock certificates valued at \$125,000. The husband owns a Partnership-approved LTC insurance policy and

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has provided the "Service Summary" which verifies that \$225,000 has been paid out under the policy. After applying the LTC insurance exemption the applicant's total net nonexempt property is \$0 and the husband is determined eligible for Medi-Cal. Later the husband transfers all of his interest in the property to his wife as her sole and separate property. While the husband remains in LTC, his wife enters LTC and applies for Medi-Cal. Is the wife eligible to a Medi-Cal LTC insurance exemption?



ANSWER:

The wife now has separate property amounting to \$306,000. The husband received benefits under the Partnership-certified policy but has no property to apply the exemption against. All of his interest in the property was transferred to his wife as her sole and separate property. The \$225,000 LTC insurance exemption is allowed only for the individual who received services under the policy, in this case the husband who has no property. Spousal impoverishment provisions do not apply since there is no community spouse. The wife is in an Medi-Cal Family Budget Unit of one. All of her separate property (\$306,000) is countable and compared against the \$2,000 property limit for one.



QUESTION 4

Can the LTC insurance exemption be allowed even if the individual applying for Medi-Cal is not in LTC?



ANSWER:

Yes. The LTC insurance exemption lasts as long as the person is alive and is applied regardless of whether he/she is in LTC. A person may have had a serious accident or illness which required the type of care provided under a certified LTC insurance policy or certificate. He/she may not have needed to apply for Medi-Cal. At some point later the individual may require acute hospitalization or some other benefit not covered under his/her LTC insurance and may need to apply for Medi-Cal. In that case, the individual is eligible to receive an LTC insurance exemption equal to the amount of benefits that have been paid out under the Partnership-approved LTC insurance policy or certificate to the date of application for Medi-Cal. The individual will have to spend down any additional excess property before Medi-Cal eligibility may be established.



Note:

If an individual acquires additional property at some point after the initial eligibility determination, the amount of benefits paid to date under his/her Partnership-approved LTC insurance policy should be verified to determine if the LTC insurance exemption may be increased to exempt all or some of the net market value of the newly acquired property.

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B. PAYMENTS:

1. PREMIUM PAYMENTS MADE BY THE APPLICANT/BENEFICIARY

Payments made by the applicant or beneficiary for any LTC insurance policy or certificate shall be considered an income deduction in accordance with Article 10. (This deduction applies to all health insurance premiums.)

2. INSURANCE PAYMENTS MADE UNDER AN LTC INSURANCE POLICY

Benefit payments under the LTC insurance policy may continue to be made under the policy after the individual is determined eligible for Medi-Cal. In most cases, these payments will be per diem payments. Payments received by the applicant or recipient shall be considered income in accordance with Article 10.

If payments are made under the LTC insurance policy directly to the facility, the county shall code the individual on Medi-Cal Eligibility Data System (MEDS) as having Other Health Insurance and complete the DHS 6155 form.



Note: For share of cost cases when an individual's LTC insurance policy's payment is:

- ✓ less than the private pay rate of the facility, and
- ✓ his/her share of cost is higher than the Medi-Cal payment rate but lower than the private pay rate charged by the facility.

The individual must be informed by the Eligibility Worker (EW) that he/she is allowed to make monthly voluntary payments of his/her share of cost to the county.

The county shall:

- ✓ enter the amount of the voluntary payment on MEDS to certify that the share of cost has been met, and
- ✓ forward the voluntary payment to:

Department of Health Services
Third Party Liability Branch
Recover Section – OP
MS 4720
P.O. Box 997421
Sacramento, CA 95899-7421

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Once the county certifies that the share of cost has been met, the facility will then bill at the Medi-Cal rate. This will protect the applicant/beneficiary from being charged the private-pay rate by the facility and prevent the need to reduce his/her exempt property to pay the provider. The applicant/beneficiary shall provide verification of the facility's private-pay rate to the EW.

C. NOTIFICATION REQUIREMENTS FOR THE COUNTY:

If the "Service Summary" form provided by the insurance company:

- is found to be in error, resulting in the ineligibility of the applicant or beneficiary, or
- the verification provided by the insurance company is found to be in such a condition that the County cannot determine whether the applicant/beneficiary is entitled to an LTC insurance exemption,

the county shall notify DHS so that appropriate action may be taken against the insurance company. The notification should be directed to:

**Department of Health Services
California Partnership For Long-Term Care
Mail Stop 4100
P.O. Box 997413
Sacramento, CA 95899-7413**

5. ESTATE RECOVERY

A. BACKGROUND

The DHS, Estate Recovery Unit (ERU), implemented an estate recovery program in June 1981, pursuant to Welfare and Institutions Code, Section 14009.5, in which claims are filed against the estates of certain deceased Medi-Cal beneficiaries. The person responsible for the administration of the decedent's estate is required to notify DHS regarding the death of the Medi-Cal beneficiary. Upon receipt of the notification of death, the ERU files a claim against the decedent's estate for the amount of health care premiums and services paid for by Medi-Cal, after the beneficiary's 55th birthday. The recovery amount, however, is limited to the lesser of the claim amount or the value of the assets in the decedent's estate.

The ERU is barred from claiming against:

- The estate during the lifetime of the surviving spouse, and/or
- The proportionate share of the estate passing to a child who is under the age of 21, or who is blind, or who is permanently and totally disabled.

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Upon the death of the surviving spouse, the ERU may bill the estate for either the amount paid by Medi-Cal for medical assistance to the predeceased spouse or the value of the assets received by the surviving spouse, whichever is less. If surviving spouse received Medi-Cal benefits, the ERU will also bill the estate for those services.

B. LONG-TERM CARE INSURANCE EXEMPTION

The ERU will reduce the amount of the estate assets from which the ERU is able to claim against by the sum of qualifying insurance benefits paid through a Partnership-approved LTC insurance policy or certificate for qualifying LTC services on behalf of the deceased Medi-Cal beneficiary.

EXAMPLE:

Husband and wife apply for Medi-Cal for the husband, who is in a LTC facility. The couple have an exempt principle residence, valued at \$150,000; a savings account of \$75,000; other real property, with a net market value of \$100,000; and stock certificates, valued at \$125,000. The husband and wife each own a one-half interest in all assets. The husband owns a Partnership-approved LTC insurance policy. At the time of application, a service summary was provided which verified that \$225,000 was paid out under the policy, for services received by the insured. At the time of his death, Medi-Cal had paid total of \$300,000 in benefits to the husband, after age 55.

QUESTION 1:

When the husband dies, what action will the ERU take?

ANSWER:

The ERU will not take collection action during the lifetime of the surviving spouse. However, when the spouse passes away, the ERU will present a claim, in her estate, for the husband's net recoverable assets. At the time of his death, the husband's one-half interest in the assets were:

Principal Residence	\$ 75,000
Savings Account	37,500
Other Real Property	50,000
Stock Certificates	<u>62,500</u>
Total Assets for Husband	\$225,000
Less Payments from the Partnership Approved LTC insurance company	\$225,000
Net Recoverable Assets	<u>\$ 0</u>

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The ERU would not enforce a claim against the wife's estate for the husband's Medi-Cal usage because \$225,000 of the husband's assets were protected by the payments made from his Partnership-approved LTC insurance policy.

C. REPORTING RESPONSIBILITIES FOR PERSON HANDLING ESTATE

Upon the death of the Medi-Cal beneficiary, the person handling the individual's estate, after notifying DHS, in accordance with Probate Code, Sections 215 and 9202, is responsible for providing the amount of qualified benefits paid by the authorized insurance company, under the Partnership-approved LTC insurance policy or certificate.

In cases where the county accidentally receives verification which is intended for estate recovery purposes, or if a person handling the deceased individual's estate inquiries, the verification should be sent to:

**Department of Health Services
Third Party Liability Branch
Recovery Section – ER
MS 4720
P.O. Box 997425
Sacramento, CA 95899-7425**

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SAMPLE "SERVICE SUMMARY" (Use the company letterhead with the company seal.)

Form revised 9/27/84

◆Name of Insured _____ ◆Date of Birth _____
◆Social Security Number _____
◆Address of Insured _____
◆Policy Number _____ ◆Issue Date _____
◆Insurance Company _____

SERVICE SUMMARY: The Total Amount of Benefits Paid for
Long-Term Care Services Countable toward the Medi-Cal
Property Exemption

To the Insured: This summary provides you with a total amount of insurance payments that count towards the Medi-Cal Property Exemption to be applied in determining eligibility for the State of California's Medicaid (Medi-Cal) program. Please examine this summary and carefully compare your current asset total with the amount. If the amount of your Medi-Cal Property Exemption is close to the amount of the assets you currently have, you may be eligible for the Medi-Cal program. It is your responsibility to make application to the County (usually the Department of Social Services) for such eligibility. At the time of your application, a determination will be made whether and when you are eligible. (*Please note: You may have assets, in addition to the Property Exemption listed above, that are exempted from the determination of Medi-Cal eligibility.*)

The amount of your Medi-Cal Property Exemption will also be exempt from any recovery that the Medi-Cal program may seek from your estate.

To the County: This summary verifies that the amount indicated with the label "SERVICE SUMMARY" was paid by (company name) for long-term care services as defined in California Code of Regulations, Title 22, section 58023 on behalf of the person whose name appears as the "Name of Insured" above. As discussed in All County Welfare Directors Letter No. 94-26 this amount is exempt from the determination of Medi-Cal eligibility (California Code of Regulations, Title 22, section 50453.7). If such person is found eligible for Medi-Cal by applying the Medi-Cal Property Exemption amount reported in this summary and after receiving Medi-Cal services is found to be ineligible solely by reason of errors in this summary, the Department of Health Services may recover from (company name) the amount of service payments as provided in California Code of Regulations, Title 22, section 58082(e).

(Name and Title) _____
(Signature) _____ (date) _____
(Company Name) _____

[Distribution] 1 Copy - Insured: 1 Copy - the CA Partnership for Long-Term Care

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9G -- DEEDS OF TRUST, MORTGAGES, AND
OTHER PROMISSORY NOTES

This section provides procedures to determine Medi-Cal eligibility in cases involving notes secured by deeds of trust, mortgages, and other promissory notes.

1. Background

Title 22, California Administrative Code (CAC), Section 50441, was filed on May 6, 1981 to implement and make specific Welfare and Institutions Code, Section 14006. This statute or regulation must be cited on Notices of Action denying or discontinuing persons due to deeds of trust, mortgages, and other promissory notes (see Title 22, CAC, Section 50179 (c) (3)).

2. Treatment of Mortgages, Deeds of Trust, and Other Promissory Notes

- a. Mortgages, notes secured by deeds of trust, and other promissory notes which can be sold or discounted shall be included in the property reserve, except as specified in b.
- b. A mortgage, or a note secured by a deed of trust, from the sale of real property owned by the applicant or beneficiary shall be considered other real property and subject to all the conditions placed upon other real property in regulations.
- c. The market value of all mortgages and notes shall be the value as established in (1), unless the applicant or beneficiary chooses to meet the conditions of (2), and (2) is lower:
 - (1) The principal amount remaining on the note.
 - (2) The appraised value obtained by the applicant or beneficiary from a party qualified to appraise such items. Parties qualified to appraise such items include, but are not limited to, any of the following:
 - (a) Banks.
 - (b) Savings and loan associations.
 - (c) Credit unions.
 - (d) Licensed loan or mortgage brokers.

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d. Proceeds from mortgages and notes shall be considered as follows:

- (1) The principal portion of the payment shall be treated as property.
- (2) The interest portion of the payment shall be unearned income and shall be included in determining the share of cost.

3. Appraisals of Mortgages and Notes

As Section 50441 (c) indicates, the county shall consider the principal amount remaining on the note as the market value unless the applicant or beneficiary provides:

- . A lower appraised value from a party qualified to appraise such items (e.g., a person employed as an appraiser for a loan company, bank, or insurance company).

The client shall submit an appraisal to the county. In general, an appraisal is a written and unbiased estimate or opinion of the value of the note based on factual data. Such data may include: the terms of the instrument, the location of the property used to secure the note, the current unpaid balance on the note, and other relevant factors.

A single statement by the appraiser that "a reasonable person would not buy this note" or "this note is not readily salable in the open market" is not an acceptable appraisal value. However, if after a minimum of three attempts, documented by written statements from the appraisers as described above, an applicant or beneficiary cannot obtain an appraised value, the individual shall have demonstrated a good faith effort to obtain the appraisal. In this case the note shall be considered to have a current market value of \$0. Income from the note shall be treated as provided in Section 50441 (d).

At each annual redetermination the county shall consider the principal amount remaining on the note as the market value unless the applicant or beneficiary provides an appraisal of the note's current market value or three letters from appraisers stating that the note has no value as outlined above.

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9H -- PRINCIPAL RESIDENCE

DEFINITIONS

1. Appertains
2. Bona Fide Effort to Sell
3. County Level Review
4. Dependent Relative
5. Legal Obstacles
6. Qualified Real Estate Appraiser

COUNTY LEVEL REVIEW

PRINCIPAL RESIDENCE CHART

9I -- REDUCTION OF EXCESS PROPERTY

9J -- PROPERTY HELD IN TRUST

9K -- BURIAL PLOTS, VAULTS, AND CRYPTS

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9H — PRINCIPAL RESIDENCE

Procedures and guidelines provided in this section are to be followed for Medi-Cal eligibility determinations involving real or personal property in which an applicant/beneficiary has an ownership interest.

A determination must be made if the property in which the applicant/beneficiary has an ownership interest can be exempt as the principal residence per Section 50425. An overview of these regulations for quick reference is included on the last page of this section. The determination is made by the county worker based on information provided by the beneficiary, or the beneficiary's representative, on the MC 210. This form must be completed by all new applicants and at all eligibility redeterminations for continuing cases.

If based upon the MC 210 the county determines that the former home must be listed for sale, the applicant/beneficiary must be informed of the right to:

1. A county level review as described later in this section regarding the requirement to list for sale the principal residence and/or a state hearing if he/she is in long-term care (LTC) (MC 239W), or
2. A state hearing if he/she is not in LTC (MC 239X).

If required, complete all forms necessary to provide the State with information for placing a lien on the property, including a copy of the deed. (DHS 7014)

Inform the State of any and all changes in the property status after submitting the initial lien information. (DHS 7013)

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DEFINITIONS

These definitions are used in determining the treatment of property as a principal residence.

1. APPERTAINS (MEM 50425 (a))

"Appertains" means any property or structure which is connected to and was/is intended to be used as a permanent part of the property. This includes, but is not limited to:

- a. Acreage which constitutes a farm or ranch, or
- b. Separately assessed parcels used as a whole, or
- c. An entire parcel or separately assessed parcels purchased or used as a whole separated by, but not limited to, any of the following:
 - (1) Easements or rights of way.
 - (2) Water courses.
 - (3) Streets, highways, and freeways.

2. BONA FIDE EFFORT TO SELL (MEM 50425 (c) (7))

A bona fide effort to sell means that the property is listed for sale with a licensed real estate broker for its fair market value established by a qualified real estate appraiser, a good faith effort is being made to sell the property, offers at fair market value are accepted, and the applicant or beneficiary has supplied proof of compliance with these conditions to the county. This proof will be reviewed on a quarterly basis.

3. COUNTY LEVEL REVIEW (MEM 50428)

A beneficiary requested review of the circumstances of the case prior to listing property for sale or the recording of a lien. The review must be requested within 30 days of the receipt of the Notice to List for Sale -- Persons in LTC. (MC 239W)

4. DEPENDENT RELATIVE (MEM 50425 (c) (4))

The son, daughter, grandson, granddaughter, stepson, stepdaughter, in-laws, mother, father, stepmother, stepfather, half-sister, half-brother, grandmother, grandfather, aunt, uncle, sister, brother, step-brother, stepsister, niece, or nephew of the applicant/beneficiary who

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depends on the applicant/beneficiary for assistance. The basis of the dependency must be documented by obtaining the applicant's/beneficiary's written statement of dependency. Dependency may be of any type (e.g., medical, financial, emotional). Accept the written allegation of dependency unless there is reason to question it. However, no written statement is required when the relative residing in the home is a blind or disabled adult child. This fact need only be documented in the case record.

5. LEGAL OBSTACLES (MEM 50425 (c) (6))

Legal obstacles may include:

- a. An incompetent applicant/beneficiary who does not have a legal guardian, or
- b. Other persons listed on the title to the property who refuse to sell, including a spouse from whom the beneficiary is separated.

The applicant/beneficiary must submit statements from the other parties that they refuse to cooperate. If the other parties refuse to provide statements, examples of acceptable evidence are:

- a. Statement from a realtor, or
- b. Sworn statement of applicant/beneficiary, or
- c. Copies of registered/certified letters sent from the applicant/beneficiary to other party(ies) requesting reduction in price, etc.

6. QUALIFIED REAL ESTATE APPRAISER (MEM 50412 (a) (3))

A qualified real estate appraiser is a person employed as a real estate appraiser for a real estate company, a bank, a title company, or an appraisal company.

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COUNTY LEVEL REVIEW (MEM 50428)

The applicant/beneficiary in LTC may request a county level review of the circumstances surrounding the situation where it is determined necessary to require that the property be listed for sale.

1. The applicant/beneficiary must request the review within 30 days of the date of receiving the List Property for Sale — Persons in LTC (MC 239W) notice.

(NOTE: If an applicant requests such review, eligibility may not be approved until after the review and, then, only if the applicant complies with the review decision and is otherwise eligible.)

2. The county level review must be conducted by the eligibility worker assigned to the case and a written decision must be issued.
3. The county must review the case and reach a decision prior to the scheduled date for a state hearing, if any, on the matter, but no later than 30 days from the date of request for the county review.
4. The review shall be of documents submitted to the county by the applicant/beneficiary or his/her representative. The beneficiary or his/her authorized representative may request to be present, but may not be required to appear at the review.
5. The documents to be reviewed may consist of written declarations, letters, files, or any type of written documents relevant to the issues specified below:
 - a. Whether or not the applicant/beneficiary is absent from the property but intends to return to the principal residence to live.
 - b. Any statutory or regulatory exemptions which would allow the applicant/beneficiary to remain or become eligible for Medi-Cal benefits without listing his/her property for sale (e.g., a dependent relative lives on the property).
 - c. Any reasons why the applicant/beneficiary is unable to comply with the requirement to list the property for sale (e.g., the beneficiary is incompetent and there is no legal conservator or guardian).

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6. Send the Notice of Action — Result of County Review (MC 239Z) to the applicant/beneficiary immediately upon completion of the county level review.

NOTE: If the county level review decision is favorable to the applicant/beneficiary and a state hearing is pending, the eligibility worker must contact the county hearing personnel to obtain a withdrawal from the beneficiary.

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PRINCIPAL RESIDENCE (PR)

Determination of Status and Lien Procedures

Precondition: The applicant/beneficiary has an ownership interest in a principal residence. A principal residence is real or personal property currently or previously used as a home. The principal residence is/was one of the following:

1. Personal property (mobile home, trailer, boat, etc.); or
2. Single family dwelling; or
3. Single family dwelling with other property adjoining, with or without other buildings; or
4. Portions of a multiple unit dwelling; or
5. Portions of a multiple unit dwelling with other property adjoining, with or without other buildings.

A/B—Applicant/Beneficiary
PR— Principal Residence

FMV—Fair Market Value
NMV—Net Market Value

CONDITION	ACTION
1. A/B lives on the property.	Entire property exempt from consideration.
2. A/B in/enters LTC or A/B absent from PR for any other reason and one or more of the following continue to reside in PR: a. Spouse. b. Child under 21. c. Dependent relative. d. Sister, brother, or adult child in PR and has continuously lived in PR for one year prior to date A/B entered LTC. e. Family of the A/B lives in the PR and are in the same MFBU or their income is used in determining A/B's eligibility.	List and lien requirements do not apply.
3. A/B in/enters LTC and intends to return to the PR in the future.	Entire property exempt from consideration if A/B provides written declaration of intent to return.
4. A/B absent from PR for any reason and intends to return to PR (Vacation, board and care, staying with relatives).	Entire property exempt from consideration if A/B provides written declaration of intent to return.
5. A/B absent from PR for any reason/length of time, A/B does not intend to return to PR and PR cannot be sold due to legal obstacles.	Entire property exempt from consideration if A/B provides evidence of attempt to overcome obstacles, such as statements from other owners of refusal to list.
6. A/B absent from PR for any reason/length of time, A/B does not intend to return to PR, none of the conditions in 1-5 above apply, and PR cannot readily be converted to cash.	Entire property exempt from consideration if the A/B: a. Lists for sale with a licensed broker for fair market value established by a qualified real estate appraiser; and b. Provides documentation that good faith effort is being made to sell the property; and c. Accepts offer at FMV; and d. Reports all offers to the eligibility worker. If real property of institutionalized individual, eligibility worker must send MC 7014 to Recovery; MC 239 to A/B.

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9I - REDUCTION OF EXCESS PROPERTY

As stated on form MC 216, Rights of Persons Requesting Medi-Cal, all Medi-Cal applicants and beneficiaries have the right to be told about the rules for reducing excess property during any month, including the month of application. Reduction of excess property is the process of reducing one's nonexempt property to within the property reserve limits by the end of the month so as to qualify for benefits (Title 22, California Administrative Code, Sections 50420 and 50427). The eligibility worker should explain this right regardless of whether he/she thinks the applicant/beneficiary has nonexempt property which might exceed the limits and regardless of whether he/she thinks the reserve could be brought below the limits by the end of the month.

The eligibility worker is also to explain to the applicant/beneficiary that excess property can be reduced by any means other than a transfer of property without adequate consideration. Allowable ways of doing this include:

1. Paying medical bills or other debts.
2. Using the excess funds to buy, for adequate consideration, an asset which would be exempt (clothing, home furnishings, burial trusts, etc.).
3. Paying for some service or benefit providing the value received equals the amount spent.
4. A person in long-term care may voluntarily pay an amount in excess of the property limit to the Department of Health Services to avoid discontinuance from Medi-Cal. This process is described in Procedures Manual, Section 16E-I -- Voluntary Repayment of Excess Property Reserves for Persons in Long-Term Care.



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9 J - PROPERTY HELD IN TRUST

I. INTRODUCTION TO TRUSTS

This section is intended to clarify Medi-Cal policy regarding the establishment of trusts and their effect on eligibility (Title 22, California Code of Regulations, Section 50489). This section does not address burial trusts. The treatment of burial trusts is contained in Title 22, California Code of Regulations, Section 50479.

A trust is an obligation arising when a person holds legal title to property for the benefit of another.

In general, a valid trust includes:

- An intent by a person with a property right to create a trust (trustor).
- A person or entity appointed to manage the trust (trustee).
- An individual who will benefit from the trust (trust beneficiary).
- An original investment of income, property or property rights (principal).
- A valid purpose.

The trustee holds legal title while the trust beneficiary holds a beneficial interest in the trust.

The county shall examine the trust document in order to determine the way in which to treat the trust. The particular role of the Medi-Cal applicant or Medi-Cal beneficiary as either trustor, trustee, and/or trust beneficiary will determine to what extent the trust property is or is not available.

In accordance with Title 22, Section 50489, Section 9J divides trusts into three categories:

- "OBRA '93 TRUSTS, INCLUDING SIMILAR LEGAL DEVICES (SLDs) AND ANNUITIES, ESTABLISHED ON OR AFTER AUGUST 11, 1993 "
 - ✓ Established on or after August 11, 1993
 - ✓ Established with income, property and/or property rights of the individual or spouse
 - ✓ Not established by a will

- "MEDICAID QUALIFYING TRUSTS (MQTs) AND SLDs ESTABLISHED PRIOR TO AUGUST 11, 1993 "
 - ✓ Established prior to August 11, 1993
 - ✓ Established with income, property and/or property rights of the individual or spouse
 - ✓ Individual or spouse is the beneficiary(ies) of the trust
 - ✓ Trustee has discretion in distributing funds to, or for the benefit of the beneficiary
 - ✓ Not established by a will

- "TRUSTS THAT ARE NOT MQTs, SLDs, OR OBRA '93 TRUSTS"
(regardless of the date established)

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II. GENERAL DEFINITIONS

The following words are used within the context of "trusts". These definitions are not complete legal definitions; they are only included to assist in reviewing trust documents.

- A. **"Beneficiary"** - Any individual or individuals, designated in the trust instrument as benefiting in some way from the trust.
- B. **"Established"** - A trust is established on the date the trust documents are dated and signed. A trust is not considered to be established on the date it is merely amended.
- C. **"Irrevocable"** - A trust that cannot, in any way, be revoked or terminated by its own terms. A trust may be irrevocable even though it may be modified under the terms of the trust. The trust may state, for example, that the trustor may at any time during his/her lifetime amend any of the terms of the trust agreement by a notarized written instrument signed by the trustor and delivered to the trustee. A revocable trust is considered to be irrevocable whenever the trustor dies or becomes incompetent and the trust documents have not provided that the power to revoke the trust be passed on to the trustee or another person. The terms of a revocable trust could make the trust irrevocable if a triggering event takes place, such as entry into long term care.
- D. **"Principal/Corpus"** - The principal of the trust refers to the:
- original investments of income, property or property rights placed in the trust,
 - any subsequent additions of income, property or property rights into the trust, and
 - any income (such as interest and dividends) generated by the income, property or property rights placed in the trust for which there are no provisions in the trust documents for distribution.
- E. **"Property right"** - The right of an individual to receive income or property. Any type of right to specific property whether it is personal or real, tangible or intangible. An individual is said to have a property right when:
- ✓ the individual has been designated or named to receive income or property such as in a will, trust, or insurance policy, or
 - ✓ when the individual has been awarded income or property such as in a settlement by the courts, or
 - ✓ when the individual contracts for them.
- F. **"Revocable"** - A trust which can be revoked or terminated by its own terms. The trust principal is available property to anyone who can revoke the trust and who can use the principal thereafter, whether or not he/she actually does. In determining available property held in trust Section 50402 (b) -(f) applies except that subsection (e) does not apply to annuities purchased on or after August 11, 1993. If a trust is revocable, the right to revoke is usually reserved with the trustor. The trust beneficiary will not generally have authority to revoke the trust; however if the trust itself gives the beneficiary access to the property without trustee intervention, then

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the property will be considered the trust beneficiary's property. Occasionally a trustee will have the legal authority to revoke a trust; however he/she might not have the legal right to use the property to meet his/her own needs. In such cases the property would be considered unavailable to the trustee.

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Example:

An example of a revocable trust is a Totten trust established with the property of the trustor/trustee. The trustor and trustee are the same person and he/she deposits his/her own money into a trust for the benefit of another person. The trustor/trustee of this Totten trust has access to the income and property and the authority to revoke the trust at any time. An example of a Totten trust would be a passbook savings account established with a parent's or grandparent's own assets, in a trust for child or a grandchild.

- G. "Similar Legal Device (SLD)" - Any legal instrument, device or arrangement which may not be called a trust under State law but is similar to a trust. It involves the transfer of income, property or property rights from an individual or entity (transferor) to another individual (transferee) with the intent that the income, property or property rights are held, managed or administered by the individual or entity for the benefit of the transferor or another trust beneficiary. This also includes annuities if purchased on or after August 11, 1993.
- H. "Trust" - A trust is any arrangement in which an individual or entity (trustor) transfers income, property or property rights to a trustee(s) with the intent that the income, property or property rights are held, managed, or administered by the trustee(s) for the benefit of certain designated individuals (beneficiaries). The trust must be valid under State law and manifested by a valid trust instrument or agreement. A trust must include a designated trust beneficiary, trustor and trustee. Although these roles may be designated to the same individual, at least one other person must be designated as a beneficiary upon the death of the original beneficiary. The term "trust" also includes any legal instrument or device similar to a trust. Refer to the definition of Similar Legal Device.
- I. "Trustee" - Any individual, individuals, or entity such as an insurance company, bank, a trust advisory committee, or a person with powers of appointment, who manages, holds, or administers a trust for the benefit of the trust beneficiary or beneficiaries. The person or entity who holds legal title and manages the property and income in the trust, according to the instructions in the trust agreement, for the benefit of another. The trustee of a trust, or SLD, has fiduciary (the duty to act primarily for another's benefit) responsibilities outlined in the trust to deal with the trust income or property in a way that carries out the wishes of the trustor for the benefit of the trust beneficiary.
- A trustee has a fiduciary responsibility to the beneficiaries of the trust to carry out the terms of the trust within applicable State law. If the trustee does not fulfill his/her fiduciary responsibilities, he/she could be held liable by the trust beneficiaries.
- J. "Trustor" - An individual with income, property or property rights who creates and whose income, property or property rights fund a trust. This person is also called the settlor or grantor.

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- K. "Trust Income" - Income generated by the trust, such as interest and dividends, or payments of income made in the name of the trust, such as annuity payments, etc. (Payments made in the name of the individual or spouse and then transferred to the trust would be considered income of that individual and not considered trust income.)

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III. VERIFICATION

- A. Written Trusts - Obtain the trust documents and any other verification that substantiates investments and distributions. Affidavits shall be dated and signed under the penalty of perjury and shall specify the terms of the trust.
- B. Oral Trusts - Obtain written affidavits and other verification that substantiates any investments and distributions. Affidavits shall be dated and signed under the penalty of perjury and shall specify the terms of the oral agreement. Affidavits may be obtained from the individual or spouse, or any other person who knows the terms of the trust agreement, for example: brothers, sisters, stock brokers, ministers, etc.
- ✓ Real property cannot be held in an oral trust.
 - ✓ When an oral trust is held in a financial institution, determine property availability in accordance with draft Section 50402 (ACWDL 90-01). If the property is unavailable to the trustor in accordance with draft Section 50402 (ACWDL 90-01), then it shall be considered a transferred asset.
 - ✓ Additional documentation may be requested to clarify the terms of an oral trust.

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IV. EXEMPT INCOME OR PROPERTY HELD IN TRUST

Exempt assets, when transferred into a trust, such as the exempt home, remain exempt. Placement of an exempt asset in a trust does not change the exempt nature of the asset.

A transfer of property into an exempt burial trust shall not be considered a disqualifying transfer. Exempt burial trusts are not treated by the rules pertaining to MQTs, OBRA '93 Trusts, SLDs, or other trusts. (See Title 22, Section 50479 for information on the treatment of burial trusts and contracts.)

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V. OBRA '93 TRUSTS INCLUDING SLDs AND ANNUITIES, ESTABLISHED ON OR AFTER AUGUST 11, 1993

A. BACKGROUND

Section 13611 of the Omnibus Budget Reconciliation Act of 1993 (OBRA '93) amended Section 1917 of the Social Security Act by incorporating new requirements for the treatment of trusts and annuities.

B. IMPLEMENTATION

These procedures shall be effective in accordance with federal law (Section 1917 of the Social Security Act) for trusts established on or after August 11, 1993 and for Medi-Cal services received on or after October 1, 1993. Counties shall implement these procedures no later than March 1, 1996, at application and redetermination.

No potential overpayment shall be calculated as a result of a trust established on or after August 11, 1993 to and including February 29, 1996 due to the delay in implementation because these trust provisions were not implemented during that time. However, when these trusts and annuities are reviewed at application and redetermination, on or after March 1, 1996, and they result in an increase in the share of cost or ineligibility due to excess resources counties shall issue an adequate 10-day notice and take the action prospectively.

C. DEFINITIONS SPECIFIC TO OBRA '93

1. "Annuitant" - An annuitant means a person who has the right to receive payments from an annuity. The annuity shall be annuitized based upon the life expectancy of the annuitant.
2. "Annuitized" - An annuity shall be considered annuitized when the payment schedule results in fixed, equal payments to the annuitant on a periodic basis. Payments shall be no less frequently than monthly over a number of years equal to or less than the annuitant's life expectancy as indicated in life expectancy tables provided by the Secretary for the Department of Health and Human Services. The final annuity payment may be for an amount less than the previously fixed annuity payments in order to fully exhaust benefits under the annuity.



Note: An annuity will be considered annuitized even though it may provide a reasonable cost of living adjustment (i.e., of $\leq 5\%$ annual increase).

3. "Annuity" - Annuity is a contract to make periodic payments of a fixed or variable sum paid to an annuitant which are payable unconditionally. Annuity payments may continue for a fixed period of time or for as long as an annuitant lives. An annuitant purchases an annuity with his or her property or property rights. Annuities shall be established to provide the annuitant with payments representing principal and interest which are more than the fair market value of the property used to purchase the annuity. Annuities purchased prior to August 11, 1993, other periodic payment plans, or annuities that are purchased with property rights belonging to someone other than the Medi-Cal applicant/beneficiary or spouse shall continue to be treated in accordance with Title 22, Section 50402(e) and Article 10.
4. "Assets" - Income, property and property rights of the individual or spouse, including income or property which the individual or spouse is entitled to, but does not receive because of circumstances brought about by:
 - a. the individual or spouse,

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- b. any person or entity, including a court or administrative body, with legal authority to act in place of, or on behalf of, the individual or spouse, or
- c. any person or entity, including any court or administrative body, acting at the direction or upon the request of the individual or spouse.

Examples of actions which would cause income or resources not to be received are:

- ✓ Irrevocably waiving pension income,
- ✓ Waiving an inheritance, or
- ✓ Assigning annuity payments to a third party.

5. "Payment" - For purposes of this section, a payment from a trust is any disbursement from the trust. A payment from the trust income or trust principal to or for the benefit of the individual or spouse is to be considered income of that person in accordance with Article 10. A payment may include, but is not limited to:

- a. liquid or non-liquid disbursement,
- b. payments made to third parties or other entities for the benefit of the individual or spouse, or
- c. a disbursement to pay bills, purchase items, or pay for services.

D. TREATMENT OF ANNUITIES PURCHASED ON OR AFTER AUGUST 11, 1993



Note: If an annuity is contained within a trust, evaluate the trust first. The annuity would be evaluated as a trust asset.

Annuity is a contract to make periodic payments of a fixed or variable sum paid to an annuitant which are payable unconditionally. Annuity payments may continue for a fixed period of time or for as long as an annuitant lives. An annuitant purchases an annuity with his or her property or property rights. Annuities shall be established to provide the annuitant with payments representing principal and interest which are more than the fair market value of the property used to purchase the annuity. Annuities purchased prior to August 11, 1993, other periodic payment plans, or annuities that are purchased with property rights belonging to someone other than the Medi-Cal applicant/beneficiary or spouse shall continue to be treated in accordance with Section 50402(e) and Article 10.

Annuities may be purchased privately or commercially. Insurance companies may sell annuities once they are certified to do so by the Insurance Commissioner.

- ✓ Annuities are either deferred or immediate:
 - Deferred Annuities - Payments are available as either a cash lump sum, or fixed payments to begin after a period of time specified in the contract.

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- ✓ Types of annuities that may be purchased include:
 - Lifetime Annuities - Periodic payments are made over the lifetime of the annuitant.
 - Period Certain Annuities - Periodic payments are made for a period of time specified in the contract.
 - Lifetime Annuities with Period Certain - Combines the characteristics of both lifetime and period certain annuities but guarantees payments over a specified number of years. If the annuitant happens to die before the expiration of the period certain the remainder of the payments will go to a designated beneficiary.

- ✓ Features that an annuity may contain include:
 - A cash refund - A cash payment is paid to a designated individual upon the death of the annuitant if the annuitant dies before receiving payments equal to the purchase price of the annuity.
 - A death benefit - A portion of the purchase price has been set aside by the annuity company to fund death benefits of a specified, predetermined amount or specified number of payments to be paid to a beneficiary upon the death of the annuitant.
 - Cost-of-Living Increases - A portion of the purchase price has been set-aside by the annuity company to fund a periodic increase in the amount of the annuity payments.

Annuities acquired upon the death of the original annuitant, or established by will, periodic payment plans not within the definition of annuity, or established prior to August 11, 1993 shall continue to be treated in accordance with All County Welfare Directors Letter (ACWDL) 90-01, Section 50402(e) and Title 22, California Code of Regulations (CCR), Article 10. For example, a periodic payment plan resulting from a personal injury settlement paid from municipal funds rather than a commercial annuity contract would continue to be treated in accordance with, ACWDL 90-01, Section 50402(e) and Title 22, CCR, Article 10.

1. ANNUITIES PURCHASED ON OR AFTER AUGUST 11, 1993

Annuities purchased on or after August 11, 1993, and not subject to treatment under the undue hardship provisions (see procedures Section 9 V I) , shall be treated in accordance with this subsection.

- Payments from the annuity shall be considered income in accordance with Article 10.
- If payments are deferred at any time, the cash surrender value of the annuity shall be considered available property.

a. PERIOD CERTAIN ANNUITIES

- Once the individual or spouse receives or takes steps to receive periodic payments of principal and interest, the balance of the annuity shall be considered unavailable.

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- Payments must be scheduled to exhaust any balance remaining in the annuity, at or before the end of the annuitant's life expectancy, based upon the life expectancy tables compiled by the Actuary of the Social Security Administration included in this section. To determine whether or not the balance of the annuity will be exhausted by the end of the annuitant's life expectancy, refer to the life expectancy tables compiled by the Office of the Actuary of the Social Security Administration, provided in this section. Enter the tables with the age of the annuitant as of the date the annuity was purchased or the date the payment plan was established, whichever is the most recent.

- If the years of expected life for the annuitant, based on the life expectancy tables compiled by the Actuary of the Social Security Administration, is less than the years of scheduled payments under the terms of the annuity, and if the annuity cannot be restructured, then the payments in excess of the annuitant's life expectancy shall be considered a transfer of property for less than fair market value that may be a disqualifying transfer. (See "Note" below.)
 - ✓ Years of expected life is determined by using the age of the person at the time the annuity was purchased or the date the payment plan was implemented, whichever is the most recent.

- Any predetermined specified amount or number of payments set aside for any other individual (other than for the sole benefit of the spouse) shall be considered a transfer of property that may be a disqualifying transfer. (See "Note" below.)

- After payments to the annuitant begin, if payments are later designated that payments are to be made to any other individual (other than for the sole benefit of the individual or spouse), the payments shall be considered a transfer of income that may be a disqualifying transfer in the future. (See "Note" below.)

See Transfer of Asset guidelines to determine whether or not a period of ineligibility for nursing facility level of care should be calculated. Do not treat transfers of income until guidelines have been issued to do so.



Note: Whenever an annuity has not been properly annuitized, counties shall advise the individual that they must attempt to have the annuity annuitized in accordance with these procedures. When it is necessary to advise an applicant/beneficiary that they must annuitize their annuity in accordance with these procedures, provide the applicant/beneficiary with the annuitant's life expectancy by entering the Secretary's tables using the annuitant's current age. The balance of the annuity shall be considered unavailable once steps have been taken to annuitize the annuity in accordance with these procedures until the payment(s) are received. Counties shall also consider whether the undue hardship provisions apply before taking adverse actions. (See procedures Section 9 J V I) When undue hardship is considered and found not to apply, the notice of action for the adverse action shall state that "the undue hardship provisions were considered and found not to apply."

★Undue Hardship: Among other undue hardship provisions which may apply there is an undue hardship exception for annuities purchased between August 11, 1993 and March 1, 1996 (see procedures Section 9 J V I). If such an annuity cannot be

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annuitized to a period equal to or less than the number of years of life expectancy on the following life expectancy tables established by the Actuary of the Social Security Administration, or if a lifetime annuity cannot be annuitized to a payment schedule based upon a life expectancy that is equal to or less than the number of years reflected on the life expectancy tables established by the Actuary of the Social Security Administration, then:

- ✓ no period of ineligibility for nursing facility level of care shall result, and
- ✓ the annuity shall continue to be treated in accordance with ACWDL 90-01, draft regulation Section 50402(e).

If such an annuity cannot be restructured then written verification must be obtained from the agent or company who issued the annuity or the individual agent who sold the annuity.

b. LIFETIME ANNUITIES

In the case of a lifetime annuity purchased on or after August 11, 1993:

- (1). If the contract does not allow anyone to receive payments upon the death of the annuitant and the annuitant is receiving payments:
- The individual or spouse must obtain the specific life expectancy table used by the annuity company to establish his/her specific annuity.
 - If the years of expected life, based upon the annuity company's tables for that individual or spouse, are equal to or less than the number of years indicated on the life expectancy tables compiled by the Actuary of the Social Security Administration for that individual or spouse, there is no transfer of property for less than fair market value. Count the payments as income, in accordance with Article 10, and consider the balance to be unavailable. To determine whether or not the balance of the annuity will be exhausted by the end of the annuitant's life expectancy, refer to the life expectancy tables compiled by the Office of the Actuary of the Social Security Administration, provided in this section. Enter the tables with the age of the annuitant as of the date the annuity was purchased or the date the payment plan was established, whichever is the most recent.
 - If the years of expected life based on the annuity company's tables for the annuitant are greater than the number of years indicated on the life expectancy tables compiled by the Actuary of the Social Security Administration, for the annuitant and if the annuity cannot be restructured, or the annuitant chooses not to restructure the annuity, there is a transfer of property for less than fair market value that may be a disqualifying transfer. (See "Note" below.)
 - After payments to the annuitant begin, if payments are later designated to any other individual (other than for the sole benefit of the individual or spouse), the payment shall be considered a

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transfer of income that may be a disqualifying transfer in the future.
(See "Note" below.)

See Transfer of Asset guidelines to determine whether or not a period of ineligibility for nursing facility level of care should be calculated. Do not treat transfers of income until guidelines have been issued to do so.



Note: Whenever an annuity has not been properly annuitized counties shall advise the individual that they must attempt to have the annuity annuitized in accordance with these procedures. When it is necessary to advise an applicant/beneficiary that they must annuitize their annuity in accordance with these procedures, provide the applicant/beneficiary with the annuitant's life expectancy by entering the Secretary's tables using the annuitant's current age. The balance of the annuity shall be considered unavailable once steps have been taken to annuitize the annuity in accordance with these procedures until the payment(s) are received. Counties shall also consider whether the undue hardship provisions apply before taking adverse actions. (See procedures Section 9 J V I.) When undue hardship is considered and found not to apply the notice of action for the adverse action shall state that "the undue hardship provisions were considered and found not to apply."

★**Undue Hardship:** Among other undue hardship provisions which may apply there is an undue hardship exception for annuities purchased between August 11, 1993 and March 1, 1996 (see procedures Section 9 J V I). If such an annuity cannot be annuitized to a period equal to or less than the number of years of life expectancy on the following life expectancy tables established by the Actuary of the Social Security Administration, or if a lifetime annuity cannot be annuitized to a payment schedule based upon a life expectancy that is equal to or less than the number of years reflected on the life expectancy tables established by the Actuary of the Social Security Administration, then:

- ✓ no period of ineligibility for nursing facility level of care shall result, and
- ✓ the annuity shall continue to be treated in accordance with ACWDL 90-01, draft regulation Section 50402(e).

If such an annuity cannot be restructured then written verification must be obtained from the agent or company who issued the annuity or the individual agent who sold the annuity.

- (2). If the contract provides that a specified number of payments or a specified amount will go to someone upon the death of the individual, then the annuitant must restructure the annuity's payment schedule. When the annuitant takes steps to restructure the annuity, the balance of the annuity shall be considered unavailable. The restructured annuity payment schedule must conform with the procedures for annuities purchased on or after August 11, 1993 as follows:

- Once the annuitant takes steps to annuitize the annuity in accordance with these procedures the balance of the annuity shall be considered unavailable until payment(s) are received.
- Payments must be scheduled to exhaust any balance remaining in the annuity, at or before the end of the annuitant's life expectancy,

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based upon the life expectancy tables compiled by the Actuary of the Social Security Administration included in this section. To determine whether or not the balance of the annuity will be exhausted by the end of the annuitant's life expectancy, refer to the life expectancy tables compiled by the Office of the Actuary of the Social Security Administration, provided in this section. Enter the tables with the age of the annuitant as of the date the annuity was purchased or the date the payment plan was established, whichever is the most recent. (See "Note" below.)

- If the annuity cannot be restructured to one that is based upon a life expectancy that is equal to or less than the number of years reflected on the life expectancy table compiled by the Actuary of the Social Security Administration, for that annuitant, consider the amount set-aside or the specified payments for the beneficiary upon the death of the individual or spouse, as property transferred for less than fair market value that may be a disqualifying transfer. (See "Note" below.)
- After payments to the annuitant begin, if payments are later designated to any other individual (other than for the sole benefit of the spouse), they shall be considered a transfer of income that may be a disqualifying transfer in the future. (See "Note" below.)



Note: Whenever an annuity has not been properly annuitized counties shall advise the individual that they must attempt to have the annuity annuitized in accordance with these procedures. When it is necessary to advise an applicant /beneficiary that they must annuitize their annuity in accordance with these procedures, provide the applicant/beneficiary with the annuitant's life expectancy by entering the Secretary's tables using the annuitant's current age. The balance of the annuity shall be considered unavailable once steps have been taken to annuitize the annuity in accordance with these procedures until the payment(s) are received. Counties shall also consider whether the undue hardship provisions apply before taking adverse actions. (See Procedures Section 9 J V I.) When undue hardship is considered and found not to apply the notice of action for the adverse action shall state that "the undue hardship provisions were considered and found not to apply."

☆ Undue Hardship: Among other undue hardship provisions which may apply, there is an undue hardship exception for annuities purchased between August 11, 1993 and March 1, 1996 (see procedures Section 9 J V I). If such an annuity cannot be annuitized to a period equal to or less than the number of years of life expectancy on the following life expectancy tables established by the Actuary of the Social Security Administration, or if a lifetime annuity cannot be annuitized to a payment schedule based upon a life expectancy that is equal to or less than the number of years reflected on the life expectancy tables established by the Actuary of the Social Security Administration, then:

- ✓ no period of ineligibility for nursing facility level of care shall result, and
- ✓ the annuity shall continue to be treated in accordance with ACWDL 90-01, draft regulation Section 50402(e).

If such an annuity cannot be restructured then written verification must be obtained from the agent or company who issued the annuity or the individual agent who sold the annuity.

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See Transfer of Asset guidelines to determine whether or not a period of ineligibility for nursing facility level of care should be calculated. Do not treat transfers of income until guidelines have been issued to do so.

- (3). If the contract provides for a beneficiary upon the death of the individual or spouse to some unspecified amount:
- Once the annuitant takes steps to annuitize the annuity in accordance with these procedures, the balance of the annuity shall be considered unavailable until payment(s) are received.
 - The annuitant must obtain the specific life expectancy table used by the annuity company to establish their specific annuity.
 - If the years of expected life, based upon the annuity company's tables for that annuitant, are equal to or less than the number of years indicated on the life expectancy tables compiled by the Actuary of the Social Security Administration for the annuitant, there is no transfer for less than fair market value. To determine whether or not the balance of the annuity will be exhausted by the end of the annuitant's life expectancy, refer to the life expectancy tables compiled by the Office of the Actuary of the Social Security Administration, provided in this section. Enter the tables with the age of the annuitant as of the date the annuity was purchased or the date the payment plan was established, whichever is the most recent.
 - If the years of expected life based on the annuity company's tables for that annuitant are greater than the number of years indicated on the life expectancy tables compiled by the Actuary of the Social Security Administration for the annuitant then:
 - ✓ The county must advise the individual or spouse that they must take steps to restructure the annuity's payment schedule to one that is based upon a life expectancy that is equal to or less than the number of years reflected on the life expectancy table compiled by the Actuary of the Social Security Administration, for that individual or spouse. When the individual or spouse takes steps to restructure the annuity the balance of the annuity shall be considered unavailable until payment(s) are received.
 - ✓ If steps are not taken there is a transfer of property for less than fair market value that may be a disqualifying transfer. (See "Note" below.)
 - After payments to the annuitant begin, if the payments are later designated to any other individual (other than for the sole benefit of the spouse), they shall be considered a transfer of income that may result in a disqualifying transfer in the future. (See "Note" below.)

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See Transfer of Asset guidelines to determine whether or not a period of ineligibility for nursing facility level of care should be calculated. Do not treat transfers of income until guidelines have been issued to do so.



Note: Whenever an annuity has not been properly annuitized, counties shall advise the individual that they must attempt to have the annuity annuitized in accordance with these procedures. When it is necessary to advise an applicant/beneficiary that they must annuitize their annuity in accordance with these procedures, provide the applicant/beneficiary with the annuitant's life expectancy by entering the Secretary's tables using the annuitant's current age. The balance of the annuity shall be considered unavailable once steps have been taken to annuitize the annuity in accordance with these procedures until the payment(s) are received. Counties shall also consider whether the undue hardship provisions apply before taking adverse actions. (See procedures 9 J V I.) When undue hardship is considered and found not to apply the notice of action for the adverse action shall state that "the undue hardship provisions were considered and found not to apply."

★ **Undue Hardship:** Among other undue hardship provisions which may apply, there is an undue hardship exception for annuities purchased between August 11, 1993 and March 1, 1996 (see procedures Section 9 J V I). If such an annuity cannot be annuitized to a period equal to or less than the number of years of life expectancy on the following life expectancy tables established by the Actuary of the Social Security Administration, or if a lifetime annuity cannot be annuitized to a payment schedule based upon a life expectancy that is equal to or less than the number of years reflected on the life expectancy tables established by the Actuary of the Social Security Administration, then:

- ✓ no period of ineligibility for nursing facility level of care shall result, and
- ✓ the annuity shall continue to be treated in accordance with ACWDL 90-01, draft regulation Section 50402(e).

If such an annuity cannot be restructured, then written verification must be obtained from the agent or company who issued the annuity or the individual agent who sold the annuity.

2. ANNUITY EXAMPLES:



Example # 1: On January 30, 1996, at age 65, Mr. Baker purchases a \$20,000 period certain annuity to be paid over the course of 10 years. Fixed, equal, monthly payments begin March 1, 1996.



Discussion: At age 65, Mr. Baker's life expectancy is 14.96 years according to the life expectancy table for males compiled by the Actuary of the Social Security Administration. Since Mr. Baker's life expectancy figure (14.96 years) exceeds the payout period of the annuity (10 years) by 4.96 years and Mr. Baker is receiving payments, the balance of the annuity is considered unavailable. The payments would be treated as income in accordance with Article 10.

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 *Example # 2:* On March 10, 1996, at age 65, Mr. Baker purchases a \$100,000 period certain annuity to be paid over the course of 20 years. Fixed, equal, monthly payments are to begin April 15, 1996.

 *Discussion:* Based on the life expectancy table for males, compiled by the Actuary of the Social Security Administration, Mr. Baker has a life expectancy of only 14.96 years. The payout period exceeds Mr. Baker's life expectancy. Mr. Baker is unable to restructure the annuity's payment schedule. The payments scheduled to occur beyond Mr. Baker's life expectancy, (20 payment years - 14.96 life expectancy years = 5.04 years of payments) would be considered transferred property that may be a disqualifying transfer. (See "Note" below.)

To calculate the amount that was transferred for less than adequate consideration, determine the percentage of the original purchase price which was transferred to fund those payments that exceed the life expectancy on the Secretary's tables. Total the payments within the life expectancy, then total the payments beyond the life expectancy. Divide each of the two sums by the sum of the total payments, this will result in the percentage of the total payments made within the life expectancy and the percentage of the total payments made beyond the life expectancy. Multiply the original purchase price by the percentage of payments to be paid beyond the life expectancy.

 *Example # 3:* Mrs. Baker purchases a \$50,000 period certain annuity on December 4, 1996 and makes her daughter the annuitant.

 *Discussion:* Mrs. Baker's purchase of the \$50,000 period certain annuity is considered a transfer of property to the daughter that may be a disqualifying transfer. (See "Note" below.)

 *Example # 4:* On June 10, 1996, Mrs. Baker purchases a \$50,000 lifetime annuity with 5 years worth of payments designated to go to her daughter upon the death of Mrs. Baker. Mrs. Baker is 79 years old and her life expectancy, based on the life expectancy tables for females compiled by the Social Security Administration, is 9.67 years. The life expectancy in the tables used by the insurance company to establish this specific annuity is equal to the life expectancy shown on the Social Security Administration tables. Mrs. Baker is receiving fixed, equal, monthly payments.

 *Discussion:* Since the 5 years worth of payments were specified death benefits when the annuity was purchased the total amount of death benefit payments designated for the daughter shall be considered transferred property that may be considered disqualifying. Mrs. Baker's monthly payments are considered income in accordance with Article 10 and the balance of the annuity less the death benefits are considered unavailable.

 *Example # 5:* Mrs. Baker purchases a \$50,000 lifetime annuity on April 15, 1996 and designates her daughter as the beneficiary upon her death to receive a cash refund (an unspecified amount). Mrs. Baker is 79 years old and her life

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expectancy, based on the life expectancy tables for females compiled by the Social Security Administration, is 9.67 years. The life expectancy tables used by the annuity company to establish this specific annuity give Mrs. Baker a life expectancy of 8 years. Mrs. Baker is receiving fixed, equal, monthly payments.



Discussion:

Since the cash refund (an unspecified amount) will pay the difference between the total amount of the payments made to Mrs. Baker during her lifetime and the \$50,000 purchase price to the daughter upon Mrs. Baker's death and the number of years of the company's life expectancy tables are less than those compiled by the Actuary of the Social Security Administration, the monthly payments are considered income in accordance with Article 10 and the balance of the annuity is considered unavailable.



Example # 6:

Mrs. Baker begins receiving payments from her properly annuitized annuity but designates her daughter as the annuitant after receiving payments for 1 year. The daughter will receive the remaining four years worth of payments from the annuity.



Discussion:

The 4 years of payments will be considered transferred income which may result in a disqualifying transfer in the future. (See "Note" below.)



Example # 7:

Mrs. Baker begins receiving payments from her properly annuitized annuity but designates that her daughter is to receive the 4 years of payments remaining for the sole support of Mrs. Baker.



Discussion:

There is no period of ineligibility for nursing facility level of care for Mrs. Baker. The payments will be considered income in accordance with Article 10 and the balance of the annuity is considered unavailable.



Example # 8:

Mrs. Baker, age 64, purchases a \$50,000 lifetime annuity on March 1, 1996 with a period certain of 15 years. Her life expectancy based on the life expectancy tables compiled by the Actuary of the Social Security Administration is 19.72 years. The life expectancy tables used by the annuity company to establish her specific annuity give Mrs. Baker a life expectancy of 18 years. She is receiving fixed, equal, monthly payments.



Discussion:

Since the number of years of both the company's life expectancy table and the period certain are less than Mrs. Baker's life expectancy according to the life expectancy table for females compiled by the Social Security Administration, the monthly payments are considered income in accordance with Article 10 and the balance of the annuity is considered unavailable.



Note: Whenever an annuity has not been properly annuitized, counties shall advise the individual that they must attempt to have the annuity annuitized in accordance with these procedures. When it is necessary to advise an applicant/beneficiary that they must annuitize their annuity in accordance with these procedures, provide the applicant/beneficiary with the annuitant's life expectancy by entering the Secretary's tables using the annuitant's current age. The balance of the annuity shall be considered unavailable once steps have been taken to annuitize the annuity in accordance with these procedures until the payment(s) are

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received. Counties shall also consider whether the undue hardship provisions apply before taking adverse actions. (See procedures 9 J V I.) When undue hardship is considered and found not to apply the notice of action for the adverse action shall state that "the undue hardship provisions were considered and found not to apply."

☆ Undue Hardship: Among other undue hardship provisions which may apply, there is an undue hardship exception for annuities purchased between August 11, 1993 and March 1, 1996 (see procedures Section 9 J V I). If such an annuity cannot be annuitized to a period equal to or less than the number of years of life expectancy on the following life expectancy tables established by the Actuary of the Social Security Administration, or if a lifetime annuity cannot be annuitized to a payment schedule based upon a life expectancy that is equal to or less than the number of years reflected on the life expectancy tables established by the Actuary of the Social Security Administration, then:

- ✓ no period of ineligibility for nursing facility level of care shall result, and
- ✓ the annuity shall continue to be treated in accordance with ACWDL 90-01, draft regulation Section 50402(e).

If such an annuity cannot be restructured then written verification must be obtained from the agent or company who issued the annuity or the individual agent who sold the annuity.

3. ANALYSIS OF SAMPLE ANNUITY PAYMENT SCHEDULES

This subsection includes sample annuity payment schedules. The payment schedules represent some annuities that have been annuitized in accordance with the guidelines of the Secretary for the Department of Health and Human Services, as well as some that are not properly structured.



Note: Each row of the attached sample annuity payment schedules contains the **sum of the equal monthly payments** that would be paid in each year of the annuity.

When using the Secretary's Life Expectancy Tables in determining whether an annuity has been properly annuitized, enter those tables with the age of the annuitant as of the date the annuity was purchased or the date the payment plan was established, whichever is the most recent. When it is necessary to advise a Medi-Cal applicant/beneficiary that they must annuitize their annuity in accordance with these procedures, enter the Secretary's tables using the individual's current age.

a. PERIOD CERTAIN ANNUITIES

(1). Property Annuitized Payment Schedules

The sample payment schedules on the following page represent annuities that are to be considered properly annuitized. The payment schedules are for 15-year, period certain annuities. The 15-year guarantee period coincided with the life expectancy of the annuitant based upon the Secretary's tables as of the date the annuity was purchased (or the date of annuitization, whichever was the most recent). Monthly payments are fixed, equal and monthly but may reflect reasonable, annual cost-of-living increases (i.e., less than or equal to 5%).

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Amount Invested: \$100,000
 Rate of Return: 5.00%
 Guarantee Period: 15 Years

Year	Level Payments			3% Annual Increase			5% Annual Increase		
	Payment	3% Annual Increase	5% Annual Increase	Payment	3% Annual Increase	5% Annual Increase	Payment	3% Annual Increase	5% Annual Increase
1	\$9,634.23	\$7,981.13	\$7,000.00	\$9,634.23	\$8,220.57	\$7,350.00	\$9,634.23	\$8,467.18	\$7,717.50
2	\$9,634.23	\$8,220.57	\$7,350.00	\$9,634.23	\$8,721.20	\$8,103.38	\$9,634.23	\$8,982.83	\$8,508.54
3	\$9,634.23	\$8,467.18	\$7,717.50	\$9,634.23	\$9,252.32	\$8,933.97	\$9,634.23	\$9,529.89	\$9,300.67
4	\$9,634.23	\$8,721.20	\$8,103.38	\$9,634.23	\$9,815.79	\$9,849.70	\$9,634.23	\$10,110.26	\$10,342.19
5	\$9,634.23	\$8,982.83	\$8,508.54	\$9,634.23	\$10,413.57	\$10,859.30	\$9,634.23	\$10,725.97	\$11,402.26
6	\$9,634.23	\$9,252.32	\$8,933.97	\$9,634.23	\$11,047.75	\$11,972.38	\$9,634.23	\$11,379.19	\$12,570.99
7	\$9,634.23	\$9,529.89	\$9,300.67	\$9,634.23	\$11,720.56	\$13,199.54	\$9,634.23	\$12,072.18	\$13,859.52
8	\$9,634.23	\$9,815.79	\$9,849.70	\$9,634.23	\$12,413.57	\$14,519.95	\$9,634.23	\$12,819.95	\$15,289.95
9	\$9,634.23	\$10,110.26	\$10,342.19	\$9,634.23	\$13,135.97	\$15,989.95	\$9,634.23	\$13,619.95	\$16,819.95
10	\$9,634.23	\$10,413.57	\$10,859.30	\$9,634.23	\$13,897.97	\$17,619.95	\$9,634.23	\$14,479.95	\$18,449.95
11	\$9,634.23	\$10,725.97	\$11,402.26	\$9,634.23	\$14,707.97	\$19,349.95	\$9,634.23	\$15,349.95	\$20,179.95
12	\$9,634.23	\$11,047.75	\$11,972.38	\$9,634.23	\$15,570.99	\$21,179.95	\$9,634.23	\$16,249.95	\$22,009.95
13	\$9,634.23	\$11,379.19	\$12,570.99	\$9,634.23	\$16,497.99	\$23,119.95	\$9,634.23	\$17,179.95	\$24,049.95
14	\$9,634.23	\$11,720.56	\$13,199.54	\$9,634.23	\$17,487.99	\$25,279.95	\$9,634.23	\$18,149.95	\$26,349.95
15	\$9,634.23	\$12,072.18	\$13,859.52	\$9,634.23	\$18,547.99	\$27,679.95	\$9,634.23	\$19,179.95	\$28,909.95
Life Expectancy									
Sum:	\$144,513.43	\$148,440.38	\$151,049.95						
Sum <= LE:	\$144,513.43	\$148,440.38	\$151,049.95						
Sum > LE:	\$0.00	\$0.00	\$0.00						

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(2). Improperly Structured Payment Schedules

The payment schedules on the following page represent period certain annuities that have not been properly annuitized. They are payment schedules for 20-year period certain annuities. The guarantee period of 20-years exceeded the 15-year life expectancy of the annuitant, as determined by the Secretary's tables as of the date the annuity was purchased or the date the payment plan was established, whichever was most recent. In these cases there may be a disqualifying transfer as of the date the annuity was purchased (or the date the payment plan was established, whichever was most recent). To determine whether or not the transfer is disqualifying, counties must review the transfer of property guidelines contained in ACWDL 90-01.

To determine the amount that was transferred for less than adequate consideration, determine the percentage of the original purchase price which was transferred to fund the payments that exceeded the life expectancy on the Secretary's tables as of the date of purchase or the date the payment plan was established, whichever was the most recent.



Note: Whenever an annuity has not been properly annuitized counties shall advise the individual that they must attempt to have the annuity annuitized in accordance with these procedures. The balance of the annuity shall be considered unavailable once steps have been taken to annuitize the annuity in accordance with these procedures until the payment(s) are received. Counties shall also consider whether the undue hardship provisions apply before taking any adverse actions. (See procedures Section 9 J V I.) When undue hardship is considered and found not to apply the notice of action for the adverse action shall state that "the undue hardship provisions were considered and found not to apply".

(A). Level Payment Sample

The sum of the payments within the life expectancy is \$120,363.88. The sum of the payments beyond the life expectancy is \$40,121.29. Dividing each of the two sums by the sum of the total payments (\$160,485.17) will result in the following, based upon the Secretary's tables: 75% of the payments will be made during the life expectancy of the annuitant, and 25% of the payments will be made beyond the life expectancy of the annuitant. Multiplying the original purchase price (\$100,000) by 25% will result in the percentage of the original purchase price which was transferred to fund the payments beyond the annuitant's life expectancy ($\$100,000 \times 25\% = \$25,000$).

(B). 3% Annual Increase Sample

The sum of the payments within the life expectancy is \$116,499.63. The sum of the payments beyond the life expectancy is \$51,810.67. Dividing each of the two sums by the sum of the total payments (\$168,310.30) will result in the following, based upon the Secretary's tables: 69.2% of the payments will be made during the life expectancy of the annuitant, and 30.8% of the payments will be made beyond the life expectancy of the annuitant. Multiplying the

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original purchase price (\$100,000) by 30.8% will result in the percentage of the original purchase price which was transferred to fund the payments beyond the annuitant's life expectancy ($\$100,000 \times 30.8\% = \$30,800.00$).

(C). 5% Annual Increase

The sum of the payments within the life expectancy is \$113,287.46. The sum of the payments beyond the life expectancy is \$60,308.80. Dividing each of the two sums by the sum of the total payments (\$173,596.26) will result in the following, based upon the Secretary's tables: 65.3% of the payments will be made during the life expectancy of the annuitant, and 34.7% of the payments will be made beyond the life expectancy of the annuitant. Multiplying the original purchase price (\$100,000) by 34.7% will result in the percentage of the original purchase price which was transferred to fund the payments beyond the annuitant's life expectancy ($\$100,000 \times 34.7\% = \$34,700.00$).

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Amount Invested: \$100,000
 Rate of Return: 5.00%
 Guarantee Period: 20 Years

Level Payments

Year	Payment
1	\$8,024.26
2	\$8,024.26
3	\$8,024.26
4	\$8,024.26
5	\$8,024.26
6	\$8,024.26
7	\$8,024.26
8	\$8,024.26
9	\$8,024.26
10	\$8,024.26
11	\$8,024.26
12	\$8,024.26
13	\$8,024.26
14	\$8,024.26
15	\$8,024.26
16	\$8,024.26
17	\$8,024.26
18	\$8,024.26
19	\$8,024.26
20	\$8,024.26

Life
Expectancy

Sum: \$160,405.17

Sum <= L.E:	\$120,363.88	75.0%
Sum > L.E:	\$40,121.29	25.0%

\$ 25,000.00

3% Annual Increase

Payment
\$6,263.79
\$6,451.70
\$6,645.25
\$6,844.61
\$7,049.95
\$7,261.45
\$7,479.29
\$7,703.67
\$7,934.78
\$8,172.82
\$8,418.01
\$8,670.55
\$8,930.66
\$9,199.58
\$9,474.54
\$9,756.78
\$10,051.54
\$10,353.09
\$10,663.68
\$10,983.69

\$168,310.30

\$116,499.63	69.2%
\$51,810.67	30.8%

\$ 30,782.83

5% Annual Increase

5% Increase
\$5,250.00
\$5,512.50
\$5,788.13
\$6,077.53
\$6,381.41
\$6,700.48
\$7,035.50
\$7,387.20
\$7,756.64
\$8,144.47
\$8,551.70
\$8,979.28
\$9,428.25
\$9,899.66
\$10,394.64
\$10,914.37
\$11,460.09
\$12,033.10
\$12,634.75
\$13,266.49

\$173,596.26

\$113,287.46	65.3%
\$60,308.80	34.7%

\$ 34,700.00

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b. LIFETIME ANNUITIES

When considering whether a lifetime annuity has been annuitized in accordance with the Secretary's tables, the applicant must provide the life expectancy that the company used as of the date the annuity was purchased or the date the payment plan was established. The company's life expectancy for the annuitant is then compared to the life expectancy for the annuitant based upon the Secretary's tables. The age to use when entering the Secretary's table is the age of the annuitant as of the date the annuity was purchased or the date the payment plan was established, whichever is most recent.

(1). Properly Annuitized

The payment schedule on the following page represents a lifetime annuity. The life expectancy of the annuitant per the Secretary's tables coincides with the life expectancy of the annuitant based upon the company's tables. The purchase of the annuity is considered to be for adequate consideration and there is no disqualifying transfer of property even though payments are to be paid regardless of how long the annuitant may actually live. Monthly payments are fixed, equal and monthly but may reflect reasonable, annual cost-of-living increases (i.e., less than or equal to 5%).

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Amount Invested: \$100,000
 Rate of Return: 5.00%
 Lifetime Annuity

Year	Payment
1	\$8,024.26
2	\$8,024.26
3	\$8,024.26
4	\$8,024.26
5	\$8,024.26
6	\$8,024.26
7	\$8,024.26
8	\$8,024.26
9	\$8,024.26
10	\$8,024.26
11	\$8,024.26
12	\$8,024.26
13	\$8,024.26
14	\$8,024.26
15	\$8,024.26
16	\$8,024.26
17	\$8,024.26
18	\$8,024.26
19	\$8,024.26
20	\$8,024.26

Year	Payment
1	\$6,263.79
2	\$7,451.70
3	\$8,045.25
4	\$8,844.61
5	\$7,049.95
6	\$7,261.45
7	\$7,479.29
8	\$7,703.67
9	\$7,934.70
10	\$8,172.82
11	\$8,418.01
12	\$8,670.55
13	\$8,930.66
14	\$9,198.58
15	\$9,474.54
16	\$9,758.78
17	\$10,051.54
18	\$10,353.09
19	\$10,663.68
20	\$10,983.59

Year	5% Increase
1	\$5,250.00
2	\$5,512.50
3	\$5,788.13
4	\$6,077.53
5	\$6,381.41
6	\$6,700.48
7	\$7,035.50
8	\$7,387.28
9	\$7,756.64
10	\$8,144.47
11	\$8,551.70
12	\$8,979.20
13	\$9,428.25
14	\$9,898.68
15	\$10,394.54
16	\$10,914.37
17	\$11,460.09
18	\$12,033.10
19	\$12,634.75
20	\$13,268.49

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(2). Improperly Structured Payment Schedules

The payment schedules on the following page represent lifetime annuities that have not been properly annuitized. The company's life expectancy for the annuitant exceeded the 15-year life expectancy of the annuitant, as determined by the Secretary's tables as of the date the annuity was purchased or the date the payment plan was established, whichever was most recent. In these cases there may be a disqualifying transfer as of the date the annuity was purchased (or the date the payment plan was established, whichever is most recent). To determine whether or not the transfer is disqualifying, counties must review the transfer of property guidelines contained in ACWDL 90-01.

To determine the amount that was transferred for less than adequate consideration, determine the percentage of the original purchase price which was transferred to fund the payments that may be paid between the company's life expectancy for the annuitant and the life expectancy in accordance with the Secretary's tables. When entering the Secretary's tables, use the age of the annuitant as of the date the annuity was purchased or the date the payment plan was established, whichever was the most recent.



Note: Whenever an annuity has not been properly annuitized counties shall advise the individual that they must attempt to have the annuity annuitized in accordance with these procedures. The balance of the annuity shall be considered unavailable once steps have been taken to annuitize the annuity in accordance with these procedures until the payment(s) are received. Counties shall also consider whether the undue hardship provisions apply before taking any adverse actions. (See procedures Section 9 J V I.) When undue hardship is considered and found not to apply the notice of action for the adverse action shall state that "the undue hardship provisions were considered and found not to apply".

(A). Level Payment Sample

The sum of the payments within the life expectancy based upon the Secretary's table is \$120,363.90. The sum of the payments between the company's life expectancy and the life expectancy based upon the Secretary's tables is \$24,072.78. Dividing each of the two sums by the sum of the total payments (\$144,436.68) will result in the following: 83.3% of the payments will be made during the life expectancy of the annuitant based upon the Secretary's tables; and 16.7% of the payments will be made between the two life expectancies. Multiplying the original purchase price (\$100,000) by 16.7% will result in the percentage of the original purchase price which was transferred to fund the payments beyond the annuitant's life expectancy ($\$100,000 \times 16.7\% = \$16,700$).

(B). 3% Annual Increase

The sum of the payments within the life expectancy based upon the Secretary's table is \$116,499.62. The sum of the payments between the company's life expectancy and the life expectancy based upon the Secretary's tables is \$30,163.41. Dividing each of

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the two sums by the sum of the total payments (\$146,663.03) will result in the following: 79.4% of the payments will be made during the life expectancy of the annuitant based upon the Secretary's tables; and 20.6% of the payments will be made between the two life expectancies. Multiplying the original purchase price (\$100,000) by 20.6% will result in the percentage of the original purchase price which was transferred to fund the payments beyond the annuitant's life expectancy ($\$100,000 \times 20.6\% = \$20,600$).

(C). 5% Annual Increase

The sum of the payments within the life expectancy based upon the Secretary's table is \$113,287.46. The sum of the payments between the company's life expectancy and the life expectancy based upon the Secretary's tables is \$34,407.56. Dividing each of the two sums by the sum of the total payments (\$147,695.02) will result in the following: 76.7% of the payments will be made during the life expectancy of the annuitant based upon the Secretary's tables; and 23.3% of the payments will be made between the two life expectancies. Multiplying the original purchase price (\$100,000) by 23.3% will result in the percentage of the original purchase price which was transferred to fund the payments beyond the annuitant's life expectancy ($\$100,000 \times 23.3\% = \$23,300$).

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Amount Invested: \$100,000
 Rate of Return: 5.00%
 Lifetime Annuity

Level Payments

Year	Payment
1	\$8,024.26
2	\$8,024.26
3	\$8,024.26
4	\$8,024.26
5	\$8,024.26
6	\$8,024.26
7	\$8,024.26
8	\$8,024.26
9	\$8,024.26
10	\$8,024.26
11	\$8,024.26
12	\$8,024.26
13	\$8,024.26
14	\$8,024.26
15	\$8,024.26
16	\$8,024.26
17	\$8,024.26
18	\$8,024.26
19	\$8,024.26
20	\$8,024.26

Sum: \$144,436.68

Sum <LE: \$120,363.90 83.3%
 Sum >LE: \$24,072.78 16.7%

\$ 16,700.00

3% Annual Increase

Year	Payment
1	\$8,263.79
2	\$8,451.70
3	\$8,645.25
4	\$8,844.61
5	\$7,049.95
6	\$7,261.45
7	\$7,479.29
8	\$7,703.67
9	\$7,934.78
10	\$8,172.62
11	\$8,418.01
12	\$8,670.85
13	\$8,930.66
14	\$9,198.56
15	\$9,474.54
16	\$9,758.78
17	\$10,051.54
18	\$10,353.09
19	\$10,663.00
20	\$10,983.59

\$146,663.03

\$16,489.62 79.4%
 \$30,163.41 20.6%

\$ 20,600.00

5% Annual Increase

Year	5% Increase
1	\$5,250.00
2	\$5,512.50
3	\$5,788.13
4	\$6,077.53
5	\$6,381.41
6	\$6,700.48
7	\$7,035.50
8	\$7,387.28
9	\$7,756.64
10	\$8,144.47
11	\$8,551.70
12	\$8,979.28
13	\$9,428.25
14	\$9,899.66
15	\$10,394.64
16	\$10,914.37
17	\$11,460.09
18	\$12,033.10
19	\$12,634.75
20	\$13,266.49

\$147,695.02

\$13,287.46 76.7%
 \$34,407.56 23.3%

\$ 23,300.00

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c. LIFETIME WITH PERIOD CERTAIN ANNUITIES

A lifetime with period certain annuity combines the features of both the lifetime and the period certain annuities into one. When considering whether a lifetime with a period certain annuity has been annuitized in accordance with the Secretary's tables, the applicant must provide the life expectancy that the company used as of the date the annuity was purchased or the date the payment plan was established. The company's life expectancy for the annuitant is then compared to the life expectancy for the annuitant based upon the Secretary's tables. The guarantee period must also be less than or equal to the life expectancy based upon the Secretary's tables. The age to use when entering the Secretary's table is the age of the annuitant as of the date the annuity was purchased or the date the payment plan was established whichever is most recent.

(1). Property Annuitized Payment Schedules

The sample payment schedules on the following page represent annuities that are to be considered properly annuitized. The payment schedules are for lifetime with 15-year, period certain annuities. The 15-year guarantee period AND the company's life expectancy coincided with the life expectancy of the annuitant based upon the Secretary's tables as of the date the annuity was purchased or the date of annuitization, whichever was the most recent. Monthly payments are fixed, equal and monthly but may reflect reasonable, annual cost-of-living increases (i.e., less than or equal to 5%).

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

Amount Invested: \$100,000
Rate of Return: 5.00%

Lifetime with 15-year Period Certain

Level Payments

Year	Payment
1	\$8,024.26
2	\$8,024.26
3	\$8,024.26
4	\$8,024.26
5	\$8,024.26
6	\$8,024.26
7	\$8,024.26
8	\$8,024.26
9	\$8,024.26
10	\$8,024.26
11	\$8,024.26
12	\$8,024.26
13	\$8,024.26
14	\$8,024.26
15	\$8,024.26
16	\$8,024.26
17	\$8,024.26
18	\$8,024.26
19	\$8,024.26
20	\$8,024.26

Life
Expectancy
Coincides

Quarantee Period

3% Annual Increase

Payment
\$6,263.79
\$6,451.70
\$6,645.25
\$6,844.61
\$7,049.95
\$7,261.45
\$7,479.29
\$7,703.67
\$7,934.78
\$8,172.82
\$8,418.01
\$8,670.55
\$8,930.66
\$9,198.68
\$9,474.64
\$9,758.78
\$10,051.54
\$10,353.09
\$10,663.68
\$10,983.59

5% Annual Increase

5% Increase
\$5,250.00
\$5,512.50
\$5,780.13
\$6,077.53
\$6,391.41
\$6,700.40
\$7,035.50
\$7,397.20
\$7,756.64
\$8,144.47
\$8,551.70
\$8,979.28
\$9,428.25
\$9,899.66
\$10,394.64
\$10,914.37
\$11,460.09
\$12,033.10
\$12,634.75
\$13,260.49

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

(2). Improperly Structured Payment Schedules

(A). *Company's Life Expectancy Exceeds Secretary's Life Expectancy - Guarantee Period Coincides*

The payment schedules on the following page represent lifetime with 15-year period certain annuities that have not been properly annuitized. Although the life expectancy for the individual based upon the Secretary's tables and the 15-year guarantee period coincide, the company's life expectancy for the annuitant exceeds the 15-year life expectancy of the annuitant, as determined by the Secretary's tables. This is determined as of the date the annuity was purchased or the date the payment plan was established, whichever was most recent. In these cases there may be a disqualifying transfer as of the date the annuity was purchased or the date the payment plan was established, whichever is most recent. To determine whether or not the transfer is disqualifying, counties must review the transfer of property guidelines contained in ACWDL 90-01.

To determine the amount that was transferred for less than adequate consideration, determine the percentage of the original purchase price which was transferred to fund the payments that may be paid between the company's life expectancy for the annuitant and the life expectancy in accordance with the Secretary's tables. When entering the Secretary's tables, use the age of the annuitant as of the date the annuity was purchased or the date the payment plan was established, whichever was the most recent.



NOTE: Whenever an annuity has not been properly annuitized counties shall advise the individual that they must attempt to have the annuity annuitized in accordance with these procedures. The balance of the annuity shall be considered unavailable once steps have been taken to annuitize the annuity in accordance with these procedures until the payment(s) are received. Counties shall also consider whether the undue hardship provisions apply before taking any adverse actions. When undue hardship is considered and found not to apply the notice of action for the adverse action shall state that "the undue hardship provisions were considered and found not to apply".

(i). Level Payment Sample

The sum of the payments within the life expectancy based upon the Secretary's table is \$120,363.90. The sum of the payments between the company's life expectancy and the life expectancy based upon the Secretary's tables is \$24,072.78. Dividing each of the two sums by the sum of the total payments (\$144,436.68) will result in the following: 83.3% of the payments will be made during the life expectancy of the annuitant based upon the Secretary's tables; and 16.7% of the payments will be made between the two life expectancies. Multiplying the original purchase price (\$100,000) by 16.7% will result in the percentage of the original purchase price which was transferred to fund

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

the payments beyond the annuitant's life expectancy ($\$100,000 \times 16.7\% = \$16,700$).

(ii). 3% Annual Increase

The sum of the payments within the life expectancy based upon the Secretary's table is \$116,499.62. The sum of the payments between the company's life expectancy and the life expectancy based upon the Secretary's tables is \$30,163.41. Dividing each of the two sums by the sum of the total payments (\$146,663.03) will result in the following: 79.4% of the payments will be made during the life expectancy of the annuitant based upon the Secretary's tables; and 20.6% of the payments will be made between the two life expectancies. Multiplying the original purchase price (\$100,000) by 20.6% will result in the percentage of the original purchase price which was transferred to fund the payments beyond the annuitant's life expectancy ($\$100,000 \times 20.6\% = \$20,600$).

(iii). 5% Annual Increase

The sum of the payments within the life expectancy based upon the Secretary's table is \$113,287.46. The sum of the payments between the company's life expectancy and the life expectancy based upon the Secretary's tables is \$34,407.56. Dividing each of the two sums by the sum of the total payments (\$147,695.02) will result in the following: 76.7% of the payments will be made during the life expectancy of the annuitant based upon the Secretary's tables; and 23.3% of the payments will be made between the two life expectancies. Multiplying the original purchase price (\$100,000) by 23.3% will result in the percentage of the original purchase price which was transferred to fund the payments beyond the annuitant's life expectancy ($\$100,000 \times 23.3\% = \$23,300$).

Amount Invested: \$100,000
 Rate of Return: 5.00%
 Lifetime with 15-year Period Certain

Level Payments

Year	Payment
1	\$8,024.28
2	\$8,024.26
3	\$8,024.26
4	\$8,024.26
5	\$8,024.26
6	\$8,024.26
7	\$8,024.26
8	\$8,024.26
9	\$8,024.26
10	\$8,024.26
11	\$8,024.26
12	\$8,024.26
13	\$8,024.26
14	\$8,024.26
15	\$8,024.26
16	\$8,024.26
17	\$8,024.26
18	\$8,024.26
19	\$8,024.26
20	\$8,024.26

Life Expectancy
 Per Secretary
 Per Company

Guarantee Period

Sum: \$144,436.68

Sum <=LE: \$120,363.90 83.3%
 Sum >LE: \$24,072.78 16.7%

\$ 16,700.00

3% Annual Increase

Payment
\$8,283.79
\$8,451.70
\$8,645.25
\$8,844.81
\$7,049.95
\$7,281.45
\$7,479.29
\$7,703.67
\$7,934.78
\$8,172.82
\$8,418.01
\$8,670.55
\$8,930.66
\$9,198.58
\$9,474.54
\$9,758.78
\$10,051.54
\$10,353.09
\$10,663.00
\$10,983.59

\$146,663.03

\$116,499.62 79.4%
 \$30,163.41 20.6%

\$ 20,600.00

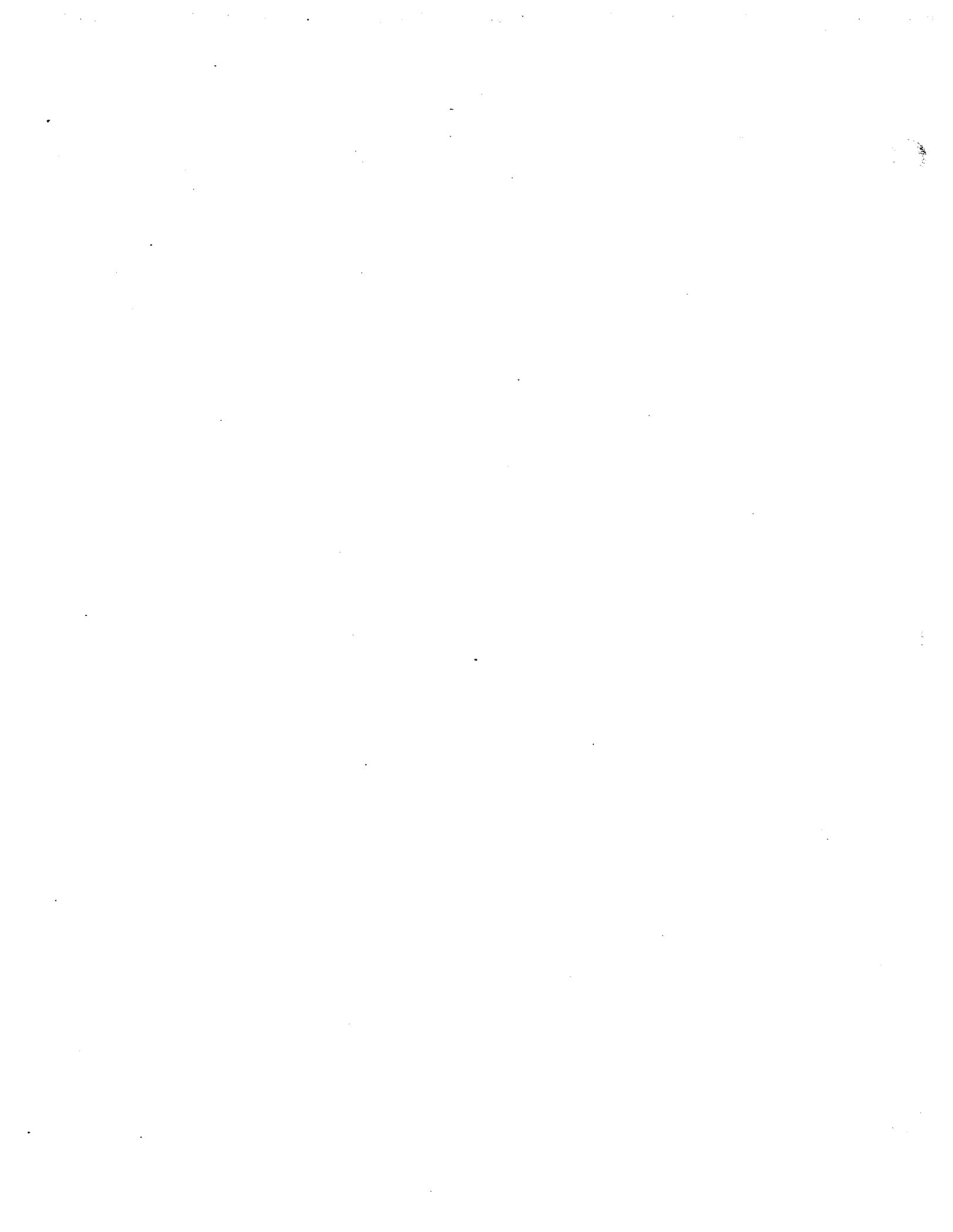
5% Annual Increase

5% Increase
\$5,250.00
\$5,512.50
\$5,788.13
\$6,077.53
\$6,380.41
\$6,700.48
\$7,035.50
\$7,387.28
\$7,756.64
\$8,144.47
\$8,551.70
\$8,979.28
\$9,428.25
\$9,899.66
\$10,394.64
\$10,914.37
\$11,460.09
\$12,033.10
\$12,634.75
\$13,266.49

\$147,695.02

\$113,287.46 76.7%
 \$34,407.56 23.3%

\$ 23,300.00



MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

(B). *Life Expectancy's Coincide - Guarantee Period Exceeds the Life Expectancy*

The payment schedules on the following page represent lifetime with 20-year period certain annuities that have not been properly annuitized. Although the life expectancy for the individual based upon the Secretary's tables and the company's life expectancy for the annuitant coincide, the 20-year guarantee period exceeds the 15-year life expectancy of the annuitant as determined by the Secretary's tables. This is determined as of the date the annuity was purchased or the date the payment plan was established, whichever was most recent. In these cases there may be a disqualifying transfer as of the date the annuity was purchased or the date the payment plan was established, whichever is most recent. To determine whether or not the transfer is disqualifying, counties must review the transfer of property guidelines contained in ACWDL 90-01.

To determine the amount that was transferred for less than adequate consideration, determine the percentage of the original purchase price which was transferred to fund the payments that are guaranteed to be paid beyond the life expectancy in accordance with the Secretary's tables. When entering the Secretary's tables, use the age of the annuitant as of the date the annuity was purchased or the date the payment plan was established, whichever was the most recent.



Note: Whenever an annuity has not been properly annuitized counties shall advise the individual that they must attempt to have the annuity annuitized in accordance with these procedures. The balance of the annuity shall be considered unavailable once steps have been taken to annuitize the annuity in accordance with these procedures until the payment(s) are received. Counties shall also consider whether the undue hardship provisions apply before taking any adverse actions. When undue hardship is considered and found not to apply the notice of action for the adverse action shall state that "the undue hardship provisions were considered and found not to apply".

(i). Level Payment Sample

The sum of the payments within the life expectancy based upon the Secretary's table is \$120,363.88. The sum of the payments between the life expectancy and the end of the 20-year guarantee period is \$40,121.29. Dividing each of the two sums by the sum of the total payments (\$160,485.17) will result in the following: 75% of the payments will be made during the life expectancy of the annuitant based upon the Secretary's tables; and 25% of the payments will be made between the life expectancies and the end of the 20-year guarantee period. Multiplying the original purchase price (\$100,000) by 25% will result in the percentage of the original purchase price which was transferred to fund the payments beyond the annuitant's life expectancy ($\$100,000 \times 25\% = \$25,000$).

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

(ii). 3% Annual Increase

The sum of the payments within the life expectancy based upon the Secretary's table is \$116,499.62. The sum of the payments between the life expectancy and the end of the 20-year guarantee period is \$51,810.67. Dividing each of the two sums by the sum of the total payments (\$168,310.30) will result in the following: 69.2% of the payments will be made during the life expectancy of the annuitant based upon the Secretary's tables; and 30.8% of the payments will be made between the life expectancy of the annuitant and the end of the 20-year guarantee period. Multiplying the original purchase price (\$100,000) by 30.8% will result in the percentage of the original purchase price which was transferred to fund the payments beyond the annuitant's life expectancy ($\$100,000 \times 30.8\% = \$30,800.00$).

(iii). 5% Annual Increase

The sum of the payments within the life expectancy based upon the Secretary's table is \$113,287.46. The sum of the payments between the life expectancy and the end of the 20-year guarantee period is \$34,740.84. Dividing each of the two sums by the sum of the total payments (\$173,596.26) will result in the following: 65.3% of the payments will be made during the life expectancy of the annuitant based upon the Secretary's tables; and 34.7% of the payments will be made between the life expectancy of the annuitant and the end of the 20-year guarantee period. Multiplying the original purchase price (\$100,000) by 34.7% will result in the percentage of the original purchase price which was transferred to fund the payments beyond the annuitant's life expectancy ($\$100,000 \times 34.7\% = \$34,700$).

MEDICAL ELIGIBILITY PROCEDURES MANUAL

Amount Invested: \$100,000
 Rate of Return: 5.00%
 Lifetime with 20-year Period Certain

Level Payments

Year	Payment
1	\$8,024.26
2	\$8,024.26
3	\$8,024.26
4	\$8,024.26
5	\$8,024.26
6	\$8,024.26
7	\$8,024.26
8	\$8,024.26
9	\$8,024.26
10	\$8,024.26
11	\$8,024.26
12	\$8,024.26
13	\$8,024.26
14	\$8,024.26
15	\$8,024.26
16	\$8,024.26
17	\$8,024.26
18	\$8,024.26
19	\$8,024.26
20	\$8,024.26

Life Expectancy
 Coincides
 Guarantee Period

Sum: \$160,485.17

Sum <= LE:	\$120,363.88	75.0%
Sum > LE:	\$40,121.29	25.0%

\$ 25,000.00

3% Annual Increase

Payment
\$6,263.79
\$6,451.70
\$6,645.25
\$6,844.61
\$7,049.95
\$7,261.45
\$7,479.29
\$7,703.67
\$7,934.78
\$8,172.82
\$8,418.01
\$8,670.55
\$8,930.66
\$9,198.58
\$9,474.54
\$9,758.78
\$10,051.54
\$10,353.09
\$10,663.68
\$10,983.59

\$168,310.30

\$116,499.63	69.2%
\$51,810.67	30.8%

\$ 30,800.00

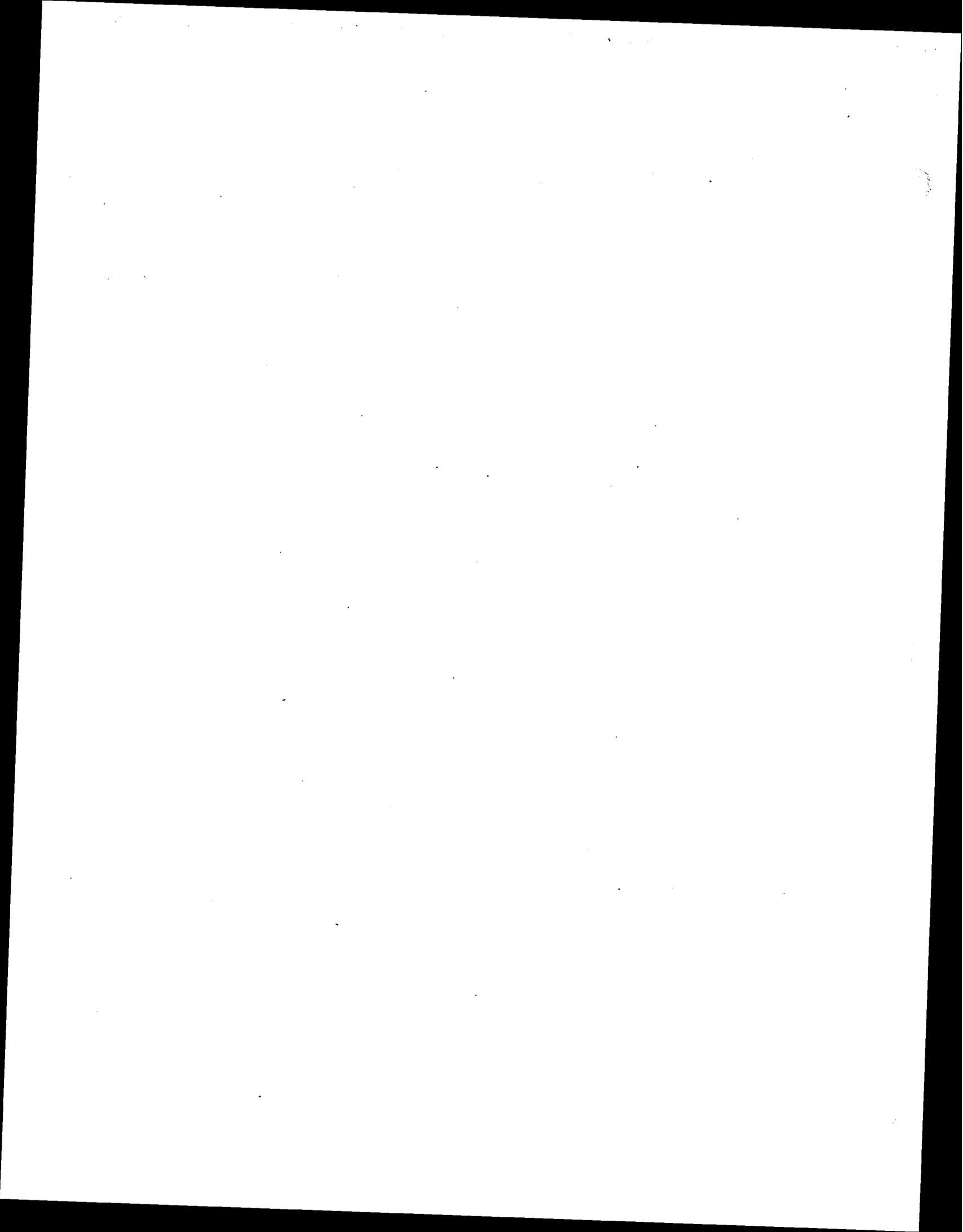
5% Annual Increase

5% Increase
\$5,250.00
\$5,512.50
\$5,788.13
\$6,077.53
\$6,381.41
\$6,700.48
\$7,035.50
\$7,387.28
\$7,756.64
\$8,144.47
\$8,551.70
\$8,979.28
\$9,428.25
\$9,899.68
\$10,394.64
\$10,914.37
\$11,460.09
\$12,033.10
\$12,634.75
\$13,266.49

\$173,596.26

\$113,287.46	65.3%
\$60,308.80	34.7%

\$ 34,700.00



MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

d. ANNUITIES WITH DEFERRED PAYMENTS

When annuities are paid out within the life expectancy established by the Secretary's tables but the payments are not fixed, equal, monthly payments (or vary because of reasonable cost of living increases, i.e., \leq 5% annually), payments shall be considered deferred. The cash surrender value of the annuity is to be counted.



Notes:

- ① Whenever an annuity has not been properly annuitized counties shall advise the individual that they must attempt to have the annuity annuitized in accordance with these procedures. The balance of the annuity shall be considered unavailable once steps have been taken to annuitize the annuity in accordance with these procedures until the payment(s) are received. Counties shall also consider whether the undue hardship provisions apply before taking any adverse actions. When undue hardship is considered and found not to apply the notice of action for the adverse action shall state that "the undue hardship provisions were considered and found not to apply".
- ② When payments extend beyond the life expectancy of the annuitant based upon the secretary's tables there has been a transfer of assets that may be disqualifying. The transfer issue must be addressed first. Counties must not count the case surrender value of the annuity in cases where a period of ineligibility for a disqualifying transfer has been assessed.

To determine whether or not the annuity has a cash surrender value, look to the policy provisions. If the policy provisions state that there is no cash surrender value, then there is nothing to count in the property reserve. The payments actually made, however, continue to be considered income in accordance with Article 10.

e. SAMPLE LANGUAGE WITH A CASH SURRENDER VALUE

The following paragraphs represent sample language of an annuity with a possible cash surrender value. In cases where there are penalties for surrendering a policy early, counties shall count only the amount the annuitant would actually receive.

- (1) Surrender of Policy -- Except as provided herein, at any time prior to the Maturity Date, the Owner may surrender this policy for its Cash Value. Such surrender request shall be in writing on a form provided by the Company and signed by the Owner. This policy shall accompany the request form and be surrendered. If this policy shall have been previously assigned, any surrender request must be approved in writing by the assignee.
- (2) Withdrawal Charge -- Any Withdrawal from this policy shall be subject to a Withdrawal Charge, exempt as otherwise provided herein. The Withdrawal Charge on this policy shall be an amount equal to 8% of such Withdrawal. After the policy has been in force 5 years, the Withdrawal

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

Charge shall be reduced by 2%. It will be reduced by 2% on each policy anniversary thereafter. After the policy has been in force 8 years no Withdrawal shall be subject to a Withdrawal Charge.

- (3) Waiver of Withdrawal Charge -- Beginning one calendar month after the Effective Date, up to 1% of the Premium may be withdrawn each month without a Withdrawal Charge. The unused portion of this Waiver of Withdrawal Charge provision is accumulative.
- (4) Surrender Charge -- The Surrender Charge on this policy shall be an amount equal to 8% of the Accumulation Value. After the policy has been in force 5 years, the Surrender Charge shall be reduced by 2%. It will be reduced by 2% on each policy anniversary thereafter. The Surrender Charge shall also be reduced by any applicable Waiver of Withdrawal Charge. After the policy has been in force 8 years, no surrender shall be subject to a Surrender Charge.

f. SAMPLE LANGUAGE WITHOUT A CASH SURRENDER VALUE

The following paragraphs represent sample language of an annuity without a cash surrender value. In these cases there would be no amount to count. Payments actually made are continued to be considered income in accordance with Article 10.

- (1). Payments -- The Payments shown in the Policy Schedule will begin on the Annuity Start Date. The Payments are payable to the Annuitant in the manner described on the Policy Schedule. In no event will less than the Number of Payments Certain be made. The Payments will not be subject to:

✓ Transfer, alteration, claims of creditors before any payment is due; or

✓ Encumbrance by creditors.

Once this Policy is issued you may not

✓ Change the manner in which Payments are made;

✓ Surrender this Policy for the value of any remaining guaranteed Payments; or

✓ Take any cash withdrawals or loans from this Policy.

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

g. SAMPLE IMPROPERLY ANNUITIZED PAYMENT SCHEDULE
REPRESENTING DEFERRED PAYMENTS

(1) Unreasonable Annual Increases

The sample payment schedule on the following page represents an improperly annuitized annuity with 25% annual cost of living increases. Unreasonable annual increases of this sort tend to push the majority of the payments toward the back-end of the payment phase. In these cases, Counties shall count the cash surrender value of the annuity as available property.



Note: Whenever an annuity has not been properly annuitized counties shall advise the individual that they must attempt to have the annuity annuitized in accordance with these procedures. The balance of the annuity shall be considered unavailable once steps have been taken to annuitize the annuity in accordance with these procedures until the payment(s) are received. Counties shall also consider whether the undue hardship provisions apply before taking any adverse actions. When undue hardship is considered and found not to apply the notice of action for the adverse action shall state that "the undue hardship provisions were considered and found not to apply".

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

Amount Invested: \$100,000
 Rate of Return: 5.00%
 Guarantee Period: 15 Years

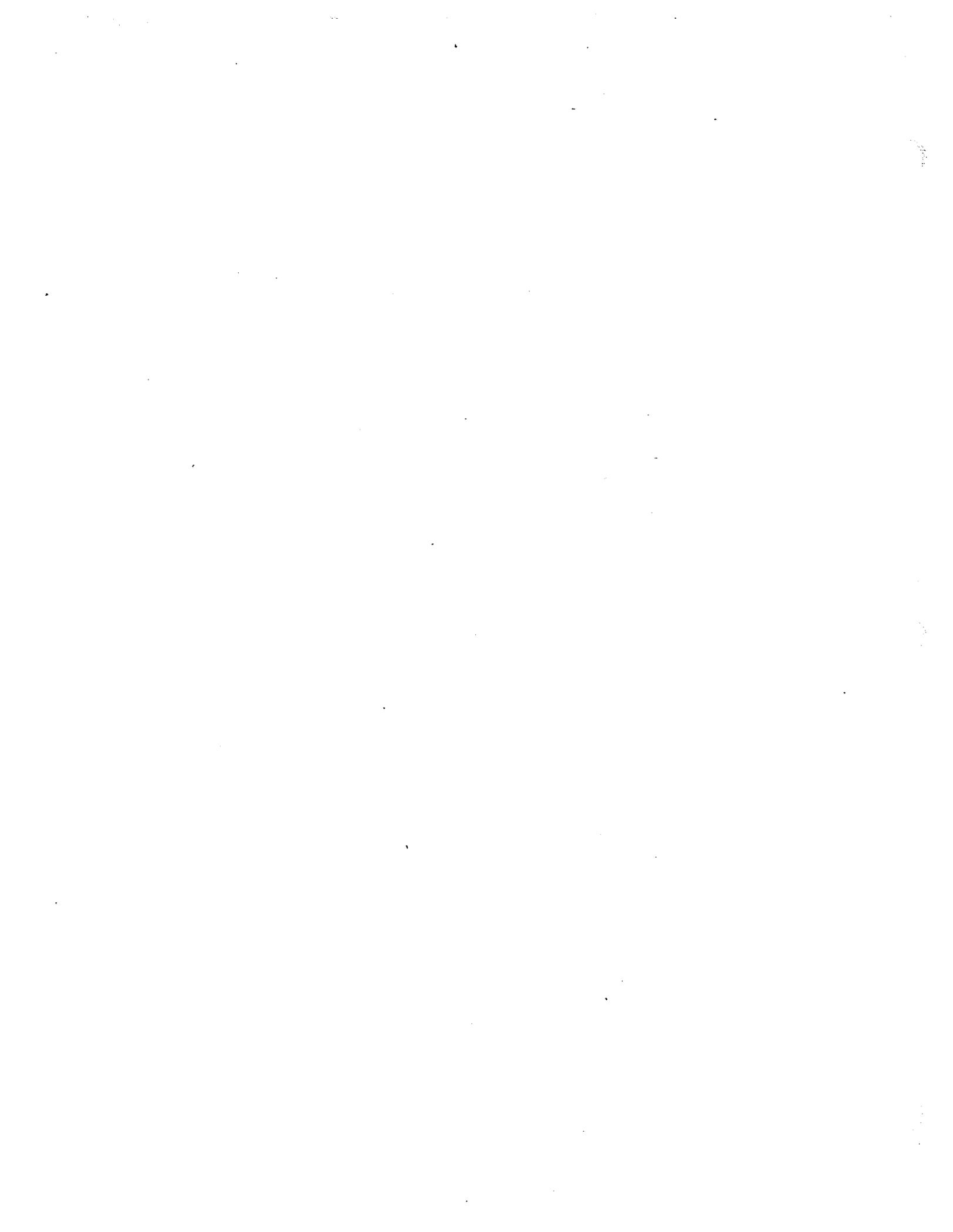
25% Annual Increase

Year	Payment
1	\$1,578.96
2	\$1,972.95
3	\$2,468.19
4	\$3,082.74
5	\$3,853.43
6	\$4,816.78
7	\$6,020.98
8	\$7,526.24
9	\$9,407.80
10	\$11,759.75
11	\$14,699.69
12	\$18,374.61
13	\$22,968.26
14	\$28,710.33
15	\$35,887.91
16	
17	
18	
19	
20	

Life
 Expectancy

Sum **\$173,126.04**

Sum < LE **\$173,126.04**
 Sum > LE **\$0.00**



MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

h. Small Percentage of Principal Plus Interest Each Year

The sample payment schedule on the following page represents an improperly annuitized annuity that pays out only interest with .8% of the principal per year. Payment plans of this sort tend to push most of the principal of the annuity into a single payment at the end of the guarantee period. In these cases, Counties shall count the cash surrender value of the annuity as available property.



Note: Whenever an annuity has not been properly annuitized counties shall advise the individual that they must attempt to have the annuity annuitized in accordance with these procedures. The balance of the annuity shall be considered unavailable once steps have been taken to annuitize the annuity in accordance with these procedures until the payment(s) are received. Counties shall also consider whether the undue hardship provisions apply before taking any adverse actions. When undue hardship is considered and found not to apply the notice of action for the adverse action shall state that "the undue hardship provisions were considered and found not to apply".

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

Amount Invested: \$100,000
 Rate of Return: 5.00%
 Guarantee Period: 15 Years

Interest + .8% of Principal per year

Year	Payment
1	\$5,800.00
2	\$5,760.00
3	\$5,720.00
4	\$5,680.00
5	\$5,640.00
6	\$5,600.00
7	\$5,560.00
8	\$5,520.00
9	\$5,480.00
10	\$5,440.00
11	\$5,400.00
12	\$5,360.00
13	\$5,320.00
14	\$5,280.00
15	\$93,240.00
16	
17	
18	
19	
20	

Life
 Expectancy

Sum **\$170,800.00**

Sum < LE **\$170,800.00**

Sum > LE **\$0.00**

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

i. Guarantee Period Extends Beyond the Life Expectancy

The payment schedule on the following page represents a period certain annuity that has not been properly annuitized. It is a payment schedule for a 20-year period certain annuity. The guarantee period of 20-years exceeds the 15-year life expectancy of the annuitant, as determined by the Secretary's tables as of the date the annuity was purchased or the date the payment plan was established, whichever was most recent. In these cases there may be a disqualifying transfer as of the date the annuity was purchased or the date the payment plan was established, whichever was most recent. To determine whether or not the transfer is disqualifying, counties must review the transfer of property guidelines contained in ACWDL 90-01.

Even though the annuity also provides for an unreasonable 12% annual cost of living increase, the federal law requires that payments beyond the life expectancy of the annuitant are to be considered potentially disqualifying transferred assets. Counties must *FIRST* look to the transfer of property guidelines to determine whether or not there has been a disqualifying transfer. If the transfer to purchase the annuity was not a disqualifying transfer then, in these cases, Counties shall consider the cash surrender value of the annuity to be countable property.

To determine the amount that was transferred for less than adequate consideration, determine the percentage of the original purchase price which was transferred to fund the payments which exceed the life expectancy in accordance with the Secretary's tables as of the date of purchase or the date the payment plan was established, whichever was the most recent.



Note: Whenever an annuity has not been properly annuitized counties shall advise the individual that they must attempt to have the annuity annuitized in accordance with these procedures. The balance of the annuity shall be considered unavailable once steps have been taken to annuitize the annuity in accordance with these procedures until the payment(s) are received. Counties shall also consider whether the undue hardship provisions apply before taking any adverse actions. When undue hardship is considered and found not to apply the notice of action for the adverse action shall state that "the undue hardship provisions were considered and found not to apply".

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

Amount Invested: \$100,000
 Rate of Return: 6.00%
 Guarantee Period: 20 Years

12% Annual Increase

Year	Payment
1	\$2,655.96
2	\$2,974.68
3	\$3,331.64
4	\$3,731.44
5	\$4,179.21
6	\$4,680.72
7	\$5,242.41
8	\$5,871.50
9	\$6,576.08
10	\$7,365.21
11	\$8,249.04
12	\$9,238.92
13	\$10,347.59
14	\$11,589.30
15	\$12,980.02
16	\$14,537.62
17	\$16,282.13
18	\$18,235.99
19	\$20,424.31
20	\$22,875.23

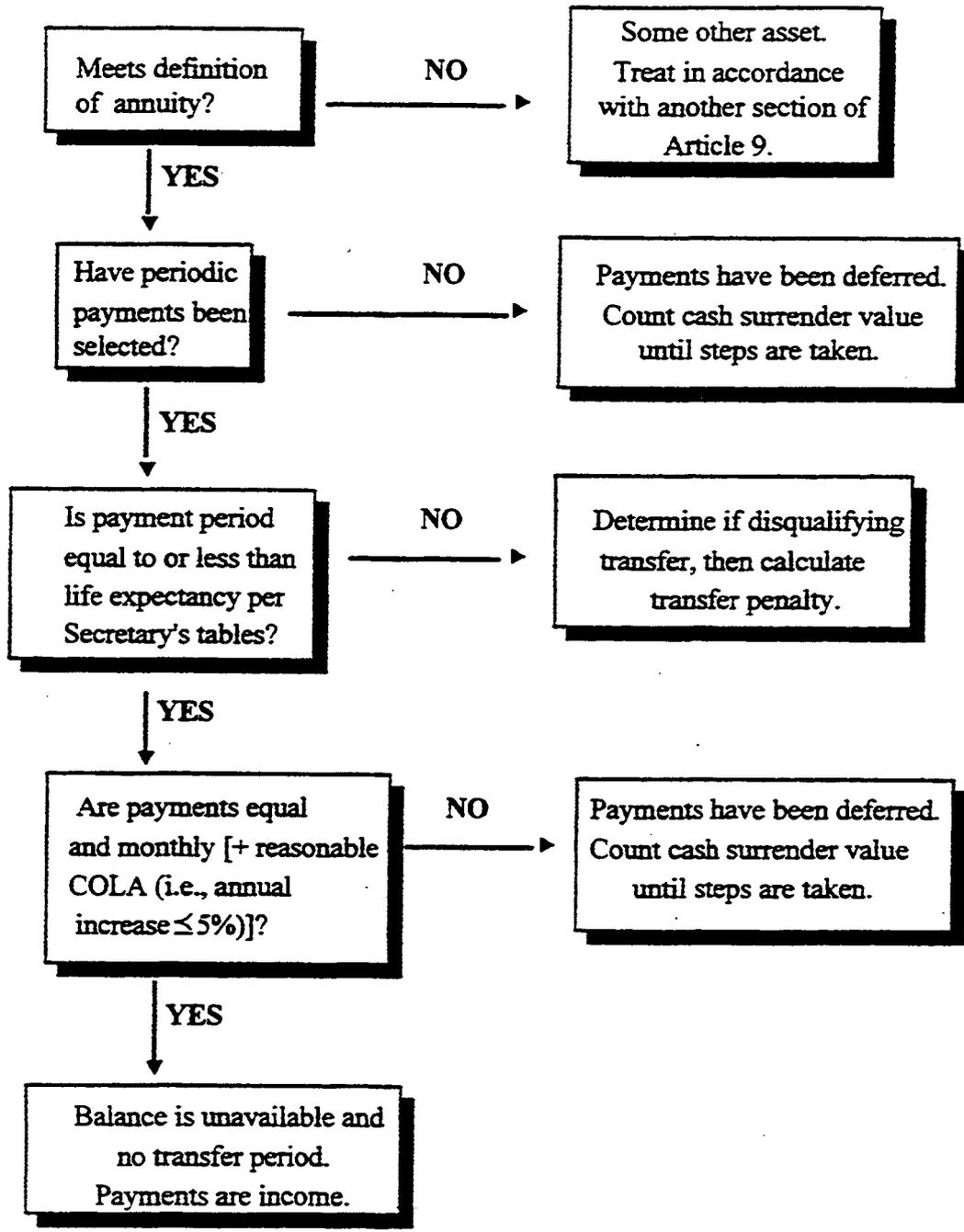
Life
 Expectancy

Sum \$181,369.00

Sum < LE \$99,013.72

Sum > LE \$82,355.28

**TREATMENT OF ANNUITIES
PURCHASED ON OR AFTER AUGUST 11, 1993**



MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

MALES - LIFE EXPECTANCY TABLE #1 (Office of the Actuary of the Social Security Administration)

AGE	LIFE EXPECTANCY						
0	71.80	30	44.06	60	18.42	90	3.86
1	71.53	31	43.15	61	17.70	91	3.64
2	70.58	32	42.24	62	16.99	92	3.43
3	69.62	33	41.33	63	16.30	93	3.24
4	68.65	34	40.23	64	15.62	94	3.06
5	67.57	35	39.52	65	14.96	95	2.90
6	66.69	36	38.62	66	14.32	96	2.74
7	65.71	37	37.73	67	13.70	97	2.60
8	64.73	38	36.83	68	13.09	98	2.47
9	63.74	39	35.94	69	12.50	99	2.34
10	62.75	40	35.05	70	11.92	100	2.22
11	61.76	41	34.15	71	11.35	101	2.11
12	60.78	42	33.26	72	10.80	102	1.99
13	59.79	43	32.37	73	10.27	103	1.89
14	58.82	44	31.49	74	9.77	104	1.78
15	57.85	45	30.61	75	9.24	105	1.68
16	56.91	46	29.74	76	8.76	106	1.59
17	55.97	47	28.88	77	8.29	107	1.50
18	55.05	48	28.02	78	7.83	108	1.41
19	54.13	49	27.17	79	7.40	109	1.33
20	53.21	50	26.32	80	6.98	110	1.25
21	52.29	51	25.48	81	6.59	111	1.17
22	51.38	52	24.65	82	6.21	112	1.10
23	50.46	53	23.82	83	5.85	113	1.02
24	49.55	54	23.01	84	5.51	114	0.96
25	48.63	55	22.21	85	5.19	115	0.89
26	47.72	56	21.43	86	4.89	116	0.83
27	46.80	57	20.66	87	4.61	117	0.77
28	45.88	58	19.90	88	4.34	118	0.71
29	44.97	59	19.15	89	4.09	119	0.66

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

FEMALES - LIFE EXPECTANCY TABLE #2 (Office of the Actuary of the Social Security Administration)

AGE	LIFE EXPECTANCY						
0	78.79	30	50.15	60	22.86	90	4.71
1	78.42	31	49.19	61	22.06	91	4.40
2	77.48	32	48.23	62	21.27	92	4.11
3	76.51	33	47.27	63	20.49	93	3.84
4	75.54	34	46.31	64	19.72	94	3.59
5	74.56	35	45.35	65	18.96	95	3.36
6	73.57	36	44.40	66	18.21	96	3.16
7	72.59	37	43.45	67	17.48	97	2.97
8	71.60	38	42.50	68	16.76	98	2.80
9	70.61	39	41.55	69	16.04	99	2.64
10	69.62	40	40.61	70	15.35	100	2.48
11	68.63	41	39.66	71	14.66	101	2.34
12	67.64	42	38.72	72	13.99	102	2.20
13	66.65	43	37.78	73	13.33	103	2.06
14	65.67	44	36.85	74	12.68	104	1.93
15	64.68	45	35.92	75	12.05	105	1.81
16	63.71	46	35.00	76	11.43	106	1.69
17	62.74	47	34.08	77	10.83	107	1.58
18	61.77	48	33.17	78	10.24	108	1.48
19	60.80	49	32.27	79	9.67	109	1.38
20	59.83	50	31.37	80	9.11	110	1.28
21	58.86	51	30.48	81	8.58	111	1.19
22	57.89	52	29.50	82	8.06	112	1.10
23	56.92	53	28.72	83	7.56	113	1.02
24	55.95	54	27.86	84	7.08	114	0.96
25	54.98	55	27.00	85	6.63	115	0.89
26	54.02	56	26.15	86	6.20	116	0.83
27	53.05	57	25.31	87	5.79	117	0.77
28	52.08	58	24.48	88	5.41	118	0.71
29	51.12	59	23.67	89	5.05	119	0.66

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E. OBRA '93 TRUST CHARACTERISTICS

Trusts, as classified under OBRA '93, include trusts, SLDs, and annuities established or purchased on or after August 11, 1993, other than by will. Trusts established under OBRA '93 are no longer called Medicaid Qualifying Trusts (MQTs); however, they retain many of the same characteristics.

1. TRUST CHARACTERISTICS

OBRA '93 trusts are established:

- In part or in whole with assets of the individual or spouse,
- On or after August 11, 1993, and
- With income, property or property rights of the individual or individual's spouse.

The following subsection applies to OBRA '93 trusts without regard to:

- ✓ the purposes for which the trust is established,
- ✓ whether the trustee(s) has, or exercises, any discretion under the terms of the trust,
- ✓ any restrictions on when, or whether, distributions may be made from the trust, or
- ✓ any restrictions on the use of the trust assets or distributions.

This means that any trust which meets the basic characteristics outlined above must be considered in accordance with the following procedures in determining eligibility for Medi-Cal. No clause or restriction in the trust, no matter how specifically it applies to availability for Medicaid, Medi-Cal, or other federal or State programs (i.e., special needs trusts, exculpatory clauses), precludes a trust from being considered under these provisions.

2. INCOME OR PROPERTY

- Funds held in OBRA '93 trusts (whether trust income or trust principal) are considered property regardless of when or whether distributions may be made.
- Payments made from OBRA '93 trusts, to or for the benefit of the individual or spouse, are considered income to the individual or spouse whether the payment is made from trust principal or trust income (unlike MQTs or SLDs established on or before August 10, 1993).

3. OBRA '93 EXCEPTIONS

Two types of trusts for disabled individuals, established on or after August 11, 1993 have been excepted from treatment under OBRA '93, and are to be treated in accordance with provisions contained in VII C of this Section.

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F. TO WHOM THESE TRUST PROVISIONS APPLY

These provisions apply to any individual or spouse whose assets or property rights, regardless of how little, are used to establish a trust, on or after August 11, 1993, other than by will. An individual shall be considered to have established an OBRA '93 trust if any of the following individuals established the trust:

- ✓ the individual, or
- ✓ the individual's spouse, or
- ✓ a person or entity, including a court or administrative body, with legal authority to act in place of, or on behalf of, the individual or spouse, regardless of whether that person or entity claims to be acting in such a capacity at the time of the action, or
- ✓ a person or entity, including any court or administrative body, acting at the direction or upon the request of the individual or spouse.

G. INDIVIDUAL'S ASSETS FORM ONLY PART OF AN OBRA '93 TRUST

When a trust includes the assets of another person, or persons, as well as the assets of the individual or spouse, the provisions of this section will apply only to that portion of the trust containing the assets of the individual or spouse. In determining the amount of countable property, prorate the property held in the trust, in the month, based on the proportion of the individual's or spouse's assets that have been transferred to the trust.

H. TREATMENT OF OBRA '93 TRUSTS

Once the trust has been categorized as an OBRA '93 trust, review the trust document to determine if the trust is revocable or irrevocable. Depending upon the terms of the trust, the principal and income contained within the trust will be treated in one of three ways:

- ✓ as available property
- ✓ as income, or
- ✓ as a transferred asset

1. REVOCABLE TRUSTS

- a. The entire amount of trust principal and trust income retained in the trust is treated as available property (pursuant to Section 50402(a), property held in trust shall be considered available subject to Section 50402 (a) - (f) except that subsection (e) does not apply to annuities purchased on or after August 11, 1993) of the individual or spouse.
- b. Any actual payment from the trust (whether from trust income or trust principal) made to, or for the benefit of the individual or spouse is treated as income to the individual or spouse, in accordance with Article 10.
- c. Any actual payment from the trust which is not made to, or for the benefit of the individual or spouse is considered a transferred asset.

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Example:

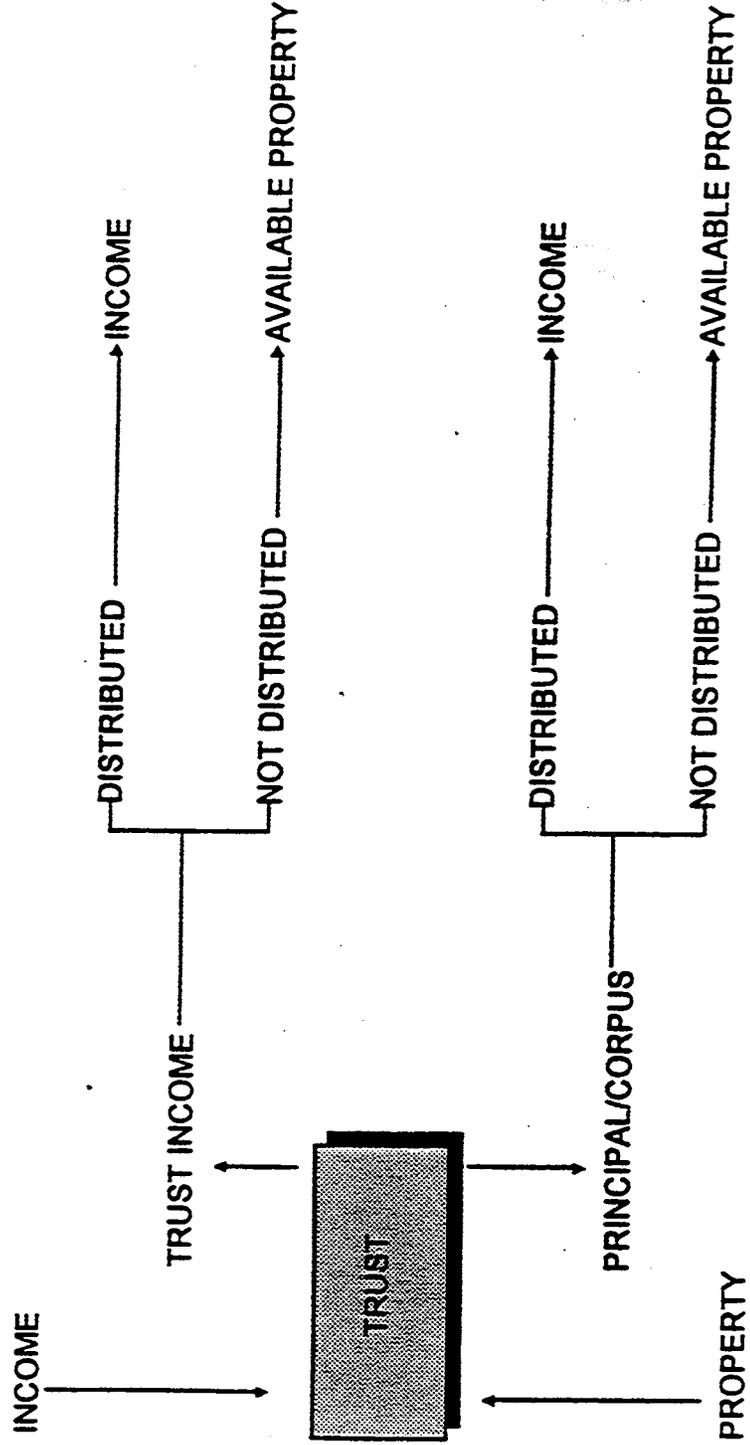
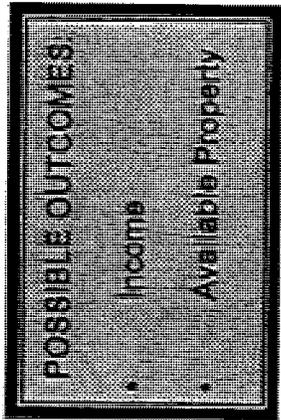
Mr. Baker establishes a revocable trust, with a principal of \$100,000, on March 1, 1994, enters a nursing facility on November 15, 1994, and applies for Medi-Cal on February 15, 1995. Under the terms of the trust, the trustee has complete discretion in disbursing funds from the trust. Each month, the trustee disburses \$100 as an allowance to Mr. Baker, and \$500 to a property management firm for the upkeep of Mr. Baker's home, from the trust income. On June 15, 1994, the trustee gives \$50,000 from the trust principal to Mr. Baker's brother.



Discussion:

In this example, the \$100 personal allowance, and the \$500 for upkeep of the house, would count as income each month to Mr. Baker. Because the trust is revocable, the entire value of the trust principal and trust income retained by the trust is considered available property (pursuant to Section 50402 (a) -(f), excluding subsection 50402(e), for annuities purchased on or after August 11, 1993) to Mr. Baker. Originally, the trust principal was \$100,000, however, in June 1994 the trustee gave away \$50,000. Only the remaining \$50,000 plus the trust income accrued since the trust was established and which was not disbursed, is countable as available property to Mr. Baker. The \$50,000 would be considered a transferred asset.

OBRA 93: REVOCABLE TRUSTS



MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

2. IRREVOCABLE TRUSTS

a. In the case of an irrevocable trust, where there is some circumstance under which payment *can* be made to, or for the benefit of the individual or spouse, regardless of when the distribution can be made, the following rules apply:

- (1) An actual payment of trust income made to, or for the benefit of the individual or spouse shall be treated as income to that person, in accordance with Article 10.
- (2) An actual payment from the trust principal made to, or for the benefit of the individual or spouse, shall be treated as income to that person, in accordance with Article 10.
- (3) Any portion of trust income that could be paid to, or for the benefit of the individual or spouse, but is not shall be treated in accordance with the following.
 - (a) If the terms of the trust state that undistributed trust income is principal/corpus, then review these procedures for the treatment for principal/corpus.
 - (b) If the terms of the trust state that undistributed trust income remains trust income, then treat as available property (pursuant to Section 50402 (b)-(f) except that subsection (e) does not apply to annuities purchased on or after August 11, 1993.)
- (4) Any portion of trust principal that could be paid to, or for the benefit of the individual or spouse, but is not shall be treated as available property (pursuant to Section 50402 (b)-(f) except that subsection (e) does not apply to annuities purchased on or after August 11, 1993) of that person.
- (5) Any portion of trust principal or trust income that must be paid in the future, to or for the benefit of the individual or spouse, shall be treated as available property (pursuant to Section 50402 (b)-(f) except that subsection (e) does not apply to annuities purchased on or after August 11, 1993) of that person regardless of when payment is, or can be made.
- (6) Any actual payment of trust principal, which is not made to or for the benefit of the individual or spouse shall be treated as a transferred asset.
- (7) Any actual payment(s) of trust income, which is not made to, or for the benefit of the individual or spouse, shall be treated as a transferred asset.



Example:

Mr. Baker establishes an irrevocable trust, with a principal of \$100,000, on March 1, 1994, enters a nursing facility on November 15, 1994, and applies for Medi-Cal on February 15, 1995. Under the terms of the trust, the trustee has complete discretion in disbursing funds from the trust. Each month, the trustee disburses \$100 as an allowance to Mr. Baker, and \$500 to a property management firm for the upkeep of Mr. Baker's home, from the trust income. On June 15, 1994, the trustee gives \$50,000 from the trust principal to Mr. Baker's brother.



Discussion:

The \$50,000 trust principal remaining after the gift to Mr. Baker's brother, is considered to be available property (pursuant to Section 50402 (b)-(f) except that subsection (e) does not apply to annuities purchased on or after

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August 11, 1993) because the trustee has discretion to disburse the entire amount. Therefore, there is some circumstance under which payment can be made to, or for the benefit of the individual or spouse.

The \$100 personal allowance and \$500 for home upkeep are income to Mr. Baker. The \$50,000 left after the gift to Mr. Baker's brother is available property to Mr. Baker. The \$50,000 gift to Mr. Baker's brother would be treated as a transferred asset. The \$50,000 gift was a payment made from the trust principal that was not for the benefit of Mr. Baker.

b. In the case of an irrevocable trust where:

- ✓ payments from all or some portion of the trust cannot, at any time or under any circumstance, be made to or for the benefit of the individual or spouse,
or
- ✓ payments to or for the benefit of the individual or spouse have been stopped, or
- ✓ provisions for payments never existed.

the following rules apply.

- (1) When all, or a portion, of the trust principal cannot be paid to or for the benefit of the individual or spouse because provisions for distribution never existed or the provisions for distribution have been stopped, that portion of trust principal shall be treated as a transferred asset.
- (2) When all, or a portion, of the trust income cannot be paid to or for the benefit of the individual or spouse because provisions for distribution never existed, treat the trust income as principal/corpus and review the terms of the trust regarding the treatment of the trust principal/corpus.
- (3) When all, or a portion, of the trust income cannot be paid to or for the benefit of the individual or spouse because the provisions for distribution have been stopped treat in accordance with the following.
 - (a) If undistributed income becomes principal/corpus according to the terms of the trust, then review the terms of the trust regarding the treatment of principal/corpus.
 - (b) If undistributed trust income remains income under the terms of the trust then treat as a transfer of assets.



Example:

Mr. Baker establishes an irrevocable trust, with a principal of \$100,000, on March 1, 1994, enters a nursing facility on November 15, 1994, and applies for Medi-Cal on February 15, 1995. Under the terms of the trust, the trustee has complete discretion in disbursing income from the trust; however the trustee is precluded by the terms of the trust from disbursing any of the principal of the trust to, or for the benefit of Mr. Baker. Each month, the trustee disburses \$100 as an allowance to Mr. Baker, and \$500 to a property management firm for the upkeep of Mr. Baker's home, from the trust income. On June 15, 1994, the trustee gives \$50,000 from the trust principal to Mr. Baker's brother.

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Discussion: The \$100 and \$ 500 are disbursed from trust income and counted as income to Mr. Baker. Because none of the principal can be disbursed to Mr. Baker, the entire value of the principal at the time the trust was created (\$100,000 in March, 1994) is treated as a transferred asset.

c. Determination of available property contained in an irrevocable trust:

Refer to the trust document to determine whether payments can, under any circumstances, be made from the trust, to or for the benefit of the individual or spouse, regardless of when payments may be made.



Example #1: An irrevocable trust provides that only \$1,000 of the trust principal contained in a \$20,000 trust can be paid out when the individual reaches the age of 18.



Discussion: If the trust document provides for no other payments, only the \$1,000 would be treated as available property (pursuant to Section 50402 (b)-(f) except that subsection (e) does not apply to annuities purchased on or after August 11, 1993.). The remaining \$19,000, (which cannot under any circumstances be paid to, or for the benefit of that individual) would be considered a transferred asset.



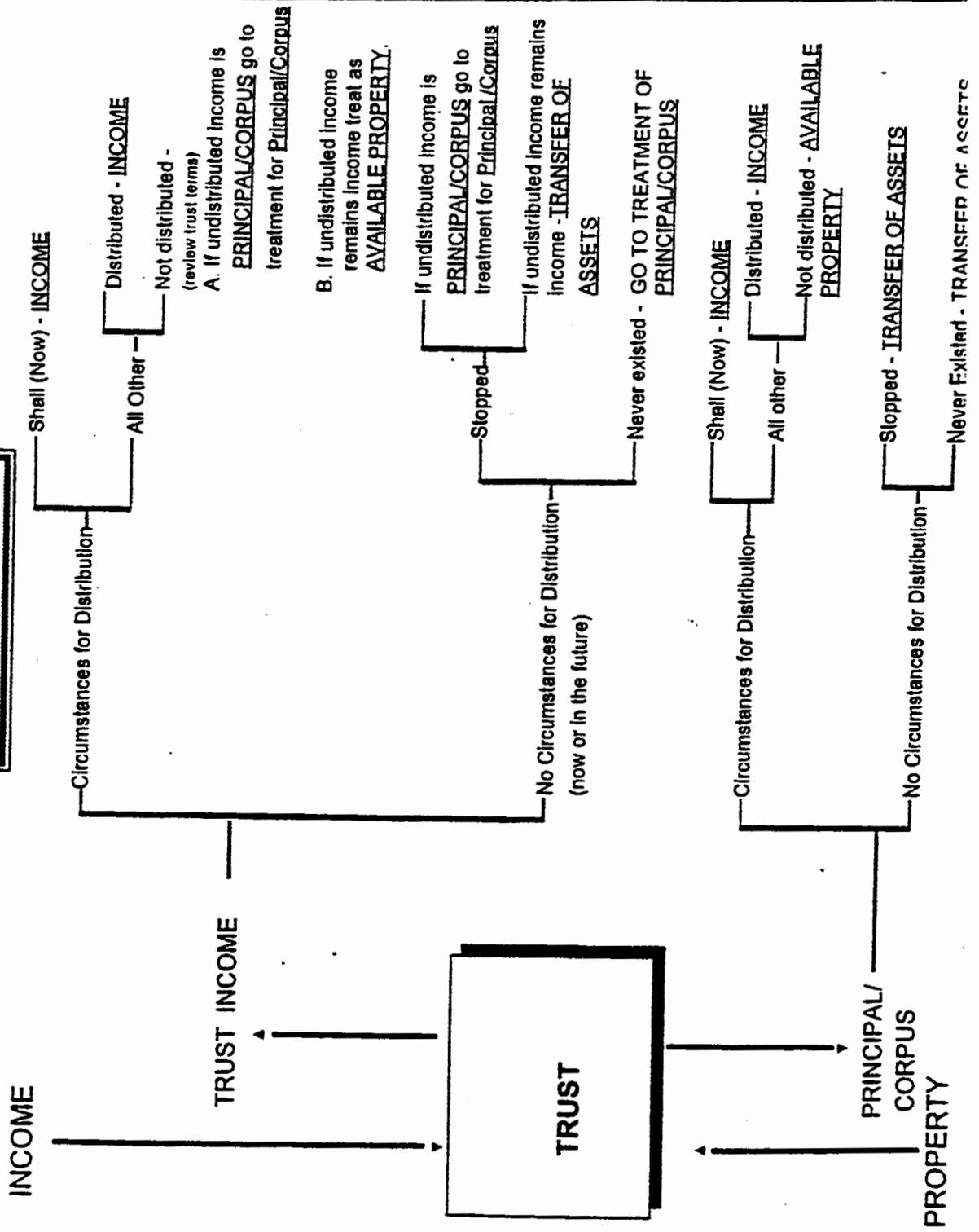
Example #2: An irrevocable trust provides that \$40,000 of the trust principal contained in a \$100,000 trust can be paid by the trustee only in the event that the trustor needs a heart transplant.



Discussion: There is a circumstance, however remote, when a payment can be made from \$40,000 of the trust principal. Therefore, the full \$40,000 would be considered available property (pursuant to Section 50402 (b)-(f) except that subsection (e) does not apply to annuities purchased on or after August 11, 1993) to the trustor, regardless of when or whether the payment is made. The remaining \$60,000 cannot, under any circumstances, be paid to, or for the benefit of that individual, and is considered a transferred asset.

OBRA '93: IRREVOCABLE TRUSTS

Possible outcomes:
 • Income
 • Available Property
 • Transfer of Assets



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I. UNDUE HARDSHIP

Eligibility cannot be denied or discontinued without first considering whether or not undue hardship exists. In considering the undue hardship provisions the individual must demonstrate that the application of the OBRA '93 trust provisions would result in undue hardship. Undue hardship does not exist when application of the trust provisions merely causes the individual, parent or spouse inconvenience.

1. For undue hardship to exist, all of the conditions in a-d (below) must be present except that subsection 1d does not apply in the case of an annuity.
 - a. The trust assets cannot, under any circumstances, be used to provide for health care or medical needs of the individual, and
 - b. Health care cannot be obtained from, and medical needs cannot be met by, any source other than Medi-Cal without depriving the individual of food, clothing, shelter, or other necessities of life, and
 - c. The individual's parents (if the individual is under 21) or the individual's spouse, do not have assets to provide for health care and medical needs, or health care coverage for the individual without depriving themselves of food, health care or medical needs, clothing, shelter, or other necessities of life, and
 - d. The courts have denied a good faith petition to release the trust assets to pay for the required medical care. A petition to release the trust assets shall not be considered a valid good faith petition if the petition contains language that suggests or requests the courts do anything other than release the trust assets needed to pay for the required medical care. The County must verify the petition by viewing both the petition and the court order.
2. **No person shall be made ineligible to the extent otherwise exempt income or property is held in trust.**
3. Annuities purchased between August 11, 1993 and March 1, 1996, which cannot be annuitized to comply with treatment under OBRA '93, shall continue to be treated in accordance with ACWDL 90-01, Section 50402. Written verification must be obtained from the entity that issued the annuity verifying that the annuity cannot be restructured.

If undue hardship does apply, only the treatment of the trust under OBRA '93 is waived. The trust must then be considered and eligibility determined under Title 22, Section 50489.9 (a) and (c).

If undue hardship is found not to apply, the applicant/beneficiary must receive notice of any adverse actions. This notice must include the statement, "the provisions regarding undue hardship were considered and found not to apply."

J. CONSIDERATIONS FOR TRANSFER OF ASSETS

To calculate the period of ineligibility for making a disqualifying transfer of assets, the date of transfer and the uncompensated value must be determined. To determine whether a period of ineligibility for such a transfer should be assessed, see the Transfer of Asset guidelines.

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1. DATE OF TRANSFER

The date of the transfer is considered to be one of the following depending on the situation. One or more of the following may occur in a single trust.

- a. The date the trust was established (the date the original trust document was dated and signed).
- b. The date on which payment to the individual or spouse stopped.
- c. The date assets were made unavailable by a transfer into an already existing trust.
- d. The date available trust assets were transferred to someone or some entity not for the benefit of the individual or spouse.

 *Example #1:* A revocable trust has a triggering clause making it irrevocable and the trust assets unavailable if the beneficiary enters an institution.

 *Discussion:* The date of transfer would be the date of institutionalization since that is when the trust became irrevocable and the date trust disbursement was stopped.

 *Example #2:* An "income only trust" may have a clause to dissolve the trustees' power to make distributions after the date the individual or spouse enters into an institution.

 *Discussion:* There may be two transfers. If the income only trust were established with assets or property rights of the individual or spouse, then the date of the first transfer would be the date the trust was established. The date of the second transfer of the income would be the date the individual entered the institution since that is the date trust disbursement stopped.

 *Notz:* In situations where trust principal or trust income is considered transferred as a result of a "trigger" when an individual enters a nursing facility and the individual is discharged, the trust principal and trust income may once again be considered available.

See Transfer of Property/Asset guidelines for voiding all or part of a period of ineligibility and calculating a potential overpayment for any month where there would have been excess property had the trust principal and/or trust income not been considered transferred.

2. UNCOMPENSATED VALUE DETERMINATION

In treating a trust or portions of a trust that cannot at any time, or under any circumstances, be distributed to the individual or spouse, the value of the transferred amount shall be its value on the date of establishment, the date that disbursement to the individual or spouse was stopped, or the date the assets were transferred into an already existing trust, depending upon the situation. One or more situations may apply in a single trust.

- a. In determining the value of the trust or the portions of the trust that cannot, under any circumstances, be distributed to or for the benefit of the individual or spouse, do not subtract from the trust the value of any payment made (this refers to a payment made to someone else, not for the benefit of the individual or spouse), for whatever purpose, after the date the trust was established.

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- b. If disbursement to the individual or spouse was stopped, then the uncompensated value of the portions of the trust described in a (above) shall be the value of the trust assets on the day disbursement was stopped.
- c. If funds were added to that portion of the trust described in a (above), after the date the trust was established or disbursement was stopped, the transfer of those funds is considered another transfer of assets.



Example:

Mr. Baker establishes an irrevocable trust, with a principal of \$100,000, on March 1, 1994, enters a nursing facility on November 15, 1994, and applies for Medi-Cal on February 15, 1995. Under the terms of the trust, the trustee has complete discretion in disbursing income from the trust; however the trustee is precluded by the terms of the trust from disbursing any of the principal of the trust to, or for the benefit of Mr. Baker. Each month, the trustee disburses \$100 as an allowance to Mr. Baker, and \$500 to a property management firm for the upkeep of Mr. Baker's home, from the trust income. On June 15, 1994, the trustee gives \$50,000 from the trust principal to Mr. Baker's brother.



Discussion:

The trust is irrevocable and none of the trust principal can be distributed. Therefore, the transfer of the entire value of the principal at the time the trust was created (\$100,000 in March 1994) is treated as a transferred asset. The trust income can be distributed. Therefore, the \$100 and \$500 disbursed from trust income are counted as income to Mr. Baker.

The date of transfer would be the date the trust was established, March 1994, the date the funds were transferred. The term unavailable, as used herein, refers to the portion of the trust that cannot be disbursed to the individual or spouse. The fact that \$50,000 was actually transferred out of the trust, to Mr. Baker's brother, does not alter the amount of assets transferred by Mr. Baker. The transfer to Mr. Baker's brother was not made to, or for the benefit of Mr. Baker. The transfer amount remains \$100,000, even after the gift to Mr. Baker's brother.

If, at some point after the establishment of the trust, Mr. Baker placed another \$50,000 in the trust, none of which could be disbursed to him, the transfer of that \$50,000 would be treated as another transfer of assets.

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

VI. TRUSTS ESTABLISHED PRIOR TO AUGUST 11, 1993

A. BACKGROUND

Section 50489.1 describes the treatment of trusts established prior to August 11, 1993 and complies with federal law as it existed for those trusts [42 U.S.C., Section 1396 a(k)]. That section defined Medicaid Qualifying Trusts (MQTs) and Similar Legal Devices (SLDs) and provided that trust principal and income may be considered available even though they may not be actually available, or even though the terms of the MQT or SLD limit the usage of funds to specific items or services.

B. IMPLEMENTATION

Counties were instructed to implement these procedures no later than May 1, 1993, at application and redetermination, per ACWDL 93-07. No potential overpayment was to be calculated due to a delay in implementation; however, in cases where the revised rules resulted in an increase in the share of cost, ineligibility due to excess resources or a period of ineligibility for nursing facility level of care, counties were instructed to issue an adequate 10-day notice and take the action prospectively.

C. DEFINITIONS SPECIFIC TO SIMILAR LEGAL DEVICES (SLDs) AND MEDICAID QUALIFYING TRUSTS (MQTs)

1. "Individual" - For purposes of this section, the term individual means a person or spouse who establishes (or on whose behalf is established) an MQT or SLD with his/her property or property rights and who is a beneficiary of that MQT or SLD.
2. "Medicaid Qualifying Trust (MQT)" - An MQT is a trust that meets ALL of the following conditions:
 - a. Was established, prior to August 11, 1993, other than by will, by the individual who is a beneficiary of the MQT or SLD, by the individual's spouse, or by a person who is appointed to act as guardian or conservator, or by a person who is the legal representative of that individual.



Note: Persons listed above, other than the individual, shall be considered to be acting, on behalf of that individual, as long as their actions involve funds originating with that individual, awarded to that individual, or involve that individual's MQT or SLD.

- b. Provides that the individual or spouse receives all or part of the payments of the trust dispersed either directly or to another person or entity on behalf of that individual regardless of the limitations contained in the trust documents on the use of the funds.
- c. Gives the trustee any discretion in distributing funds.

An MQT may also be:

- Revocable or irrevocable, and

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- Established with the intent of enabling the individual to qualify for Medi-Cal (see "Note" below) or for another purpose.



Note: The term "Medicaid Qualifying Trust" does not mean that the individual is automatically eligible for Medi-Cal. An individual with a trust which meets the definition of an MQT **IS LIKELY TO BE INELIGIBLE FOR MEDI-CAL** due to excess property.

3. "Similar Legal Device (SLD)" - An SLD is any legal instrument, device, or arrangement (written or oral) that involves the transfer of property or property rights from an individual or entity (transferor) to another individual or entity (transferee) with the intent that the property or property rights be held, managed, or administered by an individual or entity for the benefit of the transferee. An SLD must meet all of the conditions specified in the definition of an MQT however, an arrangement may be considered an SLD even if it is not called a trust and does not qualify as a trust under state law.

D. TREATMENT OF AN MQT OR SLD

The characteristics of the MQT or SLD will determine how the MQT or SLD is to be considered for eligibility purposes. Review the MQT or SLD to determine whether it is revocable or irrevocable. Depending on the terms of the trust, the principal and income contained in the trust will be treated in one of three ways:

- ✓ as available property.
- ✓ as income, or
- ✓ as a transfer of property or assets.

1. REVOCABLE MQT OR SLD -

- a. The entire amount of principal contained in an MQT or SLD is available property (pursuant to Section 50402(a)-(f) except that subsection (e) does not apply to annuities purchased on or after August 11, 1993.).
- b. The entire amount of MQT or SLD income is available income and is subject to treatment under Article 10.



Example: Ann Jones is applying for Medi-Cal on behalf of her husband Bob who is in long-term care. She declares that she and her husband placed all of their property into a living trust on September 20, 1992. Ann and Bob are both trustors and both are named as trustees. The trust document has been set up to be revocable and contains approximately \$100,000 in personal property, as well as the principal residence, and one other piece of non-income producing real property. Note: The \$100,000 will produce trust income.



Discussion: A living trust is usually established to avoid probate and to minimize estate taxes. When establishing a living trust, titles of real estate and/or other property or property rights are transferred to a trustee and held in trust while the transferors are still alive. The trust document specifies how the property is to be managed and distributed during the trustor's lifetime and after death.

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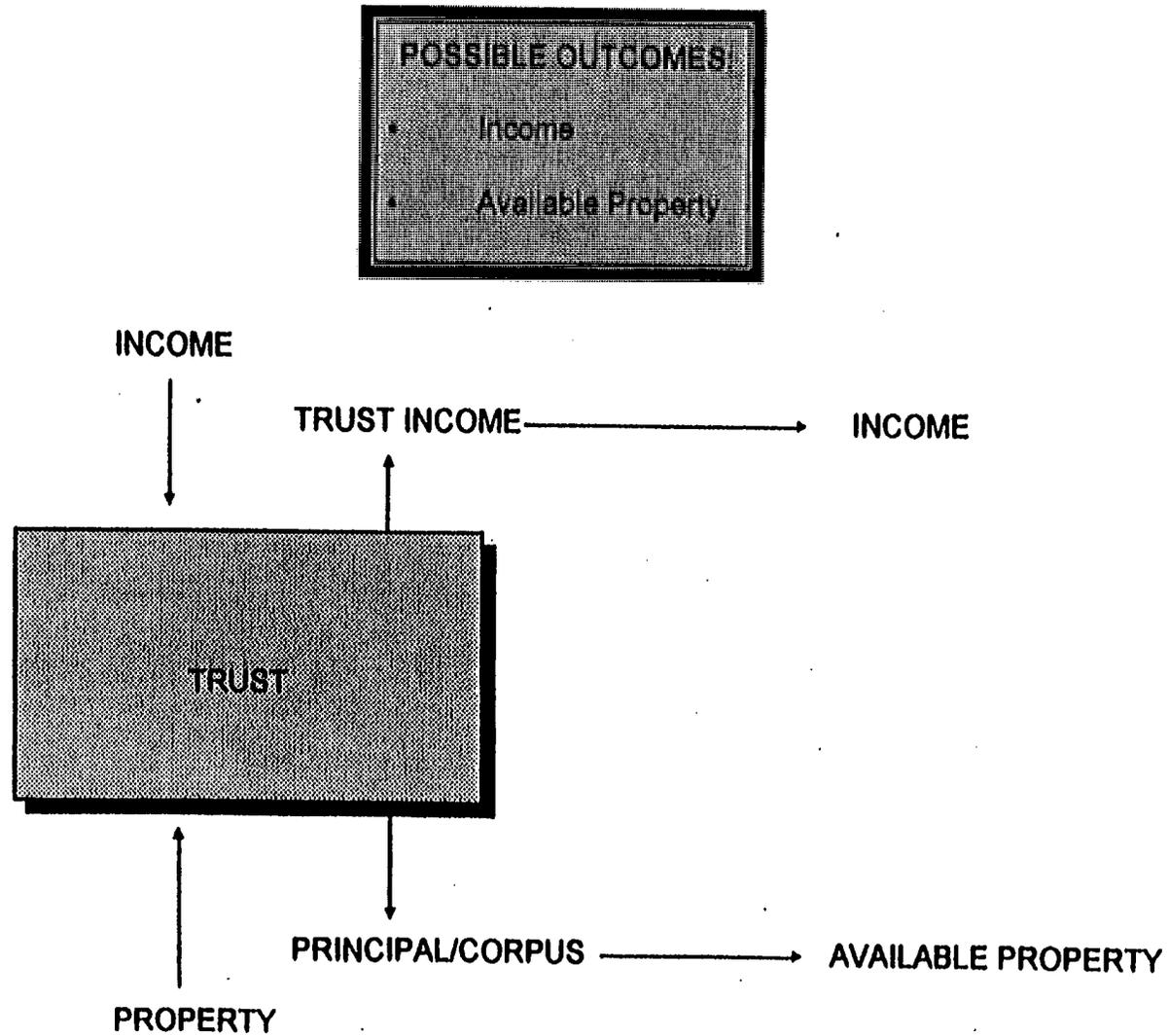
Usually the individual who creates a living trust makes the trust revocable and names him/herself as trustee thereby, retaining control over his/her property during his/her lifetime. A living trust established by the individual or spouse prior to August 11, 1993 is considered an MQT as long as the trustee has any discretion in distributing funds and as long as the trustor is also a beneficiary of at least some payments from the trust.

In this example, the living trust is an MQT because it meets the following requirements:

- ✓ the trust was established prior to August 11, 1993, and
- ✓ the trust was established by the applicant and his/her spouse, the trustors, and
- ✓ the trustees, (the applicant and spouse) have at least some discretion over the trust principal and/or trust income contained in the trust, and
- ✓ the applicant and spouse are trust beneficiaries to all or a part of the payments from the trust.

Since the trust is revocable by the applicant and he/she has the right to the proceeds, the entire amount of principal in the trust is considered available property (pursuant to Section 50402(a)-(f) except that subsection (e) does not apply to annuities purchased on or after August 11, 1993) and trust income is available income.

MEDICAID QUALIFYING TRUSTS: REVOCABLE TRUSTS





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2. IRREVOCABLE MQT OR SLD -

The maximum amount of trust principal and trust income that the trustee may distribute either directly or to another person or entity on behalf of the individual, if the trustee were to exercise full discretion under the terms of the MQT or SLD, is considered available:

- ✓ Whether or not the trustee is actually releasing it, and
- ✓ Regardless of any limitations on the use of the funds that may be contained in the MQT or SLD.

a. Principal

- (1) Any amount distributed from the principal of the MQT or SLD to the individual or spouse, or to another person or entity on behalf of that individual is available property (pursuant to Section 50402 (b)-(f) except that subsection (e) does not apply to annuities purchased on or after August 11, 1993).
- (2) The maximum amount from the principal that the trustee may distribute to the individual or spouse, or to another person or entity on behalf of that individual, if the trustee were to exercise full discretion under the terms of the MQT or SLD, but which is not distributed, is available property (pursuant to Section 50402 (b)-(f) except that subsection (e) does not apply to annuities purchased on or after August 11, 1993).
- (3) Any amount of trust principal that the trustee has no discretion to release to the individual or spouse, or to another person or entity on behalf of that individual, shall be considered transferred property as of the date the trust was established or the date disbursement is discontinued.

b. Income

- (1) Any amount distributed from the income of the MQT or SLD to the individual or spouse, or to another person or entity on behalf of that individual, is treated as available income and is subject to treatment under Article 10.
- (2) The maximum amount that the trustee may distribute to the individual or spouse, or to another person or entity on behalf of that individual, from trust income, if the trustee were to exercise full discretion under the terms of the MQT, but which is not distributed, is determined in accordance with (A) or (B) below.

Depending on the terms of the trust any undistributed income will either remain trust income or become trust principal/corpus. To evaluate undistributed income, first review the terms of the trust to determine whether undistributed income remains trust income or if the undistributed income becomes principal. Then determine the maximum extent of trustee discretion over these funds and apply (A) or (B) below.

- (A) If undistributed trust income remains trust income, count as income in the first month distribution was possible and available property (pursuant to Section 50402 (b)-(f) except that subsection (e) does not apply to annuities purchased on or after August 11, 1993) the

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month following. If a payment is made at a later time, consider this a conversion of property.

- (B) If undistributed trust income becomes principal, count as income in the first month distribution was possible, and review the terms of the trust to determine treatment of principal for following months. Then follow the procedures for counting trust principal.
- (3) If the trust document does not address the distribution of trust income at all, trust income immediately becomes trust principal/corpus. Review the terms of the trust to determine the maximum extent of the trustee's discretion over trust principal and treat in accordance with the procedures for evaluating trust principal/corpus.
- (4) Any amount of trust income that the trustee has no discretion to release to the individual or spouse, or to another person on behalf of that individual, shall be treated in accordance with (A) and (B) below after reviewing the terms of the trust.
- (A) If undistributed trust income remains trust income under the terms of the trust it shall be considered a transfer of assets, if a transfer of income to the trust occurred on or after August 11, 1993. (See Section F Consideration for Transfer of Assets)
- (B) If undistributed trust income is principal/corpus under the terms of the trust, review the trust to determine how principal/corpus may be distributed and follow the procedures for evaluating principal /corpus.

 *Example:*

Ann Jones is applying for Medi-Cal on behalf of her husband Bob who is in long-term care. She declares that she and her husband placed all of their property into a living trust on September 20, 1992. Ann and Bob are both trustors and both are named as trustees. The trust document has been set up to be irrevocable and provides the trustees with full discretion regarding the distribution of principal/corpus and trust income. The trust contains approximately \$100,000 in personal property, as well as the principal residence, and one other piece of non-income producing real property. Note: the \$100,000 will produce trust income.

 *Discussion:*

A living trust is usually established to avoid probate and to minimize estate taxes. When establishing a living trust, titles of real estate and/or other property or property rights are transferred to a trustee and held in trust while the transferors are still alive. The trust document specifies how the property is to be managed and distributed during the trustor's lifetime and after that individual's death. Usually the individual who creates a living trust names themselves as trustee; thereby, retaining control over their property during their lifetime. When property or property rights are placed into an irrevocable living trust, the trust documents must be examined to determine the maximum extent of the trustee's discretion to make disbursements to the individual or spouse, or to another person or entity on behalf of that individual, in order to determine the amount that may be considered available property or income. In determining the availability of the property held in trust, Section 50402(b)-(f) applies except that subsection 50402(e) does not apply to annuities purchased on or after August 11, 1993. A living trust established by the individual or spouse prior

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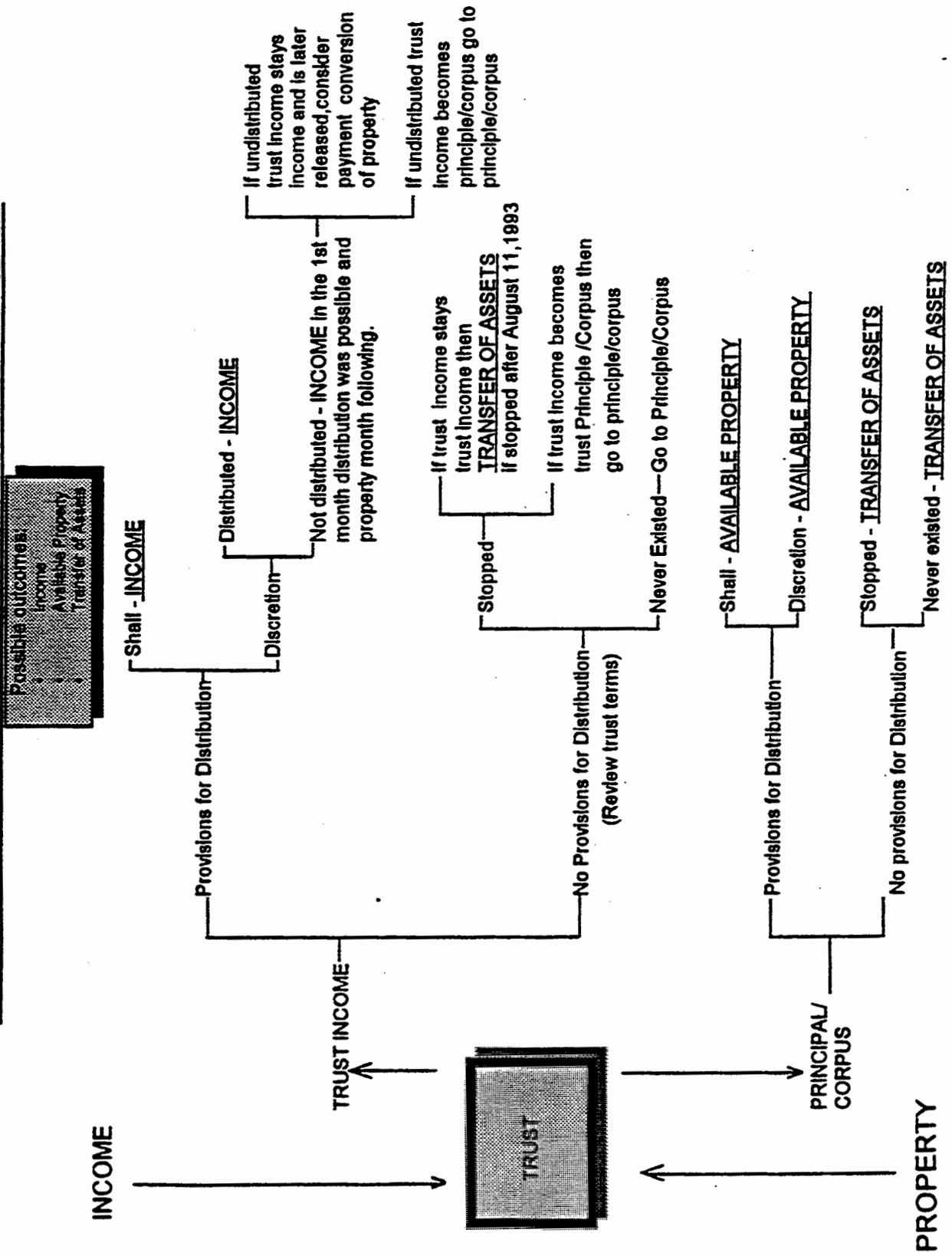
to August 11, 1993 is considered an MQT as long as the trustee has any discretion in distributing funds and as long as the trustor is also a beneficiary of at least some payments from the trust.

In this example, the living trust is an MQT because it meets the following requirements:

- ✓ the trust was established prior to August 11, 1993, and
- ✓ the trust was established by the applicant and his/her spouse, the trustors, and
- ✓ the trustees, (the applicant and spouse) have at least some discretion over the trust principal and/or trust income contained in the trust, and
- ✓ the applicant and spouse are trust beneficiaries to all or a part of the payments from the trust.

Even though the trust is irrevocable, the applicant has discretion over the full amount of trust principal and trust income, therefore the entire amount in the trust is considered available property (pursuant to Section 50402(b)-(f) except that subsection (e) does not apply to annuities purchased on or after August 11, 1993) and available income.

MEDICAID QUALIFYING TRUST : IRREVOCABLE



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E. TRANSFERS OF PROPERTY/ASSETS CONSIDERATIONS

To calculate the period of ineligibility for making a transfer of property/assets, the date of transfer and the uncompensated value must be determined. To determine whether or not a period of ineligibility for such a transfer should be assessed, see the Transfer of Property/Asset guidelines.

1. DATE OF TRANSFER

The date of the transfer is considered to be one of the following depending upon the situation. One or more of the following may occur in a single trust.

- a. The date the MQT or SLD was established (the date the original document was dated and signed).
- b. The date on which disbursement to or for the benefit of the individual or spouse was discontinued.
- c. The date trust principal or trust income is made unavailable to the individual or spouse by a subsequent transfer into an already existing MQT or SLD.

For example, a revocable MQT or SLD may have a triggering clause making it irrevocable and unavailable if the beneficiary enters an institution. The date of transfer would be the date of institutionalization since that is when the MQT or SLD became irrevocable and the date trust disbursement was stopped. Another example would be when an income only MQT or SLD with a clause that terminates the trustee's power to make distributions after the date the individual or spouse enters into an institution.



Note: In situations where trust principal or trust income is considered transferred as a result of a "trigger" when an individual enters a nursing facility and the individual is discharged, the trust principal and trust income may once again be considered available.

See Transfer of Property/Asset guidelines for voiding all or part of a period of ineligibility and calculating a potential overpayment for any month where there would have been excess property had the trust principal and/or trust income not been considered transferred.

2. UNCOMPENSATED VALUE DETERMINATION

In treating an MQT or SLD or portions of an MQT or SLD, for which the trustee has no discretion to release to the individual or spouse, the value of the transferred amount shall be its value on the date of establishment of the trust or the date that disbursement to or for the benefit of the individual or spouse was stopped, or the date funds were transferred into an already existing trust.

- a. To determine the value of the MQT or SLD, or the portions of the MQT or SLD which cannot be paid to or for the benefit of the individual or spouse, do not subtract from the trust the value of any payment made, (this refers to a payment made to someone else not for the benefit of the individual or spouse) for whatever purpose, after the date that the MQT or SLD was established.
- b. If disbursement to or for the benefit of the individual or spouse was stopped, then the uncompensated value of the portion of the trust described in a (above) shall be the value of trust property/assets on the day disbursement was stopped.

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- c. If funds were added to that portion of the MQT or SLD which could not be distributed to or for the benefit of the individual or spouse, after the date the trust was established or the date disbursement was stopped. The transfer of those funds is considered another transfer of property/assets.



Example:

Mr. Baker established a \$100,000 irrevocable income-only trust in March 1993 with his own funds. The trustee is precluded by the MQT from disbursing any of the principal of the MQT to, or for the benefit of Mr. Baker but \$50,000 was distributed to Mr. Baker's brother. The trustee can disburse income from the MQT. The \$100 personal allowance and the \$500 payment for upkeep of Mr. Baker's home are disbursed from the MQT income is counted as income to Mr. Baker.



Discussion:

Because none of the principal can be disbursed to Mr. Baker, the entire value of the principal at the time the MQT was created (\$100,000 in March, 1993) is treated as transferred property.

The date of transfer would be the date the MQT was established (March 1993) since that is the date that the funds were made unavailable to Mr. Baker. The fact that \$50,000 was actually transferred out of the trust, to Mr. Baker's brother, does not alter the uncompensated value to Mr. Baker. The transfer of \$100,000 to the trust in March 1993, was not made to, or for the benefit of Mr. Baker. The uncompensated value remains \$100,000, even after the gift to Mr. Baker's brother.

If, at some point after the establishment of the MQT, Mr. Baker placed an additional \$50,000 in the trust, none of which could be disbursed to him, the transfer of that \$50,000 would be treated as another transfer of property/assets.

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VII. TRUSTS THAT ARE NOT MQTs, SLDs, OR OBRA '93 - REGARDLESS OF THE DATE ESTABLISHED

A. OVERVIEW

Trusts or SLDs that do not meet the characteristics for treatment in accordance with OBRA '93, and that are not MQTs or SLDs established prior to August 11, 1993, shall be treated in accordance with Section 50489.9. Such trusts may include, but are not limited to those contained in the list below.

- Trusts or SLD's established by a will. (The Medi-Cal applicant/beneficiary is an heir.)
- Certain trusts established for disabled individuals on or after August 11, 1993.
- Blocked accounts established prior to August 11, 1993, which cannot be distributed until a minor reaches age 18.
- Trusts established prior to April 7, 1986, solely for the benefit of a mentally retarded person who resides in an intermediate care facility for the mentally retarded.
- Trusts established by a grandparent with his/her own property for a grandchild's college education, etc.
- Trusts established by the community for the medical and social service needs of an individual.
- Trust accounts opened under the California Uniform Transfers to Minors Act (CUTMA or UTMA) for a child with an adult named as custodian. (California Probate Code, Section 3900 et seq.)

B. AVAILABILITY AND TREATMENT

Review the trust document to determine if the trust is revocable or irrevocable. Depending on the terms of the trust, it may be treated in one of five ways:

- ✓ un/available property, or
- ✓ un/available income, or
- ✓ transfer of assets.



Note: Any trust established by the community designated for medical and social service needs of an individual shall be considered unavailable. The individual has no legal right, power, or authority to use the funds for his/her support.

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1. REVOCABLE TRUSTS

The entire amount of funds held in a revocable trust shall be considered totally available to the Medi-Cal applicant, beneficiary, his/her spouse or member(s) of the MFBU as long as one or more of them have the legal right, power and authority to revoke the trust and the right to use the funds.

- a. Trust principal is available property (pursuant to Section 50402, except that subsection 50402(e) does not apply to annuities purchased on or after August 11, 1993).
- b. Trust interest is income and is treated in accordance with Article 10. If the trust income is not distributed in the month of receipt, the trust income is considered income in the month received and is treated as available property (pursuant to Section 50402, except that subsection 50402(e) does not apply to annuities purchased on or after August 11, 1993). in the month following receipt.
- c. Trust assets (income and principal) are not available until distributed when the individual does not have the legal right, power, and authority to revoke the trust and to use trust proceeds.

2. IRREVOCABLE TRUSTS

The funds in an irrevocable trust shall be considered available only if they are actually distributed.

- a. If established with the income, property or property rights of the individual or individual's spouse:
 1. Funds distributed from trust income shall be considered income in accordance with Article 10.
 2. Funds distributed from trust principal shall be considered available property.
 3. Funds that cannot be distributed to or for the benefit of the individual or spouse shall be considered transferred assets and may result in a disqualifying transfer.



Example: Ann Jones is applying for Medi-Cal on behalf of her husband Bob who is in long term care. She declares that her husband placed all of his separate property into a trust on September 20, 1992. Ann is the trustee. The trust document has been set up to be irrevocable and provides no discretion for Ann to release funds from either the principal or income. Bob's son Joseph is the beneficiary upon Bob's death. The trust contains approximately \$100,000 in personal property which is income producing.



Discussion: In this example, the trust was established on September 20, 1992 with the assets of Bob Jones. The trustee has no discretion to release funds from the trust. The \$100,000 would be considered a transferred asset which may result in a disqualifying transfer.

- b. If established with income, property or property rights of an individual who is not a MFBU member or responsible relative:

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1. Funds actually distributed for the support and maintenance of the individual or spouse shall be considered income in accordance with Article 10.
2. Funds that are not distributed are not subject to the transfer of asset provisions since the trust was established with funds belonging to an individual who is not the individual or spouse, not a member of the MFBU and not a responsible relative.

C. TRUSTS ESTABLISHED ON OR AFTER AUGUST 11, 1993 FOR DISABLED INDIVIDUALS

Two types of trusts established on or after August 11, 1993, specifically for disabled individuals, have been excepted from treatment under the OBRA '93 provisions. These two types, Individual Trusts and Pooled Trusts, are established with the assets or property rights of disabled individuals and are to be treated in accordance with Section 50489.9 described in B above. Per ACWDL 94-01, treatment is effective no earlier than October 1, 1993 at application and redetermination.



Note: Transfer of asset provisions do not apply to Individual and Pooled Trusts for Disabled Individuals established on or after August 11, 1993 unless there is an addition or augmentation to that trust after the individual or spouse reaches age 65 [refer to Section C(3) below].

If a trust is established on or after August 11, 1993 for a disabled individual or disabled spouse, with his/her assets or property rights, which meets the criteria for an Individual Trust except that the disabled individual or disabled spouse is age 65 or older, it shall be treated as an OBRA '93 trust pursuant to Section 50489.5 and the exceptions discussed in this subsection shall not apply. If a trust is established on or after August 11, 1993 for a disabled individual or disabled spouse, with his/her assets, which meets the criteria for a Pooled Trust except that the disabled individual or disabled spouse is age 65 or older, the transfer may be considered a disqualifying transfer of assets. The Pooled Trust shall continue to be treated under the following procedures.

1. INDIVIDUAL TRUST CHARACTERISTICS

Individual trusts must have all of the following conditions:

- a. Was established on or after August 11, 1993, and
- b. Was established for the benefit of the disabled individual or disabled spouse, by a parent, grandparent, legal guardian of the individual, or court, and
- c. Contains the assets or property rights of the disabled individual or disabled spouse who was both:
 - (1) under the age of 65 when the trust was established whether or not he/she is currently age 65 or over, and
 - (2) who, at the time the trust was established, was determined to be disabled as verified in accordance with Title 22, Section 50167(a) and who is currently determined to be disabled, and

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- d. Provides that, upon the death of the disabled individual or disabled spouse or upon termination of the trust, DHS shall receive all assets remaining in the trust up to an amount equal to the total medical assistance paid on behalf of that individual by Medi-Cal.



Note: A beneficiary may be named in the trust, to receive amounts remaining in the trust upon the death of the primary beneficiary, however, the terms of the trust must be clear that the transfer to the secondary beneficiary occurs only after DHS has been reimbursed for the medical assistance provided.

- (1) Funds may be retained by the trust upon the death of the disabled individual or disabled spouse, for whose benefit the trust was established, for:

- ✓ the cost of the individual's remaining management and investment fees, or
- ✓ outstanding bills for the benefit of the disabled individual or disabled spouse that fall within the terms of the trust, or
- ✓ burial/funeral expenses of the disabled individual or disabled spouse.

- (2) In addition, there is no requirement in State or federal law that DHS is obligated to submit any type of claim in order to be reimbursed, nor is the State required to include reimbursement from this type of trust as part of its estate recovery process. It is the responsibility of the trustee to contact DHS to obtain the dollar amount of medical assistance provided by DHS and then submit that amount, or the amount remaining in the trust, whichever is less, to DHS Recovery Branch. Any trust which contains provisions allowing reimbursement of medical assistance provided only upon submission of a "claim" or a "proper claim", shall not be considered an "Other" trust and shall be treated as an OBRA '93 trust under Procedures Section 9JV.



Note: When a disabled individual or disabled spouse has resided in more than one state, the trust must provide that the funds remaining in the trust be distributed to each state in which the individual received Medicaid, based on the state's proportionate share of the total amount of Medicaid benefits paid by all of the states on behalf of the individual.

2. POOLED TRUST CHARACTERISTICS

Pooled trusts must have all the following conditions:

- a. Established on or after August 11, 1993, and
- b. Established and managed by a non-profit association, and
- c. Contains the assets of the individual or spouse who is determined to be currently disabled as verified in accordance with Title 22, Section 50167 (a)(1), and

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- d. Maintains a separate account for each beneficiary of the trust (but for purposes of investment and management of funds, the trust pools these accounts), and
- e. Provides that DHS, upon the death of the disabled individual or disabled spouse or upon earlier termination of the trust, receive all amounts remaining in that individual's account, equal to the amount of medical assistance paid on behalf of that individual to the extent that amounts remain in that individual's account and are not retained by the trust to cover the costs of that individual's remaining management and investment fees, outstanding bills that fall within the terms of the trusts, and burial/funeral expenses.

In addition, there is no requirement in State or federal law that DHS is obligated to submit any type of claim in order to be reimbursed, nor is the State required to include reimbursement from this type of trust as part of its estate recovery process. It is the responsibility of the trustee to contact DHS to obtain the dollar amount of medical assistance provided by DHS and then submit that amount, or the amount remaining in the trust, whichever is less, to DHS Recovery Branch. Any trust which contains provisions allowing reimbursement of medical assistance provided only upon submission of a "claim" or a "proper claim," shall not be considered an "Other" trust and shall be treated as an ORBA '93 trust under Procedures Section 9JV.

 **Note:** When a disabled individual or disabled spouse has resided in more than one state, the trust must provide that the funds remaining in the trust be distributed to each state in which the individual received Medicaid, based on the state's proportionate share of the individual.

- f. Each account is established solely for the benefit of the disabled individual or the disabled spouse by the disabled individual, disabled spouse, his or her parents or grandparents, the legal guardian of that individual, or by a court order.
 - (1) The account assets are to benefit no one other than the disabled individual or disabled spouse for whose benefit the account was established, from the time the account was established until DHS' interest has been paid. If the account assets are not solely for the benefit of the disabled individual or disabled spouse, then the trust is to be treated as an OBRA '93 trust pursuant to Section 50489.5. (See Procedure Section 9 JV.)

 **Note:** A beneficiary may be named in the trust, to receive amounts remaining in the trust upon the death of the primary beneficiary, however, the terms of the trust must be clear that the transfer to the secondary beneficiary occurs only after DHS has been reimbursed for the medical assistance provided.

- (2) If funds are to be retained by the trust upon the death of the disabled individual or disabled spouse, for whose benefit the trust was established, for any purpose other than:
 - ✓ the cost of the individuals remaining management and investment fees, or
 - ✓ outstanding bills for the benefit of the disabled individual or disabled spouse that fall within the terms of the trust, or

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- ✓ burial/funeral expenses of the disabled individual or disabled spouse,

the account will not be considered solely for the benefit of the disabled individual or spouse and shall be treated as an OBRA '93 trust pursuant to Section 50489.5. (See Procedure Section 9 JV.)

3. ADDITION OR AUGMENTATION OF INDIVIDUAL OR POOLED TRUSTS

When an Individual or Pooled trust is established for a disabled individual or disabled spouse under the age of 65, the exception from treatment under OBRA '93 continues after that individual or spouse becomes age 65. However, Individual and Pooled trusts cannot be added to, or otherwise augmented with assets of the individual or spouse, after that individual or spouse reaches age 65. Any such addition or augmentation may be considered a disqualifying transfer of assets.

-  **Note:** Parents of a disabled son(s) or daughter(s), regardless of age, may make transfers of assets to their disabled son(s) or daughter(s) directly or to the son's or daughter's Individual or Pooled Trust. Such a transfer by a parent of a disabled son or daughter would not be considered a disqualifying transfer of assets in determining the eligibility of the parents for Medi-Cal.

4. RECOVERY OF COSTS

To ensure that recovery of the costs of medical care occurs, counties shall notify Department of Health Services Third Party Liability (TPL) Branch whenever either one of these two types of trusts is discovered. The TPL Branch should be notified whenever the county finds out that the disabled individual or disabled spouse has died or the trust is being terminated. Send the beneficiary's name, Social Security number, Medi-Cal I.D. number, and photocopies of the trust documents to:

Department of Health Services
Third Party Liability Branch
Recovery Section – PI
MS 4720
P.O. Box 997425
Sacramento, CA 95899-7425

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D. INDIVIDUAL AND POOLED TRUST CHARACTERISTIC TABLE

INDIVIDUAL TRUST	POOLED TRUST	CONDITION
X	X	1. Established on or after 8/11/93.
X		2. Established by the parent, the grandparent, the legal guardian, or by a court.
X		3. Established for, and contains the assets of an individual or spouse who was both disabled and <u>under age 65</u> when the trust was established, and who is currently disabled whether or not he/she is age 65 or over. Any addition to, or augmentation of the trust after the disabled individual or disabled spouse reaches age 65, may be considered a disqualifying transfer of assets. Note: a transfer shall not be disqualifying if made by a parent to a disabled son's/ daughter's trust - regardless of the son's/daughter's age.
X		4. Provides that the Department of Health Services receive all remaining amounts in the trust upon the death of the disabled individual or disabled spouse or upon termination of the trust up to an amount equal to the total medical assistance paid on behalf of that individual by Medi-Cal.
	X	5. Established for, and contains the assets of an individual or spouse who was disabled when the trust was established and who is determined to be currently disabled. If added to, or augmented after the individual reaches age 65, the transfer may be considered a disqualifying transfer of assets. Note: a transfer shall not be disqualifying if made by a parent to a disabled son's/daughter's trust - regardless of the son's/daughter's age.
	X	6. Established <u>solely</u> for the benefit of the disabled individual or disabled spouse.
	X	7. Established by the <u>individual</u> , the parent, the grandparent, the legal guardian, or by a court.
	X	8. Provides that the Department of Health Services receives all amounts remaining in that individual's account, equal to the total amount of medical assistance paid on behalf of that individual to the extent that amounts remain in that individual's account and are not retained by the trust to cover the costs of that individual's remaining management and investment fees.
	X	9. Maintains a separate account established solely for the benefit of each beneficiary of the trust (but for purposes of investment and management of funds, the trust pools these accounts).
	X	10. Established and managed by a non-profit association.

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E. CALIFORNIA UNIFORM GIFT TO MINORS ACT (CUTMA)/UNIFORM GIFT TO MINORS ACT (UTMA) TRUSTS

This Act provides that a person may make an irrevocable gift to a child that is managed by a custodian for the benefit of the child. The duties imposed on the custodian are similar to a trustee; to manage and prudently invest custodial property solely in the interest of a trust beneficiary. A custodian, unlike a trustor however, does not hold legal title to the property and has no ownership interest. The transferor, who is also the custodian of such property, may choose to restrict his/her custodial powers. In that case, none of the funds could be spent before the time of distribution except by court order "upon a showing that the expenditure is necessary for the support, maintenance, or education of the minor." If there is no indication that the transferor/custodian has restricted the custodial powers, the custodian is free to use the funds for the child's benefit without a court order.

1. When a child has an account of this type and is to be included in the MFBU, the value of the account is considered available when no restrictions have been placed on the property.
2. When the custodian's powers have been restricted, preventing access to the funds except by court order, the funds shall be considered unavailable.

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VIII. OTHER CONSIDERATIONS REGARDING TRUSTS

A. SPECIAL NEEDS LANGUAGE

1. OVERVIEW

A trust may contain "special needs" or "supplemental needs" exculpatory language. An example of "special needs" or "exculpatory language" is as follows:

"The trustee shall pay to or apply for the benefit of John Smith for his lifetime, such amount from the principal or income of the trust estate, up to the whole thereof, as the trustee in its sole and absolute discretion may deem necessary or advisable for the satisfaction of Joseph's special needs."

In addition the trust document may state that

"No part of the principal or income of the trust shall be used to supplant or replace public assistance benefits of any County, State, Federal, or other governmental entity which has a legal responsibility to serve the beneficiary herein".

2. TREATMENT

Trusts that contain specific language indicating that funds shall only be used to ensure the individual's health and safety and to supplement public benefits for services and equipment that public programs do not provide may be referred to as a special needs trust (SNT). There are no provisions in Federal law that allow an exemption of trust assets based solely on the exculpatory language.

An SNT may meet the definition of an MQT, an OBRA '93 trust, or can be included in any other trust. SNTs that are established by will are not MQTs or OBRA '93 trusts. SNTs established as a result of a personal injury settlement at the request of the victim's attorney or parent/guardian prior to August 11, 1993, are considered to be established with the individual's property rights and if the other criteria are also met (individual is the beneficiary and the trustee has discretion over distributions) it is considered to be an MQT and may result in excess property. SNTs established on or after August 11, 1993, are considered OBRA '93 trusts, if all other conditions are met, unless it is an excepted Individual or Pooled Trust for a disabled individual (see Procedures Section 9 J VII C).



Example:

Martha Smith is applying for Medi-Cal on behalf of her father, Joseph Jones, who is in long-term care. She declares that her father has \$70,500 placed in an irrevocable "SNT" on June 21, 1991. The money placed in the trust was awarded to him as the result of a personal injury settlement. Martha is the named trustee and according to the terms of the trust document, *"the trustee shall pay or apply for the benefit of Joseph Jones for his lifetime, such amount from the principal or income of the trust estate, up to the whole thereof, as the trustee in its sole and absolute discretion may deem necessary or advisable for the satisfaction of Joseph's special needs."* In addition, the trust document states that *"no part of the corpus of the trust shall be used to supplant or replace public assistance benefits of any County, State, Federal, or other governmental entity that has a legal responsibility to serve the beneficiary herein."* The \$70,500 is considered **available property** (pursuant to Section 50402(b)-(f) except that subsection (e) does not apply to annuities purchased on or after August 11, 1993) and is included in the Medi-Cal property reserve.

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Discussion: In this example the SNT meets all of the conditions of an MQT for Joseph Jones.

- ✓ It was established prior to August 11, 1993, and
- ✓ It was established with Joseph Jone's assets, (his property right awarded to him as the result of a personal injury settlement), and
- ✓ The trustee, Martha Smith, has discretion to distribute the entire amount of trust income and trust principal to or for the benefit of her father, Joseph Jones, and
- ✓ The individual is a beneficiary of all, or a part of the payments of the trust.

3. NOTIFICATION REQUIREMENTS

Probate Code requires State departments, including the Department of Health Services, be notified whenever there is a petition to the court to establish a trust containing "special needs" or "supplemental needs" exculpatory language as a part of a personal injury settlement. The State departments then have an opportunity to oppose the establishment of the trust for various reasons. e.g., if the person has special needs but cannot reasonable be expected to benefit from the trust funds, if the amount being placed in the trust is exorbitant, etc.

When DHS receives notification of a petition to establish such a trust, the Attorney General may be called upon to represent DHS in court. In each case the petitioner is informed by a DHS legal representative that although DHS is called upon to participate in the hearing to establish such a trust, its participation in, and/or non-opposition of, the establishment of this type of trust may enable an individual to be eligible for services and benefits provided by other State departments, but not Medi-Cal.

B. SNEEDE TREATMENT

If the MFBU is ineligible due to excess property in a trust or annuity owned by a child, unmarried parent, stepparent, or a non-parent caretaker relative, the county shall complete a Sneed property determination to establish if there is eligibility for other family members.

JOE SMITH SPECIAL NEEDS TRUST

DECLARATION OF TRUST

Trustor / Settlor → This trust forms a part of the *settlement arrived at between Joe Smith, by and through his Guardian ad Litem, Sally Smith et al., Plaintiffs, and ABC Hospital et al., Defendants, in Case No. 123456, in the Superior Court of the State of California, County of Stanislaus.*

Beneficiary → The settlement provides in part for establishment of a special needs trust in accordance with California Probate Code Section 3604 and 3605 and for certain payments by or on behalf of *Joe Smith*

Exculpatory Language → The intent of this trust is to provide a *discretionary, spendthrift trust, to supplement public resources and benefits when such resources are unavailable or insufficient to provide for the Special Needs of the Beneficiary.* As used in this instrument, the term "Special Needs" means the requisites for maintaining the Beneficiary's good health, safety, and welfare, when in the *absolute discretion of the Trust Advisory Committee* such requisites are not being provided by any public agency, office, or department of the State of California, or of any other state, or of the United States of America.

Discretion →

Principal / Corpus → The *settlement and all payments* thereunder are the result of a compromise and settlement of disputed claims, wherein no party is acknowledging any liability. With the approval and order of the Court in the above-described action, this Joe Smith Special Needs Trust is established, *ABC Bank is appointed as Trustee thereof. Sally Smith, Jane Doe, and John Jones are appointed as members of the Trust Advisory Committee* and those parties are authorized by the Court in the above-described action to execute this trust.

Trustee(s) →

ARTICLE I

Trustee → *ABC Bank is appointed initial Trustee* of the trust. Any Trustee shall have the right to resign at any time. ABC Bank shall for any reason cease to act as Trustee, a successor corporate Trustee shall be appointed by the Trust Advisory Committee.

Trustee(s) → The term "trustee" as used in this instrument shall include any Trustee or Trustees named herein or appointed pursuant to the provisions hereof. *Sally Smith, Jane Doe, and John Jones are appointed the initial members of the Trust Advisory Committee.* There shall always be a minimum of 3 members of the Trust Advisory Committee. All action of the Trust Advisory Committee shall be by majority vote.

Discretion → The *Trust Advisory Committee shall have the power and the authority, in its absolute discretion, to determine and direct the Trustee concerning payments to be made to or for the benefit of the Beneficiary during his lifetime*

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ARTICLE II DISTRIBUTION OF INCOME AND PRINCIPAL

All property now or hereafter subject to this trust shall constitute the trust estate and shall be held, allocated, administered, and distributed as hereinafter provided.

*Treatment
of income and
principal* →

The income shall be added to and become principal, forming a common fund The Trustee may distribute from such common fund to or for the benefit of the Beneficiary during his lifetime, such sums and at such times as the Trust Advisory Committee, in its absolute discretion, determines appropriate for the Beneficiary's Special Needs.

*Payment to
State* →

Upon the death of Joe Smith or the earlier termination of this trust, the Trustees shall *give notice of Joe Smith's death to the directors of the Departments of Health Services and Developmental Services*, and to any county or city and county that has made a written request to the Trustees for such notice, addressed to that county or city and county at the address specified in the request. The Trustees shall *first distribute from the remaining principal and income of the trust to the State Department of Health Services for all medical assistance paid for or reimbursed by the Department up to the amount remaining in the trust*. The State Department of Mental Health, the State Department of Developmental Services, and any county or city and county in the State of California shall be reimbursed *after the State Department of Health Services* for the purpose of reimbursing it for costs and expenses of medical, health vocational, or other services provided to the plaintiff, and other assistance for such services paid by it to the plaintiff, to the full extent to which it may be so entitled pursuant to law or regulation, and shall distribute any sums remaining thereafter to the plaintiff's surviving children in equal shares or to their issue by right of representation.

Note: THE FOLLOWING LANGUAGE DOES NOT PROVIDE THAT THE STATE DEPARTMENT OF HEALTH SERVICES IS THE FIRST PAYEE AS REQUIRED FOR INDIVIDUAL AND POOLED TRUSTS.

Upon the death of Joe Smith, the *Trustees shall pay all preferred claims of government agencies* as set forth in Probate code 3605, the *Trustees shall give notice of Joe Smith's death to the directors of the Departments of Health Services and Developmental Services*, and to any county or city and county that has made a written request to the Trustees for such notice, addressed to that county or city and county at the address specified in the request. *The Departments of Health Services and Developmental Services, and any other state agency which has provided benefits on behalf of Joe Smith during his lifetime, shall be reimbursed and receive all assets remaining in the Trust up to the amount of total medical assistance and other benefits paid, for Joe during his lifetime.* If the trust

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property is insufficient to pay all claims, then the Trustees shall petition the court for instructions and claims shall be paid from the trust property as the Court deems just. The remainder, if any, shall be distributed to Joe's heirs at law.

No part of the interest earned by or the corpus of the trust created herein shall be used to supplant or replace public assistance benefits of any county, state, federal or other governmental agency which has a legal responsibility to serve persons with disabilities.

*Exculpatory
language* →

For the purposes of determining the beneficiary's Veterans Administration, Medi-Cal, or any other public benefits programs eligibility, no part of the principal or income of the trust estate shall be considered available to said beneficiary. In the event the trustee is requested by any department or agency administering Medi-Cal or any other benefits to release principal or income of the trust to or on behalf of the beneficiary to pay for equipment, medication, or services which Medi-Cal or any other government benefit program is authorized to provide, the trustee is authorized to deny such request and is authorized to defend, at the expense of the trust estate, any such request.

Irrevocable →

ARTICLE III TRUST IRREVOCABLE

This Trust may not be modified or revoked except by order of the appropriate Court. In no event, shall the beneficiary of this Trust have any right to revise, amend, or modify this Trust or to exercise any power whatsoever with respect to this Trust, except by Order of the appropriate jurisdiction and only by the Trustee.

ARTICLE IV GENERAL PROVISIONS

This trust has been accepted by the Trustee in the State of California and its validity, construction, and all rights under it shall be governed by the law of that State. This provision shall apply regardless of any change in the place of the administration of the trust, or the change of residence of any Trustee or beneficiary.

*Date
Established* →

Executed at Modesto, California, this *12th day of August, 1994*, pursuant to that certain Order Approving Compromise of Disputed Claim dated July 10, 1994 in Case No. 1234546, Superior Court of the State of California, for the County of Stanislaus.

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Background: The county has already determined that Mr. Smith was 50 years old and disabled on August 12, 1994. He is still disabled.



Discussion: If Mr. Smith and/or his spouse is applying for Medi-Cal the trust shown above should be considered as an Individual Trust, established for a disabled individual excepted from treatment in accordance with OBRA '93 provisions. (See Procedures Section 9 J VII).

- ✓ The trust was established on August 12, 1994 (on or after August 11, 1993),
- ✓ With the assets of Joe Smith, who was under the age of 65 and disabled when the trust was established,
- ✓ By Sally Smith, Mr. Smith's guardian, who had the legal authority to act in place of, or on behalf of, Joe Smith,
- ✓ For the benefit of Joe Smith, a disabled individual,
- ✓ Who is determined to be currently disabled in accordance with Title 22, Section 50167(a).
- ✓ The trust provides that DHS shall be the first to receive all assets remaining in the trust up to an amount equal to the total medical assistance paid on behalf of that individual by Medi-Cal.
- ✓ The trust is irrevocable.

Funds distributed to Mr. Smith for his support and maintenance from trust income shall be considered income in accordance with Article 10. Funds distributed to Mr. Smith for his support and maintenance from trust principal shall be considered available property.



Note:

If Mr Smith, age 50, and/or his spouse is applying for Medi-Cal with the trust shown above, except that the trust did not meet all of the criteria for an Individual Trust, the trust should be considered as an OBRA '93 Trust and treated in accordance with Procedures Section 9 J V H 3 for the following reasons.

- ✓ The trust was established on August 12, 1994 (on or after August 11, 1993),
- ✓ With the assets of Joe Smith,
- ✓ By Sally Smith, Mr. Smith's guardian, who had the legal authority to act in place of, or on behalf of, Joe Smith, and
- ✓ It is irrevocable.

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The trust provisions provide the trustees with full discretion to release any amount of trust income and trust principal. Payments can be made to or for the benefit of Joe Smith and/or his spouse. Therefore:

- ✓ Actual payment(s) of trust income made to, or for the benefit of Joe Smith or his spouse shall be treated as income in accordance with Article 10.
- ✓ Actual payment(s) from the trust principal made to, or for the benefit of Joe Smith or his spouse shall be treated as income in accordance with Article 10.
- ✓ Any portion of trust principal or trust income that could be paid to, or for the benefit of Joe Smith or his spouse under any circumstance, but is not, shall be treated as available property (pursuant to Section 50402(b)-(f) except that subsection (e) does not apply to annuities purchased on or after August 11, 1996).
- ✓ Any actual payment(s) of trust principal or trust income that is not made to, or for the benefit of Joe Smith or his spouse, shall be considered a transferred asset and may be a disqualifying transfer in accordance with ACWDL 90-01.



Note:

If Mr. Smith and/or his spouse are/is applying for Medi-Cal and the trust above was established on August 12, 1992 the above trust would be considered an MQT and treated in accordance with Procedures section 9 J VI D 3 for the following reasons.

- ✓ The trust was established prior to August 11, 1993,
- ✓ With the assets of Joe Smith, the beneficiary,
- ✓ By Sally Smith, Mr. Smith's guardian, who had the legal authority to act in place of, or on behalf of, Joe Smith.
- ✓ The trustees have discretion to release any amount of trust income and trust principal.
- ✓ The trust is irrevocable.

Even though the trust is not revocable because the trustees have full discretion to distribute trust income and trust principal, the total trust income and trust principal contained in the trust are available whether or not the trustee is actually releasing it.

- ✓ Any amount distributed from the trust principal to Joe Smith or his spouse, or to another person or entity on behalf of Joe Smith is available property.
- ✓ The maximum amount from the trust principal that the trustee may distribute to Joe Smith or his spouse, or to another person or entity on behalf of Joe Smith, but which is not distributed, is available property (pursuant to Section 50402(b)-(f) except that subsection (e) does not apply to annuities purchased on or after August 11, 1993).

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- ✓ Any amount distributed from the trust income to Joe Smith or his spouse, or to another person or entity on behalf of Joe Smith, is income and subject to treatment under Article 10.

- ✓ The maximum amount from the trust income that the trustee may distribute to Joe Smith or his spouse, or to another person or entity on behalf of Joe Smith, but which is not distributed, is considered income in the first month and thereafter available property (pursuant to Section 50402(b)-(f) except that subsection (e) does not apply to annuities purchased on or after August 11, 1993). This is because the terms of the trust provides that income shall be added to and become trust principal.

SAMPLE : BLOCKED ACCOUNT

San Francisco County Superior Court

1 ABCK A LAW CORPORATION BY: Jerry Jones, Deputy Clerk
2 222 FRONT STREET
3 SAN FRANCISCO, CALIFORNIA
4 TELEPHONE : (415) 123-4567
5 Attorneys for the Plaintiff and
6 Cross-defendant
7

8 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

9 IN AND FOR THE CITY AND COUNTY OF SAN FRANCISCO

BENEFICIARY →

11 *Jane Doe, a minor* by } NO. 123456A
12 Joyce Doe, Guardian }
13 } ORDER TO
14 Plaintiff, } DEPOSIT MONEY
15 v. }
16 AAACD Corporation, Defendants }

TRUSTOR →

20 On approval of a petition of *Guardian Joyce Doe, for Jane Doe*
21 *Compromise of Disputed Claim of Minor, and such compromise*
22 *having been approved*

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1 IT IS ORDERED that Joyce Doe, Guardian for Jane Doe, a minor, shall
2 deposit the monies belonging to the minor in Play 3 Savings and Loan, a
3 *federally insured depository in a federally insured blocked*
4 *interest-bearing savings account having no maturity date and that*
5 account be in name of the *guardian as trustee* for the above minor.
6 The Court finds the minor was born on June 3, 1983. When said
7 *minor attains the age of eighteen years the depository*
8 *without further order of the Court is authorized and directed to pay by*
9 *check or by draft upon proper demand all monies, including*
10 *interest, hereby ordered to be deposited directly to the former*
11 *minor.* Except for majority, no withdrawals of principal or interest shall be
12 made from the account without the prior written Court order therefore
13 bearing the impression seal of this Court.
14 It is the intention of this court that the funds deposited to this account
15 be used for the payment of Jane Doe's future medical expenses, if any.
16
17 *Dated: January 12, 1993* Stanley A. Smith
JUDGE OF THE SUPERIOR COURT

IRREVOCABLE BLOCKED ACCOUNT TRUSTEE →

CIRCUMSTANCE UNDER WHICH PAYMENTS FROM THE TRUST MAY BE MADE TO THE INDIVIDUAL →

DATE ESTABLISHED →

 **Discussion:** If Jane Doe's parents apply for Medi-Cal for themselves and Jane, the trust shown above should be treated in accordance with Procedures section 9 J VII for the following reasons.

- ✓ The trust was established on January 12, 1993 (prior to August 11, 1993),
- ✓ With the assets of Jane Doe,
- ✓ By Joyce Doe, Jane Doe's guardian, who had the legal authority to act in place of, or on behalf of, Jane Doe, and
- ✓ The trustee does not have discretion to release any amount of trust income or trust principal.
- ✓ The trust is irrevocable.

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The trust principal and trust income shall be considered unavailable if they are not distributed.

- ✓ Funds distributed from trust income shall be considered income in accordance with Article 10.
- ✓ Funds distributed from trust principal shall be considered available property.



Note:

If Jane Doe's Blocked Account was established on August 12, 1993 it would be considered an OBRA '93 trust and treated in accordance with Procedures section 9 J V H 2 for the following reasons.

- ✓ Jane Doe's blocked account was established August 12, 1993 (on or after August 11, 1993),
- ✓ With the assets of Jane Doe,
- ✓ By Joyce Doe, Jane Doe's guardian, who had the legal authority to act in place of, or on behalf of, Jane Doe, and
- ✓ Trust income and trust principal is to be paid to Jane Doe, the beneficiary, when she attains the age of eighteen years.
- ✓ The blocked account is irrevocable.

Therefore, since the provisions in the trust provide for payment of principal and income at some time in the future, the entire amount of the trust principal and trust income is to be considered available property, regardless of the fact that the funds cannot be released until Jane Doe reaches the age of 18. In determining the availability of the property held in trust Section 50402 (b)-(f) applies except that subsection (e) does not apply to annuities purchased on or after August 11, 1993.



Note:

A blocked account would never be considered an MQT. To be an MQT the trustee must have some discretion. A blocked account gives the trustee no discretion in distributing trust principal or trust income.

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LAST WILL and TESTAMENT

of

JANE DOE

TRUSTOR →

I, **JANE DOE**, a resident of the County of Sacramento, State of California, declare this is my will, and I hereby revoke all wills and codicils previously made by me.

FIRST: I am a widow. I have one child, namely, SUE DOE. I have no other children, living or deceased.

BENEFICIARY →

SECOND: I give my entire estate IN TRUST to **SUE DOE** to be distributed or retained in trust as hereinafter provided.

A. The primary beneficiary of this trust is to be SUE DOE, who has a disability that substantially impairs her ability to provide for her own care and custody, and constitutes a substantial handicap. The trustee shall hold, administer, and distribute all trust property allocated to the trust for the benefit of the beneficiary during the beneficiary's lifetime unless the trust is earlier terminated.

TRUSTEE →

B. In accordance with the purpose of this trust and subject to the guidelines provided below, the *trustee (EMMA JOHNSON)* may *pay to or apply for the benefit of the beneficiary as much of the trust net income and, if that income is insufficient, the trust principal, as the trustee determines, in the trustee's sole discretion, to be necessary or desirable to meet the beneficiary's needs.*

DISCRETION →

DISCRETION →

C. The trustee may, *in the trustee's discretion*, pay last illness and funeral expenses, any death taxes attributable to any part of the trust estate, and expenses from the administration or distribution of the trust estate.

D. No interest in the principal or income of this trust may be anticipated, assigned, encumbered, or subject to any creditor's claim or to legal process before actual receipt by the beneficiary.

E. Upon the death of SUE DOE or the termination of this trust, the balance of the trust assets shall be distributed as follows:

90% to: AAA Foundation
 1 Telegraph Avenue
 Oakland, CA 94612

10% to: The AAA Society
 Monterey Bay Region
 1 Highway 9
 Boulder Creek, CA 95006

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THIRD: If any provision of this will is unenforceable, the remaining provisions shall nevertheless be carried into effect.

FOURTH: As used in this will, the masculine, feminine or neuter gender, and the singular or plural number shall each be deemed to include the others whenever the context so indicates.

FIFTH: If any beneficiary or legatee under this, my Last Will and Testament, or any person who, if I died intestate, would be entitled to any part of my estate, either in his or her name or in the name of another, contests, controverts, disputes or calls into question the validity of this, my Last Will and Testament, or any provisions contained therein, or any codicils thereto, but shall forfeit any right or claim thereunder and any portion of my estate to which any person opposing my will would in and contingency be entitled, and if in said case any person or persons whomsoever shall be lawfully determined to have a share of my estate, I give, devise and bequeath to such person or persons the sum of One Dollar (\$1.00) and no more, in lieu of any other share or interest in my estate.

EXECUTOR

→

SIXTH: I nominate **JOHN J. JOSEPHS** as the executor of this will. The term "my executor", as used in this will, shall include any personal representative of my estate.

I subscribe my name to this will on May 1, 1994 at Sacramento, California.

Jane Doe
Jane Doe

On the date written below, JANE DOE declared to us, the undersigned that this instrument consisting of three pages, including the page signed by us as witnesses, was her will, and she requested us to act as witnesses to it. She thereupon signed this will in our presence, all of us being present at the same time. We now, at her request, in her presence and in the presence of each other, subscribe our names as witnesses. It

is our belief that JANE DOE is of sound mind and memory and is under no constraint or undue influence whatsoever. We declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on May 1, 1994, at Sacramento, California.

Jane Smith

Jane Smith

Address: 1234 Second Street
Sacramento, CA 94234

Sarah Strong
Sarah Strong

Address: 1555 Sutter
Sacramento, CA 94234

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL



Discussion:

After the death of Jane Doe, Sue Doe applied for Medi-Cal. The trust, established by the above will, should be treated in accordance with Procedures section 9 J VII for the following reasons.

- ✓ The trust was established at the direction of the will,
- ✓ With the assets of Jane Doe,
- ✓ By, Jane Doe, who had the legal authority to act in place of, or on behalf of, Sue Doe.
- ✓ The trustee, Emma Johnson has discretion to release any amount of trust income or trust principal.

Because the trust is irrevocable:

- trust principal and trust income shall be considered unavailable if not distributed.
- funds distributed to Sue Doe for her support and maintenance from trust income or trust principal shall be considered income in accordance with Article 10.



Note:

The trust above would not be considered an MQT or an OBRA '93 trust for the following reasons.

- ✓ The trust was not established with the assets of Sue Doe.
- ✓ The trust was established by will.

THE ADDAMS FAMILY TRUST

I. Trust Name

This trust shall be known as THE ADDAMS FAMILY TRUST.

II. TRUST PROPERTY

(A) *Roger and Ruth Addams*, called the "settlers" declare that they have set aside and hold in the ADDAMS FAMILY TRUST, all their interest in the property described in the attached Schedules A, B, and C.

The trust property shall be used for the benefit of the trust beneficiaries, and shall be administered and distributed by the trustee in accordance with this trust instrument.

(B) Either settlor, or both, may add additional or after acquired property to the trust at any time by listing it on the appropriate schedule.

(C) All trust property listed on Schedule A shall remain the community property of settlers, Roger and Ruth Addams. The trust property listed on Schedule B shall remain the separate property of Ruth Addams. The trust property listed on Schedule C shall remain the separate property of Roger Addams.

(D) As long as both settlers live, either settlor may *revoke* THE ADDAMS FAMILY TRUST in writing, at any time, without notifying the beneficiary.

(E) As long as both settlers live, THE ADDAMS FAMILY TRUST may be altered, amended or modified only by joint action in writing by both Roger and Ruth Addams.

III. TRUSTEES

(A) The trustee of THE ADDAMS FAMILY TRUST shall be *Ruth Addams*. The trustee may act for, and represent, the trust in any transaction.

(B) The first settlor to die shall be called the "deceased spouse." The living settlor shall be called the "surviving spouse."

(C) Upon the death of the deceased spouse, the trust shall continue in effect as before, with the property of the deceased spouse remaining in the trust for the benefit of the *surviving spouse*, until the death of the surviving spouse, and then distributed to the beneficiary, the trustor's daughter *Rose Addams*, with the rest of the trust assets.

(D) Upon the death or incapacity of the surviving spouse, the successor trustee for THE ADDAMS FAMILY TRUST shall be Robert Robin.

Trustor(s) /
Settlor (s) →

Revocable →

Trustee →

Beneficiary(ies) →

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

Date
Established →

Executed at Sacramento, CA on December 5, 1993

Ruth Addams

Roger Addams

We certify that we have read this Declaration and Instrument of Trust and that it correctly states the terms and conditions under which the trust property is to be held, managed, and disposed of by the trustees, and we approve the Declaration and Instrument of Trust.

Dated: December 5, 1993

Ruth Addams

Roger Addams
Settlers and Trustees

State of California
County of Sacramento

On December 5, 1993, before me, a notary public for the State of California, personally appeared Roger and Ruth Addams known to me to be the settlors and trustees of the trust created by the above instrument, and to be the persons whose names are subscribed to the instrument, and they acknowledged and executed the same as settlors and trustees.

Janice John



Discussion:

Roger and Ruth Addams apply for Medi-Cal on September 10, 1995. The above trust should be treated as an OBRA '93 trust in accordance with Procedures section 9 J V H 1 for the following reasons.

- ✓ The trust was established on December 5, 1993 (on or after August 11, 1993),
- ✓ With the assets of Roger and Ruth Addams, and
- ✓ By Roger and Ruth Addams.
- ✓ The trust is revocable.

Since the trust is revocable:

- ✓ The entire value of the trust principal and trust income retained by the trust is considered available property (pursuant to Section 50402 except that subsection (e) does not apply to annuities purchased on or after August 11, 1993) to Roger and Ruth Addams.

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- ✓ Any actual payments from the trust (whether from trust income or trust principal) made to, or for the benefit of Roger and Ruth Addams is treated as income in accordance with Article 10.
- ✓ Any actual payment from the trust which is not made to, or for the benefit of Roger and Ruth Addams is considered a transfer of assets which may be disqualifying and shall be treated in accordance with ACWDL 90-01.



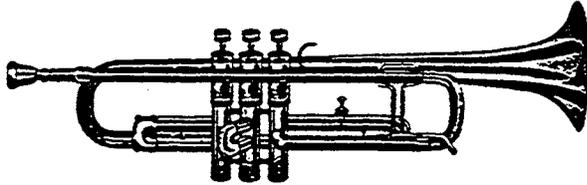
Note:

If Roger and Ruth Addams were applying for Medi-Cal and the trust above was established on **August 12, 1992** the above trust would be considered an **MQT** and treated in accordance with Procedure Section 9 J VI D for the following reasons.

- ✓ The trust was established prior to August 11, 1993,
- ✓ With the assets of Roger and Ruth Addams,
- ✓ By Roger and Ruth Addams.
- ✓ The trust is revocable.

Since the trust is revocable:

- ✓ The entire amount of the principal contained in the trust is available property (pursuant to Section 50402 except that subsection (e) does not apply to annuities purchased on or after August 11, 1993) to Roger and Ruth Addams.
- ✓ The entire amount of income is available income to Roger and Ruth Addams and subject to treatment under Article 10.



**TREATMENT OF TRUSTS AND
ANNUITIES FOR MEDI-CAL
ELIGIBILITY
TRAINING SUMMARY**

All County Welfare Directors Letter, Number 95-75 released DHS's proposed regulations for a March 1, 1996 California implementation of OBRA '93. A public hearing was held January 10, 1996 prior to implementation. Minor post-hearings were made and have been reflected in this training summary and procedures. Counties will be receiving another ACWDL with the final regulatory language.

PLEASE NOTE: This is intended to be a SUMMARY ONLY. Do not rely upon this document when you are dealing with a trust or annuity. Instead, find and apply the regulations and more detailed procedures.

★ **ANNUITIES**

ANNUITIES PURCHASED ON OR AFTER 8/11/93

Proposed Section 50489.5 sets forth the treatment of funds held in an annuity. It says that,

The undistributed balance of an annuity shall be considered unavailable property, if the annuity contract is annuitized (payments are fixed, equal and monthly) upon the life expectancy of the annuitant (the purchaser of the annuity who is also the recipient of the monthly payments) in accordance with the life expectancy tables developed by the Secretary for the Department of Health and Human Services or if it is annuitized for an even shorter period of time.

- ① The life expectancy of the annuitant shall be determined based on tables specified by the Secretary of the Department of Health and Human Services. Remember, if eligible part of the month, then eligible for a full month. For example, if the Secretary's tables give a life expectancy of 7.22 years (7 years and 2.64 months) and the guarantee period for a period certain annuity or life expectancy of the annuity company for an annuitant is 7.25 years, even though the life expectancy or guarantee period for the annuity exceeds the Secretary's life expectancy, both of the life expectancies take the annuitant into the 7th year, third month.
- ② If any payment may be made beyond the life expectancy of the annuitant (determined as above), there has been a transfer of property (from purchase date of the annuity) and may be a disqualifying transfer (see ACWDL 90-01). The percentage of the purchase price used to fund the payments that may be made beyond the life expectancy of the annuitant would be the amount transferred for less than fair market value. (See attached sample payment schedules.)
- ③ All payments distributed from the annuity are to be considered as gross unearned income in accordance with Title 22, Section 50507.

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- ④ Annuitization is required. This means that the annuitant (the recipient of payments from the annuity and the one upon who's life the annuity has been annuitized) must be receiving fixed, equal, monthly payments. (An annuity shall also be considered to be annuitized if it is paying reasonable cost of living increases, i.e., annual increases of less than or equal to 5%.)
- ④ If the annuity has not been annuitized, payments are considered to be deferred. The provisions of ACWDL, No. 90-01, draft regulation Section 50402 will apply to the extent they are not inconsistent, which means that we will count the cash surrender value in the property reserve until steps are taken to surrender or annuitize the annuity. Do not count the cash surrender value of the annuity in the property reserve if a period of ineligibility has been assessed for a disqualifying transfer of assets.

NOTE: This means that the value of an annuity can no longer be made unavailable just because arrangements have been made to take periodic payments of principal and interest. Rather, the payment period (lifetime or period certain) must be less than or equal to the remaining life expectancy of the annuitant based upon the life expectancy tables of the Secretary. If the payment period for period certain annuities, or the life expectancy tables used by the company in establishing a lifetime annuity results in a length of time greater than the expected life given on the Secretary's tables, then there is a transfer of assets for less than fair market value. Once the individual takes steps to receive fixed, equal, monthly payments in accordance with the Secretary's tables, then the balance will be considered unavailable and no period of ineligibility shall be assessed.

ANNUITIES PURCHASED ON OR AFTER 8/11/93 AND BEFORE 3/1/96

Individuals who purchased annuities between the effective date of the law (8/1/93) and the implementation date in California (3/1/96) will be requested at application or redetermination to attempt to have their annuity annuitized (restructured to make fixed, equal, monthly payments) in accordance with the Secretary's tables. Counties shall provide the applicant/beneficiary with the life expectancy of the annuitant based upon the annuitant's current age for their use in restructuring the annuity.

- ④ The annuity will be considered unavailable as soon as the individual takes steps to surrender or annuitize the annuity (see number 4 and 5 above) in accordance with the Secretary's tables.
- ④ If the annuity cannot be restructured and the annuitant provides verification of that fact from the agent or company who sold them the annuity, undue hardship shall be determined to exist.

NOTE: If undue hardship is determined to exist, the annuity will continue to be treated in accordance with the Section 50402 in ACWDL 90-01 (as long as the individual is receiving periodic payments of principal and interest, the balance shall be considered to be unavailable).

ANNUITIES PURCHASED PRIOR TO 8/11/93

- ④ Annuities purchased prior to 8/11/93 shall be considered unavailable as long as the individual is receiving periodic payments of principal and interest in accordance with ACWDL 90-01 draft regulation Section 50402.

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

- ⓔ Annuitants who purchased annuities prior to the effective date of OBRA '93 shall not be required to contact their agent to have their annuities restructured.

☆ TRUSTS - MQTs, SLDs and OBRA '93 TRUSTS

There are three major differences between OBRA '93 Trusts and MQTs / SLDs. They are:

OBRA '93 Trusts

If there are any circumstances when trust assets (principal or trust income) can be distributed, to or for the benefit of the individual, regardless of when or whether they may be distributed, then the trust assets are considered currently available.

All available trust assets (principal and trust income) are considered property.

All distributions to or for the benefit of the individual are considered income.

MQTs / SLDs

If the trustee has any discretion to release trust assets to, or for the benefit of the individual, then all the trust assets over which the trustee has discretion are considered available, regardless of whether or not they actually are available.

All available trust principal is considered property. All available trust income is considered income.

All distributions of principal to or for the benefit of the individual are considered property.

All distributions of trust income to or for the benefit of the individual are considered income.

 **NOTES:**

If trust documents do not state whether the trust is revocable or irrevocable, the trust is revocable in accordance with Probate Code Section 15400.

When the term individual is used it means the person who's income or property is being evaluated. Although the "individual" may be the Medi-Cal applicant/beneficiary, it may not be. The "individual" may be someone who does not want, or who is ineligible for Medi-Cal, but who is financially responsible for an applicant/beneficiary.

For revocable trust assets to be counted, the individual who has the right to revoke the trust must also have the right, power and authority to use the trust proceeds for his/her benefit or for the benefit of someone else in the MFBU.

OBRA '93 TRUSTS ESTABLISHED ON OR AFTER 8/11/93

Proposed Section 50489.5 describes an OBRA '93 Trust as a trust (revocable or irrevocable)

- ✓ established other than by will,

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

- ✓ on or after 8/11/93,
- ✓ with assets of the individual or spouse,
- ✓ by the individual, spouse or some other person or entity, or court on his/her behalf.

The OBRA '93 trust regulations are applicable without regard to:

- the purpose of the trust,
- whether the trustees have or exercise any discretion under the trust,
- any restrictions on when or whether distributions may be made from the trust, and
- any restrictions on the use of distributions from the trust.

REVOCABLE OBRA '93 TRUSTS

- ① The principal and undistributed income of the trust shall be considered available property (pursuant to Section 50402 except that subsection (e) does not apply to annuities purchased on or after August 11, 1993) to the applicant or spouse. (Interest could cause an individual to be over the property limit in the month it is accrues in the trust.)
- ② Payments from the trust made to, or for the benefit of the applicant or spouse are considered available income.
- ③ Payments made to some other person or entity for a purpose other than to, or for the benefit of the applicant or spouse shall be considered a transfer of assets which may be disqualifying (see ACWDL 90-01).

IRREVOCABLE OBRA '93 TRUSTS

- ① Payments from the trust made to, or for the benefit of the applicant or spouse are considered available income.
- ② Any portion of the trust income or principal which could be paid under any circumstance to, or for the benefit of the applicant or spouse (but is not actually distributed) shall be considered available property (pursuant to Section 50402(b)-(f), except that subsection (e) does not apply to annuities purchased on or after August 11, 1993).
- ③ Any portion of the trust principal or trust income which cannot be distributed to, or paid for the benefit of our applicant or spouse is to be considered a transfer of assets which may be disqualifying (see ACWDL 90-01). The uncompensated value of the transferred assets shall include the amount of assets used to set up the trust or any subsequently added assets. Payments already made to someone else not for the benefit of the individual or spouse from that "undistributable" portion shall not be deducted from the computed value of assets transferred.

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- ④ Any payments made from the trust income or principal for a purpose other than to benefit our client or spouse are considered transferred assets which may be disqualifying (see ACWDL 90-01).

 **NOTE:** The transfer of trust income would be considered a transfer of assets only if the transfer occurred on or after 8/11/93 and to the extent set forth in guidelines on transfers still to be developed.

UNDUE HARDSHIP

OBRA '93 Trusts shall be treated as "Other Trusts" if the OBRA '93 requirements are shown to work an "undue hardship".

- ④ For undue hardship to exist, all of the conditions in a-d (below) must be present except that subsection 1d does not apply in the case of an annuity.
 - a. The trust assets cannot, under any circumstances be used to provide for health care or medical needs of the individual, and
 - b. Health care cannot be obtained from, and medical needs cannot be met by, any sources other than Medi-Cal without depriving the individual of food, clothing, shelter, or other necessities of life, and
 - c. The individual's parents (if the individual is under 21) or the individual's spouse, do not have assets to provide for health care and medical needs, or health care coverage for the individual without depriving themselves of health care or medical needs, food, clothing, shelter, or other necessities of life, and
 - d. The courts have denied a good faith petition to release the trust assets to pay for the required medical care. A petition to release the trust assets shall not be considered a valid good faith petition if the petition contains language that suggests or requests the courts do anything other than release the trust assets needed to pay for the required medical care. The County must verify the petition by viewing both the petition and the court order.
- ④ **No person shall be made ineligible to the extent otherwise exempt income or property is held in trust.**
- ④ Annuities purchased between August 11, 1993 and March 1, 1996, which cannot be annuitized to comply with treatment under OBRA '93, shall continue to be treated in accordance with ACWDL 90-01, Section 50402. Written verification must be obtained from the entity that issued the annuity verifying that the annuity cannot be restructured.

If undue hardship is found not to apply and this results in an adverse action, the notice of action for the adverse action must include the statement "The provisions regarding undue hardship considered and found not to exist."

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MEDICAID QUALIFYING TRUSTS (MQTs) ESTABLISHED PRIOR TO 8/11/93

Proposed Section 50489.1 says an MQT is a trust established

- prior to August 11, 1993,
- other than by will,
- by our applicant or the spouse or by someone acting on their behalf,
- which provides that he/she/they may receive directly or indirectly trust income or principal from the trust, and
- which gives the trustee(s) discretion in distributing principal and/or trust income.

 **NOTE:** An MQT may have been established expressly for the purpose of qualifying for Medi-Cal although it may actually result in ineligibility.

REVOCABLE MQT

- ① Property in a revocable MQT is considered to be available (pursuant to Section 50402, except that subsection (e) does not apply to annuities purchased on or after August 11, 1993).
- ② Income of an MQT is also considered to be available.

IRREVOCABLE MQT

- ① Any amount distributed from the principal of an irrevocable MQT to the applicant or the spouse, or to anyone on his/her/their behalf shall be considered available property.
- ② Any amount distributed from the income of the MQT to the applicant or the spouse, or to anyone on his/her/their behalf shall be considered available income and treated in accordance with the income regulations.
- ③ Any amount of principal retained by the trust that the trustees could, at his/her/their discretion, distribute to, or for the benefit of the applicant or spouse, shall be considered available property (pursuant to Section 50402(b)-(f) except that subsection (e) does not apply to annuities purchased on or after August 11, 1993).
- ④ Any amount of trust income that the trustee(s) could, at his/her/their discretion, distribute to, or for the benefit of the applicant or spouse, shall be considered available income.
- ⑤ Any amount of trust principal for which the trustee(s) has no discretionary power to release to, or for the benefit of our applicant or the spouse shall be considered a transfer of property which may be disqualifying (see ACWDL 90-01). The date of the transfer shall be the date the trust was established or the date disbursement is discontinued, whichever is applicable.

 **NOTE:** The transfer of trust income would be considered a transfer of assets only if the transfer occurred on or after 8/11/93 and to the extent set forth in guidelines on transfers still to be developed.

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☆ OTHER TRUSTS

The following are some of the most common "Other" trusts you might encounter.

- ✓ Trusts that are not MQTs, SLDs, or OBRA '93 trusts.
- ✓ Trusts that are established prior to April 7, 1986, solely for the benefit of a mentally retarded person who resides in an intermediate care facility for the mentally retarded.
- ✓ Trusts that are established by will.
- ✓ Certain trusts established for disabled individuals on or after August 11, 1993. (See ACWDL 94-01.)
- ✓ Blocked accounts established prior to August 11, 1993, which cannot be distributed until a minor reaches ages 18.
- ✓ Trusts established by a grandparent with his/her own property for a grandchild's college education, etc.
- ✓ Trusts established by the community for the medical and social service needs of an individual.
- ✓ Trust accounts opened under the California Uniform Transfers to Minors Act (CUTMA or UTMA) for a child with an adult named as custodian.

Treatment of an "Other" trust would be in one of five ways.

- ① and ② Un/Available Property
- ② and ③ Un/Available Income
- ⑤ Transferred Asset

The key points to determining how to treat an "Other" trust are:

- Was the Medi-Cal applicant/beneficiary's or spouse's property or property rights used to establish the trust? Is the person disabled?
- Was the Medi-Cal applicant/beneficiary's or spouse's property or property rights transferred into a trust established by someone else?
- Was the trust established by and with funds belonging to someone else?
- Is the trust revocable, and if so, does the individual have both the legal right, power and authority to use the funds for his/her own support?

 **NOTE:** Any trust established by the community designated for medical and social service needs of an individual shall be considered unavailable. The individual has no legal right, power, or authority to use the funds for his/her support.

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REVOCABLE "OTHER" TRUSTS

If the individual or spouse has the right to revoke the trust and to use the proceeds for his/her support and maintenance, then the entire amount held in trust is available.

- ✓ Trust income is income.
- ✓ Trust principal is property.

If the individual or spouse does not have the legal right, power and authority to revoke the trust and to use the proceeds for his/her support and maintenance then the trust is unavailable until distributions are actually made to him/her. (Even though a trustee may have the power to revoke a trust, he/she may not have the legal right to use the funds for his/her own support and maintenance.)

IRREVOCABLE "OTHER" TRUSTS

The funds in the trust are unavailable until they are actually distributed to the individual or spouse for his/her support and maintenance.

- If established with the income, property or property rights of the individual or individual's spouse:
 - Funds distributed from trust income shall be considered income in accordance with Article 10.
 - Funds distributed from trust principal shall be considered available property.
 - Funds that cannot be distributed under any circumstance shall be considered transferred assets and may result in a disqualifying transfer (see ACWDL 90-01).
- If established with income, property or property rights of an individual who is not a MFBU member or responsible relative:
 - Funds actually distributed for the support and maintenance of the individual or spouse shall be considered income in accordance with Article 10.
 - Funds that are not distributed are not available and are not subject to the transfer of asset provisions since the trust was established with funds belonging to an individual who is not the individual or spouse, not a member of the MFBU and not a responsible relative.

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TRUSTS ESTABLISHED ON OR AFTER 8/11/93 FOR DISABLED INDIVIDUALS

Two types of trusts established with the property or property rights of disabled individuals are excepted from the OBRA '93 treatment but must be treated in accordance with these rules. The two types are

- ① Individual Trusts and
- ② Pooled Trusts

The characteristics of those two types of trusts are contained on the chart in the Procedures manual.

✎ **NOTE:** Transfer of assets provisions do not apply to transfers of the disabled individual's or disabled spouse's property or property rights to an Individual or Pooled trust. Although augmentations or additions to such trusts by that individual or spouse after he/she reached the age of 65 may result in a disqualifying transfer.

To ensure that recovery of the costs of medical care occurs, counties shall notify the Department of Health Services, Third Party Liability Branch whenever such a trust is encountered, the disabled individual or disabled spouse dies, or the trust is terminated. Send photocopies of the trust, the Medi-Cal beneficiary's name and Social Security number and Medi-Cal I.D. number to:

Department of Health Services
Third Party Liability Branch
Recovery Section – PI
MS 4720
P.O. Box 997425
Sacramento, CA 95899-7425

CALIFORNIA UNIFORM GIFT TO MINORS ACT (CUTMA) / UNIFORM GIFT TO MINORS ACT (UTMA)

This is an **irrevocable gift** to a minor (minor is owner.) The gift is property of the minor even though the person making the gift is often the custodian of the trust. The custodian does not hold legal title like a trustee does. The custodian only manages and invests the gift for the child until the child reaches the age of majority. Many times the custodian chooses to restrict his/her access to the funds by making them available only by an order of the court "upon a showing that the expenditure is necessary for the support, maintenance, or education of the minor".

- ✓ Unless such a restriction appears on the trust, the trust funds are available to the child.
- ✓ If such a restriction is present, the funds are considered unavailable. When made, distributions for the support and maintenance of the individual or spouse are considered income.

☆ OTHER CONSIDERATIONS

SPECIAL NEEDS LANGUAGE

A trust may contain special needs or other exculpatory language. If such a trust was established with the individual's or spouse's property or property rights and falls within the parameters of an MQT, SLD or OBRA '93 trust, that language is ignored because under those rules, the trust is **deemed available** whether or not it is made actually available.

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

Special needs and exculpatory language may look like this:

"The trustee shall pay to or apply for the benefit of John Smith for his lifetime, such amount from the principal or income of the trust estate, up to the whole thereof, as the trustee in its sole and absolute discretion may deem necessary or advisable for the satisfaction of Joseph's special needs.

No part of the principal or income of the trust shall be used to supplant or replace public assistance benefits of any County, State, Federal or other government entity which has a legal responsibility to serve the beneficiary herein."

- NOTE:** If the trust was established as a result of a personal injury settlement, the Department is to be notified of the proposed establishment by the plaintiff's attorney. The Department's legal staff reviews the trust to ensure that the individual can reasonably be expected to benefit from the trust and to ensure that amounts contained in the trust are reasonable given the individual's needs. Although the Department may not oppose the **establishment** of the trust, the special needs and exculpatory language contained in the trust do **not** make the individual eligible for Medi-Cal and do **not** mean that the trust funds will be considered unavailable. **Unless the individual is determined to be disabled and the trust meets all the other characteristics for an excepted Individual or Pooled trust, the trust funds will be considered under the OBRA '93 or MQT provisions.**

SNEEDE TREATMENT

If the MFBU is ineligible due to excess property in a trust or annuity owned by a child, unmarried parent, stepparent, or a non-parent caretaker relative, the county shall complete a Sneed property determination to establish if there is eligibility for other family members.

TREATMENT OF TRUSTS

MQT

Deem available the maximum the trustee has discretion over.

All available trust principal (whether paid or retained) is property pursuant to Section 50402 (b)-(f), except that subsection (e) does not apply to annuities purchased on or after August 11, 1993.

All distributed income is income in accordance with Article 10. Review the terms of the trust for undistributed income that the trustee has discretion over to determine whether trust income remains trust income or becomes principal/corpus.

If no provisions to release all or part of the trust principal, then transfer of property (in accordance with ACWDL 90-01).

If no provisions to release all or part of the trust income, then check terms of the trust. Possible transfer of income only after guidelines are provided.

OBRA '93

If there are any circumstances when trust assets can be distributed, then trust income and trust property are available property pursuant to Section 50402 (b)-(f), except that subsection (e) does not apply to annuities purchases on or after August 11, 1993.

If there are no circumstances when trust assets can be distributed, then transfer of assets (in accordance with ACWDL 90-01). (Wait to treat the transfer of trust income until guidelines are provided).

OTHER

If the Medi-Cal applicant / beneficiary or spouse has the power to revoke the trust and to use the proceeds, then available property is property (pursuant to Section 50402, except that subsection (e) does not apply to annuities purchased on or after August 11, 1993) and available income is income in the month of receipt.

If the trust is irrevocable or does not meet the criteria above, count only that which is actually released for the support and maintenance of the individual as income in accordance with Article 10.

Transfer of assets only if property or property rights of the individuals were used to establish the trust; i.e., additions or augmentations to OBRA '93 excepted trusts for disabled individuals over the age of 65, or transfers to trusts that do not meet the criteria of an MQT (see ACWDL 90-01)

CHARACTERISTICS OF TRUSTS

MQT

Established prior to 8/11/93.

Established with property or property rights of the individual or spouse.

The individual is a beneficiary of all or a part of the payments of the trust.

The trustee has any discretion.

OBRA '93

Established on or after 8/11/93.

Established with property or property rights of the individual or spouse.

OTHER

Usually established with someone else's property.

NOTE: Could be a trust for a disabled individual that has been excepted from the OBRA '93 treatment or a trust that does not have all the criteria necessary to be an MQT.

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9K -- BURIAL PLOTS, VAULTS, AND CRYPTS

Section 50477, Title 22, California Code of Regulations (CCR), exempts certain property if it is retained for use as a burial plot, vault, crypt, or space. Below are questions and answers for treating some common situations regarding this exemption.

1. Is a headstone, monument, or marker exempt pursuant to Section 50477?

Answer:

Typically, advance arrangements to provide for such items are part of a burial trust or prepaid burial contract. As such, they are considered in accordance with Section 50479 for eligibility purposes. If a headstone, for example, is provided for in advance, separately from these instruments, such advance arrangement is a prepaid contract in and of itself and again considered in accordance with Section 50479.

The purchase of a burial plot may involve as many as six separate factors:

- a. Grave site.
- b. Vault or liner.
- c. Endowment care.
- d. Opening and closing of the grave.
- e. Headstone or marker.
- f. Vase or urn.

A cemetery may require that any or all of the above be purchased as part of the plot. Most commonly, a cemetery will sell the grave site and require that endowment care be purchased as a part of the grave site. The purchase of a vault or liner and opening and closing of the grave are also frequently required by cemeteries in order to purchase a plot. Only rarely will a cemetery require that a vase and/or headstone be purchased as a part of the grave site.

Title 22, CCR, Section 50477, states that burial plots, vaults, or crypts are exempt. Welfare and Institutions Code, Section 12152, exempts burial trusts and prepaid burial contracts up to \$1,800 if they are irrevocable while the person is on public assistance. This limit was implemented by All County Welfare Director's Letter 84-20 and is included in a proposed revision to Section 50479 of Title 22, CCR.

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No specific provision is made in Medi-Cal regulations for exemption of headstones, monuments, or grave markers. However, depending on the terms of the purchase, these items may be considered as either part of the burial plot and thus exempted or as a prepaid burial contract and therefore exempt if the \$1,800 limit is not exceeded.

Generally, headstones may be purchased in one of three ways. These purchase options are discussed below along with the proper treatment for Medi-Cal purposes:

Situation I:

The headstone is purchased along with the plot. The plot cannot be purchased except in a package which includes the headstone.

Response:

In this case the headstone would be exempt as it is necessary to the purchase of the plot and may be considered part of the plot. (Section 50477.)

Situation II:

The headstone is purchased, either along with the plot or separately, but is not required in order to obtain the plot. However, the headstone is carved (except for the date of death) and installed on the grave site.

Response:

Where a headstone has been installed on the grave site, it must be considered part of the plot in accordance with Section 50074 which states in part, "Real property means land and improvements which generally includes any immovable property attached to the land...". Therefore, the headstone would be exempt as part of the plot. (Section 50477.)

Situation III:

A headstone is ordered and paid for, whether or not at the time the plot is purchased, and is not required to purchase a plot. The headstone will not be carved and installed on the grave site until the purchaser's death.

Response:

This type of arrangement is a prepaid burial contract and, when the value is combined with other prepaid burial contracts or burial

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trusts, is exempt if the total value does not exceed \$1,000 if it is revocable (Section 50479) and \$1,800 if it is irrevocable.

When dealing with any goods or services related to burial plots, the following guideline should be used.

Where goods or services are required in order to purchase the plot or are permanently installed in the plot, they should be treated as an integral part of the plot and exempted.

Please note that an itemized invoice showing the purchase of a grave site and other goods or services cannot be considered an indication of whether those goods and services were optional purchases. Such itemization is required by state law and will be shown even where the individual must purchase the entire package when buying a burial plot.

2. How are caskets treated?

Answer:

The value of one burial space held for the purpose of providing a place for the burial of an individual, his/her spouse, or a member of his/her immediate family is fully excludable. The funds in trust for the purchase of a burial space (defined to include not only a grave site but also a burial receptacle, vault, urn, or casket) is excluded from the calculation made to determine Medi-Cal eligibility.



MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

**ARTICLE 9—PROPERTY
9L—EXCESS PROPERTY APPLIED TO MEDICAL BILLS**

SCOPE:

This procedure instructs counties how to inform providers not to bill Medi-Cal for services when payment, encumbrances, or liens of excess property have enabled the applicant/beneficiary to establish or maintain Medi-Cal eligibility for that month.

BACKGROUND:

Section 14019.3(d), Welfare and Institutions Code specifically prohibits billing Medi-Cal and reimbursing beneficiaries for services paid for, or obligated by an applicant/beneficiary to meet the share of cost or to establish eligibility.

WHEN TO USE THIS PROCEDURE:

The following procedure shall be implemented effective July 1, 1992 through the use of information obtained from the Statement of Facts (MC 210) and the interview process.

There are three situations (other than the share of cost process) in which a beneficiary, rather than Medi-Cal, remains liable for medical expenses incurred by him/her in a month for which Medi-Cal is requested.

Situation 1: When an applicant has medical bills in a month for which retroactive coverage is being requested and he/she specifies excess property was reduced, encumbered, or liened to pay those bills before the end of that retroactive month.

Situation 2: When an applicant specifies that excess property was reduced during the month of application, through payment of, or encumbrances or liens to pay for medical expenses.

Situation 3: When a period of ineligibility due to a transfer of property occurring before January 1, 1990 expires mid-month and actual medical expenses in that month were used to reduce the period of ineligibility. Only the actual medical expenses used to reduce the period of ineligibility, or used to meet that month's share of cost, may not be billed to Medi-Cal. All other medical services may be billed to Medi-Cal.

NOTE: Under the share of cost process, where a beneficiary's excess income must be applied towards his/her medical care, providers are clearly aware of which services may not be billed to Medi-Cal. Please note the same medical expenses cannot be used to meet an applicant or beneficiary's share of cost.

PROCEDURE:

The Statement of Facts for Medi-Cal (MC 210), includes questions related to this issue. If you are completing an eligibility determination involving one of the three situations listed above:

1. Complete the Medi-Cal—Notice to Providers—Clarification of Liability (MC 174), with the information (regarding medical bills and property) that you have obtained from the applicant/beneficiary. Complete a separate notice for each provider of services.

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2. Have the applicant/beneficiary complete, sign, and date the authorization for release of information on each MC 174.
3. Mail the original of each MC 174 to the provider listed.
4. Provide a copy of each MC 174 to the applicant/beneficiary.
5. Maintain a copy of each MC 174 in the case record for audit purposes.

EXAMPLES:

The following examples illustrate cases in which applicants/beneficiaries remain liable.

Example 1: A single father of two children went into the hospital and incurred \$10,000 worth of medical bills in that month. He had \$5,000 in a savings account. He was discharged in that same month. He withdrew his money and paid his hospital bill in that month. The following month he went into the county to apply for retroactive coverage. On the Statement of Facts and during the interview he states, and provides verification, that he was in the hospital, that the total bill was \$10,000, and that he paid \$5,000 of the bill with the money from his savings account. In addition, the person had a \$10,000 life insurance policy with a cash value of \$300 and a checking account with \$500, for a total of \$800 of nonexempt property in the retroactive month.

The property reserve limit is \$3,150 for a Medi-Cal Family Budget Unit (MFBU) of three. The family is under the appropriate property limit. However, had the father not spent the \$5000, he would have been over the property limit in that retroactive month. The county must determine what portion of the \$5000 spent on medical expenses represented excess property.

\$5000	Property Spent on Medical Care
<u>800</u>	Cash Surrender Value & Checking
\$5800	Total
<u>-3150</u>	Property Limit
\$2650	Would Have Been Excess Property

Therefore, of the \$5,000 this person paid toward his medical expenses, only \$2,650 was excess property which may not be reimbursed to the person. If the person is determined eligible for Medi-Cal, the county should complete the MC 174 informing the hospital that Medi-Cal is not liable for \$2,650 of the \$10,000 bill. If the family has no share of cost, the hospital must bill Medi-Cal for the services minus the \$2,650 of the \$5000 which the beneficiary paid. The hospital must reimburse \$2,350 (\$5000-\$2650) to the beneficiary once Medi-Cal pays the claim.

NOTE: None of the \$2650 in medical expenses in the example above, may be used to meet the applicant/beneficiary's share of cost should there be one. If the applicant/beneficiary in the example above had a share of cost, all or a portion of the \$2350 which the applicant/beneficiary paid the hospital could have been applied toward the applicant/beneficiary's share of cost. If any were used toward the share of cost, that portion listed on the MC 177 could not be billed to

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

were used toward the share of cost, that portion listed on the MC 177 could not be billed to Medi-Cal or reimbursed to the applicant/beneficiary.

Example 2: A single parent with one child applies for Medi-Cal in the middle of a month because his/her child was injured and incurred medical expenses amounting to \$800. Assume no income was, or will be, received in that month. This is a two person MFBU so the property limit is \$3,000.

The person provides verification which indicates that he/she had \$4,000 in a checking account at the beginning of the month. At the time of application, the verification shows a balance of only \$2,400. When asked what he/she spent the excess property on, the parent says that rent was \$600, utilities were \$100, groceries amounted to another \$100 and he/she paid the medical bill of \$800. The property reserve limit is \$3,000; the nonexempt property is \$2,400, so the family meets property limits. However, had the \$800 medical bill not been paid, the family would have had excess property. Since the \$800 was spent on medical expenses, the county must determine what portion represented excess property.

\$ 800 Property Spent on Medical Care
+ 2400 Checking
\$ 3200 Total
- 3000 Property Limit
\$ 200 Would Have Been Excess Property

Therefore, of the \$800 bill, only \$200 was excess property. In this case, the MC 174 should be completed indicating that the beneficiary is liable for only \$200 of the \$800 bill. The hospital must bill Medi-Cal for services of \$600 (\$800-\$200). The beneficiary will be reimbursed \$600 once Medi-Cal pays the claim.

Example 3: The county has calculated a period of ineligibility for an institutionalized individual due to a transfer of property occurring before January 1, 1990. That person incurred (but did not yet pay) additional medical expenses of \$2,000 in the month.

Up to \$2,000 may be used to reduce the period of ineligibility. However, assume that only \$100 of the \$2,000 reduces the period to zero which ends the period of ineligibility mid-month. The county should complete the MC 174 indicating that the beneficiary is liable for \$100 of the expenses. The remaining expenses may be applied to the share of cost, if any, or billed to Medi-Cal. In this case, since the beneficiary had not yet paid any of the expenses, he/she will not receive any reimbursement from the provider.



MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

Division of CalMedica - Health Care Financing Agency

Department of Health Services

MEDI-CAL INFORMATION NOTICE TO PROVIDERS
CLARIFICATION OF LIABILITY

NOTE: If you are not a Medi-Cal provider
please disregard this notice.

Provider's name _____
Address _____
City, State, and Zip _____

Dear _____
(Provider's name)

This is to provide you with notification that the Medi-Cal Program is not liable for services provided:
La presente es para notificarle que el programa de Medi-Cal no es responsable de los servicios proporcionados:

To: _____
A: _____
(Name of beneficiary) (Nombre del beneficiario)

On: _____ totaling \$ _____
Enc: _____ con un total de _____
(Date of service) (Fecha de servicio)
_____ totaling \$ _____
_____ con un total de _____
(Date of service) (Fecha de servicio)
_____ totaling \$ _____
_____ con un total de _____
(Date of service) (Fecha de servicio)

The expenses indicated above were used by the beneficiary to reduce the value of excess property to establish or maintain Medi-Cal eligibility for the month of _____ 19____. Under Section 14019.3(d), Welfare and Institutions Code, the beneficiary is not entitled to a refund or release of his/her liability for these expenses. (Medi-Cal is not liable for these medical expenses.) None of these expenses used by the beneficiary to reduce the value of his/her excess property, may be used to meet his/her share of cost.

Los gastos que se indican arriba fueron usados por el beneficiario para reducir el valor de bienes en exceso, para establecer o continuar reuniendo los requisitos para Medi-Cal para el mes de _____ 19____. En conformidad con la seccion 14019.3(d) del Código de Bienestar e Instituciones, el beneficiario no tiene derecho a reembolso o liberacion de su responsabilidad con relacion a estos gastos. (Medi-Cal no es responsable de estos gastos medicos.) Ninguno de estos gastos que uso el beneficiario para reducir el valor de sus bienes en exceso, puede ser usado para cumplir con su parte del costo.

(County welfare) (Departamento de bienestar) (Printed name) (Nombre de beneficiario) (Date of service)
PERMISSION TO RELEASE INFORMATION PERMISO PARA REVELAR INFORMACION
I give my permission to the County welfare department to release this information to _____
to: _____
(Provider's name)
Doy mi permiso al departamento de bienestar del condado para que revele informacion a _____
a: _____
(Name of provider)

Form 117: County Welfare (1/82)

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

ARTICLE 9—PROPERTY

9M—PAYMENTS FOR REPAIR OR REPLACEMENT OF LOST, DAMAGED, OR STOLEN EXEMPT PROPERTY

POLICY

Cash payments (including funds received for the purchase of temporary housing) or in-kind replacement received from any source for purposes of repairing or replacing exempt property that is lost, damaged, or stolen is exempt property in the month of receipt and is exempt property for nine months from the date of receipt. Any of the cash that is not used to repair, replace, or contract for the repair or replacement of the exempt property will be countable property beginning with the month after the nine-month period expires.

TREATMENT OF INTEREST

Interest earned by funds exempt under this provision is exempt from income and resources for the period during which the funds themselves are excluded from resources.

GOOD CAUSE

If the individual still intends to repair or replace the exempt property and has not yet done so, the initial nine-month period shall be extended for a reasonable period up to an additional nine months where the county finds that the individual has good cause for not repairing, replacing, or contracting for the repair or replacement of the exempt property. The county shall find that the individual has good cause when circumstances beyond his or her control prevent the repair, replacement, or contracting for the repair or replacement of the exempt property.

If the county finds that an individual has good cause, any unused cash is included in the property reserve beginning with the month following the month in which the good cause extension period expires. Discuss with the individual how much additional time is needed and why. On the basis of that discussion, extend the exclusion period for up to an additional nine months.

If the evidence does not establish good cause, include the unspent payment(s) in the property reserve beginning with the month following the month in which the exclusion period expires.

INTENDED USE OF FUNDS

a. During the first nine months

What the individual intends to do with the funds does not affect their exclusion for the first nine months.

b. During the extension period

An individual cannot qualify for an extension of the original nine-month exemption unless he/she intends to use the funds for their designated purpose. The extension will terminate as of the date of the change of intent. Any previously exempt, unspent funds shall be included in the property reserve beginning with the month following the month in which the initial period ends or extension period terminates.

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURES SECTION

SOURCE OF FUNDS

There are no restrictions on where cash and/or an in-kind item comes from for purposes of this exemption (i.e., it may come from an insurance company, a federal or state agency, a public or private organization, or an individual). However, where funds are received from a federal, state, local, or some other disaster assistance organization, such funds are to be exempted in accordance with the provisions regarding disaster assistance payments issued January 21, 1992 in All County Welfare Directors Letter No. 92-08.

VERIFICATION

The verification must show the source, value, date(s), and intended purpose of the item received, including whether any cash received is for a purpose other than the replacement or repair of the lost, damaged, or stolen (and exempt) property. Obtain a copy of any evidence the individual has. If the individual cannot provide evidence that suffices for a determination, obtain the necessary information from the source of the payment(s). Do so by telephone, if possible, recording the facts in the case record.