

DEPARTMENT OF HEALTH SERVICES

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September 27, 2000

TO: All County Welfare Directors
All County Administrative Officers
All County Medi-Cal Program Specialists/Liaisons
All County Public Health Officers
All County Mental Health Officers

Letter No.: 00-51

QUESTIONS AND ANSWERS REGARDING THE 250 PERCENT WORKING DISABLED (WD) PROGRAM

Ref.: All Counties Welfare Directors Letter (ACWDL) No. 00-16

Over the course of the implementation process for the 250 Percent WD program, some counties have posed several questions regarding different aspects of the program. The purpose of this ACWDL is to share with all counties our responses to the most frequently asked questions. Subsequent questions and answers concerning the 250 Percent WD program will be shared with counties via E-Mail/ACWDL on an ongoing basis.

1. Q: Are family members who are not disabled or Medically Needy in the MFBU with the 250 Percent WD eligible?

A: No. The 250 Percent WD eligible is in his or her own MFBU. He/she is treated as "Other Public Assistance"; Exception: If there is an eligible 250 Percent WD couple, they are together in the same MFBU.

2. Q: Can the 250 Percent WD eligible be ineligible in his/her family's MFBU?

A: No, but counties must first look at the entire family, including the working disabled person first for Section 1931(b) eligibility. Then, if the entire family is ineligible, the working disabled person is looked at for the 250 Percent WD program. If he/she is eligible, he or she is considered "other PA" and is in his/her own MFBU. Then, the rest of the family is reviewed again for the Section 1931(b) program without the 250 Percent WD in that MFBU. If the family is ineligible for Section 1931(b), usual Medi-Cal procedures are followed to determine the family's eligibility for other Medi-Cal programs.

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3. Q: Are 250 Percent WD child applicants required to be working or just disabled with working parents?

A: A child would have to meet the same work requirements as an adult to be eligible for the program.

Note: The MC 338 B line 3 should be corrected. As indicated below, other disability income of the child is excluded rather than included.

4. Q: Whose MFBU would a 250 Percent WD disabled child be in if a parent also qualifies for the program?

A: The 250 Percent WD child is considered a single individual and will be in his/her own MFBU.

5. Q: Should counties evaluate an applicant for the program if he/she has been denied under the Substantial Gainful Activity (SGA) rules?

A: Yes, SGA does not apply to the 250 Percent WD program. In addition, Medi-Cal rules require, that if a person is ineligible under one program, he/she is to be evaluated under all other Medi-Cal programs.

6. Q: What are the reporting requirements for the program?

A: An aged, blind or disabled person in an MFBU with no AFDC-MN or MI persons has no status reporting requirements. Since the 250 Percent WD person is disabled and in his/her own MFBU, he/she has no status reporting requirements, but is required to report all changes (e.g., earnings, name/address changes) to his/her county eligibility worker within ten days of the change as required for other Medi-Cal programs.

7. Q: If the family of the 250 Percent WD beneficiary reports changes in income on the status report, does the county also re-compute eligibility and premium amount for the 250 percent WD beneficiary?

A: Yes.

8. Q: Will DHS do any discontinuances for such things such as client request, death of recipient, loss of legal residence or loss of contact?

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A: No. If such information is received by DHS with a premium payment, the information will be forwarded to the 250 Percent program coordinator for that county for appropriate action. DHS will only effectuate discontinuances for failure to pay premiums.

9. Q: Has there been any outreach to the disabled population informing them of the program?

A: Yes, on February 25, 2000, DHS presented an overview of the program to advocates for the disabled and some County Social Services personnel. We plan to release flyers to disabled individuals who are identified in the in the disability Aid Codes. These flyers are scheduled for release by September 1, 2000. Further, special flyers have been released to the Departments of Rehabilitation and Mental Health to distribute to participants in those programs. No further outreach is planned at this time.

10. Q: Will the annual renewals be performed the same as other Medi-Cal programs?

A: Yes, there is no change in this process for the 250 percent WD program.

11. Q: Is there a Medicare Part "B" buy-in provision for this program?

A: Yes, 250 Percent WD program beneficiaries will be entitled to a state Part "B" buy-in.

12. Q: How is "work" defined for purposes of this program?

A: For purposes of the 250 Percent WD program only, "work" is undefined. Guidelines received from the Health Care Financing Administration state that an eligible need only provide proof of employment (e.g., pay stubs or written verification from employer verifying employment). If an applicant or beneficiary is self-employed, he/she is required to provide bonified records (e.g., contracts (which might include work-duration, and W-2 forms)) to substantiate "work". Also, for the independent contractor, verification may also be provided with a 1099 IRS form, as proof of income and

employment. A beneficiary is considered working if he/she is receiving vacation or sick leave pay from their employer.

13. Q: What is In-Kind Support and Maintenance (ISM) and how is it treated?

A: ISM is defined as any food, clothing or shelter that is either given to a 250 Percent WD eligible or received by him/her because it was paid for by another person.

There are two ways to value the dollar amount of the ISM given to or received by the eligible.

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

(Detailed information is provided in Section VII of the draft procedures which are attached to ACWDL 00-16).

14. Q: Since the mail-in application will be in effect in the near future, do we use the SAWS 2 for an application in conjunction with the MC 219 and MC 13?

A: Counties should use the MC 210 if possible because it is a shorter form. The SAWS 2 form is longer and has non-Medi-Cal questions. Counties should send the MC 219 (Rights and Responsibilities form), the MC 007 (Property form) and the MC 13 (Citizenship and Alienage form) to the applicants.

15. Q: If the family does not return the Quarterly Status Report and is discontinued, will the 250 Percent WD case also be discontinued?

A: No, because there are no quarterly status reporting requirements for the 250 Percent WD program.

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16. Q: Can a 250 Percent WD eligible qualify for the In-Home Supportive Services (IHSS) program?

A: A 250 Percent WD eligible is not precluded from IHSS eligibility, but he/she would have to meet the IHSS' program requirements in the same way as all other Medi-Cal beneficiaries have to. Note: Neither the IHSS-residual nor the Personal Care Services Program (PCSP) components of IHSS cover services outside of the home. This means that attendant care services for a person working outside the home are not covered.

17. Q: Should the CWD use the MC 338 F to discontinue for reasons other than failure to pay premiums? Or, will there be a NOA to discontinue for other reasons?

A: No. The MC 338 F is a Medi-Cal Eligibility Data Systems (MEDS)-generated form which is to be used only by DHS to discontinue a person for failure to pay premiums. Counties which are discontinuing the beneficiary for other reasons should use a form already in use by that county or should adapt one of its forms.

18. Q: Is there a denial NOA?

A: No.

19. Q: Is the county required to make an automatic redetermination of eligibility for any other Medi-Cal program if a 250 Percent WD is being discontinued for reasons other than failure to pay premiums? Draft procedures only address a redetermination for a discontinuance due to failure to pay premiums.

A: Yes, counties must always follow Medi-Cal provisions which require that they review a person's eligibility for other Medi-Cal programs when a person is found ineligible for the program they are already in. The draft procedures only addressed the situation regarding failure to pay premiums because that situation is unlike most other discontinuances because DHS, not the counties, is implementing the discontinuance and DHS will be alerting counties when this happens.

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20. Q: Does earned in-kind qualify as earned income if the earned in-kind is the only earnings?

A: Yes.

21. Q: Is the \$50 disregard allowed on child support income?

A: No, there is a different disregard. See draft procedures Section VI. B. 2(v) which specifies that one-third of child support received by a child is disregarded before the remainder is treated as unearned income.

22. Q: When the beneficiary stops working, what is the month of ineligibility?

A: The month of ineligibility begins on the first of the month following the month that such work ceased, unless there is good cause for the cessation of work. Good cause includes such reasons as hospitalization, an inability to work that is directly related to the disability, a worksite closure, or a loss of current transportation and no alternative means of transportation is available. If good cause exists and the beneficiary meets all other eligibility requirements, the county shall continue the eligibility of

the beneficiary for two months following the month that work ceased. Timely and adequate notice of the discontinuance must be given before the discontinuance can occur.

23. Q: When can premiums be increased or decreased?

A: The requirements are similar to those for increases or decreases in the share of cost program. If the 250 percent eligible reports an increase or decrease in income, the county will make the determination as to whether this information will affect the amount of the premium.

If it is determined that the premium has to be increased, the county must send a timely and adequate notice of action before posting the premium increase to the Medi-Cal Eligibility Data System (MEDS). Because this is a premium payment system, MEDS will process this transaction as follows: If DHS has not posted the premium payment for the month in

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which the county is proposing an increase, the premium increase will be effective in the month specified by the county. If the premium payment has been posted that month, MEDS will reject that transaction and inform the county of the rejection transaction. If the increase is to be ongoing, MEDS will post the increase in the pending month.

If the county is proposing a decrease in the premium, MEDS will accept the reduced premium amount for any month, regardless of whether a premium payment is already posted for that month. If a premium has been posted, MEDS will not decrease the premium until the pending month, but will credit the overpaid premium payment to the beneficiary's account for use at another time. If no premium payment has been posted, MEDS will post the decrease in the month in which the county requested the decrease.

24. Q: If a spouse's/parent's income is deemed to the Working Disabled individual, is any of that income not used in determining the rest of the family's share of cost.
- A: Yes. The process is similar to how the Medically Needy (MN) program accounts for the income of an MN beneficiary who deems income to an SSI spouse or CalWORKs family. Under the MN program, the amount of the SSI cash grant that is reduced because income is deemed from the MN beneficiary is an income deduction when determining the MN share of cost. With respect to the 250 Percent WD program, any increase in the premium for the 250 Percent WD beneficiary due to deemed income of a spouse or parent is then an income deduction when used in an eligibility determination (such as the Section 1931(b) determination) or in the MN share of cost computation. This means the county must complete a premium calculation twice: Once with spousal/parental deeming and then again without such deeming. Enclosure 1 contains a draft copy of the MC 338 J which can be used for this determination.
25. Q: If an individual can still be a child up to age 22 if a student, is there still parental deeming?

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A: No, parental deeming stops in the month after the student/child turns age 18. However, he or she is still eligible for the student deduction of \$400 per month up to \$1,620 per year.

26. Q: In determining whether a 250 Percent WD applicant meets the SSI/SSP test, will the SSI/SSP payment level vary according to the applicant's living situation?

A: Yes. The SSI/SSP payment levels vary according to the individual's living situation and these payment levels will vary for applicants applying for the

250 Percent WD program. For example, an aged applicant who lives alone in an independent living situation has a \$692 SSI/SSP payment level. An aged applicant who lives in a nonmedical facility without in-kind

room and board has an SSI/SSP payment level of \$847. The year 2000 SSI/SSP payment level chart was distributed in ACWDL 99-66. We are also attaching that chart to this letter (see Enclosure 2).

27. Q: The MC 338 B is the 250 percent and SSI/SSP Income Test Worksheet for a child. Part III, Line 3 says to include any other disability income of the child in the computation. Is this correct?

A: No. Any disability income of the child should be exempt in these income tests. The form will be corrected.

28. Q: All County Welfare Directors Letter 00-16 identifies immigrants that are not eligible for the 250 Percent WD program. Which categories of immigrants are eligible for the program?

A: The immigrants who are potentially eligible for the 250 Percent WD program include qualified aliens and some aliens who are Permanently Residing in the United States Under Color of Law (PRUCOL). Qualified aliens include:

- Lawful Permanent Residents.
- Aliens Granted Asylum under section 208 of the Immigration and Nationality Act (INA).

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- Refugees admitted to the United States under section 207 of the INA.
- Aliens paroled into the United States under INA section 212(d)(5) for at least one year.
- An alien whose deportation is being withheld under section 243(h) of the INA.
- An alien granted conditional entry under section 203(a)(7) of the INA.
- An alien who is a Cuban and Haitian Entrant as defined in section 501(e) of the Refugee Education Assistance Act of 1980.
- Battered aliens who meet the requirements for qualified alien status.

Under our current policy, all qualified aliens are potentially eligible for the 250 Percent WD program. PRUCOL aliens who are not in one of the qualified alien categories are potentially eligible for this program only if they are lawfully residing in the United States and were receiving SSI on August 22, 1996. The PRUCOL aliens who are not in one of the qualified alien categories were listed in ACWDL 00-16. Aliens eligible for restricted scope Medi-Cal are not eligible for the 250 Percent WD program.

If you have comments or need additional clarification regarding the information provided in this letter, please contact Terry Durham of my staff at (916) 657-2701. Questions or comments pertaining to immigrant status in regards to the 250 Percent program should be directed to Mr. John Zapata at (916) 657- 0725.

Sincerely,

ORIGINAL SIGNED BY
RICHARD BRANTINGHAM for

GLENDARELLANO, Acting Chief
Medi-Cal Eligibility Branch

Enclosures

State of California

Department of Health Services

PREMIUM DIFFERENTIAL WORKSHEET FOR THE 250 PERCENT WORKING DISABLED PROGRAM

Case Name _____

Case Number _____

Applicant(s) Name(s) _____

This form is used to determine the impact of spousal or parental deeming on the premium being charged a 250 Percent Working Disabled (WD) beneficiary. Any increase in premium due to such deeming is an income deduction against the income of the spouse or parent(s) in computing their eligibility or share of cost in other Medi-Cal programs.

This determination is not completed if there is no spousal or parental deeming. Note: Parental deeming stops in the month after a child turns age 18.

I. Premium based on spousal or parental deeming.

If the 250 Percent beneficiary is an adult, complete the MC 338 with spousal deeming. If the beneficiary is a child under age 18 or in the month of his/her 18th birthday, complete the MC 338 B, with parental deeming.

1. Enter total countable income from line 20, Section I of the MC 338 or line 13, Section III of the MC 338B. _____

2. Enter the amount of the premium based on income on line 1 _____

II Premium without spousal or parental deeming.

Complete the following for only the beneficiary:

3. Enter amount of Retirement and Survivors Social Security. Do not include any disability income. _____

4. Enter any other unearned income, including net income from property. _____

5. Add line 3 and line 4. _____

6. Subtract the \$20 any income deduction to get net nonexempt unearned income. (-20) _____

7. Enter gross earned income. _____

8. Subtract \$_____ of IRWE. _____

9. Add \$65 and \$_____ of any unused portion of the any income deduction and enter. _____

10. Subtract line 8 from line 7. Enter zero if a minus. _____

11. Divide line 10 by 2 to get net nonexempt earned income. _____

12. Add amount from line 6 and 11 to get total net nonexempt income. _____

13. Enter premium amount based on line 12. _____

Premium Differential

Subtract line 2 from line 12. Enter zero if a minus. _____

This is the amount of the income deduction to be applied against the income of the deemor(s).

P I C K L E H A N D B O O K

SSI/SSP
SECTION 16--PAYMENT STANDARDS
JANUARY 1, THROUGH DECEMBER 31, 2000

	Independent Living Arrangement			Household of Another with In-Kind Room and Board			Independent Living Arrangement Without Cooking Facilities (RMA) ^{1/}			Nonmedical Board and Care Licensed Facility/Household of Relative Without In-Kind Room & Board		
	Total	SSI (FBR)	SSP	Total	SSI (FBR)	SSP	Total	SSI (FBR)	SSP	Total	SSI (FBR)	SSP
INDIVIDUAL:												
Aged or Disabled	692.00	512.00	180.00	529.00	341.34	187.66	765.00	512.00	253.00	847.00	512.00	335.00
Blind	749.00	512.00	237.00	599.00	341.34	257.66				847.00	512.00	335.00
Disabled Minor*	593.00	512.00	81.00	421.00	341.34	79.66				847.00	512.00	335.00
NMOHC ^{2/}				679.00	341.34	337.66						
COUPLE:												
Both are:												
Aged or Disabled												
Per Couple	1,229.00	769.00	460.00	1,006.00	512.67	493.33	1,375.00	769.00	606.00	1,694.00	769.00	925.00
BLIND:												
Couple--Both are blind												
Per couple	1,424.00	769.00	655.00	1,202.00	512.67	689.33				1,694.00	769.00	925.00
BLIND/AGED OR DISABLED:												
Couple One is blind, the other is aged or disabled												
Per Couple	1,351.00	769.00	582.00	1,128.00	512.67	615.33				1,694.00	769.00	925.00
NMOHC ^{2/}												
Per Couple				1,396.00	512.67	883.33						
NONMEDICAL BOARD AND CARE						FEDERAL BENEFIT RATE (FBR)						
TOTAL:	<u>Minimum</u> \$ 847.00		<u>Maximum</u> \$ 847.00		INDIVIDUAL: \$ 512.00							
Board and Room	\$ 363.00		\$ 363.00		Aged, Blind, or Disabled							
Care and Supervision	\$ 310.00 Min.		\$ 386.00 Max.		COUPLE: \$ 769.00							
Personal and Incidental Needs	\$ 174.00 Max.		\$ 98.00 Min.		Aged, Blind, or Disabled							
<p>Independent living arrangement for a disabled minor means living in the home of his/her parents. Household of another is used if both the disabled minor and his/her parents live in the household of someone else, i.e., grandparents, etc.</p> <p>^{1/} RMA - Restaurant Meals Allowance</p> <p>^{2/} NMOHC² - Nonmedical out-of-home care living in household of relative or guardian with in-Kind Room and Board.</p>												