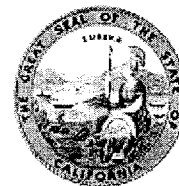


Department of Health Services



California
Department of
Health Services

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June 19, 2003

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 03-34
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: CHANGES IN THE INCOME DISREGARD (200 PERCENT) PROGRAM
FOR PREGNANT WOMEN

This letter addresses the Income Disregard program as it applies to pregnant minors whose applications for Medi-Cal are made on their behalf by a parent or caretaker relative. It does not address the Minor Consent program for pregnant minor women. That program remains unchanged and minors wishing their pregnancy services to be confidential are to be evaluated under Minor Consent program rules.

Effective immediately, all income from a parent or parents of a pregnant minor who live together in the home is disregarded when determining eligibility for the Income Disregard (200 Percent) program if the pregnant minor is not eligible using regular rules. This includes a pregnant minor who is between the age of 18 and 21 and claimed as a tax dependent by her parents even though she does not live in the home of her parents. Under this new disregard provision, only the net nonexempt income of the pregnant minor, the unborn child's father, or her spouse, if applicable, will be counted in the determination. All other program rules for the Income Disregard Program described in the Medi-Cal Eligibility Procedures Manual Articles 5K, 8F, and 8G still apply when determining eligibility under this revision.

Should counties become aware of any cases where the pregnant minor had a share-of-cost (SOC) or a SOC and excess property due to parental income and resources, counties should redetermine eligibility using the parental income disregard under the new Income Disregard rules retroactive to January 1, 2002.



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EXAMPLE 1: UNMARRIED PREGNANT MINOR LIVING WITH HER PARENTS

The family consists of an unmarried pregnant 17-year-old citizen woman living with her parents. The minor is not deprived and the family is not eligible for the Section 1931(b) or the Medically Needy (MN) program. The county has determined that she has a SOC in the Medically Indigent (MI) program. If the county had evaluated the pregnant woman for the Income Disregard program using previous rules, she would not be eligible due to her and her parent's income. Assume the income is net nonexempt.

Previous Income Disregard Program Rules

<Pregnant Minor's Mother>	\$1,500
<Pregnant Minor's Father>	\$2,000
Pregnant Minor	\$ 500
Unborn	\$ <u>0</u>
Total	\$4,000
Limit for Four	\$3,017

When the county uses the new parental income disregard provision, the pregnant minor is now eligible since only her income is used.

Revised Parental Income Disregard Provision

Pregnant Woman	\$ 500
Unborn	\$ <u>0</u>
Total	\$ 500
Limit	\$1990

The minor should be reported to the Medi-Cal Eligibility Data Systems (MEDS) using the usual secondary aid code of 44 for pregnancy-related services only. She will have a SOC in the MI program for non-pregnancy services and may be reported to MEDS with a primary aid code of 83. If she did not have satisfactory immigration status, she would be reported to MEDS with a secondary aid code of 48, with a primary aid code of either 58 or 5F.

EXAMPLE 2: 20-YEAR-OLD PREGNANT WOMAN IN HER LAST TRIMESTER LIVING WITH HER PARENTS AND THE UNBORN CHILD'S FATHER (BOYFRIEND)

A 20-year-old pregnant woman in her last trimester is applying for Medi-Cal. Her parents are not requesting benefits. Since she is considered to be an adult for the Section 1931(b) program, she may apply on her own behalf. Assuming the unborn would be deprived if born, the county should evaluate her for that program first. Her 21 year-old unemployed boyfriend (father of unborn) is not eligible for this program until the baby is born since they have no other children. Assume the income is net nonexempt.

Section 1931(b)

Pregnant woman	\$ 900
Unborn	\$ 0
<Boyfriend>	<u>\$ 0</u>
Total	\$ 900
Limit	\$1252

MN Program

Boyfriend \$0

The pregnant woman is eligible for the Section 1931(b) program. The boyfriend is eligible for the MN program until the baby is born. He may then be aided in the Section 1931(b) program.

Note: The new parental disregard provision had no impact in this scenario.

EXAMPLE 3: 18-YEAR-OLD PREGNANT WOMAN IN HER FIRST TRIMESTER LIVING WITH HER PARENTS AND HER UNBORN CHILD'S FATHER (BOYFRIEND).

This pregnant unemployed 18-year-old was evaluated for the Section 1931(b) program as an adult, but is not eligible because either she is not in her last trimester of pregnancy or her income is over the limit. She and her parents should be then evaluated for the MI program because her father is employed and she is not deprived. The minor's parents are now in the Medical Family Budget Unit (MFBU) because she is considered a child in that program. The senior parents have no linkage. Assume the income is net nonexempt. The pregnant minor and her unborn are also in the MN MFBU with the unemployed boyfriend (second parent) to determine if he is eligible.

MI Program

Pregnant Minor	\$1,000
Unborn	\$ 0
<Pregnant Minor's Father>	\$3,000
<Pregnant Minor's Mother>	<u>\$ 500</u>
Total	\$4,500
Limit	\$1,100
SOC	\$3,400

MN Program

<Pregnant minor>	\$1,000
Unborn	\$ 0
Boyfriend	\$ 0
Total	<u>\$1,000</u>
Limit	\$ 934
SOC	\$ 66

Since the pregnant minor has a SOC in the MI MFBU, Sneede rules apply. Sneede rules also apply to the MN MFBU when determining the boyfriend's eligibility because they are unmarried. He appears eligible with zero SOC for the MN program because the pregnant minor does not deem any income to him in the Sneede determination.

Pregnant Minor's Sneede Determination:

<Pregnant Minor's Father> $\$3,000 - \$600 = \$2,400 \div 2 = \$1,200$

<Pregnant Minor's Mother> $\$500 - \$600 = \$0$

Mini Budget Unit (MBU) No. 1

<Pregnant Minor's Father>	\$ 600
<Pregnant Minor's Mother>	\$ 500 + \$1,200
Total	\$2,300
Limit	\$ 934

MBU No. 2

Pregnant Minor	\$1,000 + \$1,200
<Unborn>	\$ 0
Total	\$2,200
Limit	\$ 550*
SOC	\$1,650

*Note: The unborn is counted as a child when determining the Sneede limit for a pregnant mother.

The minor has a SOC in the MI program, is not eligible for the 100 Percent program and should be evaluated for the Income Disregard Program using the new parental income disregard rules.

Revised Parental Income Disregard Provision

Pregnant Minor	\$1000
Unborn	\$ 0
Total	\$1000
Limit	\$1990

The pregnant minor is eligible for the Income Disregard program for her pregnancy related benefits using the new rules.

EXAMPLE 4: STEPPARENT HOUSEHOLD WITH PREGNANT MINOR AND HER BOYFRIEND (PARENT OF UNBORN)

A stepparent household consists of a married couple, the husband's separate unmarried 16-year-old pregnant minor, the minor's unborn child, the minor's unemployed 17-year-old boyfriend (father of the unborn), and the wife's separate ten-year-old child. The entire household applies for Medi-Cal and the father reports his daughter's pregnancy. They are evaluated for the Section 1931(b) program. The minor's boyfriend (father of the unborn) is requesting benefits, but is not eligible for Section 1931(b) until the baby is born. Assume the income is net nonexempt.

Section 1931(b) MFBU No.1

Father	\$2,010
Stepmother	\$ 500
Pregnant minor	\$ 200
Unborn	\$ 0
Stepmother's ten-year-old	\$ 0
Total	\$2,900
Limit	\$2,022

Section 1931(b) MFBU No.2

<Boyfriend>	\$ 200
<Pregnant minor>	\$ 200
<Unborn>	\$ 0
Total	\$ 400
Limit	\$1,252

Since the family members in MFBU No. 1 are over the Section 1931(b) limit, Sneede rules apply. All the persons in MFBU No. 2 are ineligible members.

Father \$2,010 - \$739 = \$1,271 ÷ 2 = \$635.50 Stepmother \$500 - \$739 = \$0

MBU No.1

Father	\$, 739
Stepmother	\$ 500 + \$636
Total	\$1,875
Limit	\$ 995

MBU No. 2

Pregnant minor	\$200 + \$636
Unborn	\$ 0
Total	\$836
Limit	\$835

MBU No.3

10-year-old	\$ 0
Limit	\$498

Only the ten-year-old is eligible for Section 1931(b) in the first month. Evaluate the other family members for the MN program. The ten-year-old is not in the MN MFBU.

MN MFBU No. 1

Father	\$2,010
Stepmother	\$ 500
Pregnant minor	\$ 200
Unborn	\$ 0
Total	\$2,710
Limit	\$1,100
SOC	\$1,610

The second MFBU would consist of the ineligible pregnant minor, her unborn, and the eligible boyfriend (and father of the unborn) and any other children of the minor, if applicable.

MN MFBU No. 2

<Ineligible Pregnant Minor>	\$200
Unborn	\$ 0
Boyfriend (Father of the Unborn)	<u>\$200</u>
Total	\$200
Limit	\$934

The boyfriend is eligible in the MN program. The pregnant minor has a SOC in the MN program is not eligible for the 100 Percent program. Evaluate her for the Income Disregard program.

Income Disregard Program

<Father>	\$2,010
<Stepmother>	\$ 500
Pregnant Minor	\$ 200
Unborn	\$ 0
<10-year-old>	<u>\$ N/A</u>
Total	\$2,710
Limit	\$3,530

The pregnant minor is eligible for the Income Disregard Program. There is no need to proceed to the Revised Income Disregard program. NOTE: If the county used the new parental income provision, the father, stepmother, and the 10 year old sibling would not be included in MFBU thus reducing the family size. In this instance, it was more beneficial for the pregnant minor for the county not to use the parental income disregard provision.

EXAMPLE 5: 18-YEAR- OLD UNMARRIED PREGNANT WOMAN, BOYFRIEND, SIBLINGS, AND HER PARENT

The family consists of an unmarried pregnant 18-year-old woman who is in her last trimester of pregnancy and not enrolled in school, her employed boyfriend (father of the unborn), his separate child with income, the pregnant woman's two siblings age 10 and 15, and the pregnant woman's parent. They all live in the home. Although the pregnant woman is an adult for purposes of the Section 1931(b) program, her unborn is not deprived and she is not an essential person. Therefore, she is not eligible for the Section 1931(b) program. Evaluate her siblings, and her parent for the Section 1931(b) program. The pregnant woman is an ineligible member of her mother's MFBU because her mother requested aid and the pregnant woman is not eligible to apply for Section 1931(b) in a separate case. Assume the income is net nonexempt.

Section 1931(b) Program

Pregnant Woman's Mother	\$2,000
Child No.1	\$ 0
Child No.2	\$ 200
<Pregnant 18-year-old>	\$2,500
<Unborn>	\$ 0
Total	\$4,700
Limit	\$1,765

The family is over the limit; therefore, Sneede rules apply. Pregnant woman's Mother
\$2,000 - \$739 = \$1,261 ÷ 3 = \$420

<u>MBU NO.1</u>	<u>MBU NO 2</u>	<u>MBU No. 3</u>	<u>MBU No. 4</u>
Mother \$739	Child No.1 \$0 + \$420	Child No. 2 \$200+ \$420	<18-Year-Old> \$2,500+\$420
Total <u>\$739</u>	Total <u>\$420</u>	Total <u>\$620</u>	<unborn> \$ 0
Limit \$739	Limit \$498	Limit \$498	Total <u>\$2,920</u>
			Limit \$ 835

The mother and child Number One are eligible for Section 1931(b). Evaluate the other child (Number Two) for the MN program. The pregnant woman is a minor child for this program. No income from the mother or child Number One is considered in the MN determination since they are eligible for Section 1931(b).

<u>MN Program</u>	<u>Sneede MBU No.1</u>	<u>Sneede MN MBU No.2</u>
Pregnant minor \$2,500	Pregnant Minor \$2,500	Child No.2 <u>\$200</u>
Unborn \$ 0	Unborn <u>\$ 0</u>	Limit \$600
Sibling child No.2 \$ 200	Total \$2,500	
Total \$2,700	Limit \$ 750	
Limit \$1,100	SOC \$1,750	
SOC \$1,600		

Sneede rules apply. Sibling Number Two is eligible for the MN program with no SOC. The pregnant minor has a \$1,750 SOC. NOTE: Each MBU has a full income limit because the pregnant minor's mother is not in the MFBU. The pregnant minor's mother and child Number One are eligible for Section 1931(b) are treated as though they were receiving California Work Opportunity and Responsibility to Kids.

Evaluate the pregnant minor for the 100 Percent program.

100 Percent Program

<Pregnant Minor's Mother>	\$2,000
<Child No.1>	\$ N/A
<Child No.2>	\$ N/A
Pregnant 18-year-old	\$2,500
Unborn	\$ 0
Total	\$4,500
Limit	\$1,765

The pregnant 18-year-old is not eligible for the 100 Percent program. Evaluate the pregnant woman for the Income Disregard program.

Income Disregard Program

<Pregnant Minor's Mother>	\$2,000
<Child No. 1>	\$ N/A
<Child No. 2>	\$ N/A
Pregnant 18-year-old	\$2,500
Unborn	\$ 0
Total	\$4,500
Limit	\$3,530

The pregnant woman is not eligible for the Income Disregard program using regular rules. Evaluate her for using the parental income disregard provision.

Revised Parental Income Disregard Provision

Pregnant 18-year-old	\$2,500
Unborn	\$ 0
Total	\$2,500
Limit	\$1,990

The pregnant 18-year-old is not eligible using the parental income disregard provision. She will have a \$1750 SOC in the MN program. Evaluate the father of the unborn and his separate child for Section 1931(b)

Section 1931(b) Program

Father of Unborn	\$880
Separate Child	\$100
Total	\$980
Limit	\$995

The father of her unborn and his separate child are eligible for Section 1931(b).

EXAMPLE 6: MARRIED PREGNANT 19-YEAR-OLD LIVING WITH HER PARENT

A married pregnant 19-year-old living with her 21-year-old husband, their mutual three-year-old child and her parent, age 42. Because the 19-year-old is considered an adult for Section 1931(b), her mother is not included in the Section 1931(b) MFBU and is not eligible because she has no deprived "child". The pregnant woman is incapacitated. Evaluate her, her husband, and their mutual child for Section 1931(b). Assume the income is net nonexempt.

Section 1931(b) MFBU

Pregnant Woman	\$ 750
Unborn	\$ 0
Spouse	\$2,000
Mutual Child	<u>\$ 0</u>
Total	\$2,750
Limit	\$1,509

Since the family failed the Section 1931(b) income test, evaluate them for the MN program to determine their SOC. The pregnant minor's parent is now included in this MFBU because the pregnant minor is considered a child for this program.

MFBU No. 1

<Pregnant Minor's Parent>	\$3,000
Pregnant 19-Year-Old	\$ 750
Unborn	\$ 0
<Spouse>	\$2,000
<Mutual Child>	<u>\$ 0</u>
Total	\$5,750
Limit	\$1,259
SOC	\$4,491

MFBU No. 2

<Pregnant 19-Year-Old>	\$ 750
Unborn	\$ 0
Spouse	\$2,000
Mutual Child	<u>\$ 0</u>
Total	\$2,750
Limit	\$1,100
SOC	\$1,650

MFBU No. 3

Pregnant Minor's Parent	\$3,000
<Pregnant 19-Year Old>	\$ 750
Total	<u>\$3,750</u>
Limit	\$ 750
SOC	\$3,000

Evaluate the pregnant woman and the child for the Percent programs.

Income Disregard Program

<Pregnant Minor's Parent>	\$3,000
Pregnant 19-Year-Old	\$ 750
Unborn	\$ 0
<Spouse>	\$2,000
<Mutual Child>	\$ 0
Total	\$5,750
Limit	\$4,413

133 Percent Program

<Pregnant Mother>	\$ 750
<Unborn>	\$ 0
<Father>	\$2,000
Mutual Child	\$ 0
Total	\$2,750
Limit	\$2,007

The pregnant woman not eligible for the Income Disregard program for her pregnancy-related services using regular Medi-Cal rules. Evaluate her using the parental income disregard provision rules.

Revised Parental Income Disregard Provision

Pregnant 19-Year-Old	\$ 750
Unborn	\$ 0
<Spouse>	\$2,000
<Mutual Child>	\$ 0
Total	\$2,750
Limit	\$3,017

The pregnant woman is eligible for the Income Disregard program using the new parental income disregard rules; however, she has a \$4,491 SOC for her other services. Her child is not eligible for the 133 Percent program and has a SOC of \$1,650. The child should be referred to Healthy Families (HF). The pregnant woman's husband also has a SOC of \$1,650. The pregnant woman's mother has a SOC of \$3,000.

OTHER INFORMATION

Since no income from the pregnant minor's parent(s) is counted, if the pregnant minor's parent applies for her and provides the necessary information about the minor but refuses to provide his/her income or information about himself/herself, counties may make the determination without it. This sometimes occurs when the minor is married and living in the home of the senior parent because the parent considers the child to be an adult.

Counties may skip the regular Income Disregard Program rules if they choose and make the determination using the parental income disregard provision first unless it would be more beneficial to use the regular rules, e.g., the pregnant minor or her boyfriend/spouse have income, her parents have little income, or there are siblings in the home which raises the family size and the income limit. The scenario in Example Four illustrates that situation.

For questions about this change, please contact Ms. Margie Buzdas, of my staff at (916) 657-0726 or mbuzdas@dhs.ca.gov. For questions concerning the Medi-Cal Minor Consent Services program, please contact Mr. Manuel Urbina at (916) 657-2767 or murbina@dhs.ca.gov.

ORIGINAL SIGNED BY

Beth Fife, Chief
Medi-Cal Eligibility Branch