



California
Department of
Health Services

SANDRA SHEWRY
Director

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



ARNOLD SCHWARZENEGGER
Governor

October 29, 2004

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS

Letter No.: 04-33

SUBJECT: SECTION 1931 PROGRAM INCOME STANDARDS INCREASE

The income standards for the Section 1931 Program income eligibility "Test A", applicable to recipients only, provided below, are increasing as described: the new Section 1931 Program income standards provided in the table below are effective for July 1, 2004, through August 31, 2004, then are suspended for September 1, 2004, through November 30, 2004, and then are reinstated effective December 1, 2004, for an indefinite period. During the "suspension" period of September 1, 2004, through November 30, 2004, the applicable income standards will be those in effect during the year 2004 preceding July 1, 2004. The applicable Section 1931 income standards for the period beginning July 1, 2004, are provided below:

**SECTION 1931 INCOME STANDARD UPDATES FOR JULY 1, 2004 & ONWARDS;
APPLICABLE TO SECTION 1931 RECIPIENT (TEST A) CASES ONLY**

Family Size	July 1 – Aug. 31, 2004	Sept. 1 – Nov. 30, 2004	December 1, 2004 and future months
1	398	390	398
2	653	639	653
3	808	793	808
4	961	942	961
5	1,094	1,074	1,094
6	1,229	1,208	1,229
7	1,350	1,327	1,350
8	1,473	1,445	1,473
9	1,591	1,567	1,591
10	1,709	1,701	1,709
More than 10	1,709	+ 14	1,709

This schedule is necessitated in order to reflect the California Work Opportunity and Responsibility to Kids (CalWORKs) income limit schedule published in the CalWORKs "All County Letter" 04-34, dated August 31, 2004, as required by state law which requires the Section 1931 Program to provide Medi-Cal coverage to all individuals qualifying for the CalWORKs Program.

IMPLEMENTATION

The effective date for implementing the income standards described above is December 1, 2004. Beginning December 1, 2004, the income standards listed above will be applied to all Medi-Cal only recipient-cases being evaluated for Section 1931 eligibility. This new income standard, which increases the Section 1931 Program CalWORKs-based income limit, affects only the Section 1931 recipient-only income test (Test A). The other Section 1931 income test (Test B), applicable to both applicants and recipients, which uses 100 percent of the federal poverty level as the income limit, and which is updated April 1 of each year, is not affected by this change.

All cases that could be affected by the retroactive increase in the Section 1931 Program recipient-only income limit must have their Section 1931 eligibility re-evaluated as follows:

1. Evaluate July and August of 2004 Section 1931 Program **Ineligible** Cases Under the Increased Income Standard: All Section 1931 recipient cases that were evaluated for Medi-Cal Section 1931 eligibility in either of these two months that could not pass either of the two income tests (Test A and Test B) applicable to recipients and hence were determined income ineligible for the Section 1931 must be re-evaluated for Section 1931 eligibility under the recipient-only (Test A) income test for these two months. Recipient cases that were evaluated for Medi-Cal Section 1931 eligibility for these two months that were ineligible for reasons other than excess income need not be re-evaluated. The word "case" as used in this All County Welfare Directors Letter (ACWDL) refers to families or individuals within a family. Cases in which some family member qualified for the Section 1931 Program but some families members did not for one or both of these two months, notwithstanding the fact that the family members who did not qualify for the Section 1931 program qualified for some other Medi-Cal program, are included among the cases which must be evaluated pursuant to this paragraph.
2. For September through November, Evaluate Cases Determined Eligible for the Section 1931 Program Under the Provisions of Paragraph One for Section 1931 Program **Ineligibility**: For the three months, September through

November, 2004, the Section 1931 Program income limits for the recipient-only test "fall back" to their "pre-July" levels (see above table). All cases that were determined eligible under paragraph one above, because of the higher Test A income limits, must have their Section 1931 income eligibility re-evaluated under the "old", pre-July Section 1931 income limits for purposes of determining whether they will lose their Section 1931 income eligibility for these three months. Of course, for any such case found to be ineligible due to the Test A income limits "fall back" for any of these three months, which also experienced an decrease in income during an of these three months, must also be evaluated under the Section 1931 Program Test B (the applicant – recipient test).

3. Beginning December, 2004, all recipient cases will have the "new" higher income limit applied when being re-evaluated for the Section 1931 Program under Test A: Specifically, ensure that any cases found ineligible for the Section 1931 program under paragraph two above are re-evaluated for eligibility under this paragraph. In addition, all recipient cases being evaluated for the Section 1931 program Test A will have the "new" higher income limit (see above table) provided in this ACWDL applied.

If you have any questions, please contact Mr. Dave Rappolee of my staff at (916) 552-9517.

Original signed by

Richard Brantingham for
Tameron Mitchell, R.D., M.P.H., Chief
Medi-Cal Eligibility Branch