

DEPARTMENT OF HEALTH SERVICES

714/744 P STREET
S ANIMATO, CA 95814



May 3, 1985

To: All County Welfare Directors
All County Administrative Officers

Letter No. 85-30

THERAPEUTIC WAGES OF PERSONS IN LONG-TERM CARE

SB 2215 (Section 3, Chapter 1458, Statutes of 1984) allows certain Medi-Cal beneficiaries who live and work in a long-term care (LTC) facility to retain a portion of their earnings above the current maintenance need level of \$35.

The amount of earned income from therapeutic wages the individual shall be allowed to retain shall be the lesser of 70 percent of the gross therapeutic wages or 70 percent of the maintenance need level for a non-institutionalized person or family of corresponding size as set forth in Title 22, CAC, Section 50603.

This additional amount is to be added to the \$35 maintenance need when completing the MC 176-M-LTC (Line 15b). The share of cost determination is to be computed in accordance with Title 22, CAC, Section 50653(a)(2) (see copy of sample attached).

Therapeutic wages are wages earned by the individual when all of the following conditions are met:

1. A physician who does not have a financial interest in the long-term care facility in which the individual resides, and who is in charge of the individual's case prescribes work as therapy for the individual.
2. The individual is employed within the same long-term care facility where he or she resides.
3. The individual's employment does not displace any existing employees.
4. The individual has resided in a LTC facility for a continuous period commencing at least five years prior to September, 1984.

Prior to approval, therapeutic wages must be verified by obtaining all of the following documentation:

- 1) A statement from the individual's physician which explains that he/she has no financial interest in the LTC facility in which the individual resides and that the work has been prescribed as therapy for the individual.
- 2) A statement from the facility verifying the individual's employment and that such employment does not displace any existing employees.

- 3) A statement(s) from the facility(ies) verifying that the individual has been an LTC resident continuously since September, 1979.

The Department has filed regulations amending: 1) Title 22, CAC, Section 50095.5 to add therapeutic wages as a definition; 2) Section 50167(c) to require verification of therapeutic wages; and 3) Section 50605 to increase the maintenance need for individuals in LTC who earn therapeutic wages.

In the interim, you are instructed to implement these changes retroactive to October 1, 1984 as the regulations reflecting these changes have been filed on an emergency basis.

If you or your staff have any questions, please contact Maxine Forster at (916) 324-4968.

Sincerely,

Original signed by

Gary Pettigrew for
Doris Z. Soderberg, Chief
Medi-Cal Eligibility Branch

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

EXPIRATION DATE: November 3, 1985

