

DEPARTMENT OF HEALTH SERVICES

714/744 P STREET
P.O. BOX 942732
SACRAMENTO, CA 94234-7320



April 10, 1990

To: All County Welfare Directors
All County Administrative Officers

Letter No: 90-34

SUBJECT: IMPLEMENTATION OF THE 133 PERCENT PROGRAM FOR CHILDREN UNDER AGE SIX

REFERENCE: ACWDL 89-50, 89-103

The purpose of this letter is to provide information on Section 6401 of the Omnibus Budget Reconciliation Act (OBRA) of 1989 which requires States on April 1, 1990, to provide Medi-Cal benefits at no share of cost to eligible children who have attained age one but who have not attained age six if the family income does not exceed 133 percent of the appropriate federal poverty level (FPL).

BACKGROUND

This provision of OBRA 89 which amends Section 1902 of the Social Security Act is similar to the requirements of the 185-Percent program and the 200 percent program except that the program is limited to otherwise eligible children of age one up to the age of six with a family income of 133 percent of the FPL.

PERIOD OF ELIGIBILITY

Eligibility under the 133 Percent program will begin for children who have attained age one but not age six, unless the child's eligibility continues under the 185 or 200 Percent programs because he/she was receiving inpatient services during a continuous period which began before and continues beyond the child's first birthday. Eligibility ceases at the end of the month in which the child attains age 6 unless the child is receiving inpatient services during a continuous period which began before and continues beyond the child's sixth birthday.

BENEFITS AND AID CODES

There will be two groups of children under the 133 Percent Program:

- Aid Code 72 Citizen/lawful permanent resident/PRUCOL/Conditional Status
- No special message will be printed on this Medi-Cal card; full scope benefits.
- Aid Code 74 Undocumented status/temporary visa (OBRA)
- Provides for treatment of emergency medical conditions only. This Medi-Cal card will bear the phrase: "Emergency services only".

These aid codes were formerly used for TPN and kidney dialysis patients. Further instructions will be provided on how to convert those individuals to other codes.

ELIGIBILITY DETERMINATION

1. Regular Medically Indigent (MI) or Medically Needy (MN) Program

Similar to the 185 and 200 Percent programs, the county will continue to first determine whether a child who has attained age one but not age six is otherwise eligible for Medi-Cal and has a share of cost under the regular MI/MN program. If the child has no share of cost, approve aid under the regular MI/MN program. If the net nonexempt family income exceeds the maintenance need level, proceed to step 2.

2. 133 Percent Program

If the child is otherwise eligible and has a share of cost, determine if eligibility can be established under the 133 Percent program. If the net nonexempt family income does not exceed the 133 percent FPL, approve aid under this program. Net nonexempt family income is determined under the same criteria as the 185 and 200 Percent programs, (i.e., do not deduct health insurance premiums, apply only AFDC-MN deductions, do not reduce net nonexempt income by deducting medical expenses used to meet the share of cost, etc.). If the net nonexempt family income is over 133 percent of FPL, deny the case under the 133 Percent program.

Example:

1. Regular MI/MN SOC Program

MFBU - MN

INCOME

Pregnant mom	Robyn	\$1200 net unearned income
unborn		- 40 health insurance premium
3 mo. old	Matthew	
2 yr. old	Ryan	<u>\$1160 net nonexempt income</u>
		-1100 maintenance need level for 4
		<u>\$ 60 share-of-cost</u>

2. 133 Percent Program

The MFBU of the 133 Percent Program consists of Ryan.

Since health insurance premiums, medical expenses used to meet a share of cost, and deductions solely for the aged, blind, and disabled cannot be used to reduce the family's net nonexempt income for this program as well as for the 185 and 200 Percent program, the EW will recompute the family's net nonexempt income.

\$1160 net nonexempt income
+ 40 health insurance premium

\$1200 adjusted net nonexempt income

Compare to 133 percent of the federal poverty level for 4 persons:
\$1408 (effective April 1, 1990).

Ryan is eligible for 133 Percent program.

Robyn, unborn, and Matthew are eligible for 185 Percent Program (compare 185 percent of the federal poverty level for 4 persons: \$1958 effective April 1, 1990).

CASE COUNTS

As in the 185 and 200 Percent programs, cases which include children covered under the 133 Percent program will be counted only once whether or not they

are a new or existing case. Intake activity may be claimed either for an approved application or, where eligibility is not established under this program due to excess family income, for a denied application.

Regardless of the number of eligibles in a case receiving benefits under the 133 Percent program, they are all counted as one 133 Percent case.

Thus, if some of the Medi-Cal Family Budget Unit (MFBU) members are in a 133 percent case, some are eligible for the 185 or 200 Percent Program, and some are just in the regular MFBU, the county would receive three case counts.

FAMILY BUDGET UNITS

The eligible child of age one up to the age of six will be issued a card only under the 133 Percent program at no share of cost rather than from the regular MI/MN program (with a share of cost) since there is no difference in the scope of the benefits under either program. The child will be included in the maintenance need level under the regular MI/MN program and will be treated as an ineligible child (IC) of that Medi-Cal Family Budget Unit (MFBU).

Example

<u>133% Program</u>	<u>185% Program</u>	<u>Regular MI/MN Program</u> (Share of Cost)
2 yr. old	Pregnant Mom unborn 5 mo. old	Unemployed Father Pregnant Mom unborn 5 mo. old (IC) 2 yr old (IC)

STUFFER OR MAILER

DHS will be sending a stuffer or mailer probably in June 1990, to all Medi-Cal beneficiaries who are age one up to age six with a share of cost. We have enclosed a draft of the stuffer or mailer for your review (Enclosure 1).

FORMS

The MC 176M will be revised for the 133 Percent program (see Enclosure 2 and 3) and will be available for county use at a later date. A camera ready copy will be provided as soon as possible.

All County Welfare Directors
All County Administrative Officers
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NOTICES OF ACTION

Camera ready copies of Notices of Actions (NOA) for the 133 Percent program will be provided as soon as they are available. Counties may use NOAs similar to Enclosures 4 and 5.

Due to the many systems changes, (for example, MEDS may not be able to accommodate coverage of children under the converted aid codes (72 and 74) until June, 1990), counties will not be able to implement this program until June 1990. Counties should begin flagging cases with a 133 percent eligible child beginning April 1, 1990 so that retroactive cards can be issued in June. We will issue further instructions as soon as possible.

If you have any questions about this new program, please contact Marge Buzdas (916) 324-4972. Questions about system changes for the 133 Percent program or the aid code conversion should be directed to Tina Velasquez at (916) 323-9510.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

Enclosures

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

Expiration Date: April 10, 1991

ENCLOSURE

(This stuffer will be sent to children age 1 up to 6 with a share of cost)

NEW MEDI-CAL PROGRAM FOR CHILDREN AGE ONE UP TO SIX YEARS OLD
(133 PERCENT PROGRAM)

Beginning April 1, 1990, a new Medi-Cal program will provide medical care at no share-of-cost (deductible) to children who are age one up to age six.

This new program for children from ages one up to six will allow the family's monthly income to be higher for those children than for people who are on most other Medi-Cal programs. Even if the family is working or has other monthly income, the child may still be eligible under this new program.

Early and regular medical care will help ensure a healthy start for your child and are important to prevent future health problems.

If your child already gets Medi-Cal at no share-of-cost, you do not need this program since your child already receives those same Medi-Cal benefits at no share of cost. If your child already gets Medi-Cal but has a share of cost, the county welfare office will determine whether he/she is eligible for this new program.

For more information about this new program, contact your county welfare office.

INCOME WHICH DO NOT INCLUDE LTC PERSONS

Case Name		County District	County Use
<input type="checkbox"/> New Application <input type="checkbox"/> Redetermination <input type="checkbox"/> Change <input type="checkbox"/> Retroactive Elig. <input type="checkbox"/> Correction		Effective Eligibility Date for this Budget	
State Number		Mo.	Yr.
Birthdate		Sex	(1) Social Security No. and (2) Health Insurance Claim No.

Case Name		County District	County Use
<input type="checkbox"/> New Application <input type="checkbox"/> Redetermination <input type="checkbox"/> Change <input type="checkbox"/> Retroactive Elig. <input type="checkbox"/> Correction		Effective Eligibility Date for this Budget	
State Number		Mo.	Yr.
Birthdate		Sex	(1) Social Security No. and (2) Health Insurance Claim No.

Co.	Aid	7 Digit Serial No.	MFBU No.	Pers. No.	Name — First, Middle, Last	Mo.	Day	Yr.	Sex	(1) Social Security No. and (2) Health Insurance Claim No. or Railroad Retirement No.	Other Cover.
										(1) (2)	
										(1) (2)	
										(1) (2)	
										(1) (2)	
										(1) (2)	
										(1) (2)	
										(1) (2)	
										(1) (2)	
										(1) (2)	
										(1) (2)	

I. Income of MFBU members applying as aged, blind, or disabled plus income of spouse or parent (except PA or other PA)		II. Income of MFBU members not listed in I. (except PA or other PA)		III. Share of cost computation	
A. NONEXEMPT UNEARNED INCOME 1. OASDI 2. Net Income from Property 3. Other—Itemize 4. 5. Total (add 1 thru 4) 6. Combined unearned income (add 5a and 5b) 7. Any income deduction —\$20 8. Countable unearned income (6 minus 7)		A. NONEXEMPT UNEARNED INCOME 1. OASDI 2. Net Income from Property 3. Other—Itemize 4. 5. Total unearned income (add 1 thru 4) B. NONEXEMPT EARNED INCOME 6. Total Net Earned Income (MC 176W, Part IV, Line 11.) C. TOTAL COUNTABLE INCOME 7. Subtotal (add 5 and 6)		1. Countable Income from I 14 2. Countable Income from II 9 3. Income allocated from LTC/B&C person to family members at home (176W, Part III) 4. Combined Countable Income (add 1, 2, and 3) ALLOCATIONS AND DEDUCTIONS 5. Allocation to excluded children (176W, Part I) 6. Income to determine PA Eligibility 7. Health Insurance 8. 9. 10. Total allocations/deductions (add 5 through 9) 11. Total net nonexempt income (4 minus 10) 12. Total net nonexempt income rounded 13. Maintenance need a. MFBU members not in LTC No. b. MFBU members in LTC • Personal needs • Upkeep of home • Needs of disabled dependents c. Total maintenance need (13a + 13b) 14. Share of cost (12 minus 13c) 15. Underpayment adjustment 16. Adjusted Share of Cost (14 minus 15)	
B. NONEXEMPT EARNED INCOME 9. Gross Earned Income 10. Combined earned income (add 9a and 9b) 11. \$65 earned inc. deduction plus \$ unused \$20 12. Remainder (10 minus 11) 13. Countable earned income (divide 12 by 2) 14. Total countable income (add 8 and 13)		8. Child Support/Alimony Paid 9. Total Countable Income (7 minus 8) NOTE: If there is income from which Educational Expenses are deducted (Section 50547), show calculations here. Enter net amount on line 3 or 4 Total income for educational purpose Less total educational expenses Net countable income 133% COMPUTATION 1. Net non-exempt income 2. Health insurance prem + 3. Adjusted net non-exempt 4. 133% FPL for MFBU of 5. Eligible for 133% YES NO (line 3 is = to or less than line 4)		13. Maintenance need a. MFBU members not in LTC No. b. MFBU members in LTC • Personal needs • Upkeep of home • Needs of disabled dependents c. Total maintenance need (13a + 13b) 14. Share of cost (12 minus 13c) 15. Underpayment adjustment 16. Adjusted Share of Cost (14 minus 15)	

NOTE: If any of the following deductions apply, complete MC 176W, Part VI before completing Column I:

Educational Expenses	Section 50547
Absent Parent Support	Section 50541
Student Deduction	Section 50551
\$30 plus 1/3	Section 50551.1
Work Expenses for the Blind	Section 50551.4
Income for Self-Support	Section 50551.5

IV. Exempt income

Is there a child of age 1 to 6 in MFBU?

YES NO

Does MFBU have SOC? YES NO

If both are "yes", do 133% computation

Eligibility Worker Signature

Worker Number

Computation Date

County Use

1997 DETERMINATION - MFBU WHICH DO NOT INCLUDE LTC PERSONS

Case Name Robyn Jones					County District	County Use
<input checked="" type="checkbox"/> New Application <input type="checkbox"/> Redetermination <input type="checkbox"/> Change <input type="checkbox"/> Retroactive Elig. <input type="checkbox"/> Correction					Effective Eligibility Date for this Budget Mo. 4 Yr. 90	
State Number			Name - First, Middle, Last		Birthdate	Sex
Co.	Aid	7 Digit Serial No.	MFBU	Pers. No.	Mo. Day Yr.	(1) Social Security No. and (2) Health Insurance Claim No. or Railroad Retirement No.
						Other Coverage
					Robyn Jones	12-7-60
					unborn (EDC:	8-9-90
					Matthew Jones	12-2-89
					Ryan Jones	1-8-88

I. Income of MFBU members applying as aged, blind, or disabled plus income of spouse or parent (except PA or other PA)			II. Income of MFBU members not listed in I. (except PA or other PA)			III. Share of cost computation		
A. NONEXEMPT UNEARNED INCOME			A. NONEXEMPT UNEARNED INCOME			1. Countable Income from I 14 \$1200		
	a. ABD-MN	b. Spouse or Parent	1. OASDI			2. Countable Income from II 9		
1. OASDI			2. Net Income from Property			3. Income allocated from LTC/B&C person to family members at home (176W, Part III)		
2. Net Income from Property			3. Other-Itemize			4. Combined Countable Income (add 1, 2, and 3)		\$1200
3. Other-Itemize			Trust income	\$1200		ALLOCATIONS AND DEDUCTIONS		
4.			4.			5. Allocation to excluded children (176W, Part I)		
5. Total (add 1 thru 4)			5. Total unearned income (add 1 thru 4)	\$1200		6. Income to determine PA Eligibility		
6. Combined unearned income (add 5a and 5b)			B. NONEXEMPT EARNED INCOME			7. Health Insurance		-40
7. Any Income deduction		-\$20	6. Total Net Earned Income (MC 176W, Part IV, Line 11.)			8.		
8. Countable unearned income (6 minus 7)			C. TOTAL COUNTABLE INCOME			9.		
B. NONEXEMPT EARNED INCOME			7. Subtotal (add 5 and 6)	\$1200		10. Total allocations/deductions (add 5 through 9)		\$40
9. Gross Earned Income	a.	b.	8. Child Support/Alimony Paid			11. Total net nonexempt income (4 minus 10)		\$1160
10. Combined earned income (add 9a and 9b)			9. Total Countable Income (7 minus 8)	\$1200		12. Total net nonexempt income rounded		
11. \$65 earned Inc. deduction plus \$ unused \$20			NOTE: If there is income from which Educational Expenses are deducted (Section 50547), show calculations here. Enter net amount on line 3 or 4.			13. Maintenance need		
12. Remainder (10 minus 11)			Total income for educational purpose			a. MFBU members not in LTC No. 4		\$1100
13. Countable earned income (divide 12 by 2)			Less total educational expenses			b. MFBU members in LTC		
14. Total countable income (add 8 and 13)			Net countable income			• Personal needs		
NOTE: If any of the following deductions apply, complete MC 176W, Part VI before completing Column I:			133% COMPUTATION			• Upkeep of home		
Educational Expenses	Section 50547		1. Net non-exempt income	\$1160		• Needs of disabled dependents		
Absent Parent Support	Section 50541		2. Health insurance prem +	40		c. Total maintenance need (13a + 13b)		\$1100
Student Deduction	Section 50551		3. Adjusted net non-exempt	\$1200		14. Share of cost (12 minus 13c)		\$60
\$30 plus 1/3	Section 50551.1		4. 133% FPL for MFBU of	4-1408		15. Underpayment adjustment		
Work Expenses for the Blind	Section 50551.4		5. Eligible for 133% YES NO			16. Adjusted Share of Cost (14 minus 15)		
Income for Self-Support	Section 50551.5		(line 3 is = to or less than line 4)					

IV. Exempt Income
Is there a child of age 1 to 6 in MFBU?

YES NO

Does MFBU have SOC? **YES** NO

If both are "yes", do 133% computation.

(Do not allow ABD deductions on earned income).

Eligibility Worker Signature

Worker Number

**MEDI-CAL
NOTICE OF ACTION**

(County Stamp)

**DENIAL OR DISCONTINUANCE OF BENEFITS
UNDER THE 133 PERCENT (%) PROGRAM**

7

7

Case No. _____

District: _____

L

J

This affects: _____

Name(s)

The 133% Program is a program for children from one to six years of age that provides Medi-Cal benefits at no share-of-cost. In addition to meeting other Medi-Cal eligibility rules, family income must be within certain limits to qualify for this program.

☐ A review of your case shows that your child(ren) does not qualify for this program because your family's income is over the allowable limit. This does not affect your child(ren)'s regular Medi-Cal eligibility.

☐ Eligibility for benefits under the 133% program ends _____ because your child(ren) is six years old.

☐ Eligibility for benefits under the 133% program ends _____ because:

IMPORTANT: If your child(ren) was hospitalized before his/her sixth birthday and continues to be in the hospital after the age of six, he/she may continue to be eligible for benefits at no share-of-cost. You must tell your worker about this right away.

The regulation which requires this action is California Code of Regulations, Title 22, Section _____.

(Eligibility Worker)

(Phone)

(Date)

**MEDI-CAL
NOTICE OF ACTION**

(County Stamp)

APPROVAL FOR THE 133 PERCENT (%) PROGRAM

Case No. _____

District: _____

This affects: _____

Name(s)

Beginning _____, your child(ren) is eligible to receive Medi-Cal benefits without a share of cost under the 133% program for children from one to six years of age. Under this program, the child's Medi-Cal card will provide:

- ☐ Full Medi-Cal benefits.
- ☐ Restricted Medi-Cal benefits (services for treatment of emergency medical conditions only).

Eligibility under this program is based on your family's income, in addition to other program requirements. You must let your worker know about any changes within 10 days to see if your child(ren) is still eligible under this program.

The regulation which requires this action is California Code of Regulations, Title 22, Section _____.

(Eligibility Worker)

(Phone)

(Date)

PLEASE READ THE REVERSE SIDE OF THIS NOTICE

MC 239 B-6 (4/90)