# DEPARTMENT OF HEALTH SERVICES

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August 9, 1990

TO:   All County Welfare Directors         Letter No.: 90-71
      All County Administrative Officers

SUBJECT:   CORRECTIONS TO THE QUALIFIED MEDICARE BENEFICIARY INCOME FLOW
           CHART AND INSTRUCTIONS TO FORMS

REFERENCE:  ALL COUNTY WELFARE DIRECTORS' LETTER NO. 90-29

This is to provide you with the most recent revisions to the Qualified
Medicare Beneficiary (QMB) "Family Composition" flow chart and instructions
to the MC 176 QMB1 and MC 176 QMB2A.

Please note that:

1.   Step II under number six of the flow chart was corrected to indicate
     that the couple has the choice of which spouse will be designated as
     the ineligible member.  However, keep in mind that it would be more
     advantageous for the couple member with the most income to be
     designated as ineligible for purposes of allocating to the child(ren).
     (A copy of the entire flow chart is enclosed for your convenience).

2.   A sentence was inadvertently added to numbers 14. (of the MC 176 QMB1)
     and 18. (of the MC 176 QMB2A) under Section I -- Income of Potential
     QMB Composition on page 4 of the QMB instructions. (A corrected copy of
     both pages are enclosed for your convenience).

If you have any questions, please contact RaNae Dunne at (916) 324-4955/
ATSS 454-4955.

                              Sincerely,
                              ORIGINAL SIGNED BY

                              Frank S. Martucci, Chief
                              Medi-Cal Eligibility Branch

Enclosures

cc:   Medi-Cal Liaisons
      Medi-Cal Program Consultants

10. Add the amounts in lines 9.a. and 9.b. or enter the amount from line 4 of the MC 176W, Part VI.B. This is the combined earned income of the QMB appplicant(s), QMB spouse or parent(s) of the MFBU.

11. Deduct any impairment related work expenses (IRWE) of the potential QMB applicant(s).

12. Subtract number 11 (IRWE expenses) from number 10.

13. Enter the $65 of the $65 and one-half deduction plus any unused portion of the $20 any income deduction here.

14. Subtract line 13. from line 12. and enter the difference.

15. Divide line 14. by two. This figure equals the countable earned income.

16. Total lines 8.A. and 15.B. to obtain the total unearned and earned income. Enter this amount in Section III., line 1.

Section II -- Income of MFBU Member (Both Eligible and Ineligible Members) Not Listed in Column I

NOTE: The ownership of income determination required by CCR, Section 50512 should be determined prior to the completion of this portion of the form if there is a spouse with LTC status who is in a separate MFBU.

A. Nonexempt Unearned Income

1. Enter: Social Security income.

2. Net income received form property.


3-4. All other unearned income. Include SSI/SSP/IHSS recipient's available income, stepparent's income deemed available from MC 176W, Part II and Part V.B, and income allocated from a Pickle eligible spouse or parent.

5. Total lines 1 through 4.

B. Nonexempt Earned Income

6. Enter the amount from the MC 176W, Part IV, line 11.

C. Total Countable Income

7. Add lines 5.A and 6.B.

8. Enter any amount paid for court ordered child support or alimony paid under an agreement with the district attorney.

10. Subtract line 8 from line 7. This is the total countable unearned income. If the countable unearned income is a minus figure, enter zero on line 10 and enter the minus figure, which is the unused portion of the $20 any income deduction, in the blank provided on line 17.

B. Nonexempt Earned Income

11. Enter the gross earned income.

12. Enter the amount of any allocation for any ineligible minor child(ren) that is not offset by countable unearned income (I.A.6.b.). If line I.A.7.b. is equal to or less than I.A.6.b., enter zero in line I.B.12.b.

13. Subtract line 12.b. from 11.b. and enter the total on line 13.b. NOTE: If line 7.b. is less than the QMB standard, (see the poverty level chart), do not count the ineligible spouse's income and use the poverty level for one. If line 7.b. exceeds the QMB standard, combine the ineligible spouse's income with the applicant's income and use the poverty level for two.

14. Add lines 11.a. and 13.b. This is the combined nonexempt earned income of the applicant(s) and ineligible spouse if the ineligible spouse's income is combined with the applicant's.

15. Deduct any impairment related work expenses the potential QMB applicant(s) may have.

16. Subtract line 15. from line 14. and enter this amount on line 16.

17. Enter the $65 of the $65 and one-half deduction plus any unused portion of the $20 any income deduction.

18. Subtract line 17. from line 16. and enter the difference.

19. Divide line 18 by two. This figure equals the countable earned income.

20. Add lines 10 and 19. This is the total countable income of the ABD applicant(s) of the MFBU or applicant and his/her spouse who is a member of the MFBU (either eligible or ineligible). Enter this amount on line 20. and on line 1. of Section IV.

Section II -- Allocation to Minor Child(ren) from the Ineligible Spouse (Do not allocate from a QMB applicant(s). Do not include a QMB child(ren), PA or other PA).

1. Enter: Name(s) of ineligible child(ren). Do not include QMB child(ren), PA or other PA.

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| Family Composition | Step I | Step II | Step III |
|---|---|---|---|
| 1. Single Applicant<br>No minor child(ren) | Complete MC 176 QMB1.<br>Use columns I and III only.<br>If net nonexempt income is equal to or less than the current poverty level for one; eligible for QMB. | If net nonexempt income exceeds the current poverty level for one; stop. Not eligible for QMB. | |
| 2. Applicant with minor child(ren) | Complete MC 176 QMB1.<br>Use all three columns. If the net nonexempt income is equal to or less than the current poverty level for the number of members in the MFBU; eligible for QMB. | If the net nonexempt income exceeds the current poverty level for the number of members in the MFBU; stop. Not eligible for QMB. | |
| 3. Applicant with ineligible spouse and no minor child(ren) | Complete MC 176 QMB1.<br>Use columns I & III. If the net non-exempt income is equal to or less than the current poverty level for two; eligible for QMB. | If the net nonexempt income exceeds the current poverty level for two; complete sections I and III on MC 176 QMB2A. If the ineligible spouse's income is less than the QMB standard allocation amount, the ineligible spouse's income is exempt. Use the poverty level for one. If the ineligible spouse's income exceeds the QMB standard; use the poverty level for two.<br><br>If the net non-exempt income is equal to or less than the appropriate current poverty level; eligible for QMB. | If the net nonexempt income exceeds the appropriate current poverty level; stop. Not eligible for QMB |

| Family Composition | Step I | Step II | Step III |
|---|---|---|---|
| 4. Applicant with ineligible spouse and minor child(ren) | Complete MC 176 QMB1. Use all three columns. If the net nonexempt income is equal to or less than the current poverty level for the appropriate MFBU; eligible for QMB. | If the net nonexempt income exceeds the current poverty level for the appropriate MFBU; complete all three sections on the MC 176 QMB2A.<br><br>If the net nonexempt income is equal to or less than the current poverty level for two (if both parents income is used, or the current poverty level for one, if only one parents income is used); eligible for QMB. | If the net nonexempt income still exceeds the appropriate current poverty level; stop. Not eligible for QMB. |
| 5. Couple applying No child(ren) | Complete MC 176 QMB1. Use columns I & III. If the net nonexempt income is equal to or less than current poverty level for two; eligible for QMB. | If the net nonexempt income exceeds the current poverty level; stop. Not eligible for QMB. | |

| Family Composition | Step I | Step II | Step III |
|---|---|---|---|
| 6. Couple applying with minor child(ren) | Complete MC 176 QMB1. Use all three columns. If the net nonexempt income is equal to or less than the current poverty level for the appropriate MFBU; eligible for QMB | If the net nonexempt income exceeds the current poverty level for the appropriate MFBU; designate one couple member as an ineligible spouse (the decision is up to the couple; however, it is more beneficial for the couple with the most income to be the ineligible spouse for purposes of allocating to the child(ren)) and complete all three sections of the MC 176 QMB2A. <br><br> If the net nonexempt income is equal to or less than the current poverty level for one (if the ineligible spouse's income is less than the current QMB standard allocation amount), or use the poverty level for two (if both individual's income is used); eligible for QMB. <br><br> If the net nonexempt income is equal to or less than the current poverty level for two; eligible for QMB. | If the net nonexempt income exceeds the current poverty level for two; stop. Ineligible for QMB. |
| 7. Child(ren) applying | Complete MC 176 QMB1. Use columns I and III. If the net nonexempt income is equal to or less than the current poverty level for one; eligible for QMB. | If the net nonexempt income exceeds the current poverty level for one; stop. Ineligible for QMB. | |

| Family Composition | Step I | Step II | Step III |
|---|---|---|---|
| 8. Child(ren) applying with an ineligible parent(s) and with or without eligible minor child(ren) | Complete MC 176 QMB1. Use all applicable columns. If the net nonexempt income is equal to or less than the current poverty level for the appropriate MFBU; eligible for QMB. | If the net nonexempt income exceeds the current poverty level for the appropriate MFBU; use all applicable sections of MC 176 QMB2B.<br><br>If the net nonexempt income is equal to or less than the current poverty level for one; eligible for QMB. | If the net nonexempt income exceeds the current poverty level for one; stop. Not eligible for QMB. |
| 9. Individual applying who is in long term care (LTC) facility | The ownership of income deter-mination required by Section 50512 should be completed prior to the completion of this portion of the MC 176 QMB1 form if there is a spouse with LTC status who is in a separate MFBU.<br><br>Complete MC 176 QMB1. Use columns I and III and put person in their own MFBU. If the net non-exempt income is equal to or less than the current poverty level for an MFBU of one; eligible for QMB. | | |
| 10. SSI/SSP recipient applying any type of family composi-tion | To determine the applicant(s) QMB income eligibility, use the individ-ual (QX) SDX screen for each applicant. (Consider each applicant to be in his/her own MFBU.) Verify the applicant(s) net nonexempt income. If the net non-exempt income is equal to or less than the current poverty level for one; eligible for QMB. | If the net nonexempt income exceeds the current poverty level for one; stop. Not eligible for QMB. | |

Family Composition | Step I | Step II | Step III

NOTE: We recommend that counties
print the SDX screen for case file
verification. A SAWS 1 must be
completed by the eligibility
worker and retained in the case file.