

DEPARTMENT OF HEALTH SERVICES

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P.O. BOX 942732
SACRAMENTO, CA 94234-7320



January 9, 1992

Letter No.: 92-02

TO: All County Welfare Directors
All County Medi-Cal Liaisons
All County Medi-Cal Program Specialists/Liaisons

SUBJECT: THE ASSET WAIVER PROVISION OF THE 200 PERCENT PROGRAM

This letter is to provide counties with the draft procedures necessary to implement the Asset Waiver Provision of the 200 Percent Program, effective January 1, 1992, as mandated by Assembly Bill (AB) 99. Enclosed is a copy of the MEM Procedures Section 5R providing specific instructions on how to implement this provision. The corresponding changes to Title 22, California Code of Regulations, are also in process and a draft copy is also enclosed for your information. The final versions of the regulations and procedures will be forwarded to counties as soon as they are released.

We want to clarify that implementation of this provision should start on January 1, 1992, not earlier than that date. We recognize that some counties may not be fully prepared to implement by January 1, 1992; however, we are asking that counties do their best to implement by that date. Those counties that cannot meet this implementation date must ensure that they develop a process for implementing the provision retroactive to the January 1, 1992 effective date.

In addition, a provider bulletin is planned to be issued in February to inform providers about the Asset Waiver Provision of the 200 Percent Program. Specifically, the bulletin will announce the new program and that current 200 Percent Program aid codes will be utilized for beneficiaries eligible as a result of this new provision. We will forward a copy of the bulletin to counties once it is finalized.

If you have any questions or need assistance in implementing the Asset Waiver Provision of the 200 Percent Program, please contact Lisa Reagan at (916) 657-3719 or Tony Plescia at (916) 657-3185.

Sincerely,

ORIGINAL SIGNED BY

Ricardo Bustamante for

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

Enclosures

5R -- ASSET WAIVER PROVISION OF THE 200 PERCENT PROGRAM

BACKGROUND

During the 1991 legislative session, the California State Legislature passed AB 99 which, among other things, enacted an asset waiver provision specifically for Medi-Cal eligible pregnant women and infants up to one year of age with incomes above 185 percent but not in excess of 200 percent of the Federal Poverty Level (FPL). This means that pregnant women and infants under one year of age whose family income would qualify them for services under the 200 Percent Program, but currently are ineligible due to excess property, will now have their excess assets disregarded in order to qualify for the 200 Percent Program. Those pregnant women and infants with family income at or below 185 percent FPL or above 200 percent FPL do not qualify for this special provision. Implementation of this provision shall begin January 1, 1992.

I. AFFECTED GROUPS

Pregnant women and infants whose family income makes them eligible for the 200 Percent Program, but whose family assets exceed the Medi-Cal Program limit, are eligible for the Asset Waiver Provision of the 200 Percent Program.

Pregnant Women

In determining the eligibility of a pregnant woman, if her income is above 185 percent and does not exceed 200 percent of the FPL, and she is otherwise eligible, but her assets are over the Medi-Cal property limit, she is eligible under the Asset Waiver Provision of the 200 Percent Program. In this event, the pregnant woman applicant (or the person applying on her behalf) should be advised that, although her assets exceed the regular Medi-Cal program limit, she is still eligible for Medi-Cal for her pregnancy-related services under the Asset Waiver Provision of the 200 Percent Program. However, if the pregnant woman also wants full-scope benefits for herself and/or the rest of her family, she must reduce her family assets to the property limit in order to establish regular Medi-Cal eligibility.

In order to identify those women eligible for this special provision of the 200 Percent Program, the county must still gather the customary information on property through the MC 210 (Statement of Facts Form) and appropriate documentation, as in determining eligibility for regular Medi-Cal. Once it is determined that the pregnant woman qualifies for the 200 Percent Program, but her property is over the Medi-Cal limit, she will be advised that she is ineligible for full-scope benefits; however, she is eligible for pregnancy-related services under the Asset Waiver Provision of the 200 Percent Program.

Infants under One Year of Age

In the case of an infant under one year of age with family income above 185 percent but not in excess of 200 percent FPL, if the family assets are over the Medi-Cal program limit, the infant is eligible for the Asset Waiver Provision and will receive full-scope benefits until his/her first birthday. NOTE: If the infant is undocumented, he/she will receive only emergency services during that period.

We have included some examples at the end of these procedures to demonstrate specific case situations related to the Asset Waiver Provision of the 200 Percent Program.

II. AID CODES

There will be no new aid codes specifically for persons eligible for the Asset Waiver Provision of the 200 Percent Program. Since this provision allows counties to waive assets for pregnant women and infants whose income qualifies them for the 200 Percent Program, this category of eligibles will be assigned the appropriate 200 Percent Program aid code.

III. NOTICES OF ACTION

We have developed specific NOA language for the Asset Waiver Provision of the 200 Percent Program. Please use the enclosed approval and discontinuance language in developing the necessary NOAs for this group of eligibles. (See Enclosures 3 and 4.) An approval NOA using this suggested language should be sent to the pregnant woman applicant in conjunction with a NOA denying full-scope benefits due to excess property (or a NOA denying emergency benefits if the pregnant woman applicant is requesting restricted services).

IV. CHANGES IN INCOME

Increases in Income

Since Continued Eligibility (CE) disregards increases in income for pregnant women through the end of the 60-day postpartum period, and for infants up to one year of age, income increases will have no effect on the Asset Waiver eligibles. Therefore, once a pregnant woman or an infant is determined eligible under the Asset Waiver Provision of the 200 Percent Program, income increases or other changes which affect treatment of her family income are disregarded and the woman/infant remains on the 200 Percent Program until eligibility ends due to the end of pregnancy (including postpartum period) or reaching one year of age.

Decreases in Income

ACWDL #91-79 provided instructions to counties on how to treat decreases in income under CE. Those instructions indicate that pregnant women and/or infants who experience a decrease in income while receiving 200 Percent Program benefits shall be placed in the 185 Percent Program. Under the Asset Waiver Provision of the 200 Percent Program, however, counties must not place these beneficiaries in the 185 Percent Program, as their excess property would make them ineligible in that income category. Instead, Asset Waiver beneficiaries who experience a decrease in income (or any other change in circumstances), which would normally cause their income to drop to 185 percent FPL or lower, shall be maintained in the 200 Percent Program, at the same level of services, through their respective periods of eligibility.

Only if the Asset Waiver beneficiary can spend his/her property down to within program limits should counties place him/her in the 185 Percent Program after a decrease in income.

For example, a pregnant woman applying for Medi-Cal has family income at 196 percent FPL and has excess property. She elects to receive only pregnancy-related services under the 200 Percent Program, so she is determined eligible for the 200 Percent Program at no SOC for her pregnancy-related services and ineligible for full-scope services due to excess property (she has chosen not to spend down her excess property). Subsequently during her pregnancy, she experiences a decrease in income to 180% FPL. However, because she experienced this income decrease while eligible under the Asset Waiver Provision of the 200 Percent Program her eligibility is continued under the 200 Percent Program through the postpartum period. Should she choose to spend down her assets to within the Medi-Cal program limit concurrent with or subsequent to the income decrease, she would then be placed in the 185 Percent Program as described in the CE Decision Chart found in ACWDL #91-79.

V. CHANGES IN PROPERTY

The Asset Waiver Provision of the 200 Percent Program also provides protection for pregnant women and/or infants up to one year of age who become property ineligible while receiving benefits under the 200 Percent Program. (See example #2 below.) In such instances, all family members, except for infants under one year of age, must be discontinued from full-scope benefits (or from emergency benefits if an OBRA-eligible pregnant woman). The case file should be annotated to indicate that the pregnant woman and/or infant continues to be eligible under the Asset Waiver Provision of the 200 Percent Program. A NOA is not required.

VI. STATUS REPORTS

Current procedures exempt Medi-Cal Family Budget Units (MFBU) consisting solely of a pregnant woman and/or an infant under one year of age from submitting a quarterly status report. Those persons determined eligible for

Medi-Cal under the Asset Waiver Provision of the 200 Percent Program are treated in the same manner and need not submit a quarterly status report. However, they are still required to report changes within ten days.

VII. CASE COUNTS

Cases involving the Asset Waiver Provision are to be reported to the Department as part of your 200 Percent Program caseload activity. Please refer to ACWDL #90-16 for instructions on reporting 200 Percent Program caseload activity.

VIII. EXAMPLES

Example One: A pregnant woman applicant has family income at 195% FPL and a savings account valued at \$8,000 for her unborn's future education. The father of the unborn is deceased and there are no other children. The EW notifies the pregnant woman that she has excess property and must spend down to the Medi-Cal limits if she wants to be eligible for full-scope benefits. She is also told she is eligible for pregnancy-related services through her postpartum period under the Asset Waiver Provision of the 200 Percent Program. She chooses to receive only pregnancy-related services in order to avoid spending down her savings account. Therefore, she is granted eligibility for the 200 Percent Program through the end of the 60-day postpartum period. At birth, the infant is eligible for full-scope benefits under the 200 Percent Program through his/her first year of life.

Example Two: A married pregnant mother and her 8-month-old son are receiving benefits as 200 Percent Program eligibles. Her husband is ineligible for benefits. Mom inherits real property worth \$50,000 in April 1992 and reports it under her continuing responsibility to report changes within ten days. Under the Asset Waiver Provision of the 200 Percent Program, she remains eligible for pregnancy-only benefits with the same aid code, but is discontinued (with timely notice) from her full-scope eligibility. She continues to receive her zero SOC pregnancy-only card until the end of her postpartum period, at which time she will be discontinued from her 200 Percent Program eligibility. Counties should send a NOA using the special language created for the Asset Waiver Provision of the 200 Percent Program (See Enclosure 4) to notify her of the discontinuance, and should ensure that she is again informed that her eligibility may be reinstated (as AFDC/MN) if she spends down her excess property and some other basis for her eligibility exists (e.g., deprivation). As in Example One, the newborn infant is eligible for full-scope benefits through his/her first year of life.

With regard to the 8-month old son, he continues to receive full-scope benefits under the 200 Percent Program until the end of the month in which he reaches his first birthday. At that time, use the special Asset Waiver NOA discontinuance language (See Enclosure 4) and inform of spenddown.

Adopt Section 50262 (a)(5) to read:

(5) If the pregnant woman and/or infant meets the requirements of the 200 Percent Program, but has assets which exceed the resource limit, the assets shall be waived for those applicants or beneficiaries in accordance with Section 50401 (b).

NOTE: Authority Cited: Section 10725 and 14124.5, Welfare and Institutions Code. Reference: Sections 14007.5, 14148, 14148.1 and 14148.5, Welfare and Institutions Code.

Adopt Section 50401 (b) to read:

(b) After determining the value of all property to be included in the property reserve of the MFBU, the value shall be waived for a pregnant woman and/or infant if this applicant or beneficiary is found to be eligible under the 200 Percent Program as defined in Section 50262 (a)(5).

NOTE: Authority Cited: Section 10725 and 14124.5, Welfare and Institutions Code. Reference: Sections 14006; and 14148.5, Welfare and Institutions Code.

County Stamp

MEDI-CAL NOTICE OF ACTION
APPROVAL FOR BENEFITS
ASSET WAIVER PROVISION
OF THE 200 PERCENT PROGRAM

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Case No. _____

Approval For: _____

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Your application for Medi-Cal benefits was denied/terminated because your family's property is over the Medi-Cal limit. However, you have been approved for benefits under the special Asset Waiver Provision of the 200 Percent Program because:

- 1. You are pregnant or you are an infant under age one, and
- 2. Your family's income is 186% to 200% of the federal poverty level.
- o If you are a *pregnant woman*, you will receive a no share of cost Medi-Cal card restricted to coverage of pregnancy-related and postpartum care.
- o If you are an *infant under age one*, you will receive a no share of cost Medi-Cal card for full coverage under Medi-Cal unless benefits restricted to emergency medical care were requested. If restricted benefits were requested, you will receive those benefits instead.

An emergency medical condition is a condition manifesting itself by acute symptoms of sufficient severity, including severe pain, which in the absence of immediate medical attention could reasonable be expected to result in any of the following: (1) Placing the patient's health in serious jeopardy; (2) Serious impairment to bodily functions; (3) Serious dysfunction to any bodily organ or part. The emergency must be certified by a physician or other appropriate medical provider (in accordance with Section 51056, Title 22, California Code of Regulations). The Department of Health Services may review the provider's decision that an emergency existed and that certain follow-up treatment services were medically justified.

You are eligible for 200 Percent Program Medi-Cal beginning: ____/____.

When you receive your Medi-Cal card, please present it to your medical provider when you are requesting medical services.

The regulations that require this action are Sections 50262 and 50401, Title 22, California Code of Regulations.

Please notify your Eligibility Worker immediately if you are not interested in receiving 200 Percent Program Medi-Cal benefits.

(Eligibility Worker)

(Phone)

(Date)

PLEASE READ THE REVERSE SIDE OF THIS NOTICE

County Stamp

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MEDI-CAL NOTICE OF ACTION
DISCONTINUANCE OF BENEFITS
ASSET WAIVER PROVISION
OF THE 200 PERCENT PROGRAM

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Case No. _____

Approval For: _____

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[] Your eligibility to receive 200 Percent Program Medi-Cal benefits will be discontinued effective the last day of _____.

You Are No Longer Eligible For Medi-Cal Benefits Under the 200 Percent Program Because:

[] Your family's assets are within the Medi-Cal limits and you have been determined eligible to regular Medi-Cal benefits. You will receive a separate notice that will tell you about your eligibility for Medi-Cal.

[] You have not provided the information listed below. That information was needed to determine if you continue to be eligible for Medi-Cal benefits under the Asset Waiver Provision of the 200 Percent Program.

[] To be eligible for pregnancy-related or postpartum services under the Asset Waiver Provision of the 200 Percent Program, you must be pregnant or in the postpartum period. You are no longer pregnant or in the postpartum period.

[] To be eligible for Medi-Cal benefits under the Asset Waiver Provision of the 200 Percent Program, you must be under age one. You have now reached age one.

The regulations that require this action are Sections 50262 and 50401, Title 22, California Code of Regulations.

Please call me if you have any questions about this action.

(Eligibility Worker) (Phone) /_____/ (Date)

PLEASE READ THE REVERSE SIDE OF THIS NOTICE