

DEPARTMENT OF HEALTH SERVICES

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August 5, 1997

To: All County Welfare Directors
All County Administrative Officers
All County Medi-Cal Program Specialists/Liaisons

Letter No.: 97-33

MEDI-CAL FAMILY BUDGET UNIT (MFBU) AND STEPPARENT CASES

Ref.: All County Welfare Directors Letter (ACWDL) Nos. 92-09, 96-29, and Medi-Cal Eligibility Procedures Manual Section 5K

This ACWDL is in response to questions about the MFBU, Sneede, Gamma, income-in-kind, completion of the MC 176W.1, and the application of the parental allocation in a stepparent case when only the separate child(ren) of one spouse wishes Medi-Cal. This letter also clarifies and expands Example C in the Medi-Cal Eligibility Procedures Manual Section 5K.

Background

The Sneede vs. Kizer lawsuit caused several changes to the MFBU and the treatment of income and resources regardless of whether or not the family had a share of cost (SOC) or Sneede procedures were applied. One such change was the treatment of the stepparent cases when only the separate children of one spouse wants Medi-Cal. Counties implemented this change as part of the Sneede implementation. The stepparent "needs test" as specified in Title 22, Sections 50375, 50559, and 50561 of the California Code of Regulation (CCR) was eliminated and no stepparent needs test has to be met before a stepparent and his children can choose not to be included in the MFBU. The MFBU then consists of the separate children who want Medi-Cal and their parent who is an ineligible member of the MFBU.

How Counties Determined SOC Under Sneede:

Ordinarily, income to the MFBU would consist of the income of the separate children and the full income of the ineligible parent. However, as a result of the Sneede lawsuit, income of the MFBU consists of the income of the separate children and the balance of the ineligible parent's income after allocating to non-MFBU individuals for whom he/she is responsible. Examples were provided in the Sneede Training Guide (page 66) and in ACWDL 92-09 (page 19), but due to the Gamma lawsuit described below, all are incorrect.

How to Determine SOC Under Sneeede Modified by Gamma:

The Gamma vs. Belshe court order modified Sneeede by requiring that each parent must be provided a deduction for his/her needs prior to the allocating of income to the remaining family members for whom he/she are responsible. This also impacts stepparent cases in which only the separate children of one parent wants Medi-Cal since it affects the allocation of the ineligible parent's income to those outside the MFBU. ACWDL 96-29 provided examples of how counties were to implement Gamma; however, no example was specifically provided for the stepparent household when only the separate children of one parent wanted Medi-Cal. The following narrates this process.

Applying the Parental Allocation to Stepparent Cases When Only the Separate Child(ren) of One Parent Wants Medi-Cal

When only the separate child(ren) of one spouse applies for Medi-Cal, the county will use only the child(ren)'s own income, if applicable, and the balance of the ineligible parent's income which is available to the members of the MFBU. To determine the amount of the ineligible parent's income available to the MFBU, i.e., the balance, the county must follow the methodology similar to that developed in Sneeede even though it is not yet known whether this case will ultimately be a Sneeede case. That is, the county determines the amount of the ineligible parent's income allocated to the nonmembers of the MFBU for whom he/she is responsible and the remainder is the balance available to the MFBU. In making this determination, the ineligible parent is allowed appropriate income exemptions and deductions including a parental needs deduction, and then net nonexempt income is equally allocated to his/her excluded spouse and all of the ineligible parent's natural/adopted children in the household who are both in and out of the MFBU. The amount allocated to the non-MFBU members for whom the ineligible parent is responsible and other exemptions and deductions are then deducted from the parent's gross income to determine the balance of the ineligible parent's income available to the MFBU.

If the MFBU has a SOC, the county will then determine whether Sneeede procedures are to be applied and as part of that determination the county may have to determine eligibility under the Federal Poverty Level (FPL) programs. If Sneeede procedures do not apply, the county goes right to the determination of whether there is eligibility under the FPL programs. Regardless of when income eligibility for the FPL programs is being determined, when the original MFBU consists of only the separate children of one parent and that ineligible parent, the income used in the calculation is limited to the income of the separate children and the balance of the parent's income after the parent has allocated to those outside of the MFBU for whom he/she is responsible.

All County Welfare Directors
All County Administrative Officers
All County Medi-Cal Program Specialists/Liaisons
Page 3

We are enclosing Example C from the Medi-Cal Eligibility Procedures Manual pages 5K-6 and 5K-7 which has been clarified and expanded to include an actual Sneede/Gamma computation because the separate children have their own income and an eligibility determination for the FPL programs needs to be done. This updated example will also be sent to you as a Manual Letter under separate cover.

Corrections to the MC 176 W.1, MC 175-4, and the MC 175-5 Forms

The MC 176 W.1 has been revised to incorporate the changes needed to allow for the deduction of the parent's needs prior to allocating income to individuals inside and outside of the MFBU for whom they are responsible. The following changes have been made:

- To eliminate confusion the phrase "for use on non-Sneede cases" has been deleted from the title, as some of these cases can result in application of the Sneede rules.
- The instructions regarding deductions were moved to the top of page 3 with the other instructions to provide additional space for child/spousal support and unearned inkind computations.
- Section F, page 4, was revised to include the parental needs deduction. An additional step was added to provide the total net nonexempt income of the parent after allocation to non MFBU members (line 30). The instructions at the bottom of the page were modified to include the changes made to section F.

The MC 175-4 has been revised to accommodate the changes made on the MC-175 W.1. Instruction No. 7 has changed. It now references lines 26, 28, and 29 of the newly revised MC 175W.1.

The MC 175-5 has also been revised. There were two versions of the 4/87 revision. One version listed 2c under the instruction portion of the form. The other revision incorrectly omitted 2c. The following changes have been made:

- All references to the 185 percent (%) program have been removed.
- Instruction 2c has been modified. A reference to line 30 of the MC 176 W.1 has been added. Also, full net nonexempt **family** income was changed to full net nonexempt **parental** income.
- The eligibility determination section was simplified. The determination for the 185 percent program was eliminated. The Income Disregard program (200%) was added to No. 2.

Income-In-Kind

The general rule of thumb about unearned in-kind income is that when a member of the MFBU provides the full item of need, there is no in-kind income charged to the other members of the same MFBU.

When a stepparent is in the MFBU, his/her income and property are counted as part of the MFBU's budget computation. Therefore, there is no in-kind income from the stepparent to the other members of the MFBU.

When a stepparent is not in the MFBU but is providing a full item of need, the county will determine the value of income in-kind based upon the number of stepchildren in the MFBU. The value of the in-kind income is equally allocated to only the stepchildren; this is considered to be the child's own income. There is no in-kind income to a spouse.

Example: Sally and Sam are married; they have a mutual child (Steven) and Sally has two separate children. They want Medi-Cal for Sally's two separate children only. Sam pays all of the bills for the entire household. The MFBU consists of Sally as an ineligible parent and her two separate children. The county determines that the 1996 in-kind income for two persons is \$475 and will charge each child with \$237.50 in-kind income (\$475 divided by two). Sally is not charged with any in-kind income. A similar example can be also found on page 20 of ACWDL 92-09.

If you have any questions about the allocation or treatment of stepparent cases when more than just the separate children request Medi-Cal or other MFBU/Sneede/Gamma questions, please contact Margie Buzdas at (916) 657-0726. For questions about the changes on the Sneede/Gamma forms, please contact Kathy Harwell at (916) 657-0146. For income or income-in-kind questions only, please contact Dave Rappolee at (916) 657-0163.

Sincerely,

ORIGINAL SIGNED BY

FRANK S. MARTUCCI, CHIEF
Medi-Cal Eligibility Branch

Enclosures

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

\$1,115 net nonexempt income
 + 50 health insurance premium
 \$1,165 adjusted net nonexempt income

1. Compare to 100 of the FPL for 4 persons: \$1,300 (effective April 1996). Bryan is eligible for the 100 Percent program.
2. Compare to 133 percent of the FPL for 4 persons: \$1,729 (effective April 1996). Cindy is eligible for the 133 Percent program.
3. Compare to 200 percent of the FPL for 4 persons: \$2,164 (effective April 1996). Pam is eligible for the Income Disregard program.

Example C

Stepparent Case When Only the Separate Child(ren) of One Parent Wishes Medi-Cal

When only the separate child(ren) of one spouse applies for Medi-Cal, the county will use only the child(ren)'s own income, if applicable, and the balance of the ineligible parent's income which is available to the members of the MFBU. To determine the amount of the ineligible parent's income available to the MFBU, i.e., the balance, the county must follow the methodology similar to that developed in Sneede even though it is not yet known whether this case will ultimately be a Sneede case. That is, the county determines the amount of the ineligible parent's income allocated to the nonmembers of the MFBU for whom he/she is responsible and the remainder is the balance available to the MFBU. In making this determination, the ineligible parent is allowed appropriate income exemptions and deductions including a parental needs deduction, and then net nonexempt income is equally allocated to his/her excluded spouse and all of the ineligible parent's natural/adopted children in the household who are both in and out of the MFBU. The amount allocated to the non-MFBU members for whom the ineligible parent is responsible is then deducted from the ineligible parent's gross income (as are other appropriate deductions and exemptions) to determine the balance of the ineligible parent's income available to the MFBU. The county will then determine whether this is a Sneede income case.

Example:

Sally wants Medi-Cal for her two separate children, Susie (age five) and Shauna (age four). Sally, her husband, Sam, and their mutual child, Steven, do not want Medi-Cal. Sally works and earns \$1,710 per month; Susie and Shauna have no income of their own. The MFBU is composed of Susie, Shauna, and Sally as an ineligible parent.

Determination of Balance of Mom's Income Available to the MFBU

- A. Allocation Determination -- To determine allocation to family members not in the MFBU.

\$1,710 Sally's gross earnings
 - 90 Work deductions
 \$1,620 Net nonexempt income
 - 600 Parental needs deduction
 \$1,020 Divided by 4 (Sam, Shauna, Susie, Steven) = \$255 to each
 \$ 510 To Sam and Steven, not in MFBU

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

B. Net Balance to MFBU
\$1,710 Sally's gross earnings
- 90 Work Deduction
\$1,620
- 510 (\$255 allocation to Sam, \$255 allocation to Steven)
\$1,110 Net balance available to MFBU from Mom

MFBU's SOC Computation

\$1,110 Mom's income
0 Shauna's income
0 Susie's income
\$1,110 Total net nonexempt income
- 934 MNIL for 3
\$ 176 SOC

Since the MFBU has a SOC and the two girls are aged five and four, they are potentially eligible for the 133 Percent program. (Note: Sneede is not applicable because the girls do not have income of their own. If the girls did have income of their, Sneede procedures would apply before eligibility is determined for the FPL programs.)

133 Percent program eligibility for each child:

Shauna

\$1,110 Balance of Mom's net nonexempt income
0 Shauna's income
\$1,110 Total net nonexempt income

Susie

\$1,110 Balance of Mom's net nonexempt income
0 Susie's income
\$1,110 Total net nonexempt income

\$1,110 Total net nonexempt income compared to 133 Percent FPL for three* = \$1,478 (April 1997).

Therefore, Susie and Shauna are eligible for the 133 Percent programs.

*In stepparent cases when only the separate children of one of the parents want Medi-Cal, the FPL is compared to only the number of persons in the MFBU and not to the other family members even though income was allocated to the other family members.

If Shauna and Susie each had income-in-kind of \$237.50, Sneede procedures would apply.

NOTE: The MFBU's SOC would also be different. The MBU's would be as follows:

MBU #1 (Sally)		MBU #2 (Shauna)		MBU #3 (Susie)	
Sally's Own Share	\$600	Allocation from Sally	\$255.00	Allocation from Sally	\$255.00
MNIL	-600	Shauna's Income	237.50	Susie's Income	237.50
SOC	\$ 0	Total	\$492.50	Total	\$492.50
		Minus	375.00	Minus MNIL	375.00
		SOC	\$117.50	SOC	\$117.50

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

Compare Shauna's and Sally's total net nonexempt income (\$1,110 + \$237.50) to the 100 percent FPL for three persons (\$1,478).

Compare Susie's and Sally's total net nonexempt income (\$1,110 + \$237.50) to the 133 percent FPL for three persons (\$1,478).

Both Shauna and Suzie are eligible.

Example D

A family of four, (mother-Jane, father-John, their mutual child-Joy age two years, and the mother's separate child-June age 17) are receiving Medi-Cal. The mother has unemployment benefits of \$750, pays a \$50 health insurance premium, for a net nonexempt income of \$700 per month. The father has unemployment benefits of \$800 per month. The children have no income. Since the family has a share of cost (SOC) based on MNIL of \$1,100, revised Sneed rules (as modified by Gamma) would apply.

Mother (Jane)

Total countable Income	\$ 700.00
Less parental/spousal (p/s) needs deduction	\$ 600.00
Mother's income to be allocated	\$ 100.00

Number of persons for whom Mother
is responsible (Father, mutual child,
and Mom's separate child)

3

Mother's equal allocation to spouse
and natural/adopted children

\$33.34 each

MBU #1

(Jane, John, Joy)

Mother's Own Share	\$ 600.00
Mother's Allocation from Father	100.00
Father's Own Share	600.00
Father's Allocation from Mother	33.34
Child's Allocation from Mother	33.34
Child's Allocation from Father	+ 100.00
Total	\$1,466.68
Minus MNIL for 3	- 934.00
SOC	\$ 533.00

Father (John)

Total countable income	\$800.00
Less parental/spousal (p/s) needs deduction	\$600.00
Father's income to be allocated	\$200.00

Number of persons for whom Father
is responsible (Mother, mutual child)

2

Father's equal allocation to mother
and natural/adopted children

\$100.00 each

MBU #2

(June)

Allocation from Mother	\$ 33.34
Total Income	33.34
Minus MNIL	-375.00
SOC	\$ 0.00

Since Joy is two years old and has a SOC, she is potentially eligible for the 133 percent program.

1. Compare only Mom's net nonexempt income (\$700) and Dad's net nonexempt income (\$800) (total of \$1,550 after adding back \$50 health care deductions) to 133 percent of the FPL for a family of four to determine Joy's eligibility for the 133 percent program. Joy is eligible for this program.

SAMPLE C
CHILDREN HAVE NO INCOME
STEPPARENT COMPUTATION
WHEN ONLY THE SEPARATE CHILDREN OF ONE SPOUSE WANT MEDI-CAL

Case name SMITH, SALLY	County district 50	County use
Case number MC-0007751	Effective date Month 6	Year 97

Instructions:

- This work sheet is to be used when only the separate children of one spouse want Medi-Cal. The MFBU will consist of only the natural/adoptive parent (as an ineligible person) and his/her separate children who want Medi-Cal. **IMPORTANT: IF PARENT IS PA/OTHER PA, DO NOT COMPLETE THIS FORM; THE MFBU WILL CONSIST OF ONLY THE SEPARATE CHILDREN WHO WANT MEDI-CAL.**

Do not include in this MFBU the parent's spouse, mutual children, spouse's separate children, or the parent's other separate children who do not want Medi-Cal.

- Only a portion of the natural/adoptive parent's income and property will be used in these determinations. The rest will be considered as allocations to the spouse and to the parent's other natural/adopted children who do not want Medi-Cal.
- Enter exempt property and/or income on a separate sheet of paper.

I. RESPONSIBLE RELATIVE DETERMINATION—Do not list PA/Other PA, Unborns, or Stepchildren

A. Enter name of parent who wants Medi-Cal for only his/her separate children:

Sally Smith

B. Enter name of spouse:

Sam Smith

C. Enter the names of ALL the parent's natural/adopted children (include both the children who do and who do not want Medi-Cal):

Susie Smith
Shuang Smith
Steven Smith

D. Total number of persons in lines I.A. through I.C.

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PROPERTY DETERMINATION

A. Allocation from Natural/Adoptive Parent

- Consider only the natural/adoptive parent's separate and 1/2 community property; enter the total amount under Column II.
- If property is owned by more than one person, equally divide the net market value by the number of owners unless evidence is provided to rebut the division.
- Joint bank accounts: If available to the MFBU, do not count the money in a joint account against the MFBU more than once. Equally divide the bank account by the number of owners in the MFBU (subject to rebuttal).

List Only the Parent's Nonexempt Property	Value
Excess other real property	
Checking	
Savings	
Life insurance (CSV)	
Cash	
Nonexempt vehicle	
Other	
Total net nonexempt property	
Number of persons for whom parent is responsible (enter total from section I.D.)	
Allocation to each person for whom parent is responsible (divide line 11 by line 12)	

B. Net Nonexempt Property of Children in MFBU

Enter Name of Each Child in the MFBU	1.	2.	3.
Checking			
Savings	\$	\$	\$
Nonexempt vehicle			
Nonexempt ORP			
Other			
TOTAL			
Allocation from parent (enter amount from line 13 in each child's box)			
Subtotal net nonexempt property for MFBU (add lines 21 and 22)			
Total net nonexempt property for MFBU (add all the subtotals from lines 13 and 23)			
Enter property limit for MFBU			
Excess property			

eligible due to excess property and the separate child(ren) who want Medi-Cal has own nonexempt property, Sneed case exists. Complete MC 175-4 next. Establish a single mini budget unit for the parent and his/her separate children who have no (or only exempt) property of his/her own. Establish a separate mini budget unit for each child with own nonexempt property. Enter amount from line 13 as parent's net nonexempt property on MC 175 S-4. Enter amount from line 23 as child's net nonexempt property on MC 175 S-4.

property eligible, continue.

III. SHARE OF COST DETERMINATION

INSTRUCTIONS:

Do not consider community income; use "name on the check" rule. Consider only the parent's income and income of the separate child who wants Medi-Cal.

- * **Child/Spousal Support Payments Received:** Child support is income to the child, not to the parent or caretaker relative.
For AFDC-MN/MI only: Divide the \$50 per month deduction by the number of persons for whom the income is intended. Any unused remainder will be prorated among the remaining persons who still have support payments to apply against the deduction.
- For ABD-MN only:** Each ABD-MN child for whom absent parent support payments are intended will receive a 1/3 deduction from this income.
- ** **Unearned In-Kind Income:** Prorate the unearned in-kind income among the persons who receive the income. Example: MFBU of four (4) gets free housing. Use in-kind income for four (4) and each person gets 1/4 of the in-kind income. If pregnant minor in MFBU, add unborn's share to the pregnant minor's share of in-kind income.
- *** **ABD-MN Deductions:** Allow the ABD-MN child: \$20 any income deduction and \$65 plus 1/2 earned income deduction.
 Allow each ABD-MN adult or parent of an ABD-MN child: \$20 any income deduction and \$65 plus 1/2 earned income deduction.

NOTE: If any of the following deductions apply, complete MC 176 W, Part VI before completing Sections A or B.

Educational Expenses.....	Section 50547
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

ENTER NAME OF EACH MFBU MEMBER	SALLY	SUSIE	SHAUNA	
PERSON TYPE	<input checked="" type="checkbox"/> Parent	<input checked="" type="checkbox"/> Child	<input checked="" type="checkbox"/> Child	<input type="checkbox"/> Child

A. NONEXEMPT UNEARNED INCOME: AFDC-MN/MI and/or ABD-MN

1. RSDI				
2. Net income from property				
3. *Net child/spousal support received				
4. **In-kind income				
5.				
6.				
7. Total (add 1 thru 6)				
8. ***ABD-MN \$20 any inc. deduction (skip if AFDC-MN/MI)				
9. Countable unearned income (7 minus 8; enter on section D, line 15)				

B. ***NONEXEMPT EARNED INCOME— ABD-MN ONLY

10. Gross earned income				
11. \$65 Earned Inc. Deduction PLUS \$ _____ unused \$20 (line 8)				
12. Remainder (10 minus 11)				
13. Countable earned income (divide line 12 by 2) (enter on section D, line 16)				

C. NONEXEMPT EARNED INCOME— AFDC-MN/MI ONLY

14. Net earned income (MC176 W, Part IV, Line 10) (enter on section D, line 16)	1620			
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ENTER COMPUTATION FOR CHILD/SPOUSAL SUPPORT and/or UNEARNED IN-KIND INCOME:

II. SHARE OF COST DETERMINATION (continued)

D. TOTAL COUNTABLE INCOME: AFDC-MN/MI and/or ABD-MN	Name: <u>SALLY</u>	Name: <u>SUSIE</u>	Name: <u>SHAUNA</u>	Name:
15. Countable unearned income (from line 9)	<u>0</u>			
16. Countable earned income (from line 13 or 14)	<u>1620</u>			
17. Total countable income (add lines 15 and 16)	<u>1620</u>			
E. OTHER DEDUCTIONS: AFDC-MN/MI and/or ABD-MN				
18. Health insurance	<u>0</u>			
19. Child support/alimony paid	<u>0</u>			
20.				
21.				
22. Total allocation/deductions (add 18 through 21)	<u>0</u>			
23. Total net countable income (line 17 minus line 22) Enter this on MC 175-4 if no parent in MFBU; otherwise continue.	<u>1620</u>			
F. PARENTAL ALLOCATION: AFDC-MN/MI and/or ABD-MN (skip if no parent in MFBU)	<u>1620</u> <u>-\$600</u>	Enter net countable income (line 23) Less Parental Needs Deduction		
24. Parent's total net nonexempt income LESS in-kind income and P/S Needs (line 23 minus line 4 minus \$600)	<u>1020</u>			
25. Number of persons for whom parent is responsible (see section I.D.) DO NOT INCLUDE PARENT.	<u>4</u>			
26. Parent's allocation to separate children who want Medi-Cal (divide line 24 by line 25) (enter in each applicable box)		<u>255</u>	<u>255</u>	
27. Enter child's net nonexempt income (from line 23)		<u>0</u>	<u>0</u>	
28. Child's total net nonexempt income (add lines 26 and 27)		<u>255</u>	<u>255</u>	
29. Parental Needs Deduction (the lesser of \$600 or the amount on line 23, plus line 4)	<u>600</u>			
30. Total net nonexempt income of the parent (add all totals from Lines 26 and 29)	<u>1110</u>	Note: This line establishes the parent's net nonexempt income after allocating to non-MFBU members.		
31. Total net nonexempt income for MFBU (add all totals from lines 27 and 30)	<u>1110</u>			
32. Maintenance need for MFBU	<u>934</u>			
33. Share of cost (line 31 minus line 32)	<u>176</u>			
34. Underpayment adjustment	<u>0</u>			
35. Rounded share of cost	<u>176</u>			

IF parent and separate children have own income, Sneed case exists. Next, complete MC 175-4 and establish separate mini budget unit for parent and his/her children who have no (or exempt) income of their own. Enter amounts from line 26 (for each child in parent's MBU) and amount from line 29 (for the parent). Establish a separate mini budget unit for each child with own nonexempt income. Enter amount on line 28 as child's total net income.

IF parent and separate children are under 6, or age 6 through 18 (born after September 30, 1983), and do not have separate income (i.e., not Sneed case), consider Federal Poverty Level Programs (100 percent, 133 percent, 200 percent). Use parent's income after allocations to persons outside of the MFBU (i.e., only consider income which is used in determining the share of cost). (Line 30)

Ability Worker signature <u>E. Worker</u>	Worker number <u>123</u>	Date of computation <u>5/10/97</u>
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SAMPLE C

CHILDREN HAVE INCOME

STEPPARENT COMPUTATION WHEN ONLY THE SEPARATE CHILDREN OF ONE SPOUSE WANT MEDI-CAL

Parent name <u>SMITH, SALLY</u>	County district <u>50</u>	County use
MC number <u>MC - 0007751</u>	Effective date Month <u>6</u>	Year <u>97</u>

Instructions:

This work sheet is to be used when only the separate children of one spouse want Medi-Cal. The MFBU will consist of only the natural/adoptive parent (as an ineligible person) and his/her separate children who want Medi-Cal. **IMPORTANT: IF PARENT IS PA/OTHER PA, DO NOT COMPLETE THIS FORM; THE MFBU WILL CONSIST OF ONLY THE SEPARATE CHILDREN WHO WANT MEDI-CAL.**

Do not include in this MFBU the parent's spouse, mutual children, spouse's separate children, or the parent's other separate children who do not want Medi-Cal.

Only a portion of the natural/adoptive parent's income and property will be used in these determinations. The rest will be considered as allocations to the spouse and to the parent's other natural/adopted children who do not want Medi-Cal.

Enter exempt property and/or income on a separate sheet of paper.

I. RESPONSIBLE RELATIVE DETERMINATION—Do *not* list PA/Other PA, Unborns, or Stepchildren

A. Enter name of parent who wants Medi-Cal for only his/her separate children:

Sally Smith

B. Enter name of spouse:

Sam Smith

C. Enter the names of ALL the parent's natural/adopted children (include both the children who do and who do not want Medi-Cal):

Susie Smith
Shauna Smith
Steven Smith

D. Total number of persons in lines I.A. through I.C.

5

II. PROPERTY DETERMINATION

A. Allocation from Natural/Adoptive Parent

- Consider only the natural/adoptive parent's separate and 1/2 community property; enter the total amount under Column II.
- If property is owned by more than one person, equally divide the net market value by the number of owners unless evidence is provided to rebut the division.
- Joint bank accounts: If available to the MFBU, do not count the money in a joint account against the MFBU more than once. Equally divide the bank account by the number of owners in the MFBU (subject to rebuttal).

List Only the Parent's Nonexempt Property	Value
1. Excess other real property	
2. Checking	
3. Savings	
4. Life insurance (CSV)	
5. Cash	
6. Nonexempt vehicle	
7. Other	
8.	
9.	
0.	
1. Total net nonexempt property	
2. Number of persons for whom parent is responsible (enter total from section I.D.)	
3. Allocation to each person for whom parent is responsible (divide line 11 by line 12)	

B. Net Nonexempt Property of Children In MFBU

Enter Name of Each Child in the MFBU	1.	2.	3.
4. Checking			
5. Savings	\$	\$	\$
6. Nonexempt vehicle			
7. Nonexempt ORP			
8. Other			
9.			
0.			
1. TOTAL			
2. Allocation from parent (enter amount from line 13 in each child's box)			
3. Subtotal net nonexempt property for MFBU (add lines 21 and 22)			
4. Total net nonexempt property for MFBU (add all the subtotals from lines 13 and 23)			
5. Enter property limit for MFBU			
6. Excess property			

ineligible due to excess property and the separate child(ren) who want Medi-Cal has own nonexempt property, Sneed case exists. complete MC 175-4 next. Establish a single mini budget unit for the parent and his/her separate children who have no (or only exempt) property of his/her own. Establish a separate mini budget unit for each child with own nonexempt property. Enter amount from line 13 a parent's net nonexempt property on MC 175 S-4. Enter amount from line 23 as child's net nonexempt property on MC 175 S-4.

property eligible, continue.

III. SHARE OF COST DETERMINATION

INSTRUCTIONS:

Do not consider community income; use "name on the check" rule. Consider only the parent's income and income of the separate child who wants Medi-Cal.

- * **Child/Spousal Support Payments Received:** Child support is income to the child, not to the parent or caretaker relative.
For AFDC-MN/MI only: Divide the \$50 per month deduction by the number of persons for whom the income is intended. Any unused remainder will be prorated among the remaining persons who still have support payments to apply against the deduction.
For ABD-MN only: Each ABD-MN child for whom absent parent support payments are intended will receive a 1/3 deduction from this income.
- ** **Unearned In-Kind Income:** Prorate the unearned in-kind income among the persons who receive the income. Example: MFBU of four (4) gets free housing. Use in-kind income for four (4) and each person gets 1/4 of the in-kind income. If pregnant minor in MFBU, add unborn's share to the pregnant minor's share of in-kind income.
- *** **ABD-MN Deductions:** Allow the ABD-MN child: \$20 any income deduction and \$65 plus 1/2 earned income deduction.
 Allow each ABD-MN adult or parent of an ABD-MN child: \$20 any income deduction and \$65 plus 1/2 earned income deduction.

NOTE: If any of the following deductions apply, complete MC 176 W, Part VI before completing Sections A or B.

Educational Expenses.....Section 50547
 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

ENTER NAME OF EACH MFBU MEMBER	SALLY	SUSIE	SHAUNA	
PERSON TYPE	<input checked="" type="checkbox"/> Parent	<input checked="" type="checkbox"/> Child	<input checked="" type="checkbox"/> Child	<input type="checkbox"/> Child

A. NONEXEMPT UNEARNED INCOME: AFDC-MN/MI and/or ABD-MN

1. RSDI				
2. Net income from property				
3. *Net child/spousal support received				
4. **In-kind income		237.50	237.50	
5.				
6.				
7. Total (add 1 thru 6)		237.50	237.50	
8. ***ABD-MN \$20 any inc. deduction (skip if AFDC-MN/MI)				
9. Countable unearned income (7 minus 8; enter on section D, line 15)		237.50	237.50	

B. ***NONEXEMPT EARNED INCOME— ABD-MN ONLY

10. Gross earned income				
11. \$65 Earned Inc. Deduction PLUS \$ _____ unused \$20 (line 8)				
12. Remainder (10 minus 11)				
13. Countable earned income (divide line 12 by 2) (enter on section D, line 16)				

C. NONEXEMPT EARNED INCOME— AFDC-MN/MI ONLY

14. Net earned income (MC176 W, Part IV, Line 10) (enter on section D, line 16)	1620			
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ENTER COMPUTATION FOR CHILD/SPOUSAL SUPPORT and/or UNEARNED IN-KIND INCOME:

5-23-97

III. SHARE OF COST DETERMINATION (continued)

D. TOTAL COUNTABLE INCOME: AFDC-MN/MI and/or ABD-MN	Name: SALLY	Name: SUSIE	Name: SHAUNA	Name:
15. Countable unearned income (from line 9)	0	237.50	237.50	
16. Countable earned income (from line 13 or 14)	1620	0	0	
17. Total countable income (add lines 15 and 16)	1620	237.50	237.50	
E. OTHER DEDUCTIONS: AFDC-MN/MI and/or ABD-MN				
18. Health insurance	0	0	0	
19. Child support/alimony paid	0	0	0	
20.				
21.				
22. Total allocation/deductions (add 18 through 21)	0	0	0	
23. Total net countable income (line 17 minus line 22) Enter this on MC 175-4 if no parent in MFBU; otherwise continue.	1620	237.50	237.50	
F. PARENTAL ALLOCATION: AFDC-MN/MI and/or ABD-MN (skip if no parent in MFBU)	1620	Enter net countable income (line 23)		
	-\$600	Less Parental Needs Deduction		
24. Parent's total net nonexempt income LESS in-kind income and P/S Needs (line 23 minus line 4 minus \$600)	1020			
25. Number of persons for whom parent is responsible (see section I.D.) DO NOT INCLUDE PARENT.	4			
26. Parent's allocation to separate children who want Medi-Cal (divide line 24 by line 25) (enter in each applicable box)		255	255	
27. Enter child's net nonexempt income (from line 23)		237.50	237.50	
28. Child's total net nonexempt income (add lines 26 and 27)		492.50	492.50	
29. Parental Needs Deduction (the lesser of \$600 or the amount on line 23, plus line 4)	600			
30. Total net nonexempt income of the parent (add all totals from Lines 26 and 29)	1110	Note: This line establishes the parent's net nonexempt income after allocating to non-MFBU members.		
31. Total net nonexempt income for MFBU (add all totals from lines 27 and 30)	1585			
32. Maintenance need for MFBU	934			
33. Share of cost (line 31 minus line 32)	651			
34. Underpayment adjustment				
35. Rounded share of cost	651			

If SOC and separate children have own income, Sneed case exists. Next, complete MC 175-4 and establish separate mini budget unit for parent and his/her children who have no (or exempt) income of their own. Enter amounts from line 26 (for each child in parent's MBU) and the amount from line 29 (for the parent). Establish a separate mini budget unit for each child with own nonexempt income. Enter amount from line 28 as child's total net income.

If SOC and separate children are under 6, or age 6 through 18 (born after September 30, 1983), and do not have separate income (i.e., not a Sneed case), consider Federal Poverty Level Programs (100 percent, 133 percent, 200 percent). Use parent's income after allocations to persons outside of the MFBU (i.e., only consider income which is used in determining the share of cost). (Line 30)

Eligibility Worker signature E. Walker	Worker number 123	Date of computation 5/10/97
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SNEEDE v. KIZER MINI BUDGET UNITS AND:

(CHECK ONLY ONE)



SHARE OF COST DETERMINATIONS



PROPERTY DETERMINATIONS

Case name SMITH, SALLY	County district 50	County use
Case number MC - 0007751	Effective date Month 6 Year 97	

Instructions:

Include unborn in the mother's mini budget unit (MBU) and property limit/maintenance need income level, unless mother is married and only her separate children want Medi-Cal. If pregnant woman is PA/Other PA, include the unborn in the spouse's or father's MBU.

Do not include an excluded child.

Do not list MBU members in more than one MBU.

If any MBU has excess property, check to see if Medi-Cal linkage still exists for other family members.

Property Determinations: Enter the allocation for each spouse from MC 175-3P, line 18. Enter the net nonexempt property for each child and/or caretaker relative from MC 175-3P, line 29.

Share of Cost Determinations: Enter each person's net nonexempt income from MC 175-3I.

If only the separate children of one spouse want Medi-Cal, enter the amounts from lines 13 and 23 of MC 176W.1 for property determinations and the amounts from lines 26 and 29 or line 28 of the MC 176W.1 for share of cost determinations.

MBU # <u>1</u>			
Person Name/Number	Orig Aid	Net Nonexempt	<input type="checkbox"/> Property <input type="checkbox"/> Income
1. SUSIE		492.50	
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
TOTAL		492.50	
MBU's (Check one)	<input type="checkbox"/> Property Limit <input type="checkbox"/> Maintenance Need	375.00	
(Check one)	<input type="checkbox"/> Excess Property <input checked="" type="checkbox"/> Share of Cost for property-eligible persons	117.50	
Rounded Share of Cost		118	
If SOC, is there a property-eligible pregnant woman or child under 6 or 6 through 18 born after 9/30/83 in MBU? <input type="checkbox"/> No; stop here. <input checked="" type="checkbox"/> Yes; go to MC 175-5			

MBU # <u>2</u>			
Person Name/Number	Orig Aid	Net Nonexempt	<input type="checkbox"/> Property <input type="checkbox"/> Income
1. SHAUNA		492.50	
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
TOTAL		492.50	
MBU's (Check one)	<input type="checkbox"/> Property Limit <input type="checkbox"/> Maintenance Need	375.00	
(Check one)	<input type="checkbox"/> Excess Property <input checked="" type="checkbox"/> Share of Cost for property-eligible persons	117.50	
Rounded Share of Cost		118	
If SOC, is there a property-eligible pregnant woman or child under 6 or 6 through 18 born after 9/30/83 in MBU? <input type="checkbox"/> No; stop here. <input checked="" type="checkbox"/> Yes; go to MC 175-5			

MBU # _____			
Person Name/Number	Orig Aid	Net Nonexempt	<input type="checkbox"/> Property <input type="checkbox"/> Income
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
TOTAL			
MBU's (Check one) <input type="checkbox"/> Property Limit <input type="checkbox"/> Maintenance Need			
(Check one) <input type="checkbox"/> Excess Property <input type="checkbox"/> Share of Cost for property-eligible persons			
Rounded Share of Cost			
If SOC, is there a property-eligible pregnant woman or child under 6 or 6 through 18 born after 9/30/83 in MBU?			
<input type="checkbox"/> No; stop here.			
<input type="checkbox"/> Yes; go to MC 175-5			

MBU # _____			
Person Name/Number	Orig Aid	Net Nonexempt	<input type="checkbox"/> Property <input type="checkbox"/> Income
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
TOTAL			
MBU's (Check one) <input type="checkbox"/> Property Limit <input type="checkbox"/> Maintenance Need			
(Check one) <input type="checkbox"/> Excess Property <input type="checkbox"/> Share of Cost for property-eligible persons			
Rounded Share of Cost			
If SOC, is there a property-eligible pregnant woman or child under 6 or 6 through 18 born after 9/30/83 in MBU?			
<input type="checkbox"/> No; stop here.			
<input type="checkbox"/> Yes; go to MC 175-5			

MBU # _____			
Person Name/Number	Orig Aid	Net Nonexempt	<input type="checkbox"/> Property <input type="checkbox"/> Income
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
TOTAL			
MBU's (Check one) <input type="checkbox"/> Property Limit <input type="checkbox"/> Maintenance Need			
(Check one) <input type="checkbox"/> Excess Property <input type="checkbox"/> Share of Cost for property-eligible persons			
Rounded Share of Cost			
If SOC, is there a property-eligible pregnant woman or child under 6 or 6 through 18 born after 9/30/83 in MBU?			
<input type="checkbox"/> No; stop here.			
<input type="checkbox"/> Yes; go to MC 175-5			

MBU # _____			
Person Name/Number	Orig Aid	Net Nonexempt	<input type="checkbox"/> Property <input type="checkbox"/> Income
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
TOTAL			
MBU's (Check one) <input type="checkbox"/> Property Limit <input type="checkbox"/> Maintenance Need			
(Check one) <input type="checkbox"/> Excess Property <input type="checkbox"/> Share of Cost for property-eligible persons			
Rounded Share of Cost			
If SOC, is there a property-eligible pregnant woman or child under 6 or 6 through 18 born after 9/30/83 in MBU?			
<input type="checkbox"/> No; stop here.			
<input type="checkbox"/> Yes; go to MC 175-5			

Utility Worker signature <i>Worker</i>	Worker number <i>123</i>	Date of computation <i>5/10/97</i>
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SNEEDE V. KIZER
FEDERAL POVERTY LEVEL (FPL) PROGRAMS FOR
PREGNANT WOMEN AND INFANTS [INCOME DISREGARD, 200 PERCENT(%)],
CHILDREN AGES 1 THROUGH 5 [133 PERCENT (%)], AND
CHILDREN AGES 6 THROUGH 18 BORN AFTER 9/30/83 [100 PERCENT (%)]

Case name <i>SMITH, SALLY</i>	County district <i>50</i>	County use
Case number <i>MC - 0007751</i>	Effective date Month <i>6</i> Year <i>97</i>	

INSTRUCTIONS:

1. Complete this form for *all* of the potential percentage program eligibles whose MBU has a share of cost.
2. **Net Nonexempt Family Income:** enter the *full* net nonexempt income of the percent (%) program eligible and his/her responsible relatives (i.e., spouse or natural/adoptive parent); do not enter the *Sneede* allocations.
 - a. If the potential percent (%) program eligible is:
 - an unmarried pregnant woman, use only her income;
 - a pregnant minor, use her income and her parents' income, if they are in the home;
 - a married pregnant woman, use her and her spouse's income;
 - a child, use the child's and natural/adoptive parents' income, if they are in the MFBU.
 - b. If the potential percent (%) program eligible and/or his/her responsible relatives are:
 - AFDC-MN/MI, add lines 20 and 25 from MC 175-3I;
 - ABD-MN, first complete another MC 175-3I (lines 1 through 25), allow only AFDC-MN deductions, and enter the total from lines 20 and 25.
 - c. When only the separate children of one spouse want Medi-Cal, full net nonexempt parental income does **NOT** include income allocations to persons outside of the MFBU. (Use amount from MC 176 W.1, line 30, for responsible relative net nonexempt income.)

NET NONEXEMPT FAMILY INCOME DETERMINATION

1. Name of potential percent (%) program eligible in MBU with SOC	<i>SUSIE</i>	<i>SHAUNA</i>			
2. Name of responsible relative number 1	<i>SALLY</i>	<i>SALLY</i>			
3. Name of responsible relative number 2					
4. Full net nonexempt income of percent (%) program eligible	<i>\$ 237.50</i>	<i>\$ 237.50</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>
5. Full net nonexempt income of responsible relative number 1	<i>\$ 1110</i>	<i>\$ 1110</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>
6. Full net nonexempt income of responsible relative number 2	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>
7. Total net nonexempt family income (add lines 4, 5, and 6 and enter on B.4.)	<i>\$ 1347.50</i>	<i>\$ 1347.50</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>

ELIGIBILITY DETERMINATION Number of persons in MFBU 3

1. Name of potential percent (%) program eligible	SUSIE	SHAUNA			
2. Potential percent (%) program (check one)	<input type="checkbox"/> Income disregard 200 percent (%) <input checked="" type="checkbox"/> 133 percent (%) <input type="checkbox"/> 100 percent (%)	<input type="checkbox"/> Income disregard 200 percent (%) <input checked="" type="checkbox"/> 133 percent (%) <input type="checkbox"/> 100 percent (%)	<input type="checkbox"/> Income disregard 200 percent (%) <input type="checkbox"/> 133 percent (%) <input type="checkbox"/> 100 percent (%)	<input type="checkbox"/> Income disregard 200 percent (%) <input type="checkbox"/> 133 percent (%) <input type="checkbox"/> 100 percent (%)	<input type="checkbox"/> Income disregard 200 percent (%) <input type="checkbox"/> 133 percent (%) <input type="checkbox"/> 100 percent (%)
3. Enter FPL for percent (%) program shown in B.2. based on the number of persons in MFBU.	\$ 1439	\$ 1439	\$	\$	\$
4. Enter total net nonexempt family income (from A.7.)	\$ 1347.50	\$ 1347.50	\$	\$	\$
5. Is total net nonexempt family income (B.4.) less than or equal to amount in B.3.?	<input checked="" type="checkbox"/> Yes, eligible (continue) <input type="checkbox"/> No, deny FPL Program	<input checked="" type="checkbox"/> Yes, eligible (continue) <input type="checkbox"/> No, deny FPL Program	<input type="checkbox"/> Yes, eligible (continue) <input type="checkbox"/> No, deny FPL Program	<input type="checkbox"/> Yes, eligible (continue) <input type="checkbox"/> No, deny FPL Program	<input type="checkbox"/> Yes, eligible (continue) <input type="checkbox"/> No, deny FPL Program
6. Person number (optional)					
7. Aid code (optional)					
8. MBU number (optional)					

Worker signature

E. Worker

Worker number

123

Computation date

5/10/97