

DEPARTMENT OF HEALTH SERVICES

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August 27, 1998



TO: All County Welfare Directors
All County Administrative Officers
All County Medi-Cal Program Specialists/Liaisons
All County Public Health Officers

Letter No.: 98-37

**CLARIFICATION OF TREATMENT OF AID AND ATTENDANCE PAYMENTS BY THE
VETERANS ADMINISTRATION TO INSTITUTIONALIZED VETERANS**

Ref.: All County Welfare Directors Letter (ACWDL) No. 98-21

In May of this year, the Department of Health Services (DHS) published ACWDL 98-21 which provided that certain Aid and Attendance (AA) payments paid to an institutionalized veteran with a Community Spouse (CS) by the Veterans' Administration (VA) were exempt.

The AA exemption for institutionalized spouses is limited to the determination of the countable income of the institutionalized spouse: This is to clarify that AA payments received by the institutionalized spouse who has a CS are only excluded from the countable income of the institutionalized spouse. AA payments must be excluded from the institutionalized spouse's income before determining how much he/she has available to allocate to the CS under the Spousal Impoverishment (SI) rules.

AA payments are not exempt for any other purpose. If the institutionalized spouse elects to convey some or all of his/her AA payment to the CS, the AA so conveyed is income to the CS and is counted when calculating his/her unmet need for purposes of determining the spousal allocation under the SI rules.

The \$90 AA exemption for institutionalized individuals applies to veterans and their widows or widowers: This is to clarify that the first \$90 of AA payments to an institutionalized veteran or to his/her widow/widower are exempt. ACWDL 98-21 neglected to state that the policy of exempting the first \$90 of AA payments to institutionalized individuals applied to widows or widowers of veterans as well as to the veteran.

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Please direct questions or comments regarding this ACWDL to Dave Rappolee of my staff at (916) 657-0163.

Sincerely,

ORIGINAL SIGNED BY

Glenda Arellano
Angeline Mrva, Chief
Medi-Cal Eligibility Branch