

## DEPARTMENT OF HEALTH SERVICES

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October 15, 1992

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

Letter No: 92-59

SUBJECT: CLARIFICATION OF THE TRANSITIONAL MEDI-CAL (TMC) PROGRAM

REFERENCE: ACWDLs 90-32, 90-37, 90-66

This letter is to correct and clarify policies in previous All County Welfare Directors Letters concerning the TMC program.

Principal Wage Earner or Caretaker Relative

We previously stated eligibility for families to receive initial TMC was based on receipt of Aid To Families With Dependent Children (AFDC) in at least three of the six months immediately preceding the month they became ineligible for AFDC and:

- 1) became ineligible for AFDC solely because of hours of, or income from, employment of the caretaker relative (i.e., the caretaker becomes employed or receives an increase in earning); or
- 2) became ineligible for AFDC solely because a member of the family lost one of the time limited AFDC earned income disregards (i.e., the \$30 and one-third or \$30 earned income disregards).

In many cases, the family is discontinued from AFDC due to hours or income of the parent who is not the caretaker relative. However, the Health Care Financing Administration (HCFA) clarified that TMC may be granted if the discontinuance was due to the return to work or increased hours or earnings from employment by the principal wage earner (PWE). Therefore, in these cases, if the parent is a PWE who returned to work or who had increased hours or earnings from employment, TMC may be granted. Please note that if the discontinuance is due to increased hours or earnings of employment of a person who does not meet these definitions, e.g., a stepparent who is not a caretaker relative, the family would not be eligible for TMC.

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#### Ineligible Family Members

Individuals who were in the home at the time of the AFDC discontinuance but were not receiving AFDC are not eligible for TMC. For example, a family may be discontinued from AFDC due to the increased earnings of a caretaker or employment of the PWE who was not receiving AFDC because the parent was receiving Supplemental Security Income benefits, an alien, or a caretaker stepparent who was not eligible for AFDC or did not request aid. This family is eligible for TMC; however, the caretaker or PWE would not be.

#### TMC is not Appropriate for All AFDC Aid Codes

All County Welfare Director's Letter Number 90-32 stated that counties must report the following AFDC cases which meet the TMC criteria to MEDS as initial TMC (aid code 39) when discontinuing cases: 30, 32, 33, 34, 35, 40, and 42. This statement is incorrect. Only those family members who were eligible to receive an AFDC cash grant in a federal program and meet the above TMC criteria are eligible for TMC. Counties should only report eligibles who were discontinued from aid codes 30, 35, and 42 to MEDS as aid code 39. Aid codes 32, 33, and 40 are not federally funded programs and aid code 34 is not an AFDC cash aid code.

#### Eligible Family Members Who Return to or Join the Family

Individuals who return to or join the family after TMC benefits have begun and who would have been included in the AFDC filing unit in a federal AFDC program had they been in the home before AFDC was lost (e.g., a newborn, adopted child, unemployed parent), are eligible for TMC even though they were not receiving AFDC in the month of discontinuance. If they are included, their income must also be included. We realize that MEDS will not allow counties to grant TMC to a person who was not previously receiving Medi-Cal under an AFDC aid code as specified in ACWDL 90-66. Until this edit is removed, counties must grant Medi-Cal under an AFDC aid code for one month.

#### TMC Eligibles as Other PA

Persons receiving TMC are considered Other PA. Similar to those receiving 4 Month Continuing Medi-Cal, TMC persons are considered ineligible members of the Medi-Cal Family Budget Unit (MFBU) of other members of the household who are receiving regular Medi-Cal.

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### Income and Resources

When determining gross nonexempt earned income for TMC purposes during the additional six month period, include the income of all family members still living in the home whose income was considered in the determination of ineligibility for AFDC, even if they did not actually receive AFDC. If a family member returns to the home and is eligible for TMC, his/her income must also be included. Counties should use the 1992 federal poverty level (effective April 1, 1992) when computing the 185 percent limit for the family's average gross earnings during the second six months of TMC. When determining income, counties should deduct actual child care costs and health insurance premiums from the gross earnings after they have been averaged. For example:

May = \$200                      June = \$300                      July = \$400  
Average monthly earnings =  $\$200 + \$300 + \$400 = \$900$  divided by 3 = \$300

Any amounts less than a dollar should be rounded down. Individuals receiving TMC are not affected by excess resources during the first or second six month periods.

### Earned Income

Some families may be discontinued from AFDC because they were affected by the Sallis v. McMahon lawsuit which defined state disability insurance (SDI) payments as earned income rather than unearned income. Those families who were discontinued because their time limited earned income disregards ended are eligible for TMC. However, those families discontinued from AFDC due to receipt of SDI or other income are not eligible for TMC because this income, even though it is now defined as earned income, is not due to an increase in hours or earnings from employment of the caretaker relative or PWE.

### County Transfers

Individuals receiving TMC who move to another county will be discontinued the last day of the month in which the 30th day after notification to the new county occurs. This rule does not override the beneficiary's continuing right to eligibility under Edwards v Kizer as stated in Section 50136(a)(4). Individuals moving out of state or who are no longer part of the household are not entitled to TMC.

### Revised Notices of Action

Enclosed are revised versions of the TMC Notices of Action. These forms will be available in the warehouse when the prior versions are depleted.

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All County Administrative Officers  
All County Medi-Cal Program Specialists/Liaisons  
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If you have any questions, please contact Marge Buzdas at  
(916) 657-0726.

Sincerely,  
ORIGINAL SIGNED BY

Frank S. Martucci, Chief  
Medi-Cal Eligibility Branch

Enclosures

MB:sgf

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Medi-Cal Policy Section

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**MEDI-CAL  
NOTICE OF ACTION  
TRANSITIONAL MEDI-CAL (TMC)  
APPROVAL FOR BENEFITS**

(County Stamp)

Case No: \_\_\_\_\_

District: \_\_\_\_\_

This affects: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Name(s)

TMC IS A PROGRAM THAT PROVIDES CONTINUING MEDI-CAL BENEFITS FOR A MAXIMUM OF 12 MONTHS FOR PERSONS DISCONTINUED FROM AFDC AS A RESULT OF EMPLOYMENT.

You are eligible for initial TMC for the period \_\_\_\_\_ through \_\_\_\_\_  
(month) (month)

You will continue to receive TMC during this period if you have an eligible child in the home.

You may be eligible for an additional six-months of TMC at no cost if you:

Return the status report which the county will send you by the 21st day of \_\_\_\_\_ and  
(month)  
be within income limits.

Attach to the status report proof of your family's monthly gross earnings and actual child care costs paid by you. Save all your earnings statements and child care receipts.

Continue to be employed.

Have an eligible child in the home.

You are eligible for additional 6 months of TMC for the period \_\_\_\_\_ through \_\_\_\_\_  
(month) (month)

To remain eligible for the additional six-months of TMC, you will be required to complete and return two status reports sent to you by the county during this period. The first report will be due by the 21st day of the first month and the second report will be due by the 21st day of the fourth month of this additional six month period.

*Always present your Medi-Cal card to your doctor or any other Medi-Cal provider when you are requesting medical services.*

The regulation which requires this action is California Code of Regulations, Title 22, Section 50244.

\_\_\_\_\_  
(Eligibility Worker)

\_\_\_\_\_  
(Phone)

\_\_\_\_\_  
(Date)

PLEASE READ THE REVERSE SIDE OF THIS NOTICE

**MEDI-CAL  
NOTICE OF ACTION  
TRANSITIONAL MEDI-CAL (TMC)  
DENIAL OR DISCONTINUANCE OF BENEFITS**

(County Stamp)



Case No: \_\_\_\_\_

District: \_\_\_\_\_

This affects: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Name(s)

Your benefits under TMC will be discontinued effective the last day of \_\_\_\_\_  
(month)

Eligibility for benefits under the initial TMC program ends \_\_\_\_\_ because:  
(month)

There is no longer a child in the home.

Other:

Eligibility for benefits for the additional TMC program ends because:

There is no longer a child in the home.

You failed to return a completed status report.

Your family's gross average earnings (less child care costs) exceed the limit.

The caretaker relative or principal wage earner is no longer employed.

Other:

You are not eligible for:

Additional TMC

Any other Medi-Cal program

Here is the reason:

You will receive a separate notice about your eligibility for the regular Medi-Cal program.

The regulation which requires this action is California Code of Regulations, Title 22, Sections 50244.

\_\_\_\_\_  
(Eligibility Worker)

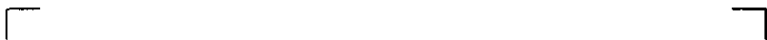
\_\_\_\_\_  
(Phone)

\_\_\_\_\_  
(Date)

**PLEASE READ THE REVERSE SIDE OF THIS NOTICE**

**NOTIFICACION DE ACCION  
DE MEDI-CAL  
MEDI-CAL DE TRANSICION (TMC)  
APROBACION DE BENEFICIOS**

(County Stamp)



No. del caso: \_\_\_\_\_

Distrito: \_\_\_\_\_

Esto afecta a: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Nombre(s)

EL TMC ES UN PROGRAMA QUE PROPORCIONA BENEFICIOS CONTINUOS DE MEDI-CAL POR UN MAXIMO DE 12 MESES, PARA PERSONAS A LAS CUALES SE LES DESCONTINUO LA AFDC COMO RESULTADO DE UN EMPLEO.

Usted es elegible para TMC inicial para el período de \_\_\_\_\_ a \_\_\_\_\_.  
(mes) (mes)

Usted continuará recibiendo TMC durante este período si tiene un niño elegible en el hogar.

Es posible que usted sea elegible para recibir seis meses adicionales de TMC sin costo para usted si:

Regresa el reporte de condiciones que le enviará el condado a más tardar el 21 de \_\_\_\_\_ y  
(mes)

cae dentro de los límites de ingresos.

Adjunta al reporte de condiciones comprobantes de los ingresos brutos mensuales ganados de su familia y los pagos reales por el cuidado de niños que usted hizo. Conserve todos los comprobantes de ingresos ganados, así como recibos por el cuidado de los niños.

Continúa con empleo.

Hay un niño que sea elegible en el hogar.

Usted es elegible para 6 meses de TMC adicionales, por el período de \_\_\_\_\_ a \_\_\_\_\_.  
(mes) (mes)

Para permanecer elegible para los seis meses adicionales de TMC, se requerirá que usted complete y regrese dos reportes de condiciones que le enviará el condado durante este período. El primer reporte deberá llegar a más tardar el día 21 del primer mes, y el segundo reporte deberá llegar a más tardar el día 21 del cuarto mes de este período adicional de seis meses.

*Presente siempre su tarjeta de Medi-Cal a su doctor o cualquier otro proveedor de servicios de Medi-Cal cuando solicite servicios médicos.*

El ordenamiento que requiere esta acción es la Sección 50244 del Título 22 del Código de Ordenamientos de California.

\_\_\_\_\_  
(Trabajador(a) de Elegibilidad) (Teléfono) (Fecha)

**POR FAVOR LEA EL REVERSO DE ESTA NOTIFICACION**

**NOTIFICACION DE ACCION  
DE MEDI-CAL  
MEDI-CAL DE TRANSICION (TMC)  
NEGACION O DESCONTINUACION DE  
BENEFICIOS**

(County Stamp)

[ ]

[ ]

No. del caso: \_\_\_\_\_

Districto: \_\_\_\_\_

Esto afecta a: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Nombre(s)

[ ]

[ ]

Sus beneficios bajo TMC serán descontinuados a partir del último día de \_\_\_\_\_  
(mes)

Su elegibilidad para los servicios del programa inicial de TMC termina en \_\_\_\_\_ porque:  
(mes)

Ya no hay un niño que sea elegible en su hogar.

Otra razón:

La elegibilidad para los servicios del programa inicial de TMC se termina porque:

Ya no hay un niño que sea elegible en su hogar.

Usted no devolvió el reporte de condiciones debidamente llenado.

Los ingresos brutos promedio de su familia (menos los pagos reales por el cuidado de niños) exceden el límite.

El (la) pariente encargado(a) del cuidado o el asalariado principal ya no trabaja.

Otra razón:

Usted no es elegible para:

El TMC adicional

Cualquier otro programa de Medi-Cal

La razón es la siguiente:

Usted recibirá una notificación por separado acerca de su elegibilidad para el programa de Medi-Cal regular.

El ordenamiento que requiere esta acción es la sección 50244 del Título 22 del Código de Ordenamientos de California.

\_\_\_\_\_  
(Trabajador(a) de elegibilidad)

\_\_\_\_\_  
(Teléfono)

\_\_\_\_\_  
(Fecha)

**PORFAVOR LEA EL REVERSO DE ESTA NOTIFICACION**