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MEDI-CAL ELIGIBILITY PROCEDURES MANUAL LETTER NO.: 245

TO: All Holders of the Medi-Cal Eligibility Procedures Manual

8G-MEDI-CAL FAMILY BUDGET UNIT (MFBU) DETERMINATIONS FOR THE SECTION 1931(b) PROGRAM

Enclosed are corrections and clarifications to the Section 1931(b) procedures. A new example is also added on page 23. These new additions or changes are marked with a black line in the right margin.

Filing Instructions:**Remove Pages:**

Article 8
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If you have any questions, please contact Ms. Margie Buzdas, at (916) 657-0726.

Sincerely,

Original signed by

Shar Schroepfer, Chief
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Enclosures



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MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

8G –MFBU DETERMINATIONS FOR THE SECTION 1931(b) PROGRAM

A. BACKGROUND

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 (Public Law 104-193) established a new mandatory coverage group at Section 1931(b) of the Social Security Act.

Section 1931(b) requires that Medi-Cal be provided to low-income families, who meet the provisions of the July 16, 1996, Aid to Families with Dependent Children (AFDC) State plan requirements for income, resources and deprivation, (subject to modification at State option). PRWORA also deleted many of the requirements for establishing deprivation based on unemployment.

Section 161 of AB 1542 (Chapter 270, Statutes of 1997) established the California Work Opportunity and Responsibility to Kids (CalWORKs) program and provided that it was to be implemented January 1, 1998. This law also adopted Section 14005.30 of the Welfare and Institutions Code which provided that to the extent federal financial participation is available, the Department of Health Services shall extend eligibility for health care services under Medi-Cal to all recipients of aid under CalWORKs as well as those in the Section 1931(b) Only program.

For purposes of establishing requirements for the Section 1931(b) group, the July 16, 1996, AFDC provisions have been modified as of January 1, 1998, to the extent possible as permitted by PRWORA, in order to align the Section 1931(b) program with CalWORKs. Therefore, former AFDC rules will be referred to as the Section 1931(b) rules.

Assembly Bill (AB) 1107, Chapter 146, Statutes of 1999, expanded the definition of the unemployed parent for purposes of establishing eligibility based upon deprivation of a child. Prior to this bill, if the principal wage earner works less than 100 hours per month, based upon the AFDC rules in effect July 16, 1996, or is considered unemployed under the terms of an existing federal waiver of the 100-hour rule for recipients of the Section 1931(b) Medi-Cal program, then deprivation exists for purposes of the child's eligibility. As of March 1, 2000, if the principal wage earner (PWE) is an applicant for the Section 1931(b) program (or if the PWE is either an applicant or a recipient in the MN program), he/she may work 100 hours or more if the family's net nonexempt earned income is at or below 100 percent of the FPL. Recipients of Section 1931(b) (those who receive Section 1931(b) in consecutive months following the first month of Section 1931(b) eligibility) may continue to work 100 hours or more if they meet the regular income and property requirements. NOTE: Section 50215 requires that the PWE be redetermined at the time of application, reapplication, restoration, or if the family's circumstances have changed in such a way as to meet the requirements for deprivation. If a PWE recipient is working 100 hours or more and there is "break in aid" or a change in circumstances, the U-Parent test applies regardless of whether or not he or the family are recipients for income purposes. See Procedures 5C.

In addition, Senate Bill (SB) 708, chaptered on July 22, 1999, raises the income limits for the Section 1931(b) program to 100 percent of the FPL. The effective date for both changes is March 1, 2000.

Persons applying for Medi-Cal who are not on Public Assistance (PA), Other PA, or Pickle must first be evaluated for the Section 1931(b) program prior to any other full scope Medi-Cal programs. See the Section 5C and 5S of this Manual for more information about deprivation and implementation of the Section 1931(b) program.

B. MFBU (MEDI-CAL FAMILY BUDGET UNIT) COMPOSITION RULES

The MFBU for Section 1931(b) shall be the basic unit of persons considered in determining an individual's or family's eligibility. Note: Sneed is applicable to the Section 1931(b) determination. Persons eligible for Section 1931(b) have a zero share of cost (SOC).

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The following are some basic Section 1931(b) rules for the MFBU determination:

- All persons in the family who are living in the home and who are not already receiving a cash grant e.g., Supplemental Security Income (SSI), CalWORKs, In-Home Supportive Services (IHSS) are evaluated for Section 1931(b) in the same Medi-Cal Family Budget Unit (MFBU) regardless of whether or not they have linkage. Persons who are considered to be receiving Public Assistance (PA), or Other PA are not in the MFBU except for those receiving Four Month Continuing and Transitional Medi-Cal benefits (see Section 50373 California Code of Regulations). Note: If a family member is aged, blind, disabled and in LTC, he/she is not consider to be living in the home, nor is he/she included in the MFBU.
- If some persons in the household are receiving CalWORKs, the remaining family members who are not eligible for CalWORKs or choose to not receive CalWORKs are considered to be eligible for Section 1931(b) without a determination. These persons are financial eligible for CalWORKs and their income and property was counted in the CalWORKs determination. Some examples are: 1) Persons who are sanctioned from CalWORKs such as those who do not cooperate with work requirements, 2) fleeing felons, 3) persons who have reached their CalWORKs time limits, or 4) persons who do not have satisfactory immigration status.

The exceptions to this rule are: persons who do not meet the age requirements of a child (they are not under 18 or not enrolled in school and expected to graduate prior to age 19), a non-needy caretaker relative who was not financially eligible as a CalWORKs applicant or recipient and whose income and resources were not counted when determining the CalWORKs case, or a minor parent living with his/her parents and whose child is receiving CalWORKs, but he/she is not eligible due to the grandparent's income/resources. These individuals cannot be assumed to be eligible for Section 1931(b) without a determination.

Those persons who are in the same MFBU with other family members who are being evaluated for Section 1931(b), but are ineligible because they do not have linkage or who are not eligible after a Sneede determination, should be evaluated for the Medically Needy (MN), Medically Indigent (MI), or the Percent programs, if otherwise eligible. Those persons who are eligible for Section 1931(b) are not in the MFBU with those who are being evaluated for the MN or MI program. See the following examples or Article 5K for examples of how to determine eligibility for the Percent programs.

- There must be at least one deprived child eligible for a Medi-Cal program with a zero SOC e.g., Percent program, PA, CE, or CEC, for a parent to be linked to the Section 1931(b) program.
- An unborn may be used to increase the Section 1931(b) family size prior to the last four months of pregnancy regardless of whether the unborn is deprived if there are other deprived children in the family who are otherwise eligible.
- If the only deprived child is an unborn in the last four months of pregnancy and the mother is being evaluated for Section 1931(b), the spouse or unmarried father is an ineligible member of the Section 1931(b) MFBU and is not eligible for Section 1931(b) until the birth of the unborn. The father should be evaluated for the MN program. Continued Eligibility and Sneede rules apply. The unmarried father may choose to opt out if he wishes.

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Example 17: (Recipient Senior Parent with Care and Control, Adult Parent, and Adult Parent's Child)

Same example as 16; however, the adult parent has \$1500 gross earned income using Alternative A which makes the family ineligible for Section 1931(b).

Section 1931(b) MFBU

Grandmother	\$620 net nonexempt unearned income
Adult Parent	\$1500 - (\$240 + 1/2) = \$630 net nonexempt earned income
Child	\$ 0
Total	\$1250
Limit (3)	\$ 793

Alternative B should now be applied using the \$90 and the 100% FPL limit to determine if this method would be more beneficial. The Sneede computation is postponed pending the results of the Alternative B (100% FPL) determination.

Section 1931(b) MFBU

Grandmother	\$620 net nonexempt unearned income
Adult Parent	\$1500 - \$90 = \$1410 net nonexempt earned income
Child	\$ 0
Total	\$2030
Limit (3)	\$1180

The family is still ineligible. Apply Sneede rules for Alternative A.

Section 1931(b) Sneede MBU#1

Grandmother	\$620 net nonexempt unearned
Total	<u>\$620</u>
Limit (1)	\$390

Section 1931(b) Sneede MBU #2

Adult Parent	\$1500 - (\$240 + 1/2) = \$630
Child	<u>\$ 0</u>
Total	\$630
Limit for (2)	\$639

The adult parent and child in MBU#2 are eligible for Section 1931(b). Determine Sneede MBU #1 again using Alternative B income limits. No \$90 deduction is allowed because Grandmother's income is unearned. No aged, blind, or disabled MN deductions are allowed under the Section 1931(b) program.

Section 1931(b) Sneede MBU#1

Grandmother	\$620 net nonexempt unearned income
Total	<u>\$620</u>
Limit (1)	\$696

Grandmother is eligible. Note: If Grandmother were not eligible, she could not be aided in the MN program unless she has linkage of her own such as aged, blind, or disabled because the MN program does not allow a caretaker relative to be aided if there is a parent living in the home regardless of who has care and control. If she were terminated from CalWORKs because the family's earnings were from employment and they had received CalWORKs for three of the last six months, she would be eligible for TMC.

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Example 18: (20 Year Old Parent Living with Her Child and Senior Parents)

A 20-year-old parent has care and control of her two year old child, lives with her senior parents, and all are requesting Medi-Cal as applicants. There is absent parent deprivation for the child. The 20-year-old is considered an adult in the Section 1931(b) determination. The senior parents are not in the Section 1931(b) MFBU because they are not caretaker relatives of a Section 1931(b) child. The senior parents may be aided under the MN program if the 20-year-old is not eligible for Section 1931(b) and he is deprived by the senior parent's incapacity, unemployment. Otherwise the 20-year-old is MI and the senior parents are ineligible unless they are aged, blind, or disabled.

Section 1931(b) MFBU

20-Year-Old Parent	\$1090-\$90=\$1000 net nonexempt earned income
20-Year-Old Parent's Child	\$ 0
Total	\$1000
Limit	\$938

The 20-year-old and her child are not eligible for Section 1931(b). All family members may be evaluated for the MN program following the minor mother MN/MI MFBU rules since the 20 year old is still considered a child. Assume the senior parent is incapacitated.

MN MFBU #1

Senior Dad	\$650 net unearned income
Senior Mom	\$ 0 income
20-year-old Parent	\$1000 net earned income
Total	\$1650
Limit	\$ 934

MN MFBU#2

<20-year-old Parent>	\$1000 net earned income
20-year-old Parent's Child	\$ 0
Total	\$1000
Limit	\$ 750

The senior parents and the 20 year old have a SOC of \$716. Redetermine MFBU#1 using Sneed rules. Mom and Dad are eligible with no SOC. The 20-year old parent has a \$688 SOC. Evaluate the two year old child for the 133 percent program using only the income of her 20 year old parent (\$1000) with a family size of two. The two year old is eligible for the 133 percent program. NOTE: If the 20-year-old and her child passed Section 1931(b), the senior parents would be evaluated for the MN program in an MFBU of two.

Example 19: (Essential Person)

Married couple with no mutual children apply for Medi-Cal. The wife has a separate child. The stepfather requests to be aided as essential person. He may not opt out because his wife wants to be aided; however, he can be an ineligible member of the MFBU if he does not want to be aided. The wife has no income. The child has net income of \$100. The stepfather has \$2,000 net nonexempt income per month.

Section 1931(b)

Stepfather	\$2,000
Mother	\$ 0
Separate Child	\$ 100
Total	\$2,100
Limit	\$1,180

Since the family is ineligible for Section 1931(b), Sneed rules apply. The stepfather keeps \$696 and allocates the remainder to his wife = \$1,304. The mother has no income and allocates nothing to her child.

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Example 23 (Minor Parent with a CalWORKs Child Living with Senior Parent)

Minor parent and minor parent's child living with senior parent. The senior parent does not have care and control of both the minor and the minor parent's child; therefore, she is ineligible for Section 1931(b). The minor's child is receiving CalWORKs; however, the minor parent is ineligible due to the senior parent's income. NOTE: This is one of the exceptions to the automatic Section 1931(b) described in Section B above.

Section 1931(b) MFBU

<Senior parent>	\$900
Minor parent	<u>\$ 0</u>
Limit	\$900
Limit	\$968

The minor parent is eligible for Section 1931(b). If the minor had income which was used in determining the CalWORKs grant, he or she would receive a deduction equal to the amount by which the infant's cash grant was decreased from the grant amount the infant would have received if the minor parent had no income. The senior parent should be evaluated for the MN program.

If the minor parent had income which resulted in Section 1931(b) ineligibility, Sneede rules would apply. If the minor were still ineligible, she/he and the senior parent should be evaluated for the MN or Percent programs. The senior parent may be an eligible member in the MN program.

Example 24 (Unmarried Parents with an SSI Child)

Unmarried parents living with their mutual child who is receiving SSI. The parents are applying for Medi-Cal based on the father's incapacity.

Section 1931(b) MFBU

Father	\$400
Mother	<u>\$600</u>
Total	\$1000
Limit	\$ 968

Sneede rules apply. The unmarried parents do not allocate any income to each other or to their SSI child.

Section 1931(b) MBU #1

Father	\$400
Limit	\$714

Section 1931(b) MBU #2

Mother	<u>\$600</u>
Limit	\$714

The mother and father are both eligible for Section 1931(b).

D. CHARTS AND FORMS

- a) Example 21 Applicant and Recipient Budget Sheet and Sneede Mini Budget Determination
- b) Section 1931(b) Recipient Income Limits Effective July 1, 1999
- c) Section 1931(b) Sneede Prorated Income Standard and Property Levels –April 1, 2000
- d) Section 1931(b) Sneede Prorated Income Standard and Property Levels - March 1, 2000
- e) Section 1931(b) Sneede Prorated Income Standard and Property Levels – July 1, 1999
- f) Section 1931(b) Sneede Prorated Income Standard and Property Levels –July 1, 1998
- g) Section 1931(b) Sneede Prorated Income Standard and Property Levels – January 1, 1998 to June 30, 1998
- h) Section 1931 Applicant & Recipient Budget Form Net Non-Exempt Income [MC 176M-1931 Group-APPL/RECIP (2/00)]
- i) Section 1931 Recipient Budget Form Net Non-Exempt Income [MC 176MA –1931 Group – RECIP

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- j) Section 1931 Program Worksheet: Applying the \$240 & 1/2 Deduction to Recipient Families with Three or More Persons with Earnings [MC 176M-A –1931 Group – 3+ Earner (5/99)]
- k) Section 1931(b) Sneede Net Nonexempt Income Determination – Applicant or Recipient [MC175-31.2A (3/00) 1931 Group]
- l) Section 1931(b) Sneede Net Nonexempt Income Determination – Recipient MBASC [MC 175-31.2R (3/00) 1931 Group]
- m) Property Reserve Work Sheet MC 176P (1/99)
- n) Section 1931(b) Sneede Property Work Sheet [MC 324 (4/99) 1931 Group]
- o) Vehicle Determination Work Sheet for 1931 Group [MC 176 P-V (5/00) 1931 Group]
- p) Unemployed Parent Determination Work Sheet – [MC 337 (3/00)]

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