



California
Department of
Health Services

SANDRA SHEWRY
Director

State of California—Health and Human Services Agency
Department of Health Services



ARNOLD SCHWARZENEGGER
Governor

February 7, 2006

Medi-Cal Eligibility Procedures Manual Letter No.: 301

TO: ALL HOLDERS OF THE MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

SUBJECT: UPDATE TO MOTOR VEHICLE AND MOBILE HOME VALUATION

This letter is notice to provide an update of Article 9, Section 9B – Motor Vehicle and Mobile Homes. Please replace your old version with this new version.

FILING INSTRUCTIONS:

Remove Pages:

Article 9

Pages 9B-1 thru 9B-2
Pages 9B-3 thru 9B-70
(DMV Vehicle License Fee Rate Table)

Insert Pages:

Article 9

Pages 9B-1 thru 9B-2
NONE

Any questions regarding the above information should be directed to Mr. Pritesh Morgera of my staff, at (916) 650-0140

Sincerely,

Original signed by

Tameron Mitchell, Chief
Medi-Cal Eligibility Branch

Enclosure

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9B – MOTOR VEHICLES

In accordance with the McKnight vs. McMahon court order, counties have the responsibility to determine **a reasonable value** for motor vehicles. The applicant does not need to obtain three appraisals by auto dealers, insurance adjustors, or personal property appraisers. Some of the methods which may be used to determine the reasonable value include, **BUT ARE NOT LIMITED TO:**

- The market value determined by the wholesale “Kelley Blue Book”, the Kelley Blue Book’s Website: <http://www.cars.com/go/kbb/kbbInput.jsp>
- The market value determined by the “National Auto Dealers Association (NADA) Guide”, Website: <http://www.nadaguides.com/autohome2.aspx?Lnk=1&wSec=10&wPr=0&wPg=2111>
- An estimate of market value obtained by the applicant from a disinterested knowledgeable source.

or;

- DMV Vehicle License Fee Rate Table: You must type in the link exactly as seen below:
Note: There are two underscores (__) in the link.
http://www.dmv.ca.gov/forms/reg/vlf_chart_2005.pdf

For counties who do not have Internet access, any reasonable estimate of value may be used to determine the estimated value. The eligibility worker must document the case record.

The Vehicle License Fee Rate (VLF) chart is updated by the Department of Motor Vehicles and **not** by the Department of Health Services. The current 2% VLF chart has now been replaced with a .65% VLF chart. This percentage change has superseded prior instruction in CCR Title 22, Section 50485. No longer will the license fee be multiplied by \$50 to derive the market value of the motor vehicle.

The new procedure for determining the market value of a motor vehicle shall be determined by the following process (**Note: The VLF chart is just one method of obtaining a reasonable value**):

1. Determine the class of the motor vehicle.
2. Determine the year the motor vehicle was purchased. (Note: This could be initial purchase of a new vehicle or resale date.)
3. Divide the vehicle license fee by .0065, **NOT** .65.
4. Subtract any encumbrances of record from the market value. This is the net market value.

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(Note: Do not use the monthly prorated vehicle license fee portion of the chart.)

MOBILE HOMES

Title 22, Section 50167(a)(7)(H), states that the market value of real property other than principal residence is to be verified. (**Note:** Counties **need NOT determine** the market value of an exempt principal residence.) Mobile homes that are not the principal residence (i.e. not exempt) shall be valued in accordance with Title 22, Section 50427 (Other Real Property) or Section 50463 (Boats, Campers, Trailers). The DMV is responsible for registering all motor vehicles. The Department of Housing and Community Development (DHCD) is responsible for registering mobile homes and trailers.