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Department of Health Care Services



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February 11, 2022

TO: ALL COUNTY WELFARE DIRECTORS Letter No: 22-04
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY MENTAL HEALTH DIRECTORS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MEDS LIAISONS

SUBJECT: Treatment of Certain Public Health Emergency Assistance Payments for
Medi-Cal Eligibility

The purpose of this All County Welfare Directors Letter (ACWDL) is to provide counties with direction on how to treat certain assistance payments related to the COVID-19 Public Health Emergency (PHE). Specifically, the treatment of Caregiver Pandemic Assistance (CPA) Payments and In-Home Supportive Services (IHSS) Home and Community Based Services (HCBS) Care Economy Payments for financial eligibility to the Medi-Cal program.

Background

Due to the COVID-19 PHE, state and federal governments have been enacting policy to mitigate the impact of the pandemic on various populations. Senate Bill (SB) 129 and the California Budget Act of 2021 were signed into law, which authorized the distribution of CPA Payments through the Department of Social Services to qualified care providers. Additionally, the American Rescue Plan Act (ARPA) of 2021 temporarily increased federal medical assistance for Medi-Cal HCBS services, which includes IHSS HCBS Care Economy Payments (CEP) as part of the spending plan.

Assistance Payments and Treatment of Income

The Department of Health Care Services (DHCS) will provide guidance below on how CPA and CEP should be considered when determining both Modified Adjusted Gross Income (MAGI) and Non-MAGI Medi-Cal eligibility. In circumstances when a payment would count as income, CEWs shall follow current verification procedures if manual verification is needed, such as obtaining a grant letter, paystub, etc.

Caregiver Pandemic Assistance (CPA) Payment

The CPA Payment is a COVID-19 pandemic-related relief payment in recognition of and mitigation for the impacts, barriers, and increased responsibilities caregivers and families faced during the initial stages of the COVID-19 PHE while providing home based care and supervision to children and youth. The California Department of Social Services will be releasing an All-County Letter detailing these payments further (eligible caregivers, requirements for eligibility, and distribution of payments, etc.), at the following location:

<https://www.cdss.ca.gov/inforesources/letters-regulations/letters-and-notice/all-county-letters/2022-all-county-letters>

For MAGI Medi-Cal eligibility purposes, the CPA Payments are not federally taxable income and considered disaster relief payments. Therefore, per Internal Revenue Services (IRS) [Publication 525](#), the payments shall not be counted as income as they are a result of a natural disaster and are considered exempt for the relief and mitigation of impacts due to the PHE.

For Non-MAGI Medi-Cal eligibility purposes, the CPA Payment is exempt per Title 22 of the California Code of Regulations (CCR) [§ 50535.5](#), which states disaster and emergency assistance payments, regardless of the date of receipt, and any interest earned from such payments, shall be exempt and shall not be included in the share of cost computation. This exemption applies only to such payments received from federal, state, and local government agencies, or disaster assistance organizations. Since the CPA Payment is provided by a government entity, it is exempt as income and property.

Care Economy Payment (CEP) for IHSS providers

Starting January 21, 2022, the one-time CEP of \$500 dollars will be sent by the California Department of Social Services to each current IHSS and Waiver Personal Care Services (WPCS) provider who provided services to IHSS or WPCS recipient(s) for a minimum of two months between March 1, 2020 and March 31, 2021, in recognition of care services provided during the COVID-19 PHE.

Per California Department of Social Services, the one-time CEP is reportable as income and subject to income and payroll taxes and deductions. For MAGI Medi-Cal eligibility purposes, the CEP is considered federal taxable income and follows current IHSS rules:

- The CEP will count as income towards a MAGI household if the IHSS provider does not live with the IHSS recipient.
- The CEP income will not count towards the income for the MAGI household if the IHSS provider and recipient are a part of the same household.

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Please refer to the [Income and Deductions Chart](#) located on the DHCS website for more information.

For Non-MAGI Medi-Cal eligibility purposes, typically IHSS pay is only exempt if certain conditions are met, per ACWDL [07-02](#). However, for Non-MAGI Medi-Cal eligibility purposes, the \$500 one-time CEP is exempt per Title 22 CCR [§ 50535.5](#), which states disaster and emergency assistance payments, regardless of the date of receipt, and any interest earned from such payments, shall be exempt and shall not be included in the share of cost computation. This exemption applies only to such payments received from federal, state, and local government agencies, or disaster assistance organizations. Since the CEP is provided by a government entity, it is exempt as income and property.

If you have any questions or require additional information, please contact Leejuan Camarena at (916) 345-8073 or by email at Leejuan.Camarena@dhcs.ca.gov.

Original Signed By

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