

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



California  
Department of  
Health Services

**SANDRA SHEWRY**  
Director



**ARNOLD SCHWARZENEGGER**  
Governor

November 3, 2004

**TO:** ALL COUNTY WELFARE DIRECTORS Letter No.: 04-35  
ALL COUNTY ADMINISTRATIVE OFFICERS  
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS  
ALL COUNTY HEALTH EXECUTIVES  
ALL COUNTY MENTAL HEALTH DIRECTORS

**SUBJECT:** SECTION 1931 PROGRAM INCOME STANDARDS INCREASE

This All County Welfare Directors Letter (ACWDL) supercedes ACWDL 04-33. The last sentence in numbered paragraphs 1, 2, and 3 below is new to this ACWDL, and this ACWDL transmits attachments providing the relevant Sneed table. Otherwise, this ACWDL is identical to ACWDL 04-33.

The income standards for the Section 1931(b) Program income eligibility "Test A", applicable to recipients only, provided below, are increasing as described: the new Section 1931 Program income standards provided in the table below are effective for July 1, 2004, through August 31, 2004, then are suspended for September 1, 2004, through November 30, 2004, and then are reinstated effective December 1, 2004, for an indefinite period. During the "suspension" period of September 1, 2004, through November 30, 2004, the applicable income standards will be those in effect during the year 2004 preceding July 1, 2004. The applicable Section 1931 income standards for the period beginning July 1, 2004, are provided below:

**SEC. 1931 INCOME STANDARD UPDATES FOR JULY 1, 2004 & ONWARDS;  
APPLICABLE TO SECTION 1931 RECIPIENT (TEST A) CASES ONLY**

Family Size	July 1 – Aug. 31, 2004	Sept. 1 – Nov. 30, 2004	December 1, 2004 and future months
1	398	390	398
2	653	639	653
3	808	793	808
4	961	942	961
5	1,094	1,074	1,094
6	1,229	1,208	1,229
7	1,350	1,327	1,350
8	1,473	1,445	1,473
9	1,591	1,567	1,591
10	1,709	1,701	1,709
More than 10	1,709	+ 14	1,709

This schedule is necessitated in order to reflect the California Work Opportunity and Responsibility to Kids (CalWORKs) income limit schedule published in the CalWORKs "All County Letter" 04-34, dated August 31, 2004, as required by state law which requires the Section 1931 Program to provide Medi-Cal coverage to all individuals qualifying for the CalWORKs Program.

**IMPLEMENTATION FOR MEDI-CAL FAMILY BUDGET UNITS (MFBUs)**

The effective date for implementing the income standards described above is December 1, 2004. Beginning December 1, 2004, the income standards listed above will be applied to all Medi-Cal only recipient-cases being evaluated for Section 1931 eligibility. This new income standard, which increases the Section 1931 Program CalWORKs-based income limit, affects only the Section 1931 recipient-only income test (Test A). The other Section 1931 income test (Test B), applicable to both applicants and recipients, which uses 100 percent of the federal poverty level as the income limit, and which is updated April 1 of each year, is not affected by this change.

All cases that could be affected by the retroactive increase in the Section 1931 Program recipient-only income limit must have their Section 1931 eligibility re-evaluated as follows:

1. Evaluate July and August of 2004 Section 1931 Program **Ineligible** Cases Under the Increased Income Standard: All Section 1931 recipient cases that were evaluated for Medi-Cal Section 1931 eligibility in either of these two months

that could not pass either of the two income tests (Test A and Test B) applicable to recipients and hence were determined income ineligible for the Section 1931 must be re-evaluated for Section 1931 eligibility under the recipient-only (Test A) income test for these two months. Recipient cases that were evaluated for Medi-Cal Section 1931 eligibility for these two months that were ineligible for reasons other than excess income need not be reevaluated. The word "case" as used in this All County Welfare Directors Letter (ACWDL) refers to families or individuals within a family. Cases in which some family member qualified for the Section 1931 Program but some family members did not for one or both of these two months, notwithstanding the fact that the family members who did not qualify for the Section 1931 program qualified for some other Medi-Cal program, are included among the cases which must be evaluated pursuant to this paragraph. If a case being evaluated under this paragraph is "Sneeded", use the "new" Sneede - Gamma allocation chart attached as Exhibit A.

2. For September through November, Evaluate Cases Determined Eligible For the Section 1931 Program Under the Provisions of Paragraph One For Section 1931 Program **Ineligibility**: For the three months, September through November 2004, the Section 1931 Program income limits for the recipient-only test "fall back" to their "pre-July" levels (see above table). All cases that were determined eligible under paragraph one above, because of the higher Test A income limits, must have their Section 1931 income eligibility re-evaluated under the "old", pre-July Section 1931 income limits for purposes of determining whether they will lose their Section 1931 income eligibility for these three months. Of course, for any such case found to be ineligible due to the Test A income limits "fall back" for any of these three months, which also experienced a decrease in income during any of these three months, must also be evaluated under the Section 1931 Program Test B (the applicant – recipient test). If a case being evaluated under this paragraph is "Sneeded", use the "old" Sneede - Gamma allocation chart attached as Exhibit B.
3. Beginning December, 2004, all recipient cases will have the "new" higher income limit applied when being re-evaluated for the Section 1931 Program under Test A: Specifically, ensure that any cases found ineligible for the Section 1931 program under paragraph two above are re-evaluated for eligibility under this paragraph. In addition, all recipient cases being evaluated for the Section 1931 program Test A will have the "new" higher income limit (see above table)

provided in this ACWDL applied. If a case being evaluated under this paragraph is "Sneeded", use the "new" Sneede - Gamma allocation chart attached as Exhibit A.

If you have any questions, please contact Mr. Dave Rappolee of my staff at (916) 552-9517. Questions on issues relating to the Section 1931 Sneede tables accompanying this ACWDL should be directed to Mr. John McDaniel at (916) 552-9481.

Original signed by

Tameron Mitchell, R.D., M.P.H., Chief  
Medi-Cal Eligibility Branch

**Attachments**

**EXHIBIT A**

## Section 1931(b) Determinations: Sneeve v. Kizer Prorated CalWORKs-Based Income Standard and Property Levels

**Effective Dates: July & August, 2004; Dec. 2004 Onwards (See Footnote)**

<b>I. MBU Contains an Adult - May also Include an Unborn</b>		
Person Type	1931(b) Income	Property
Single Parent	\$398	\$3,000
Single Parent with Unborn	\$653	\$3,000
Married Couple - Two Adults	\$653	\$3,000
Married Couple - with Unborn	\$808	\$3,150
Unmarried Couple - Each Unmarried Partner	\$398	\$3,000

<b>II. MBU Contains Adult(s) and Child(ren)</b>
Allow the full non-Sneeve Section 1931(b) income/property limits for the MBU based on the number of individuals in the MBU

<b>III. MBU Contains a Nonparent Caretaker Relative, or Child(ren) with No Parents Living in the Home, or Child(ren) Whose Parent is PA/Other PA or Not in the MFBU</b>
Each MBU receives full non-Sneeve(b) income/property limit based on the number of persons in the MBU. If there is a pregnant minor in the MFBU, include the unborn in the pregnant minor's MBU

<b>IV. MBU Contains Only Children Who Live with One or Both Parents (Not Stepparents) and They Are in the Same MFBU. (Do not include a parent who is PA/other PA and not in the MFBU. Also, if there is a pregnant minor in the MFBU, her unborn is considered as another child in the pregnant minor's MBU.)</b>				
No. of Children in MBU	One Parent		Two Parents	
	Prorated Income	Prorated Property	Prorated Income	Prorated Property
1	\$327	\$1,500	\$270	\$1,050
2	\$539	\$2,100	\$481	\$1,650
3	\$721	\$2,475	\$657	\$2,070
4	\$876	\$2,760	\$820	\$2,400
5	\$1,025	\$3,000	\$965	\$2,679
6	\$1,158	\$3,215	\$1,105	\$2,925
7	\$1,289	\$3,413	\$1,238	\$3,150
8	\$1,415	\$3,600	\$1,368	\$3,360
9	\$1,539	\$3,780	\$1,399	\$3,437
10	\$1,554	\$3,819	\$1,425	\$3,500

Note 1: If a manual calculation is necessary due to family size exceeding chart values, the applicable Sec 1931 income limit is \$1709 for a family of 10 and up. Family sizes above 10 get the same Sec 1931 Test A income limit as a family size of 10.

Note 2:  $(\text{No Children in MBU}) / (\text{No Parents in MFBU} + \text{No Children in MBU})$  multiplied by 1931(b) income standard for a budget unit of Parent(s) in MFBU + Child(ren) in MBU = Prorated Income in Part IV

Footnote: For the the period Sept. through Nov. , 2004, the "old" Sneeve table (covering the period July 1999 through June, 2004) is applicable.

## **EXHIBIT B**

## MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

### Section 1931(b) Determinations: Sneede v. Kizer Prorated MBSAC Income Standard and Property Levels - July 1, 1999 -

#### I: MBU Contains an Adult May also Include an Unborn

Person Type	1931(b) Income	Property
Single Parent	\$ 390	\$3,000
Single Parent with Unborn	639	3,000
Married Couple - Two Adults	639	3,000
Married Couple with Unborn	793	3,150
Unmarried Couple - Each Unmarried Partner	390	3,000

#### II: MBU Contains Adult(s) and Child(ren)

Allow the full non-Sneede Section 1931(b) income/property limits for the MBU based on the number of individuals in the MBU.

#### III: MBU Contains a Nonparent Caretaker Relative, or Child(ren) with No Parents Living in the Home, or Child(ren) Whose Parent is PA/Other PA and Not in the MFBU

Each MBU receives full non-Sneede 1931(b) income/property limit based on the number of persons in each MBU. If there is a pregnant minor in the MFBU, include the unborn in the pregnant minor's MBU.

#### IV: MBU Contains Only Children Who Live with One or Both Parents (Not Stepparents) and They Are in the Same MFBU. (Do not include a parent who is PA/Other PA and not in the MFBU. Also, if there is a pregnant minor in the MFBU, her unborn is considered as another child in the pregnant minor's MBU.)

No. of Children in MBU	One Parent		Two Parents	
	Prorated Income	Prorated Property	Prorated Income	Prorated Property
1	\$ 320	\$1,500	\$ 265	\$1,050
2	529	2,100	471	1,650
3	707	2,475	645	2,070
4	860	2,760	806	2,400
5	1,007	3,000	948	2,679
6	1,138	3,215	1,084	2,925
7	1,265	3,413	1,219	3,150
8	1,393	3,600	1,361	3,360
9	1,531	3,780	1,404	3,437
10*	1,560	3,819	1,441	3,500

\*NOTE: Add \$14 for each additional child after 10 to Section 1931(b) income standards to determine prorated income standards.

$$\frac{\text{No. Children in MBU}}{\text{Parent(s) + No. Children in MBU}} \times \text{1931(b) Income Standard for Parent(s) + Child(ren) in MBU} = \text{Prorated income}$$

Pending

SECTION NO.: 50226

MANUAL LETTER NO.: 284

DATE: 08/27/03

5S-28