



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



EDMUND G. BROWN JR.
Governor

Date: July 7, 2014

All County Welfare Director's Letter No.: 14-28

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY WELFARE ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS

SUBJECT: Elimination of the Deprivation Requirement for Medi-Cal Linkage for the Modified Adjusted Gross Income Parent/Caretaker Group and the Aid to Families with Dependent Children-Medically Needy Program

The purpose of this letter is to inform counties that effective January 1, 2014, linkage as, or through, a child no longer requires that the child be deprived. This affects applicants and beneficiaries in the Modified Adjusted Gross Income (MAGI) Parent/Caretaker group as well as those in the Aid to Families with Dependent Children- Medically Needy (AFDC-MN) program.

Background

Prior to the implementation of the Affordable Care Act (ACA) provisions on January 1, 2014, individuals in families who were evaluated for 1931(b) and/or the AFDC-MN programs were required to have linkage as, or through, a deprived child, in order to be eligible for those programs. Deprivation of a child was established through the absence, death, incapacity or unemployment/underemployment of at least one parent in the child's family. As part of ACA implementation, the Legislature eliminated the deprivation requirement, as allowed under federal rules (Welfare and Institutions Code, Section 14005.30 (b)(2) as amended by Assembly Bill 1, Chapter 3, Statutes of 2013/2014, First Extraordinary Session). Federal rules also require that if deprivation is changed for a mandatory program (MAGI Parent/Caretaker group) then deprivation must also be changed for the AFDC-MN program.

New Requirements

Linkage for the MAGI Parent/Caretaker Group and the AFDC-MN program will now be established by the parent/caretaker living with the child or children for whose care the parent/caretaker relative has primary responsibility. Children (as defined below) whose parents are linked to the MAGI Parent/Caretaker Group or the AFDC MN program, no longer need deprivation to be eligible for those groups if they are living with a parent/caretaker relative as described above.

For linkage purposes of the MAGI Parent/Caretaker group, a child is defined as someone who is under the age of 18 unless he/she is 18 years old and a full-time student in a secondary school or the equivalent level of vocational or technical training. For the MN program, a child is defined as a non-disabled individual who is under the age of 21 or a disabled individual under the age of 18.

Note: The age requirements for linkage purposes to the MAGI Parent/Caretaker group may not correspond to the age definitions for the Children's groups or for household composition purposes. Also, even though for MAGI methodology purposes children are no longer linked to the Parent/Caretaker Relative group they may still be eligible for Transitional Medi-Cal (TMC) if the children are in the same household as a parent/caretaker relative. TMC will be discussed separately in a forth coming All County Welfare Director's Letter.

The situations when the child would be considered a member of the parent/caretakers household have not changed. This includes the provision for the MN group that requires a child, who is temporarily absent from a parent's household to attend school but who the parent claims or intends to claim as a dependent on their taxes, be included in the parent's household for budgeting and linkage purposes.

Pregnant Women

Pregnant women are also linked as follows:

- For the Parent Caretaker group, the unborn child provides linkage in the last trimester of pregnancy.
- For the AFDC-MN program, the unborn child provides linkage from conception.

Stepparents

Formerly in households with a parent and a stepparent who did not have separate or mutual children of their own who were deprived there was only linkage if there was

deprivation, based on the incapacity of a parent. Now that deprivation has been eliminated, stepparents are linked if there is a child in the household with the parent.

Sneede vs. Kizer

Counties are reminded that Sneede vs. Kizer requirements still apply to MN cases. Sneede vs. Kizer does not apply to MAGI based Medi-Cal eligibility, as ordered by the Federal court on September 26, 2013.

Examples

Example 1: Family income is 102 percent of the federal poverty level (FPL) for the family size from earnings of one of the two parents in the household. There are two children in the family ages two and four as well as another parent. The children belong to both parents and neither parent is incapacitated.

Program/linkage determination: The case would be eligible to MAGI Medi-Cal for all members if all other eligibility criteria are met. The parents would be eligible to the Parent/Caretaker group and the children would be eligible under one of the children's MAGI Medi-Cal programs.

Example 2: The family consists of a single mother and her two children aged two and four. The parents are separated and the father is living apart from the children. The mother's income is 102 percent of FPL for one. She does not claim the children on her taxes. The father's income is 135 percent FPL for three and he claims the children on his taxes.

Program/linkage determination: The mother would be linked as a parent/caretaker relative because she has primary responsibility for the children. Because she does not claim the children on her taxes she is in her own household.

The children are eligible for the MAGI Children's group because the mother's income is below the limit. Only the mother's income is used to determine the children's eligibility because they live with her.

The father is eligible for the New Adult group. He is not linked to the Parent/Caretaker Relative group because he does not live with, nor have primary responsibility for, the children.

Example 3: The family consists of two unmarried parents and two children aged two and four. The family income is earned and is 102 percent of the FPL for the family size. The children belong to both unmarried parents.

Program/linkage determination: The case would be eligible to MAGI Medi-Cal for all members if all other eligibility criteria are met. The parents would be eligible to the Parent/Caretaker group and the children would be eligible under one of the children's MAGI Medi-Cal programs.

Example 4: Family has income at 159 percent of the FPL for the family size. The source is earnings from one of the two parents in the household. There are two children ages two and four. The children belong to both parents and neither parent is incapacitated. The family provides property and other information in order to be evaluated for Non-MAGI Medi-Cal.

Program/linkage determination: The case would be eligible for MAGI Medi-Cal for the children in one of the children's groups and the parents would be eligible for Non-MAGI Medi-Cal, AFDC-MN, if all other eligibility factors are met. The parents may have a Share-of-cost (SOC). The parents may also be eligible for Advanced Premium Tax Credits (APTC).

Example 5: Family has income at 268 percent of the FPL for the family size. There are two parents in the family as well as children aged two and four. Part of the family income is earned and this part is above 100 percent of the FPL. The children belong to both parents and neither parent is incapacitated. The family provides property and other information so that the family can be evaluated for Non-MAGI Medi-Cal.

Program/linkage determination: The case would be eligible for Non-MAGI coverage under AFDC-MN if all other eligibility factors are met. There would likely be a SOC. The family may also be eligible for APTC.

Example 6: Family consists of parent, stepparent and children ages two and four who are the separate children of the parent. The stepparent wishes to be aided. Family income is 102 percent of the FPL. Neither the parent nor stepparent is incapacitated.

Program/linkage determination: The case would be eligible for MAGI Medi-Cal for all members if all other eligibility criteria are met. The parent and the stepparent would be

eligible to the Parent/Caretaker group and the children would be eligible under one of the children's MAGI Medi-Cal programs.

Example 7: Family consists of parent, stepparent and children ages two and four who are the separate children of the parent. The stepparent wishes to be aided. Family has income at 159 percent of the FPL for the family size. The source is earnings from the parent in the household. Neither the parent nor the stepparent is incapacitated. The family provides property and other information in order to be evaluated for Non-MAGI Medi-Cal.

Program/linkage determination: The case would be eligible for MAGI Medi-Cal for the children in one of the children's groups. The parent and the stepparent would be eligible for Non-MAGI Medi-Cal, AFDC-MN, if all other eligibility factors are met. The parent and stepparent may have a SOC. The parent and stepparent may also be eligible for APTC.

Example 8: Family consists of parent, stepparent and children ages two and four who are the separate children of the parent. The stepparent wishes to be aided. Family has income at 268 percent of the FPL for the family size. Part of the family income is earned by the stepparent and this part is above 100 percent of the FPL. Neither the parent nor the stepparent is incapacitated. The family provides property and other information so that the family can be evaluated for Non-MAGI Medi-Cal.

Program/linkage determination: The case would be eligible for Non-MAGI coverage under AFDC-MN if all other eligibility factors are met. There would likely be a SOC and the case would need a Sneeve vs. Kizer determination since there is a Sneeve class member. The family may also be eligible for APTC.

Effective Date and County Compliance

Upon receipt of this letter, counties shall immediately ensure that the Statewide Automated Welfare System your county uses and all manual workarounds, verbal or written policies and/or procedures are updated to reflect these changes. These policies are effective January 1, 2014. If counties are made aware of cases at annual review, when changes are reported, through a fair hearing request or by applicant/beneficiary request that a case or individual was denied or discontinued due to application of deprivation requirements, counties shall re-evaluate and restore eligibility as otherwise eligible back to January 1, 2014.

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If you have any questions or if we can provide further information, please contact Leanna Pierson at (916) 327-0408 or by email at Leanna.Pierson@dhcs.ca.gov.

Original Signed By:

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Medi-Cal Eligibility Division