

DEPARTMENT OF HEALTH SERVICES

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August 28, 1978

To: All County Welfare Directors

Letter No. 78-2

"TITLE II DISREGARD" MEDI-CAL ELIGIBILITY

This letter transmits information and instructions regarding "Title II Disregard" eligibility determinations effective September 1, 1978.

Background

Public Law (PL) 94-566, passed by Congress in 1976, requires states to provide medical assistance at no cost to certain former Supplemental Security Income/State Supplementary Payment (SSI/SSP) recipients without regard to the Social Security, Title II, cost of living increases which they have received. Such persons are called "Title II Disregard" persons in the Medi-Cal program. In the past, the persons in California who met the Title II Disregard conditions were minimal in number and easily identified. This has been due to two factors:

1. California's SSI/SSP payment level percentage increase has always been at least equivalent to the Title II percentage increase; and
2. California's Medi-Cal-Only share of cost budgeting methodology (special income deduction for Aged, Blind, and Disabled (ABD) persons and maintenance level for other family members) has been at least as liberal as the SSI/SSP budgeting methodology.

Both factors described above will be affected by the September 1 rollback of the SSP increase which was given in California in July and August. Only the federal SSI cost-of-living increase which was effective July 1, will continue to be given.

Effect of SSP Rollback on "Title II Disregard" Population

The SSP rollback has two basic effects on the "Title II Disregard" population:

1. Persons who are discontinued from SSI/SSP because of the September rollback are not entitled to Title II Disregard status. This is because PL 94-566 provides for disregard of a Title II cost of living increase for Medi-Cal purposes, only if the increase occurred after a person's last month of SSI/SSP eligibility.
2. The logic used to compute whether a person is a "Title II Disregard" eligible must be revised. Current Medi-Cal "Title II Disregard" regulations apply only to ABD persons in Medi-Cal Family Budget Units (MFBUs) which contain children with income. Effective September 1978 some ABD individuals and couples will also qualify for no-cost Medi-Cal as "Title II Disregard" persons.

Emergency regulations are being developed to cover these individuals. Until the regulations are filed, the attached procedures are to be followed in all Medi-Cal determinations for MFBU's which contain at least one ABD person. The procedures are effective with September 1978 month of eligibility.

The attached procedures have the same basic construction as existing Title II Disregard regulations. There is a preliminary screen to see if a client's circumstances meet the Title II Disregard requirements (current SSI/SSP linkage; previous SSI/SSP entitlement; month of SSI/SSP discontinuance; etc.); persons who pass that screen must then meet the Title II Disregard financial eligibility standards.

The procedures should be used in place of existing regulations as of September because the State law which these procedures implement will supersede those regulations on September 1. The attached procedures will be included in the procedural portion of the Medi-Cal Eligibility Manual.

It should be noted that a person's eligibility under the 'Twenty Percent Social Security' category, California Administrative Code, Title 22, Section 50247, should be explored prior to the application of these procedures. All aged, blind or disabled applicants should continue to have their income tested for eligibility under this Other Public Assistance category.

If there are any questions regarding this letter, please contact your Medi-Cal field representative in the Department of Health Services.

Sincerely,

Original signed by

Doris Z. Soderberg, Chief
Medi-Cal Eligibility Branch

Attachment.

cc: Medi-Cal Liaisons
Medi-Cal Field Representatives

Expiration Date: February 28, 1979

TITLE II DISREGARD
ELIGIBILITY DETERMINATION PROCEDURES

Effective September 1, 1978

Eligibility Determination

The Title II Disregard eligibility determination consists of two parts. The first part is a screening process to identify those aged, blind or disabled (ABD) persons who have potential eligibility for no-cost Medi-Cal coverage as Title II Disregard persons. The second part is a financial eligibility computation which determines actual Title II Disregard eligibility.

Part I: Title II Disregard Screening Process

If the answer to any one of the following questions is "no", the ABD person in the MFBU does not have potential eligibility as a Title II Disregard person. Part II does not have to be completed.

If the answer to all of the following questions is "yes", the ABD person in the MFBU does have potential eligibility as a Title II Disregard person. Complete Part II in that case.

Part I Questions:

1. Was the ABD person discontinued from SSI/SSP before July 1978 - i.e., was the last SSI/SSP payment received in, or before, June 1978?
2. Does the MFBU have a share of cost? (Forms MC 176M and 176W must be completed using current Medi-Cal regulations).
3. Does the ABD person receive Social Security (Title II benefits)?
4. Has the ABD person received an SSI/SSP payment since April 1977?

Part II: Title II Disregard Financial Eligibility Computation

If the answer to all of the questions in Part I is "yes" this part must be completed to establish Title II Disregard eligibility.

1. Find the appropriate MFBU composition chart for the case.
2. If the chart shows that, based upon the MFBU composition, a computation must be completed, determine the amount of the July 1978 Title II increase by dividing the current Title II benefit amount by 1.065. Round up to the nearest \$.10. This represents the benefit amount before the increase. Subtract this figure from the current benefit amount. The result is the amount of the Title II increase which should be used in the completion of the appropriate Title II Disregard eligibility computation.

Note: The MC 176M line items which appear on the MFBU composition chart refer to the MC 176M revision dated July 1978.

Aid Codes

Medi-Cal cards issued to Title II Disregard persons shall be issued using the "Twenty Percent Social Security Increase" aid codes (16, 26, 66).

Share of Cost Procedures for MFBU's Which Include a Title II Disregard Person

1. Form MC 177S shall not be required for an aged, blind or disabled person who meets the conditions specified in these procedures. Each Title II disregard person shall be issued a Medi-Cal card with no share of cost.
2. The remaining MFBU members with a share of cost shall have their case processed in accordance with Medi-Cal regulations. Those services received by the aged, blind or disabled Title II Disregard person shall not be used to meet the remaining MFBU members' share of cost.
3. A person meeting the conditions specified in these procedures shall be identified in the case file by the notation "Title II Disregard Person" beside the person's name on the applicable MC 176 and by the aid codes designated above.

MFBU COMPOSITION CHART FOR TITLE II DISREGARD*

<p>I. MFBU - ABD Individual or ABD Couple</p> <p>1. Enter amount from MC 176M column III, Line 17 _____</p> <p>2. Enter amount of Title II increase of individual/couple _____</p> <p>3. Subtract line 2 from line 1; if less than zero enter zero _____</p> <p>If line 3 is zero, the individual/couple has Title II Disregard eligibility and receives no cost Medi-Cal.</p> <p>If line 3 is greater than zero, the individual/couple does not have Title II Disregard eligibility and must meet the share of cost on MC 176M, column III, line 17 or 19.</p> <hr/> <p>II. MFBU - ABD Individual with MI Spouse</p> <p>No computation necessary. If the MFBU has a share of cost, the income is too high for Title II Disregard eligibility.</p> <hr/> <p>VI. MFBU - ABD Individual with MI/AFDC-MN Spouse and MI/AFDC-MN Child(ren). Child(ren) Has No Income.</p> <p>No computation necessary. If the MFBU has a share of cost, the income is too high for Title II Disregard eligibility.</p> <hr/> <p>IV. MFBU - ABD Individual with MI/AFDC-MN Spouse and MI/AFDC-MN Child(ren). Child(ren) Has Income.</p> <p>1. Enter amount from MC 176M column I, line 18 _____</p> <p>2. Enter amount of Title II increase for the ABD individual _____</p> <p>3. Subtract line 2 from line 1 _____</p> <p>4. If the ABD person is aged or disabled, enter \$402.30; if the person is blind enter \$441.30 _____</p> <p>5. Subtract line 4 from 3. If less than zero, enter zero _____</p>	<p>IV. Continued</p> <p>If line 5 is zero, the ABD individual has Title II Disregard eligibility and receives no cost Medi-Cal. The spouse and child(ren) must meet the share of cost on MC 176M, column III, line 17 or 19.</p> <hr/> <p>V. MFBU - ABD Couple with MI/AFDC-MN Child(ren). Child(ren) Has No Income.</p> <p>No computation necessary. If the MFBU has a share of cost, the income is too high for Title II Disregard eligibility.</p> <hr/> <p>VI. MFBU - ABD Couple with MI/AFDC-MN Child(ren). Child(ren) Has Income.</p> <p>1. Enter amount from MC 176M, column I, line 18 _____</p> <p>2. Enter amount of Title II increase of couple _____</p> <p>3. Subtract line 2 from 1 _____</p> <p>4. Enter the appropriate SSI/SSP payment level for the couple (use levels based on independent living arrangements) _____</p> <p>5. Subtract line 4 from line 3, if less than zero enter zero _____</p> <p>If line 5 is zero, the ABD couple has Title II Disregard eligibility and receive no cost Medi-Cal. The child(ren) must meet the share of cost on MC 176M, column III, line 17 or 19.</p> <p>If line 5 is greater than zero, the ABD couple does not have Title II Disregard eligibility. The entire MFBU must meet the share of cost on MC 176M, column III, line 17 or 19.</p> <hr/> <p>VII. MFBU - Blind or Disabled Child and Parent(s)</p> <p>1. Enter amount from MC 176M, column I, line 18 _____</p>
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* This chart will not be issued as a Medi-Cal form. If a Title II Disregard computation

VII. Continued

- 2. Enter amount of Title II increase for child _____
- 3. Subtract line 2 from 1 _____
- 4. If only one parent in MFBU, enter \$462.00. If both parents in MFBU, enter \$556.70. _____
- 5. Subtract line 4 from 3. If less than zero enter zero. _____

If line 5 is zero, the child has Title II Disregard eligibility and receives no cost Medi-Cal. The parent(s) must meet the share of cost on MC 176M, column III, line 17 or 19.

If line 5 is greater than zero, the child does not have Title II Disregard eligibility and the entire MFBU must meet the share of cost on MC 176M, column III, line 17 or 19.

VIII. MFBU - Blind or Disabled Child, Parent(s) and Sibling(s); Sibling(s) Has No Income

No computation necessary. If the MFBU has a share of cost, the income is too high for Title II Disregard eligibility.

IX. MFBU - Blind or Disabled Child, Parent(s) and Sibling(s); Sibling(s) Has Income.

- 1. Enter amount from MC 176M column I, line 18 _____
- 2. Enter amount of Title II increase for the child _____
- 3. Subtract line 2 from 1 _____
- 4. If only one parent in MFBU, enter \$462.00. If both parents in MFBU, enter \$556.70 _____
- 5. Subtract line 4 from 3, if less than zero, enter zero _____

If line 5 is zero, the child has Title II Disregard eligibility and receives no cost Medi-Cal. The remaining MFBU members must meet the share of cost on MC 176M, column III, line 17 or 19.

If line 5 is greater than zero, the child does not have Title II Disregard eligibility. The entire MFBU must meet the share of cost on MC 176M, line 17 or 19.