

DEPARTMENT OF HEALTH SERVICES

714/744 P STREET
SACRAMENTO, CA 95814
(916) 445-1707



April 18, 1980

To: All County Welfare Directors

Letter No. 80-14

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PAYMENTS PURSUANT TO
UNDERWOOD V. HARRIS SETTLEMENT AGREEMENT AND EARNINGS RESULTING FROM
EMPLOYMENT AS A 1980 CENSUS TAKER OR SUPPORT STAFF

I. UNDERWOOD V. HARRIS

This is to advise you of recent instructions issued by the U. S. Department of Health, Education, and Welfare regarding the treatment of the above mentioned payments for Medi-Cal eligibility and share-of-cost determinations.

Background

As a result of the settlement agreement in Underwood v. Harris, the Department of Housing and Urban Development (HUD) has been directed to make one-time payments to certain eligible individuals as tenants of housing subsidized under Section 236 of the National Housing Act. HUD will begin distribution of these payments sometime in the Spring of 1980.

Treatment of Payments in Month of Receipt

The Underwood v. Harris payments shall be exempt from consideration as income or property in the month of receipt for Medi-Cal purposes.

Treatment of Payments in Subsequent Months

Underwood v. Harris payments shall continue to be exempt as a resource for any month in which the funds are kept separate from other property holdings. Once such funds are combined or commingled with any other countable resource, the funds are no longer identifiable and can no longer be exempted.

Any interest or dividend income received from these segregated payment funds is exempt as income only to the extent that it falls within CAC, Title 22, Section 50542(a). If interest or dividend income is retained, it is not exempt as a resource and must be kept separate from the exempt payment funds in order that the payment fund may continue to be exempt.

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II. EARNINGS RESULTING FROM EMPLOYMENT AS A 1980 CENSUS TAKER OR SUPPORT STAFF

Background

The AFDC program has opted to exempt, as income, earnings which result from temporary employment related to the conduct of the 1980 Census. Since federal Medicaid regulations and state statute require that the same income exemptions and deductions be applied in Medi-Cal-Only share-of-cost determinations as are applied in the corresponding cash grant program, these earnings must be exempt in certain Medi-Cal-Only share-of-cost determinations.

Specific Instructions

Earnings resulting from employment related to the conduct of the 1980 Census shall be exempt if both of the following apply:

1. The person receiving the earnings is employed on a temporary basis as a census taker or support staff rather than as a permanent employee of the Census Bureau.
2. The person receiving the earnings is an AFDC-MN, MI or excluded person.

If you have any questions regarding this letter, contact your Medi-Cal Field Representative.

Sincerely,

Original signed by

Doris Z. Soderberg, Chief
Medi-Cal Eligibility Branch

cc: Medi-Cal Liaisons
Medi-Cal Field Representatives

Expiration Date: October 31, 1980