

## DEPARTMENT OF HEALTH SERVICES

14/744 P STREET  
ACRAMENTO, CA 95814

) 445-1912



October 27, 1981

To: All County Welfare Directors

Letter No. 81-46

## IMPLEMENTATION OF REDUCED MAINTENANCE NEED LEVELS (115% OF THE AFDC PAYMENT LEVEL)

This letter provides you with detailed instructions regarding implementation of the subject reduction mandated by AB 251.

Background

As you recall, AB 251 requires a reduction in the Medi-Cal maintenance need levels, from 133 1/3% of the AFDC payment levels to 115% of the AFDC payment levels, once a federal waiver is obtained. Due to the Medicaid changes made by PL 97-35, the federal Omnibus Reconciliation Act of 1981, a waiver is not required. As a result we are filing with the Secretary of State the attached regulation revisions on an emergency basis to become effective November 1, 1981.

We had originally planned to implement these reductions and the PL 97-35 AFDC earned income disregards, which impact AFDC-MN and MI eligibility and share-of-cost determinations, simultaneously. Due to the present uncertainty of the effective date of the AFDC changes and the program savings associated with the maintenance need reductions we are unable to postpone the implementation of the lower levels any longer. The implementation schedule is described below.

Intake

The attached amounts should be employed for November, 1981 and continuing months of eligibility for any approval action taken on or after November 1, 1981. AFDC-MN and MI cases with earned income should be flagged so that continuing staff can readily identify those cases to convert once the earned income deduction changes are effective.

Continuing

Continuing cases which are impacted by the reduced levels should be converted as quickly as possible, with all impacted cases converted no later than February, 1982 month of eligibility. Action by case type is described below.

1. AFDC-MN and MI cases:

All cases which include at least one AFDC-MN or MI person should be reviewed to determine whether that case will now have a share of cost. For those cases which will still be ~~0~~ SOC cases, a new MC 176M need not be completed; just indicate the new level next to the existing maintenance need level. Complete a new MC 176M when a change is reported or at redetermination, whichever comes first. For all cases going to a SOC or a higher SOC, complete a new MC 176M in all instances.

October 27, 1981

Flag all of the cases with earnings so that they can be easily identified when the earned income changes become effective.

2. ABD-MN LTC Cases

The only ABD-MN LTC cases impacted by these changes are cases which include home upkeep or support of disabled relative deductions and cases which include allocations to family members at home.

3. ABD-MN Non-LTC Cases

Cases which include only ABD-MN persons living at home are not impacted by these reductions. The reason is that a reduction in the maintenance need level only increases, dollar for dollar, the amount of the special income deduction. Therefore, a new MC 176M and MC 176W need not be completed until a change is reported or the next redetermination is completed, whichever comes first.

Notice of Action Provisions

Continuing cases adversely impacted by these reductions must receive 10 day advance notice of the change. However, since the change is required by law, beneficiaries are not entitled to a State Hearing over the change. A message so stating must be included on the Notice of Action or attached to the Notice of Action. Suggested Notice wording is attached.

Administrative Cost Funding

Administrative costs associated with the implementation of these changes are reimburseable within existing allocations. AB 251 did not appropriate funding for the required case conversion activities. The Department, however, intends to reimburse such costs, and has requested funding through the FY 1981/82 Budget Revisions.

If you have any questions contact your Medi-Cal program consultant.

Sincerely,

Original signed by

Barbara V. Carr for  
Madalyn M. Martinez, Chief  
Medi-Cal Eligibility Branch

Attachment  
cc: Medi-Cal Liaisons  
Medi-Cal Program Consultants

Expiration Date: April 30, 1982

MEDI-CAL ELIGIBILITY MANUAL

11A - MAINTENANCE NEEDS; LTC PATIENT SPECIAL ALLOWANCES

The Medi-Cal maintenance needs and the special allowances for LTC patients are directly related to the AFDC maximum aid payments; therefore, when the AFDC grant levels are adjusted for cost of living increases, the Medi-Cal maintenance needs and the special allowances for LTC patients also increase. The Department uses this section to provide eligibility staff advance notice of the changes in the maintenance needs and the special allowances changes.

1. Maintenance Needs Effective November 1, 1981

- a. 1 person, when all other family members are PA or Other PA . . . . . \$ 238
  - 1 person in all other situations . . . . . 309
  - 2 persons . . . . . 475
  - 3 persons . . . . . 583
  - 4 persons . . . . . 692
  - 5 persons . . . . . 792
  - 6 persons . . . . . 892
  - 7 persons . . . . . 975
  - 8 persons . . . . . 1,067
  - 9 persons . . . . . 1,150
  - 10 persons . . . . . 1,233
  - Each additional person . . . . . +9
  - 1 person in LTC for entire calendar month. . . . . 25
- b. Upkeep of home allowance for certain LTC eligibles -- 50605 (b)
  - 1 person who had been living alone . . . . . \$ 128
  - 1 person who shared housing with persons for whom there was no legal responsibility to support . . . . . 86
  - Each spouse, when both are LTC and both will return home within six months . . . . . 86
- c. Allowance for support of disabled relative of LTC eligible -- 50605 (d)
  - Disabled relative living alone or with persons not legally responsible for his support. . . . . \$ 309
  - Disabled relative living with persons legally responsible for his support. . . . . 238

SUGGESTED NOTICE OF ACTION WORDING

Your share of cost has been changed to \$ \_\_\_\_\_ per month, beginning \_\_\_\_\_ because a recent change in state law has decreased the amount of your income (maintenance need) that you get to keep each month for your living expenses. This means more of your income must be used to pay for medical care.

The regulations which require this action are California Administrative Code, Title 22, Section(s): 50603 and State Statute, Welfare and Institutions Code, Section 14005.12 as amended by AB 251, Chapter 102, Statutes of 1981.

Since this action is required by state law the information on the back of this notice does not apply to you. If you think that the share of cost computed by the county is incorrect for some reason other than the decrease in the maintenance need and you request a Hearing before the effective date of this action you may be entitled to receive aid pending your Hearing decision.