

DEPARTMENT OF HEALTH SERVICES

714/744 P STREET

P.O. BOX 942732

SACRAMENTO, CA 94234-7320



January 24, 1992

TO: All County Welfare Directors
All County Administrative Officers
All County Medi-Cal Program Specialists/Liaison

Letter No: 92-09

SUBJECT: SNEEDE V. KIZER; POLICY CHANGES AND MORE QUESTIONS AND ANSWERS

REFERENCE: 90-76, 91-18, 91-73

Enclosed are additional policy changes, more questions and answers, notices of action, charts to assist the eligibility worker with Sneede determinations, revised worksheets, and the Provider Bulletin regarding the Sneede v. Kizer lawsuit.

Our thanks to Fresno County for the Sneede Mini Budget Unit Rules Chart and to Sutter County for the Sneede MFBU/MBU Reference Chart, which are both enclosed.

If you have questions, please contact Marge Buzdas at (916) 657-0726 on general Sneede issues, Sharyl Shanen-Raya at (916) 657-2942 on Sneede property issues, and Dave Rappolee at (916) 657-0163 on Sneede income issues.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Maritucci, Chief
Medi-Cal Eligibility Branch

Enclosures

Enclosure

Page 1

TABLE OF CONTENTS	PAGE NO.
1. Clarification of Mini Budget Unit Compositions	2 - 4
2. Denials/Discontinuances Due to Lack of Information, Noncooperation, Loss of Contact--Limitations on Who May Be Denied/Discontinued	5 - 10
3. Revised <u>Sneede</u> Procedure in Determining Family Size for Federal Poverty Level Programs (100/133/185/200 Percent Programs)	11 - 12
4. Additional Property Exemptions Under <u>Sneede</u> for Unmarried Couples with Mutual Children	13 - 14
5. Requests to Change <u>Sneede</u> Property Exemptions to Permit Eligibility for MFBU Members Who Are Currently Property-Ineligible	15 - 16
6. Questions and Answers	17 - 26
7. <u>Sneede</u> Notices of Action	26 - 29
8. Revised Income Screening Questions (MC 175-1)	30
9. Revised Worksheet for Federal Poverty Level Programs (MC 175-5)	31 - 32
10. Revised Worksheet for Allocation from PA/Other PA Person (Includes Income Available from <u>Pickle</u> Person to MFBU)	33
11. I. <u>Sneede</u> Mini Budget Unit Rules	34
II. Sequence for Processing <u>Sneede</u> Cases (Multiple Lawsuits/Programs in Effect)	34
12. <u>Sneede</u> MFBU/MBU Reference Chart	35
13. Revised <u>Sneede</u> Maintenance Need and Property Limit Chart	36
14. Provider Bulletin	37 - 38

1. Clarification of Mini Budget Unit Composition Rules

ACWDL 90-91 discusses the various mini budget unit compositions for an MFBU based upon the family relationships and whether children have their own separate income or property. There is one household situation that was not discussed which requires clarification. This change is effective retroactive to January 1, 1990 and applies to Sneede cases when the parent is not in the MFBU because he/she is PA/Other PA AND that parent is either pregnant or has a separate child in the MFBU. (AFDC does not include an unborn in the pregnant woman's AFDC grant; it only gives the pregnant woman a special allowance for her pregnancy. AFDC will wait until the baby is born before adding it to the AFDC grant.)

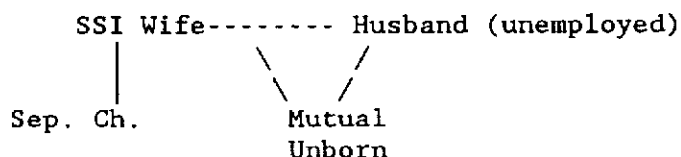
Revised Mini Budget Unit Composition Rules:

(1) An unborn is in the pregnant woman's MBU. However, if the pregnant woman is not in the MFBU because she is on PA/Other PA, the unborn is in the father's MFBU/MBU. Once the child is born, the regular mini budget unit composition rules apply. If neither parent is in the MFBU, the unborn is not in the MFBU nor in an MBU.

(2) The separate children (without own income or property) of a PA/Other PA parent who is not in the MFBU will be placed in a separate mini budget unit. A child with his/her own separate income or property will be placed in a separate mini budget unit.

A chart of the mini budget unit composition rules is shown on page 35.

Example 1. The household consists of the following:



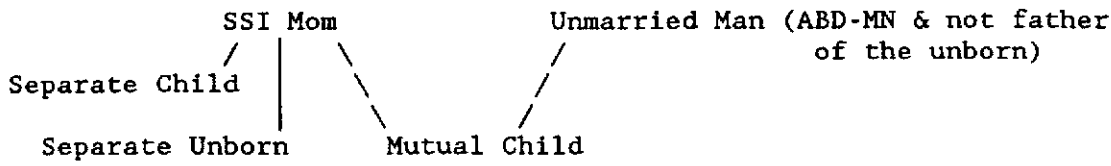
The MFBU consist of: Husband
SSI Wife's Separate Child
Mutual Unborn

If the MFBU has a share of cost or excess property, the mini budget units would be as follows:

MBU #1	MBU #2
Husband Unborn	SSI Wife's Separate Child (full MNIL/Property Limit)

After the mutual child is born, the child will remain in MBU #1 unless he/she has income or property of his/her own. The SSI wife's separate child in MBU #2 will receive the full MNIL/property limit since he/she does not have a natural/adoptive parent in the MFBU.

Example 2. The household consists of the following:



The MFBU consist of: Unmarried Man
SSI Mom's Separate Child
Mutual Child

The SSI Mom's separate unborn child is not in the MFBU because the unborn may only be in an MFBU if its mother and/or father is in the MFBU.

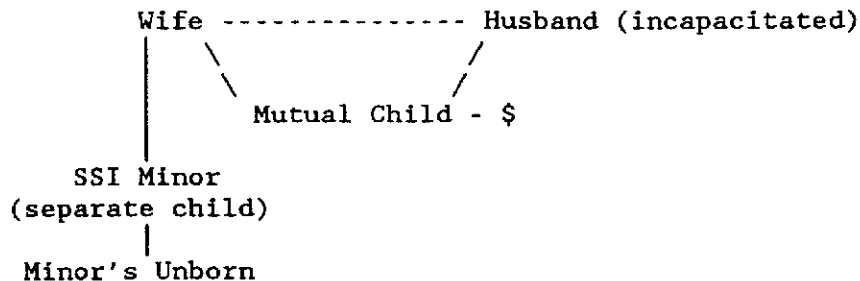
The Sneede mini budget units would consist of the following:

MBU #1	MBU #2
Unmarried Man Mutual Child	SSI Mom's Separate Child (full MNIL/Property Limit)

Since the unmarried SSI mom is not in the MFBU, the MFBU members will be treated the same as a single parent with a natural child and a "stepchild."

After the SSI Mom's separate child is born, the newborn will be placed in MBU #2 unless either separate child has own income or property, in which case the separate children will be in separate MBUs. Both children in MBU #2 will receive the full MNIL/property limit since they do not have a natural/adoptive parent in the MFBU.

Example 3. The household consists of the following:



The MFBU would consist of: Husband
 Wife
 Mutual Child

The minor's unborn would not be in the MFBU with the minor's parents because an unborn may only be in an MFBU with its mother and/or father.

The Sneede mini budget units would consist of the following:

MBU #1 MBU #2

Husband Mutual Child - \$
Wife

After the minor delivers her child and Medi-Cal is requested for the infant, the infant will be placed in a second MFBU:

MFBU #2

Infant

The minor mother will not be in the second MFBU either because she is on SSI.

NOTE: Enclosed is a revised Sneede MNIL and property limit chart on page 37. The headings for each section have been reworded for clarity.

Enclosure

Page 5

2. Denials/Discontinuances Due to Lack of Information, Noncooperation, Loss of Contact--Limitations On Who May Be Denied/Discontinued (for ALL Medi-Cal Cases)

The procedures described in this section apply to ALL Medi-Cal cases (not just Sneede cases) which are denied/discontinued due to lack of information, noncooperation, or loss of contact. These instructions will be implemented no later than 3/1/92 and will be applied retroactive to 1/1/90 as cases are reviewed for Sneede.

Currently there are certain situations which result in a denial/discontinuance to the entire MFBU. This may occur when an MFBU member (usually a spouse or a parent):

- (1) fails to cooperate (e.g., failure to provide verification of income or property) or,
- (2) does not provide sufficient information to make an eligibility determination (e.g., unstated income), or
- (3) loses contact with the welfare department.

However, just as the Sneede decision limits financial responsibility to spouse for spouse and parent for natural/adopted child, denials/discontinuances for noncooperation, etc. are limited in the same manner. ***In other words, a denial/discontinuance for noncooperation, etc. may be determined for only the noncooperative, etc. person and those for whom he/she is responsible.***

Therefore, to the extent a discontinuance of the MFBU would be inconsistent with Sneede, those members of the MFBU who are not the responsibility of the noncooperative person may not be denied/discontinued.

The county will need to determine which member of the MFBU lacks the required information AND determine whether the denial/discontinuance action applies: (1) solely to that person, or (2) to that person AND those for whom he/she is responsible, or (3) to the entire MFBU.

CAUTION: The county will need to verify whether the remaining MFBU members are still linked to the program. If not, then they will be denied/discontinued as Medi-Cal linkage no longer exists.

IMPORTANT: These instructions do not apply when a status report is not returned. The entire MFBU will be discontinued when they fail to return a status report.

When a status report is returned, but the beneficiary refuses to provide supporting documentation to verify information alleged on the status report

(e.g., wages, state disability, etc.), the county will discontinue the appropriate members of the MFBU based upon the above discussion.

The county will send two notices to the MFBU:

- (1) a 10-day notice (or a denial notice) to the MFBU members who are to be discontinued (or denied), and
- (2) a notice to the remaining eligibles to advise them of any change in their eligibility and/or share of cost which results from the aforementioned discontinuance action. If Sneede procedures apply to the remaining eligibles, the county will not need to send this second notice. The county will send the regular Sneede notice(s) which will explain whose income or property was used to determine eligibility or share of cost for the mini budget units.

There is no sample language provided for these notices since the counties already have standard language for denials/discontinuances due to noncooperation, etc. and changes in share of cost, etc.

Example:

An unmarried woman files a Medi-Cal application on behalf of herself, her mutual child, her separate child, and the unmarried man; they all want Medi-Cal. The county requests verification of the unmarried man's separate property, which he refuses to provide. The county will deny only the unmarried man and their mutual child and will send a denial notice to them.

The county determines that the unmarried woman and her separate child are eligible. The county will send them the regular Sneede notice(s) which advises them that their eligibility and share of cost is based solely on their own income and property. Two months later, the woman fails to return a quarterly status report. The county correctly discontinues them both after issuing a 10-day notice.

With one exception (see below), the persons who are denied/discontinued for failure to cooperate, etc. (including the family members for whom they are responsible) will be treated as EXCLUDED members of the MFBU if there are remaining eligibles in the MFBU. The excluded person's income and property will NOT be used in determining eligibility or share of cost for the remaining persons in the MFBU. The excluded persons will NOT be used for linkage; they will NOT be included in the maintenance need or property limits; and their medical expenses will NOT be used meet the MFBU's share of cost. The county will not need to obtain an excluded child statement (MC 239 SN-2 or MC 239 SN-3) in these situations since this is not a voluntary request to exclude a child.

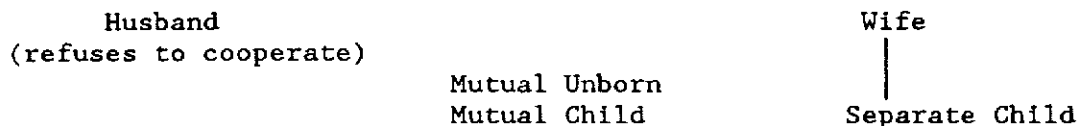
EXCEPTION: The one exception to these rules applies when the original MFBU includes a stepparent, the stepparent fails to cooperate, etc., and the

separate children of the stepparent's spouse want Medi-Cal. Following the new rules on denials/discontinuances, the county will deny/discontinue the stepparent, his/her spouse, the stepparent's separate children, and their mutual children. In accordance with these new rules, the county would have treated the stepparent, his/her spouse and the stepparent's separate and mutual children as excluded persons. However, when the spouse's separate children remain in the MFBU as potential eligibles, the county must continue to consider that parent's income and property in determining eligibility and share of cost for that parent's separate children. Therefore, the stepparent's spouse will be an ineligible member of the MFBU rather than an excluded person.

In other words, when a stepparent fails to cooperate, etc. and the spouse's separate children also want Medi-Cal, the MFBU will consist of the ineligible spouse and his/her separate potentially eligible children. All others will be denied/discontinued for failure to cooperate, etc. and will be treated as excluded persons.

The ineligible spouse will allocate income and property to himself/herself, his/her separate children who want Medi-Cal, the stepparent, and all of his/her other natural/adopted children in the household who do not want Medi-Cal. Again, if a share of cost or excess property results and one of the ineligible spouse's separate children who wants Medi-Cal has own income or property, the county will apply Sneed procedures. See Example #1 below for further clarification.

Example #1: The MFBU consists of the following:



In this example, the entire MFBU files for Medi-Cal, but the husband refuses to file for unemployment benefits that he may be potentially eligible to receive. The county will deny the husband and those for whom he is responsible: his wife (including the unborn) and their mutual child; all these persons will be initially **EXCLUDED** from the MFBU. Since the husband is not responsible for the wife's separate child, the county will continue to determine eligibility for that child, who is the sole remaining potential eligible in the MFBU. The county will apply the new rules on denials/discontinuances and determine eligibility and share of cost for only the wife's separate child.

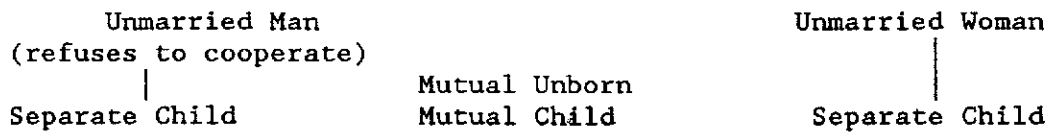
Revised MFBU:

Since the wife is a responsible relative to her separate child, the county will treat the wife as an ineligible parent in her separate child's MFBU rather than as an excluded person. All other persons continue to be

excluded from the MFBU. Consistent with the new procedures which apply when only the separate children of one spouse want Medi-Cal, do NOT include the mutual unborn in the MFBU nor in the maintenance need or property limit. A portion of the wife's income and property will be allocated to herself, her husband, her mutual born child, and her separate child (do not allocate to her unborn). The MNIL and property limit will be based upon the family size for two persons. If the separate child has own income or property and the MFBU has a share of cost or excess property, Sneede procedures will apply.

After the baby is born, the county will also allocate the mother's income and property to the excluded newborn.

Example #2: The MFBU consists of the following:



The entire MFBU applies for benefits on 10/1/91. The unmarried man refuses to provide verification on the value of an empty lot which he solely owns. Instead of denying the entire MFBU, the county will deny only the unmarried man and those for whom he is responsible (his separate child and the mutual child). The unmarried man, his separate child and the mutual child will be EXCLUDED from the MFBU. The unborn will remain in the MFBU with its mother so that she can receive pregnancy-related services.

Revised MFBU:

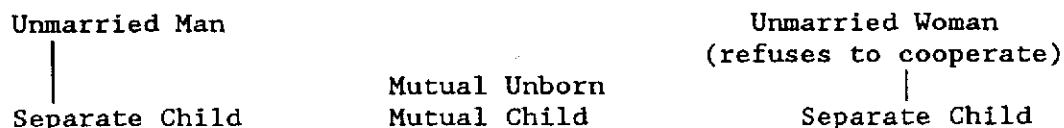
The unmarried woman continues to be linked to the Medi-Cal program through (1) her pregnancy (i.e., the unborn) and (2) the absent father of her separate child. The MFBU will consist of the unmarried woman, her unborn, and her separate child. The property and share of cost determinations will reflect only the pregnant woman's and her separate child's property and income. The MNIL and property limit will be based upon a family of three (the pregnant woman, her unborn, and her separate child). If Sneede applies because her separate child has own income or property, the pregnant woman's income or property will be equally allocated to herself, her separate child, and the (excluded) mutual born child.

As Continued Eligibility is now in effect (retroactive to January 1991), the unmarried father's income and property will not affect the newborn until the earlier of one of the following events: (1) the infant attains age one, or (2) the infant is no longer living with the mother, or (3) the mother is no longer eligible for Medi-Cal (or would have been ineligible if still pregnant).

In the month following the month of one of these terminating events from Continued Eligibility, the county will request a MC 210 from the father and verification of his income and property. If verification is still not submitted, the county will discontinue the infant following the procedures described in Section 50175, Title 22, CCR; the infant will become an **EXCLUDED PERSON**.

On the other hand, if the unmarried man cooperates, the county will add him, their mutual child and his separate child to the MFBU effective with the first month following the terminating event. If the MFBU has excess property or a share of cost, then Sneede procedures will apply. If the change results in an increase in the share of cost or discontinuance due to excess property, the county will send a 10-day notice before taking the adverse action.

Example #3: The MFBU consists of the following:



This MFBU is similar to the first example except that in this case the pregnant woman is noncooperative because she will not provide verification of her solely-owned vacant lot. The county will deny the pregnant woman, the mutual unborn, the mutual born child, and her separate child for failure to cooperate and they will be **EXCLUDED** from the MFBU.

The mutual unborn will not be used to increase the MNIL/property limit for the father and his separate child because an unborn will always be with its mother unless she is PA/Other PA. In such a situation, the unborn will be in its father's MFBU/MBU.

Revised MFBU:

The unmarried man and his separate child are still linked to the program and their eligibility and share of cost will be determined based solely upon the income and property of the unmarried man and his separate child. If the man's separate child has his/her own income or property and the MFBU has a share of cost or excess property, Sneede procedures will apply. The man will allocate income to himself, his separate child, and to the (excluded) mutual born child.

When the pregnant woman's child is born, that child will continue to be excluded from the MFBU and the unmarried man's income or property will be allocated to the mutual newborn as well.

Example #4: The MFBU consists of the following:

Grandmother (refuses to cooperate)	Grandchild
---------------------------------------	------------

In this example, the grandmother wants aid, but has not provided verification of her income. The county will deny the grandmother for failure to cooperate; she will be **EXCLUDED** from the MFBU. The revised MFBU will consist of the grandchild only.

Example #5: The MFBU consists of the following:

Unmarried Man (refuses to cooperate)	Unmarried Woman (refuses to cooperate)
Mutual Unborn Mutual Child	Separate Child

Both unmarried partners refuse to cooperate. The entire MFBU is denied/discontinued due to failure to cooperate.

3. REVISED SNEEDE PROCEDURE IN DETERMINING FAMILY SIZE FOR FEDERAL POVERTY LEVEL PROGRAMS (100/133/185/200 PERCENT PROGRAMS)

In the interest of simplifying some of the Sneede procedures, there is a change in the way the EW will determine family size for the federal poverty level programs.

Currently, family size for a Sneede poverty level program is determined by adding together the following persons: (1) the poverty level person for whom you are determining eligibility (i.e., pregnant woman, infant under one, child one through six years old, or child six through 18 years old born after 9/30/83), (2) all the persons in the MFBU for whom the poverty level person is responsible, (3) the poverty level person's responsible relative(s), and (4) all the persons in the MFBU for whom the responsible relative(s) are responsible. As you may have already realized, this procedure is extremely error-prone.

The revised Sneede procedure for determining family size is very simple: family size for the federal poverty level program will equal the number of persons in the Medi-Cal family budget unit (MFBU):

Family size for FPL = Family size for MNIL

However, there is no change in the Sneede procedures with respect to whose income is used to compare to the federal poverty level. It is still only the income of the poverty level person and his/her spouse or natural/adoptive parent(s).

Effective date for implementing this change: This change becomes effective no later than March 1, 1992. For new and pending intakes, this revision will be applied beginning in the month of application plus three retroactive months, if requested.

On continuing cases which have already had Sneede procedures applied, the county will not be required to go back to April 1, 1991 and recompute poverty level program eligibility. However, as new and on-going cases are brought to the county's attention (i.e., changes in income, family size, etc.), the county will apply the revised procedure in accordance with Sections 50653.3 and 50653.5, Title 22, CCR.

The revision will also be applied to all Sneede cases in Phase II and Phase III of Sneede (the period prior to April 1, 1991).

Enclosed is a revised Sneede worksheet for the federal poverty level programs. The revised worksheet will allow up to five potential percent program eligibles to be entered on the same form; the county will no longer need to complete a separate worksheet for each potential eligible. The form has also been revised to reflect the 100 Percent program which will not be implemented until November 1, 1991 but will be retroactive to July 1, 1991.

Enclosure
Page 12

See pages 31-32 for the new revised MC 175-5 (Federal Poverty Level Programs for Pregnant Women, Infants, and Children).

4. ADDITIONAL PROPERTY EXEMPTIONS UNDER SNEEDE FOR UNMARRIED COUPLES WITH MUTUAL CHILDREN

ACWDL 91-18 states that a full set of property exemptions will be given to each unmarried partner. *In addition to the motor vehicle and the first \$6000 of utilized property exemptions, each unmarried partner will also be allowed one principal residence exemption.*

As stated in ACWDL 91-18, each unmarried partner's exemptions may be passed on to his/her natural/adopted child if the parent has either no property to apply against the exemption or chooses to pass on the exemptions in order to benefit the child.

Example 1

The MFBU includes an unmarried couple with mutual children. The unmarried man owns House A; the unmarried woman owns House B. They both live in the House A. House A is exempt as the man's principal residence. The unmarried woman states that she intends to return to House B to live in someday. House B is exempt as the woman's principal residence.

Example 2

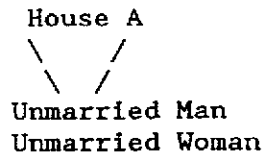
The MFBU includes an unmarried couple who co-own Houses A and B; they both live in House A.

The county exempts the woman's half-interest in House B because she says it was her former principal residence and that she intends to return to it someday. Therefore, her half of House B is exempt and the equity in her half of House A is included in her property reserve. Her total net nonexempt property is then equally allocated to herself and to her natural/adopted children. If she doesn't want House A to be included in her property reserve at all, she will need to transfer the property to someone else. Or, she may utilize her half of House A and the county can exempt up to the first \$6000.

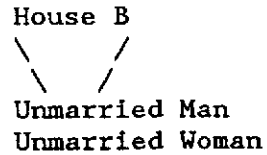
The county exempts the man's half-interest in House A because he stated that it is his principal residence. The county will apply the procedures described above to his ownership interest in House B.

In order for them to retain and exempt both houses, they will need to transfer the half-interest in one of the properties to the other partner so that each house is fully owned by only one of them.

Example 2 (cont.)



- o both own jointly in equal shares
- o both currently live in man's principal residence (his 1/2 interest is exempt)
- o woman's 1/2 interest in House A must be utilized (up to \$6000 may be exempt) or transferred or else her equity in House A is added to her property reserve.



- o both own jointly in equal shares
- o woman's former principal res. & she intends to return to it (her 1/2 interest is exempt)
- o man's 1/2 interest in House B must be utilized (up to \$6000 may be exempt) or transferred or else his equity in House B is added to his property reserve.

5. *Requests to Change Sneede Property Exemptions to Permit Eligibility for MFBU Members Who Are Currently Property-Ineligible*

ACWDL 90-91 states that in the case of: (1) multiple vehicles, or (2) multiple utilized other real property (ORP) which are owned by more than one person in the MFBU, a beneficiary may request that the exemptions be changed to another vehicle or another piece of utilized ORP in order to permit eligibility to MFBU members who are currently property-ineligible. ACWDL 91-18 states that, for administrative ease, a request to change the exemptions will not be effective until the month following the month of the request. In reviewing this policy, it is determined that it may be too restrictive in certain situations. The following is a modification to current policy.

(a) ***Continuing case which does not have an increase/change in property.*** The persons in this situation will be allowed to request a change of the property exemptions. If changing the exemptions will permit eligibility to an MFBU member who is currently property-ineligible and in need of Medi-Cal, eligibility will be granted effective the month following the month of the request.

(b) ***New applicants, or a continuing case in which: (1) there is an increase/change in property, or (2) the case switches from regular Medi-Cal case processing in one month to Sneede procedures in the following month, and (3) one or more MBUs are property-ineligible.*** These persons will be allowed 10 days from the date of the notice of action to request a change of their property exemptions. The change in exemptions will be effective retroactive to the first month in which the adverse action occurred. These procedures will apply regardless of whether the change/increase in property is reported timely. If the applicant/beneficiary does not timely contact the county within 10 days from the date of the NOA to request a change in the property exemptions, the county will follow the directions in subsection (a) above.

(c) ***Denial/Discontinuance Notices Due to Excess Property***

The county will include a statement on the denial/discontinuance notice (see sample notice on page 28) which informs the property-ineligible mini budget units of the 10-day period to request a change of the property exemptions.

Upon request, the county will first ask the client to prioritize the family members who need Medi-Cal benefits. With this information the county will be able to determine which exemptions would be most advantageous to the family. The county will apply the revised property exemptions retroactively to the first month in which the adverse action occurred.

Please note that if property exemptions are changed, the mini budget unit compositions may also change because a person with exempt property is treated the same as someone with no property.

Example #1. The MFBU (in an on-going case) consists of a stepparent household. It has excess property under regular Medi-Cal rules. After Sneede procedures are applied and MBUs are established, only some family members are property-ineligible. In October 1991, the family reports that one of the property-ineligible children now needs Medi-Cal. They ask the EW to review their case to determine whether eligibility can be established for that child. The EW reviews the exemptions and determines that eligibility can be established for the child effective November 1991 (the month after the month of request).

Example #2. A family with multiple vehicles files a Medi-Cal application in September 1991. The MFBU contains a Sneede class member and has excess property based upon existing regulations. The county applies the Sneede procedures and determines that one of the children is property-ineligible. The county sends a denial notice to the property-ineligible child (MBU) on 10/15/91. The family contacts the EW within 10 days from the date of the NOA and requests that the property exemptions be changed to permit eligibility for the property-ineligible child. The county will review the exemptions to determine whether eligibility can be established for that child retroactive to September 1991.

Example 3. On 8/30/91 a family buys a second car and timely reports it to the county. On 9/20/91, the county determines that this on-going case has excess property under regular Medi-Cal rules and has a Sneede class member. Since the MFBU contains a Sneede class member, the county will apply Sneede procedures. Under Sneede, one of the mini budget units is property-ineligible. The county sends a 10-day discontinuance NOA to that MBU on 9/21/91; the first month the county can initiate the adverse action is 10/91. The family contacts the EW within 10 days from the date of the discontinuance NOA and requests that the property exemptions be reviewed in order to qualify a disabled child. The county now exempts a less expensive car and establishes eligibility for the disabled child effective 10/91.

Example 4. In 11/91, a Sneede family (on-going case) with multiple vehicles and a property-ineligible child, contacts the county to request Medi-Cal for that child. The only way the family can get Medi-Cal for that child in 11/91 is to spend down the excess property in that child's MBU or the excess property in the MFBU. If the family does not spend down in 11/91 and the county's review of the property exemptions results in eligibility to the child, the county cannot establish eligibility for that child until 12/91 (the month following the month of the request).

6. QUESTIONS/ANSWERS AND MINOR POLICY CHANGES

Q1. If the combined shares of cost for the Sneede mini budget units are higher than the MFBU's share of cost, can the applicant/beneficiary choose the lower share of cost?

A1. No, they cannot choose the MFBU's lower share of cost. If an MFBU with a share of cost contains a Sneede class member, the county must apply the Sneede procedures and each mini budget unit has its own share of cost to meet.

This is contrary to the Sneede property determinations. This is because property can be spent down to the allowable property limit. Income cannot be spent down; the share of cost can only be reduced by medical expenses.

Q2. In ACWDL 91-18, Questions and Answers section, question #2, it states that jointly held assets by members of the same MFBU will be treated in the same manner as assets which are jointly held with persons outside of the MFBU (draft regulations 50402). However 50402 also requires a transfer of legal title when ownership of a jointly held asset is successfully rebutted. Is a transfer of legal title also required when the owners are in the same MFBU?

A2. No, when the joint owners are in the same MFBU, it is not necessary to transfer legal title to the actual owner. For example, the MFBU includes a father and his teenage son. On the MC 210, they list the son as the sole owner of a second car. However, the car registration lists only the father's name. When asked about the discrepancy, the father states that his son paid for the car with his own money, but for insurance purposes the car is registered in the father's name only. They present a bill of sale which shows that the son purchased the car and they present a bank passbook which shows the withdrawal from the son's savings account. The verification clearly establishes that the son is the actual owner. The father does not need to transfer title of the car to the son since they are members of the same MFBU. The EW will clearly document the case to show that the son's sole ownership of the car is established.

With regard to a bank account, when a parent (or nonparent caretaker relative) states that the account belongs to a minor child in the MFBU and the county determines that it is the child's account, the parent's or caretaker's name does not need to be removed from the account.

Q3. If the MFBU does not wish to receive Medi-Cal for a child but refuses or fails to sign the "Excluded Child Statement" (MC 239 SN-2 and MC 239 SN-3), should the county deny/discontinue the MFBU for noncooperation?

A3. No, the county should not deny/discontinue the child if the Excluded Child Statement is not returned. The MC 239-2 and MC 239-3 is not a program requirement but is required as part of the lawsuit negotiations. Therefore,

the county will exclude the child, rather than deny/discontinue benefits to the MFBU. However, the county must clearly document the file that the parent/caretaker relative was asked to sign the form but refused or failed to sign or return it.

If the parents refuse to provide any income information on the excluded child, the county will not give the MFBU the excluded child allocation described in Section 50558, Title 22, CCR. The county will "ignore" the excluded child. However, if the MFBU has a share of cost or excess property and the MFBU contains a Sneede class member, the county will apply the Sneede procedures and give a parental allocation of income or property to the excluded child regardless of whether the parent/caretaker relative provided any information on the excluded child.

Q4. Should the counties still use Section 50559 (Income Deemed Available from a Stepparent) to determine the stepparent's contribution to the MFBU?

A4. No, effective April 1, 1991, the counties will discontinue use of Part V on the MC 176W (Allocation/Special Deduction Worksheet A) and apply the new procedures described in ACWDL 90-91 whenever the family wants Medi-Cal benefits for only the separate children of one spouse. The county will no longer need to determine whether the stepparent can meet the needs of the stepparent unit. The MFBU will be composed of the ineligible parent and his/her separate children who want Medi-Cal.

Furthermore, the county will apply Sneede income and property rules and equally allocate the parent's income and property to himself/herself, the stepparent, and to all of the parent's natural/adoptive children who are in the household. The MFBU's income and property will include only the allocated amounts from the parent to himself/herself and to his/her separate children who want Medi-Cal as well as the full net nonexempt income and property of the separate children who want Medi-Cal. If excess property or share of cost results, the EW will go right to the MC 175-4 and establish the Sneede mini budget units and determine share of cost or property eligibility for each MBU.

Q5. (For both Sneede and non-Sneede cases) when only the separate children of one spouse want Medi-Cal and the children are potentially eligible to a federal poverty level program (i.e., 100%, 133%, 185/200%), is the EW supposed to use the ineligible parent's prorated or full income in determining a child's eligibility to these programs?

A5. For both Sneede and non-Sneede cases, the EW will use whatever income is available to the MFBU after equally allocating the ineligible parent's income to: (1) the ineligible parent, (2) his/her excluded spouse, and (3) all of the ineligible parent's natural/adopted children in the household (who are both in and out of the MFBU). In other words, in determining the eligibility of a child to a federal poverty level program, the county will use only that child's own income and the balance of the ineligible parent's income which is available to the members of the MFBU.

Example: Sally files for Medi-Cal for her two separate children, Susie (age 5) and Shauna (age 4). Sally, her husband, Sam, and their mutual child, Steven, do not need Medi-Cal. Sally works and earns \$1700 per month; Susie and Shauna have no income of their own. The MFBU is composed of Susie, Shauna, and Sally as an ineligible parent. In determining whether the MFBU has a share of cost, the county will equally allocate Sally's net income to everyone for whom she is responsible.

\$1700 gross earnings
- 90 work deductions
\$1610 net
divided by 5 (Sally, Sam, Shauna, Susie, Steven) - \$322 to each

MFBU's share of cost computation:

\$ 322 Sally's allocation to self
+322 " " to Shauna
+322 " " to Susie
\$ 966 total net nonexempt income
-934 MNIL for 3
\$ 32 SOC

Since the MFBU has a share of cost and the two girls are ages 5 and 4, they are potentially eligible to the 133% program. (Note: Sneede is not applicable because the girls do not have income of their own. If the girls did have income of their own, the county would have first applied Sneede procedures and then the federal poverty level programs.)

133% program eligibility determination for each child:

\$ 322 Sally's allocation to herself
+322 " " to Susie
+322 " " to Shauna
\$ 966 net family income compared to 133% FPL for family of 3 - \$1235

Therefore, Susie (and also Shauna because the net nonexempt family income happens to be the same for her) are eligible to the 133% program.

Q6. When a full item of need is provided by a stepparent, is in-kind income considered (see Section 50509)?

A6. The general rule of thumb about **unearned in-kind income** is that when a member of the MFBU provides the full item of need, there is no in-kind income charged to the other members of the same MFBU.

When a stepparent is in the MFBU, his/her income and property are counted as part of the MFBU's budget computation. Therefore, there is no in-kind income from the stepparent to the other members of the MFBU.

When a stepparent is not in the MFBU but is providing a full item of need,

the county will determine the value of income in-kind based upon the number of stepchildren in the MFBU. The value of the in-kind income is equally allocated to only the stepchildren; this is considered to be the child's own income. There is no in-kind income to a spouse.

Example: John and Mary are married; they have a mutual child and Mary has two separate children. They want Medi-Cal for Mary's two separate children only. John pays all of the bills for the entire household. The MFBU consists of Mary as an ineligible parent and her separate children. On June 1991, the county determines that the in-kind income for 2 persons is \$475 and will charge each child with \$237.50 in-kind income (\$475 divided by two). Mary is not charged with any in-kind income.

Q7. Child/Spousal Support questions (reference CCR, Title 22, Sections 50554, 50554.5, 50167):

Q7a. Are child support payments income to the child or to the parent/caretaker relative?

Answer 7a. Child support payments are income to the child; the parent/caretaker relative is only receiving the payments on the child's behalf.

Q7b. How should the county treat voluntary child/spousal support payments from an absent parent?

Answer 7b. The county will ask the parent or caretaker relative to obtain a statement from the absent parent verifying: 1) the nature of the payments (i.e., child or spousal or both), 2) for whom the payments are intended, and 3) if two or more persons are recipients of the support payment, the proper allocation to each recipient.

If the absent parent is noncooperative, the county will accept the parent/caretaker relative's allegation of these items. If the parent does not know the proper allocation to each recipient, the county may equally prorate the support payments among those for whom the income is intended. However, the county must clearly document the file that the absent parent is noncooperative.

Q7c. How should the county treat partial payment of court-ordered child/spousal support?

Answer 7c. If the case file does not already have it, the county should first request a copy of the formal court order to verify the amount of child/spousal support to be paid to the (ex)wife and/or to each designated child. The county will then ask the parent/caretaker relative to contact the absent parent for the information shown in #7b above.

If the absent parent is noncooperative, the county will apply the same procedures described in the second paragraph of #7b above.

Q8. What is the difference between earned and unearned in-kind income and what are the effects of Sneede on both types of income?

AB. Earned In-kind Income

Earned in-kind income is considered wages to the wage earner. It is subject to applicable earned income deductions and, if Sneede applies, is allocated to those persons for whom the wage earner is responsible.

Example #1: The MFBU consists of John and Mary, a married couple, and their two mutual children. John is an apartment manager and receives a free apartment in lieu of cash wages. The value of the in-kind income is \$236 for a family of 4. The in-kind income (\$236) is considered to be John's wages and subject to the applicable earned income deduction. The children have no income of their own. Therefore, this is not a Sneede case.

Unearned In-kind Income

When there is a potential Sneede class member in the MFBU (including a child with no other income) and the MFBU has a SOC, unearned in-kind income which is provided by someone outside of the MFBU is equally prorated by the number of persons in the MFBU who receive the full item of need.

The prorated amount is gross income to each of the persons receiving the full item of need. A child's share of the in-kind income is considered the child's separate income and Sneede procedures will apply.

This income cannot be allocated to anyone else in the MFBU; it is income only to the persons who receive the full item of need.

Unborn Child in the MFBU

When there is an unborn child in the MFBU and the pregnant woman receives unearned in-kind income, include the unborn when prorating the income. The unborn's share of the in-kind income is added to the pregnant woman's share. The total of the unborn's and the pregnant woman's share of in-kind income is used to determine the pregnant woman's net nonexempt income only; it is not allocated to anyone.

Example #2: The MFBU consists of Bill and Bobbie, a married couple, their mutual born child, and a mutual unborn. They live rent-free in a house owned by Bill's mother. The value of the free rent is \$236 for a family of 4. This amount is prorated among the 4 MFBU members; each person's share of the in-kind income is \$59. Although the born child has no other income, his prorated portion of the unearned in-kind income constitutes separate income and Sneede procedures will apply. The unborn's share of the in-kind income is added to the mother's; her total in-kind income is \$118. The EW will back out the parents' in-kind income before allocating to the mutual child and then add back the in-kind income after the parental allocations.

Excluded Persons in Household

In determining the value of unearned and earned in-kind income provided by someone outside of the MFBU, the county will only include persons in the MFBU who receive the benefit of the in-kind income. Do not include excluded persons.

If Sneede applies and someone in the MFBU receives earned in-kind income, the county will allocate to all persons for whom the wage earner is responsible, including excluded children.

A revised MC 175-I (Sneede Income Screening Questions) is provided to assist counties in identifying children who receive unearned in-kind income (see page 30).

Q9. Are the special income and property rules listed in ACWDLs 90-91 and 91-18 applicable to all Medi-Cal cases or just Sneede cases?

A9. The special income and property rules described in ACWDLs 90-91 and 91-18 (e.g., the ABD-MN deductions, proration of the unearned in-kind income, proration of the child support deduction, etc.) are applicable when:

- o the MFBU has a share of cost or excess property and contains a Sneede class member, or
- o only the separate children of one spouse want Medi-Cal.

In all other instances, the existing income and property rules apply.

Q10. What does the county do when there is a public assistance (PA/Other PA) or Pickle person in the household?

A10. The county will first follow the regular procedures when there is a PA/Other PA or Pickle person in the household. If there's a share of cost and Sneede applies, the county will do the following:

(1) Income is available from the PA/Other PA or Pickle person to the MFBU.

The county will equally allocate that portion of the PA/Other PA or Pickle person's income which was not used by the PA/Other PA program or which exceeds the SSI/SSP payment level to each born person in the MFBU for whom the PA/Other PA or Pickle person is responsible. **DO NOT ALLOCATE TO THE PICKLE OR PA/OTHER PA PERSON AS HIS/HER NEEDS ARE ALREADY MET BY THE PA PROGRAM.**

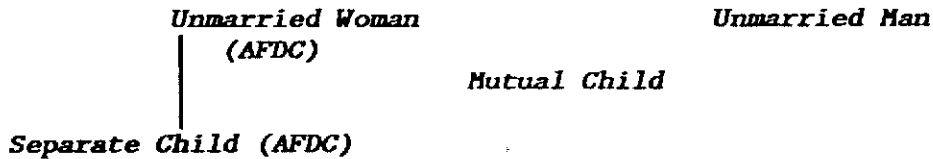
(2) MFBU member has income which was used to determine PA/Other PA eligibility.

The county will allow that portion of the MFBU member's income, which was

used to determine PA eligibility, as a deduction against that MFBU member's income. If the MFBU includes either the stepparent or unmarried partner of an SSI or IHSS recipient and that MFBU member's income was used to determine SSI or IHSS eligibility, the EW will allow that portion of the MFBU member's income which was used to determine PA/Other PA eligibility as a deduction against that MFBU member's income. **DO NOT TREAT THE UNMARRIED COUPLE AS SPOUSES ON ANY OTHER WORKSHEETS.**

The revised MC 175-6 (Allocation from PA/Other PA Person [Includes Income Available from Pickle Person to MFBU]) is enclosed on pages 33-34. A camera-ready copy of the form will not be available for approximately 2 months.

Q11. A household consists of the following:



The unmarried woman and her separate child are on AFDC. The mutual child has no income of his/her own and the MFBU has a share of cost based upon the father's own income. Will Sneede procedures still apply?

A11. No, the MFBU consists of a single parent and his/her natural/adopted child who has no income of his/her own. Since there is no class member in the MFBU, Sneede procedures do not apply. The same would be true if the couple were married.

Q12. The MC 175-2 (Responsible Relative Determination) states that PA/Other PA persons are not to be listed because they are not members of the MFBU. Other regulations or All County Welfare Directors Letters state that some Other PA persons (e.g., those on the 4-month continuing program when AFDC was discontinued solely due to child support or those on Transitional Medi-Cal) are ineligible members of the MFBU. How are the counties to treat this type of Other PA person?

A12. In determining the share of cost or property for the family members of an Other PA person such as the one described above, treat the Other PA person as an ineligible member of the MFBU as specified in regulations or in All County Welfare Directors Letters. Ineligible members of the MFBU are also ineligible persons in the Sneede mini budget units and are treated the same as any other ineligible person. They would be listed on the MC 175-2 as well as on any other forms/worksheets in which ineligible members are listed. (Remember that all other PA/Other PA persons are not eligible or ineligible members of the MFBU.)

Q13. Part of the screening instructions in 90-91 and 91-16 state that the county will determine whether Sneede procedures are applicable if the self-identification form is returned and the recipient answers "yes" to any of the screening questions. What if the recipient marks "no" to the question regarding whether a child has his/her own income but the case file shows that one or more children receive child support or SSA income? Does the county still have to determine whether Sneede procedures are applicable?

A13. Yes, if the EW discovers that the applicant or beneficiary completed the form in error, the EW will still need to determine whether Sneede procedures are applicable.

Q14. Will Sneede procedures still apply if applicable deductions zero out the class member's nonexempt income and there are no other Sneede class members in the MFBU?

A14. Yes; we were unable to negotiate an exemption from the Sneede procedures for this group.

Q15. There are some cases in which overpayment collections or activity have been initiated for the period prior to April 1, 1991. However, if Sneede procedures could be applied during that period, the overpayment could be reduced or eliminated. Are the counties restricted from going back to January 1, 1990 for purposes of reducing or eliminating an overpayment?

A15. No; the counties may apply Sneede procedures as far back as January 1990 to eliminate overpayments which were originally computed under the regular Medi-Cal rules. (For example, a grandparent in the MFBU had an unreported \$20,000 bank account but the only persons in the MFBU who used or received medical services were the grandchildren. Under Sneede, the overpayment would be eliminated because the grandparent is not a responsible relative.) However, there are as yet no procedures developed on how to compute or report overpayments determined under Sneede; therefore, the counties will continue to hold these kinds of overpayments.

Q16. What sequence of procedures/lawsuits should the EWs follow in processing a case when there are multiple lawsuits or programs which affect that case?

A16. The basic thing to remember is that the EW will first apply regular procedures to the original MFBU first (e.g., Pickle, QMB, TMC, etc.). Secondly, if there is a share of cost or excess property and the MFBU contains a Sneede class member, the EW will apply Sneede procedures to the MFBU. Thirdly, if any MBU has a share of cost and a pregnant woman, infant under one year, child under 6 years old, or child age 6 through 18 born after 9/30/83, the EW will apply the Sneede 100, 133 or 185/200 Percent programs. Lastly, the EW will apply Hunt procedures towards the mini budget units' shares of cost. A desk aid to help the EW in determining the sequence of the procedures/lawsuits is shown on page 35.

Q17. In ACWDLs 90-91 and 91-18, there were several changes to the regular Medi-Cal program (i.e., expanded definition of an excluded child, the inclusion of a minor's unborn in the MFBU of a three-generational household when the minor's parent/caretaker relative reports the minor's pregnancy, etc.). Are these changes retroactive like the Sneed procedures?

A17. The changes to the regular Medi-Cal program described in those two ACWDLs are effective April 1, 1991. In the case of new and pending applications, these changes will be applied beginning in the month of application and up to three retroactive months, if requested. In the case of continuing eligibility cases, these changes will be applied beginning April 1, 1991.

Q18. If a child receives no other income except interest income from a small savings account (e.g., a few dollars of interest is paid quarterly on the account), will Sneed procedures still apply if the MFBU has a share of cost?

A18. Unfortunately, yes. Present Medi-Cal regulations require that interest income from a savings account or time deposit, no matter how small, must be included in the share of cost determination. The counties are cautioned about not counting the interest income on the basis that quality control will not cite an error which is under \$5. QC looks at the entire case in determining whether there is an error under \$5. If there is other income which is not counted correctly, QC will accumulate the dollar-errors to determine if the total is under \$5.

Q19. What MNIL or property limit does the EW give to each mini budget unit which contain only children and the children do not have a natural/adoptive parent in the MFBU?

A19. When an MBU contains only children and the children do not have a natural/adoptive parent in the MFBU (e.g., children live with a non-parent caretaker relative, or children live with a parent who is PA/Other PA, or there are only siblings in the MFBU), the EW will give each of these MBUs the full MNIL/property limit.

Prorated MNIL/property limits only apply when the MBU contains only children and the natural/adoptive parent is in the MFBU.

Q20. Now that the MFBU composition rules have changed to allow the unmarried man to be excluded from the MFBU which contains only an unmarried pregnant woman, their mutual unborn, and her separate children (if any), should the EW aid her under the Medically Indigent Program (86 or 87) or determine whether deprivation exists and aid her under the Medically Needy Program (34 or 37)?

A20. In this situation, the county will first determine eligibility under the MN program if: (1) the unmarried pregnant woman is unemployed, or (2)

the unmarried father is unemployed, agrees to cooperate in establishing linkage, and wants Medi-Cal after the baby is born. Otherwise, the county may first determine eligibility under the MI program (86 or 87).

It is important to first establish MN eligibility based on unemployment if the parent wishes to be aided as an unemployed parent after the baby is born. The reason for determining MN is so that benefits will continue for the mother past the postpartum period and to establish linkage for the cooperative, unmarried father when the baby is born. If either parent waits until after the baby is born to establish linkage as an unemployed parent, he/she may not be eligible because the principal wage earner is determined by the number of calendar quarters worked prior to the month of application or the month when deprivation due to unemployment is being established.

7. SNEEDE NOTICES OF ACTION

Pages 27-28 of this letter contain two notices of action: the Approval for Benefits or Change in Share of Cost (MC 239 SN-4), and the Denial/Discontinuance of Benefits Due to Excess Property (MC 239 SN-5).

On page 29 is the Sneede v. Kizer: How to List Medical Expenses on Your Share of Cost Form (Record of Health Care Costs) (MC 239 SN-6). This form shall be issued to a Sneede family each time a Sneede share of cost is initiated (but it is not required every time the Sneede share of cost changes) and at annual redetermination. Both the notices and the form will be available in camera-ready, English and Spanish language versions in a couple of months.

Sneede v. Kizer
MEDI-CAL
NOTICE OF ACTION
APPROVAL FOR BENEFITS OR
CHANGE IN SHARE OF COST

(County Stamp)

Notice Date: _____

Case No.: _____

Worker Name/No.: _____

Worker Telephone No.: _____

This Affects: _____

This case has been affected by a law suit called Sneede v. Kizer. A federal court ruled that Medi-Cal can only use the income of certain family members when figuring the share of cost of someone who receives Medi-Cal. This means that some family members may have different shares of cost.

- The application for Medi-Cal benefits for the people listed above has been approved and benefits will begin the first day of _____. They have no share of cost.
- The application for Medi-Cal benefits for the people listed above has been approved and benefits will begin the first day of _____. Their share of cost is \$_____.
- The Medi-Cal share of cost for people listed above has changed from \$_____ to \$_____.
- The people listed above will receive their Medi-Cal card soon.
- The income used to figure the share of cost is as follows:

<u>Person</u>	<u>Net Amount</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
Total net nonexempt income	\$ _____
Maintenance Need	\$ _____
Excess Income	\$ _____
Adjustment	\$ _____
Share of cost	\$ _____

Follow the instruction sheet called Sneede v. Kizer: HOW TO LIST MEDICAL EXPENSES ON YOUR RECORD OF HEALTH CARE (SHARE OF COST) FORM. If the medical expenses are more than the share of cost for any period, a Medi-Cal card will be issued after the form has been completed and approved.

When the people listed above receive their Medi-Cal card, they must always take their card to their doctor or to any other Medi-Cal provider who give or has given medical care in that month.

Here are any changes in address, income, property, family members, living arrangements, or if you have any questions, please write or phone your worker within 10 days.

The regulations which require this action are California Code of Regulations, Title 22, Sections 50653 and Sneede v. Kizer.

PLEASE READ THE REVERSE SIDE OF THIS NOTICE

Sneede v. Kizer

(County Stamp)

**MEDI-CAL
 NOTICE OF ACTION
 DENIAL/DISCONTINUANCE OF BENEFITS
 DUE TO EXCESS PROPERTY
 (MINI BUDGET UNIT)**

Notice Date: _____
 Case No.: _____
 Worker Name/No.: _____
 This Affects: _____

This case has been affected by a lawsuit called Sneede v. Kizer. A federal court ruled that Medi-Cal can only use the property of certain family members when figuring someone's Medi-Cal eligibility. This means that some family members may be eligible and others may not be eligible due to excess property.

- The application for Medi-Cal benefits for the people listed above has been denied due to excess property.
- Medi-Cal benefits for the people listed above will stop the last day of _____ due to excess property.
(month/year)
- The people listed above are not eligible for Medi-Cal because your family owns more than one car or piece of real property. These people may be able to get Medi-Cal if you want to make the other car or other real property exempt. If you do that, some people who are in your family who can now get Medi-Cal may become ineligible. **Call your worker within 10 days if you want advice about changing your exemptions.**

I. Mini Budget Unit

II. Medi-Cal Family Budget Unit

Persons	Net Amount
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
Total Net Nonexempt Property	\$ _____
Property Limit	-- \$ _____
Excess Property	\$ _____

Family's Total Net Nonexempt Property: \$ _____
 Family's Property Limit: -- \$ _____
 Family's Total Excess Property: \$ _____

Your entire family may be eligible for Medi-Cal if they meet all other eligibility requirements and reduce the excess property by the amount shown above in Column II under Family's Total Excess Property. If your family reduces the excess property on any day of the month, they will be property eligible for that entire month.

If you have any questions, please contact your worker. The regulations which require this action are California Code of Regulations, Title 22, Sections 50401 through 50489 and Sneede v. Kizer.

PLEASE READ THE REVERSE SIDE OF THIS NOTICE

SNEEDE V. KIZER
HOW TO LIST MEDICAL EXPENSES
ON YOUR SHARE OF COST FORM
(RECORD OF HEALTH CARE COSTS)

Your Medi-Cal case has been affected by a lawsuit called Sneede v. Kizer. This lawsuit limits which family members can use their medical expenses that are not billed to Medi-Cal.

If you are a spouse or a parent, you have the choice of listing your medical expenses on any share of cost form in which your name appears. You may list all of your medical expenses on a single form, or you may divide up a bill and list it on two or more forms in which your name appears. However, the total reported for a single service cannot be more than the original bill.

If you are a child, your medical expenses can only be listed on the share of cost form in which your name appears.

If you are a caretaker relative such as a grandparent, aunt, uncle, etc., your medical expenses can only be listed on the share of cost form in which your name appears.

If you have any questions about how to list medical expenses on the share of cost form, please call or write your Medi-Cal worker.

MC 239 SN-6 (8/91)

SNEEDE V. KIZER
COMO ANOTAR GASTOS MEDICOS
EN SU FORMULARIO DE PARTE DEL COSTO
(REGISTRO DE CONTROL DE SUS GASTOS MEDICOS)

Su caso respecto a beneficios de Medi-Cal ha sido afectado por la demanda legal en el caso llamado Sneede v. Kizer. Este juicio establece cuales miembros de la familia pueden usar sus gastos médicos que no se cobran a Medi-Cal.

Si usted es el esposo(a) o padre/madre, tiene la opción de anotar los gastos médicos en cualquier formulario para parte del costo en el cual aparezca su nombre. Puede anotar todos los gastos médicos en un solo formulario, o puede dividir el cobro y mencionarlo en dos o más formularios en el cual aparece el nombre suyo. Sin embargo, el total que se reporte por un solo servicio, no puede ser mayor que el cobro original.

Si usted es un menor, los gastos médicos de usted, solamente pueden ser anotados en el formulario de parte del costo donde aparezca el nombre suyo.

Si usted es un pariente encargado del cuidado de alguien, como un abuelo(a), tío(a), etc., los gastos médicos suyos solamente pueden ser anotados en el formulario de parte del costo en que aparezca el nombre de suyo.

Si tiene preguntas sobre cómo anotar gastos médicos en el formulario de parte del costo, por favor escríbale o llame a su trabajador(a) de Medi-Cal.

MC 239 SN-6 Spanish (8/91)

SNEEDE V. KIZER INCOME SCREENING QUESTIONS

If the MFBU has a share of cost and includes child(ren), complete the following:

Case Name	County District	County Use
Case Number	Effective Date	Mo. Year
<input type="checkbox"/> New Application <input type="checkbox"/> Redetermination <input type="checkbox"/> Change <input type="checkbox"/> Retroactive Eligibility <input type="checkbox"/> Correction		

DOES THE MFBU INCLUDE:	YES	NO
a. A stepparent?		
b. An unmarried couple with mutual child(ren)?		
c. A child with his/her own nonexempt income (including <u>unearned</u> in-kind income provided by someone outside of the MFBU) and there are other persons in the MFBU?		
d. A non-parent caretaker relative in the same MFBU with the child(ren) for whom care is provided and the caretaker wants Medi-Cal?		

- If "NO" to all of the above, determine if eligibility exists for pregnant woman or infant under 1 (185/200%), child under 6 (133%), or child age 6 through 18 born after 9/30/83 (100%).
- If "YES" to any of the above and:
 - (1) the MFBU includes a parent, complete MC 175-2, MC 175-3I, and MC 175-4.
 - (2) the MFBU does not include a parent, complete MC 175-3I and MC 175-4.

Eligibility worker signature	Worker Number	Date

SNEEDE V. KIZER
FEDERAL POVERTY LEVEL (FPL) PROGRAMS FOR
PREGNANT WOMEN AND INFANTS (185/200%),
CHILDREN AGES 1 THROUGH 5 (133%), AND
CHILDREN AGES 6 THROUGH 18 BORN AFTER 9/30/83 (100%)

Case Name	County District	County Use
Case Number	Effective Date	Mo. Year

INSTRUCTIONS:

1. Complete this form for all of the potential percentage program eligibles whose MBU has a share of cost.
2. **Net Nonexempt Family Income:** enter the **full** net nonexempt income of the % program eligible and his/her responsible relatives (i.e., spouse or natural/adoptive parent); do not enter the Sneede allocations.
 - A. **If the potential % program eligible is:**
 - an unmarried pregnant woman, use only her income;
 - a pregnant minor, use her income and her parents' income, if they are in the home;
 - a married pregnant woman, use her and her spouse's income;
 - a child, use the child's and natural/adoptive parents' income, if they're in the MFBU.
 - B. **If the potential % program eligible and/or his/her responsible relatives are:**
 - AFDC-MN/MI, add lines 20 and 25 from MC 175-3I;
 - ABD-MN, first complete another MC 175-3I (lines 1 through 25), allow only AFDC-MN deductions, and enter the total from lines 20 & 25.
 - C. **When only the separate children of one spouse want Medi-Cal, full net nonexempt family income does not include income allocations to persons outside of the MFBU.**

A. NET NONEXEMPT FAMILY INCOME DETERMINATION					
1. Name of potential % Program Eligible in MBU with SOC					
2. Name of Responsible Relative #1					
3. Name of Responsible Relative #2					
4. Full Net Nonexempt Income of % Program Eligible	\$	\$	\$	\$	\$
5. Full Net Nonexempt Income of Responsible Relative #1	\$	\$	\$	\$	\$
6. Full Net Nonexempt Income of Responsible Relative #2	\$	\$	\$	\$	\$
7. Total Net Nonexempt Family Income (add lines 4, 5, 6 & enter on B.4)	\$	\$	\$	\$	\$

(over)

B. ELIGIBILITY DETERMINATION

No. of Persons in MFBU _____

Name of potential % Program Eligible					
2. Potential % Program (check one)	185% <input type="checkbox"/> 133% <input type="checkbox"/> 100% <input type="checkbox"/>	185% <input type="checkbox"/> 133% <input type="checkbox"/> 100% <input type="checkbox"/>	185% <input type="checkbox"/> 133% <input type="checkbox"/> 100% <input type="checkbox"/>	185% <input type="checkbox"/> 133% <input type="checkbox"/> 100% <input type="checkbox"/>	185% <input type="checkbox"/> 133% <input type="checkbox"/> 100% <input type="checkbox"/>
3. Enter FPL for % Program shown in B. 2 based on # of persons in MFBU.	\$	\$	\$	\$	\$
4. Enter total net nonexempt family income(from A. 7)	\$	\$	\$	\$	\$
5. Is total net nonexempt family income (B. 4) less than or equal to amount in B. 3?	<input type="checkbox"/> Yes, eligible (go to #9) <input type="checkbox"/> No, continue	<input type="checkbox"/> Yes, eligible (go to #9) <input type="checkbox"/> No, continue	<input type="checkbox"/> Yes, eligible (go to #9) <input type="checkbox"/> No, continue	<input type="checkbox"/> Yes, eligible (go to #9) <input type="checkbox"/> No, continue	<input type="checkbox"/> Yes, eligible (go to #9) <input type="checkbox"/> No, continue
6. Is person potential 200% program eligible (i.e., pregnant woman or infant under age 1)?	<input type="checkbox"/> Yes, continue <input type="checkbox"/> No, deny FPL program	<input type="checkbox"/> Yes, continue <input type="checkbox"/> No, deny FPL program	<input type="checkbox"/> Yes, continue <input type="checkbox"/> No, deny FPL program	<input type="checkbox"/> Yes, continue <input type="checkbox"/> No, deny FPL program	<input type="checkbox"/> Yes, continue <input type="checkbox"/> No, deny FPL program
Enter 200% of FPL for family size equal to # of persons in MFBU.	\$	\$	\$	\$	\$
8. Is total net nonexempt family income equal to or less than 200% FPL?	<input type="checkbox"/> Yes, eligible <input type="checkbox"/> No, deny 200% Program	<input type="checkbox"/> Yes, eligible <input type="checkbox"/> No, deny 200% Program	<input type="checkbox"/> Yes, eligible <input type="checkbox"/> No, deny 200% Program	<input type="checkbox"/> Yes, eligible <input type="checkbox"/> No, deny 200% Program	<input type="checkbox"/> Yes, eligible <input type="checkbox"/> No, deny 200% Program
9. Person # (optional)					
10. Aid Code (optional)					
11. MBU # (optional)					

Ability Worker Signature	Worker Number	Computation Date
--------------------------	---------------	------------------

SNEEDE v. KIZER
ALLOCATION FROM PA/OTHER PA PERSON
(INCLUDES ALLOCATION FROM PICKLE PERSON TO MFBU)

Case Name	County District	County Use
Case Number	Effective Date	Mo. Year
<p><i>(Complete this form when there is an income allocation from a PA/Other PA person (including a <u>Pickle</u> person) to the MFBU, <u>OR</u> the MFBU has income which is used to determine PA/Other PA eligibility.)</i></p> <p>Note: If the MFBU includes either the stepparent or unmarried partner of an SSI or IHSS recipient and that MFBU member's income was used to determine SSI or IHSS eligibility of the recipient, the EW will allow that portion of the MFBU member's income which was used to determine PA/Other PA eligibility as a deduction against his/her own income.</p> <p align="center"><i>DO NOT TREAT THE UNMARRIED COUPLE AS SPOUSES ON ANY WORKSHEET.</i></p>		

NAME OF PA/OTHER PA PERSON:

A. INCOME AVAILABLE FROM THE PA/OTHER PA PERSON
(including income available from a Pickle person to the MFBU)

1. Enter the amount from line 11, section II of MC 176W (If there is income available from the Pickle person to the MFBU, enter the amount from line 3, column III of the MC 176M). \$ _____
2. Enter the names of the persons in the MFBU for whom the PA/Other PA person is responsible (i.e., spouse and natural/adopted children). *Do NOT list: unborns, any PA/Other PA persons, or excluded persons.* _____

3. Total number of persons listed in A.2. _____
4. Allocation to each person listed in A.2 (divide line A.1 by line A.3). Enter this amount on MC 175-3I, section A, line 5. \$ _____

B. INCOME USED TO DETERMINE PA/OTHER PA ELIGIBILITY

(check here if this section is applicable)

Enter amount from line 12, section II of MC 176W, on to line 22 of the MC 175-3I of the MFBU member whose income was used to determine PA/Other PA eligibility.

If 2 persons have income which is used to determine PA/Other PA eligibility and the EW is unable to determine how much of each person's income was used, divide the income in half AND give each person one-half of the income deduction. If one half to the couple does not have sufficient income to fully use the deduction, give the unused portion of the income deduction to the other person.

Eligibility Worker's Signature	Worker Number	Computation Date
--------------------------------	---------------	------------------

I. SNEEDE MINI BUDGET UNIT RULES

- o **Unborn** is in same MBU as its mother. If mother is PA/Other PA and not in MFBU, put unborn in father's MBU. If neither parent is in the MFBU, don't put unborn in MFBU.
- o **Each child with own nonexempt income or property** is in a separate MBU.
- o **Married spouses** are in one MBU.
 - their mutual children with no income/property are in parents' MBU.
 - Parent A's separate children with no income/property are in a single, separate MBU.
 - Parent B's separate children with no income/property are in a single, separate MBU.
- o **Unmarried couple** are in separate MBUs.
 - their mutual children with no income/property in a single, separate MBU.
 - each parent's separate children with no income/property are in parent's MBU.
- o **Single parent** and children with no income/property in a single MBU.
- o **Nonparent caretaker relative** in own separate MBU.
 - all other children with no income/property of their own are in a single, separate MBU.
- o **Ineligible family members** are included in the MBUs.
- o **Excluded child** never goes in an MFBU or an MBU.
- o **Child with own exempt income/property** is treated the same as child with no income/property.

II. SEQUENCE FOR PROCESSING SNEEDE CASES (MULTIPLE PROGRAMS/LAWSUITS IN EFFECT)

1. Apply regular Medi-Cal procedures to the original MFBU (which may include Pickle, TMC, etc.).
2. Apply Sneede if MFBU has SOC or excess property and includes a Sneede class member.
3. Apply 100, 133, 185/200 Percent programs if Sneede mini budget unit has SOC and a pregnant woman, infant, child under 6, or child age 6 through 18 born after 9/30/83.
4. Apply Continued Eligibility if pregnant woman or infant under 1 and income increased from prior month.
5. Apply Hunt procedures to the mini budget units' shares of cost (follow Sneede guidelines in applying old medical bills towards the shares of cost).

SNEEDE MFBU/MBU REFERENCE CHART

ITEM	PERSON TYPE				
	Unborn	Eligible	Excluded	Ineligible	PA/Other PA <u>1/</u>
Property & Income Counted	N/A	YES	NO	YES	NO <u>2/</u>
Included in Maintenance Need/Property Limit	YES	YES	NO	YES	NO
Medical Expenses Used to Meet SOC	N/A	YES	NO	YES	NO
Receive Medi-Cal-only Card	NO	YES	NO	NO	NO
Listed on SOC Form (MC 177S)	NO	YES	NO	YES	NO
Used to Determine Linkage to AFDC	YES	YES	NO	NO	YES
Sneede Allocation of Parental Income or Property to Natural/Adopted Child	NO	YES <u>3/</u>	YES <u>4/</u>	YES <u>3/</u>	NO

- 1/ If PA/Other PA person is on 4-Month Continuing or TMC, treat this person as an ineligible member of the MFBU.
- 2/ Medi-Cal will count his/her income not used by the PA/Other PA program.
- 3/ Allocate income or property when Sneede applies.
- 4/ Note: First allocate only income (based on the difference in the MNIL with and without the excluded child less the child's own income) if parent provides info on excluded child's income for MFBU's SOC determination.

When only the separate children of one spouse want Medi-Cal, allocate only the natural/adoptive parent's income and property to: all of the spouse's natural/adoptive children (even the excluded children), the stepparent, and the ineligible natural/adoptive parent.

Do not allocate income or property to an unborn child. Do not include the parent's unborn child in the MNIL & property limits.

(Revised 5/5/91)

SNEEDE V. KIZER **EFFECTIVE: 1/1/90**
MAINTENANCE NEED INCOME LEVELS (MNIL) AND PROPERTY LIMITS

I. MBU Contains An Adult - May Also Include An Unborn

Person Type	MNIL	Property
Single Parent	600	2,000
Single Parent with Unborn	750	3,000
Married Couple (two adults)	934	3,000
Married Couple with an unborn	934	3,150
Unmarried Couple-for each unmarried partner	600	2,000

II. MBU Contains Adult(s) and Child(ren)

Allow the full standard/non-Sneede MNIL/property limits for the MBU based upon the number of persons 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 standard, non-Sneede MNIL/property limit based on the number of persons in each MBU. If there is a pregnant minor in MFBU, include unborn in pregnant minor's MBU.

IV. MBU Contains Only Child(ren) Who Live With One or Both Parents and they are in the same MFBU. (Do not include a Parent Who is PA/Other PA and not in the MFBU.) 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	
	MNIL	Property	MNIL	Property
1	375	1,500	312	1,050
2	623	2,100	550	1,650
3	825	2,475	756	2,070
4	1,008	2,760	945	2,400
5	1,181	3,000	1,108	2,679
6	1,329	3,215	1,269	2,925
7	1,481	3,413	1,420	3,150
8	1,623	3,600	1,568	3,360
9	1,764	3,780	1,615	3,560
10	1,794	3,955	1,656	3,750
11	1,822	4,125	1,694	3,935
12	1,848	4,293	1,728	4,115
13	1,872	4,458	1,759	4,290

Determining Eligibility/Share of Cost: Sneeede vs. Kizer

Determining Eligibility/ Share of Cost: Sneeede vs. Kizer

On April 1, 1991, the county welfare departments implemented major changes in the procedures for determining eligibility and Share of Cost (SOC) to comply with Sneeede vs. Kizer.

To comply with the Sneeede vs. Kizer lawsuit, a person's eligibility and SOC must be determined using his/her own income or property and a portion of the spouse's or natural/adoptive parent's income or property. Therefore, within a single family, certain members may be ineligible because of excess property, while others may have zero SOC or varying SOC amounts. Prior to April 1, 1991, a family's eligibility and SOC was determined as a single filing unit with everyone's income and property combined.

This lawsuit also limits which family members can use their medical expenses that are not billed to Medi-Cal to meet their family's SOC. This has resulted in an additional code, "RR" (responsible relative), that is used on a child's SOC form (MC 177-SA-M) in the aid code field when a child's natural/adoptive parents are listed on another SOC form. The "RR" code only applies to natural/adoptive parents.

Guidelines

Therefore, when entering that portion of the medical expenses on the MC 177-SA-M to meet the SOC, providers must comply with the following guidelines:

- A minor mother may be listed on the parents' SOC form or her own form, and her child's form with an "IE" or "00" code in the aid code field. In this situation only, full medical expenses may be listed on both SOC forms.
- Natural or adoptive parents (coded as "RR" on their child's SOC form) may choose to list their medical expenses on any SOC form on which their names appear. The expense may be listed fully on one form, or partially on any combination of forms on which their names appear. However, the total amount reported for a single medical expense cannot be more than the original bill.

Example

An example of these guidelines would be a family that consists of a stepfather, his wife, and his wife's separate child. The mother and her husband are listed as eligible recipients on the same SOC form with a \$100 SOC. The wife's separate child is listed on a different SOC form with a \$125 SOC. The mother is listed on her child's SOC form with an "RR" code in the aid code field. (See *Figure 7* on a following page.)

Example
(continued)

The mother has medical expenses that total \$75 and that have not been billed to Medi-Cal. She may do one of the following:

- 1) Apply the entire \$75 to her own \$100 SOC
- 2) Apply the entire \$75 to her child's \$125 SOC
- 3) Apply any amount less than \$75 to her SOC and the balance of the \$75 to her child's SOC. The total amount reported cannot exceed the original \$75.

In all other cases that do not involve the natural or adoptive parent, a person's medical expense can only be listed on the SOC form on which his/her name appears. An example follows:

- Caretaker relatives (such as a grandparent, aunt or uncle) can list their medical expense on only the SOC form on which their names appear.
- A child can list his/her medical expenses on only the SOC form on which his/her name appears.

DO NOT
STAPLE
IN BAR
AREA

SOC CONTROL NUMBER • FOR F.I. USE ONLY

DEPARTMENT OF HEALTH SERVICES
MEDICAL PROGRAM
MC 177-SA-M
PART A

STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY RECORD OF HEALTH COST—SHARE OF COST

ONLY THOSE MEDICAL/DENTAL EXPENSES INCURRED IN THIS MONTH MAY BE LISTED ON THIS FORM	SHARE OF COST THE AMOUNT YOU MUST PAY OR OBLIGATE IS	REPLACEMENT MC-177 YES NO	REVNO.	PAGE	COUNTY DISTRICT	COUNTY USE
MAY 1991	\$ 125	NO		1 of 1		

MEDICAL/DENTAL EXPENSES OF FAMILY MEMBERS LISTED BELOW MAY BE USED TO MEET SHARE OF COST.															
14 DIGIT STATE NUMBER					NAME - LAST, FIRST		BIRTHDATE			SOCIAL SECURITY NO.					
CNTY	AD	F	DENT	SERIAL	NO	PUB	PERS	MO	DAY	YR	SEX	NO	OR	RR	NO
55	34			1234567	1	01		8	9	67	F	123456789			
55	RR			2345678	1	03		7	2	48	F	234567890			

Figure 7. Sample Record of Health Cost--Share of Cost (MC 177-SA-M) showing parent with an "RR" code on child's form.