

DEPARTMENT OF HEALTH SERVICES

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April 1, 1992

Letter: 92-25

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

SUBJECT: ARTICLE 9 - PROCEDURES, 9M17 - PAYMENTS FOR REPAIR OR REPLACEMENT
OF LOST, DAMAGED OR STOLEN EXEMPT PROPERTY

The purpose of this memo is to transmit to the counties, "Medi-Cal Eligibility Manual, Procedures Section, Article 9, Subsection 9M17 - Payments for Repair or Replacement of Lost, Damaged or Stolen Exempt Property", and a revised "Table of Contents". Counties must use this procedure whenever a payment of cash or in-kind replacement has been made of an exempt item. This procedure shall be implemented no later than July 1, 1992, for all new applications and redeterminations.

The County shall, if applicable, rescind any discontinuance or denial due to excess property resulting from such funds and, if applicable, issue retroactive Medi-Cal cards, whenever:

- o A case is known to the county to have such funds, or;
- o As soon as a case with such funds is brought to the county's attention, or;
- o When reopening a case which was closed due to excess property resulting from such funds.

If you have any questions on this issue, please feel free to call Sharyl Shanen-Raya at (916)-657-2942.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

Enclosures

MEDI-CAL ELIGIBILITY MANUAL - PROCEDURE SECTION

ARTICLE 9 - PROPERTY

**9M17 - PAYMENTS FOR REPAIR OR REPLACEMENT OF LOST, DAMAGED OR STOLEN
EXEMPT PROPERTY**

POLICY

Cash payments (including funds received for the purchase of temporary housing) or in-kind replacement received from any source for purposes of repairing or replacing exempt property that is lost, damaged, or stolen is exempt property in the month of receipt and is exempt property for nine months from the date of receipt. Any of the cash that is not used to repair, replace, or contract for the repair or replacement of the exempt property will be countable property beginning with the month after the 9-month period expires.

TREATMENT OF INTEREST

Interest earned by funds exempt under this provision is exempt from income and resources for the period during which the funds themselves are excluded from resources.

GOOD CAUSE

If the individual still intends to repair or replace the exempt property and has not yet done so, the initial 9-month period shall be extended for a reasonable period up to an additional 9 months where the county finds that the individual has good cause for not repairing, replacing, or contracting for the repair or replacement of the exempt property. The county shall find that the individual has good cause when circumstances beyond his or her control prevent the repair, replacement, or contracting for the repair or replacement of the exempt property.

If the County finds that an individual has good cause, any unused cash is included in the property reserve beginning with the month following the month in which the good cause extension period expires. Discuss with the individual how much additional time is needed and why. On the basis of that discussion, extend the exclusion period for up to an additional 9 months.

If the evidence does not establish good cause, include the unspent payment(s) in the property reserve beginning with the month following the month in which the exclusion period expires.

INTENDED USE OF FUNDS

a. During the first 9 months

What the individual intends to do with the funds does not affect their exclusion for the first 9 months.

b. During the extension period

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An individual cannot qualify for an extension of the original 9-month exemption unless he/she intends to use the funds for their designated purpose. The extension will terminate as of the date of the change of intent. Any previously exempt, unspent funds shall be included in the property reserve beginning with the month following the month in which the initial period ends or extension period terminates.

SOURCE OF FUNDS

There are no restrictions on where cash and/or an in-kind item comes from for purposes of this exemption (i.e., it may come from an insurance company, a federal or state agency, a public or private organization, or an individual). However, where funds are received from a federal, state, local, or some other disaster assistance organization, such funds are to be exempted in accordance with the provisions regarding disaster assistance payments issued January 21, 1992, in All County Welfare Directors Letter, No. 92-08.

VERIFICATION

The verification must show the source, value, date(s), and intended purpose of the item received, including whether any cash received is for a purpose other than the replacement or repair of the lost, damaged, or stolen (and exempt) property. Obtain a copy of any evidence the individual has. If the individual cannot provide evidence that suffices for a determination, obtain the necessary information from the source of the payment(s). Do so by telephone, if possible, recording the facts in the case record.

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