

Section 1931(b) Medi-Cal For Children, Parents & Caretaker Relatives

<p>Preliminary Note: Definition of "Recipient"</p>	<p>In many ways, 1931(b) "recipients" are treated more favorably than "applicants." In a given month, a "recipient" is defined as a person or family who either:</p> <ul style="list-style-type: none"> ◆ received 1931(b) Medi-Cal or CalWORKS during the previous month (See "special factors" on other side of this document); OR ◆ was eligible for CalWORKS or 1931(b) (under the 1931 "applicant" rules described below) during one of the four months prior to application for Medi-Cal. 																																								
<p>Non-Financial Eligibility Requirements</p>	<ul style="list-style-type: none"> ◆ Children. 1931(b) covers children up through age 18 (if they are expected to graduate, until age 19). ◆ Deprivation. Parents and caretaker relatives must have children who are "deprived" of full parental support. That means, at least one parent in the family must be absent, deceased, or disabled, or the principal wage earner (PWE) must be unemployed or underemployed. The number of hours a PWE can work and still be considered unemployed or underemployed depends on whether the family is an "applicant" or a "recipient": <ul style="list-style-type: none"> * <u>Applicants:</u> The PWE can work 100 hours a month or more if the family's countable earned income is at or below 100% of the federal poverty level (FPL) (see chart below). They can use the applicant income deductions described on the back. Also, children's earned income is exempt for this purpose. If the applicants' countable earned income is above 100% FPL, the PWE must work less than 100 hours a month. * <u>Recipients:</u> The PWE may work 100 hours a month or more, so long as the family income stays low enough to qualify (see below). 																																								
<p>Costs</p>	<p>1931(b) eligibility has no Share of Cost.</p>																																								
<p>Income Limits</p>	<p>Countable family income must fall below income limits on the charts below. Recipients can use Test A or Test B. Test A works more favorably for recipients with more earned income. Test B works more favorably for recipients with unearned income. Applicants can only use Test B.</p> <table border="1" data-bbox="381 1430 1495 1906"> <thead> <tr> <th colspan="5">Income Limits</th> </tr> <tr> <th rowspan="2">Persons</th> <th colspan="2">Recipient Test A— CalWORKS MBSAC</th> <th colspan="2">Applicant Test B -- 100% FPL</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>\$398/mo</td> <td>\$4,776/yr</td> <td>\$851/mo</td> <td>\$10,210/yr</td> </tr> <tr> <td>2</td> <td>653</td> <td>7,836</td> <td>1,141</td> <td>13,690</td> </tr> <tr> <td>3</td> <td>808</td> <td>9,696</td> <td>1,431</td> <td>17,170</td> </tr> <tr> <td>4</td> <td>961</td> <td>11,532</td> <td>1,721</td> <td>20,650</td> </tr> <tr> <td>5</td> <td>1,094</td> <td>13,128</td> <td>2,011</td> <td>24,130</td> </tr> <tr> <td>6</td> <td>1,229</td> <td>14,748</td> <td>2,301</td> <td>27,610</td> </tr> </tbody> </table> <p style="text-align: right;">Continued on next page ►</p>	Income Limits					Persons	Recipient Test A— CalWORKS MBSAC		Applicant Test B -- 100% FPL		1	\$398/mo	\$4,776/yr	\$851/mo	\$10,210/yr	2	653	7,836	1,141	13,690	3	808	9,696	1,431	17,170	4	961	11,532	1,721	20,650	5	1,094	13,128	2,011	24,130	6	1,229	14,748	2,301	27,610
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Property Limits	<ul style="list-style-type: none"> ◆ Exempt property includes a home, clothing, certain other items and the first \$4,650 in value of a car (fair market value minus encumbrances). Cars with a value of \$1,500 or less also are exempt. Families can have more than one car. ◆ Property limits vary with family size. For a family of 1 or 2 persons, the property limit is \$3,000. For each extra person above 2 persons, add \$150.
Income Exemptions¹	<p>Income that does not count towards a family’s § 1931(b) income limit include:</p> <ul style="list-style-type: none"> ◆ Public assistance payments (e.g. CalWORKS, CalWORKS “diversion payments,” foster care payments, General Relief, SSI) ◆ Employment earnings of a child under age 14 ◆ Employment earnings of a child under age 19 who is a full-time student or a half-time student who is not employed full time ◆ College grants or scholarships ◆ Earned Income Tax Credits ◆ Job Training Partnership Act (JTPA) payments ◆ Payments from the California Franchise Tax Board (e.g. renters credits payments) ◆ Social service payments received under Title XX of the Social Security Act for child care, training and rehabilitation, and other services. ◆ Others
Monthly Income Deductions	<p>Income deductions depend on whether the family is an applicant or recipient.</p> <ul style="list-style-type: none"> ◆ For Applicants, monthly deductions include: <ul style="list-style-type: none"> * \$90 of earned income per working person * Dependent care costs (maximum \$200 per child under 2 years; maximum \$175 if older child or disabled) * Court-ordered child support or alimony paid by the applicant * \$50 in child support or alimony received by the applicant * Education expenses (including tuition, books, fees, supplies, travel, child care) * Self-employed business expenses (choice of either 40% total business income or actual verified expenses) * Additionally, \$240 from combined family disability-based income. * If resulting income, after deductions, is at or below 100% FPL (Applicant Test B), the family is eligible (see charts on front side). ◆ Recipients benefit from much more generous monthly deductions. Recipients can use the applicant deductions described above. If the resulting income is at or below 100% FPL, the recipient is 1931(b) eligible. OR recipients can use the deductions described below. (Note, recipients with more unearned income than earnings may find that the deduction choice explained above is better.) <ul style="list-style-type: none"> * Same deductions as 1931(b) applicants above (except \$90 earned income deduction). * Earned income deductions: 1) Any unused portion of the \$240 disability-based income deduction from combined earnings of two highest earners; 2) \$120 for each <i>additional</i> earner (if more than 2); 3) Half of remaining earned income * If the resulting income after these deductions is below 1931(b) income limits (Recipient Test A) (see chart on front side), the recipient remains 1931(b) eligible. <p>► Note: Deductions are applied differently if there is inappropriate income deeming, requiring Sneed/Gamma procedures to apply – see Sneed/Gamma and Section 1931(b).</p> <p style="text-align: right;">Continued on next page ►</p>

¹ See 22 CCR §§ 50501 to 50555, as modified by ACWDL 98-43, as amended by 98-43E & 99-42.

<p>Special Factors</p>	<p>No one should automatically lose Medi-Cal when they lose CalWORKS or when their circumstances change to make them ineligible for 1931(b):</p> <ul style="list-style-type: none"> ◆ If a 1931(b) recipient’s income goes up, her household composition changes, or any other circumstances change that make her ineligible for ongoing 1931(b), the county cannot terminate her Medi-Cal until first redetermining her eligibility and proving her ineligible for ALL Medi-Cal categories, following the protective SB 87 process. ◆ Most recipients who lose CalWORKS will get 1931(b) automatically because they are losing Medi-Cal for a reason that does not affect Medi-Cal eligibility (including failure to provide the CalWORKS monthly report, non-cooperation with Welfare-to-Work requirements, or reaching the 60-month time clock). Medi-Cal must continue automatically, and the county must transfer the recipient into aid code 3N, the primary aid code for 1931(b). ◆ If a recipient loses CalWORKS for a reason that also affects Medi-Cal eligibility (such as increased income or change in household composition), the county still may not terminate Medi-Cal until first following SB87 procedures and proving her ineligible for all Medi-Cal categories. Recipients who lose CalWORKS because of increased income usually still qualify for 1931(b) Medi-Cal because of generous recipient income rules. ◆ Continuous Eligibility for Children (CEC) guarantees that children losing CalWORKS (or any free Medi-Cal, including 1931(b)) at times other than annual redetermination are always guaranteed no cost Medi-Cal until their next annual redetermination. ◆ Parents and children losing 1931(b) or CalWORKS due to increased income should be eligible for Transitional Medi-Cal (TMC) for up to one year. <p>No time limits. Families may receive 1931(b) without any time limit, so long as they meet applicable eligibility requirements. So, some families can receive 1931(b) until their youngest child reaches 18 or 19.</p>
<p>Benefits of 1931(b) status</p>	<p>Section 1931(b) Medi-Cal is better than AFDC Medically Needy Medi-Cal (AFDC-MN), Transitional Medi-Cal (TMC), or the Federal Poverty Level (FPL) Percentage Programs for children.</p> <p>1931(b) vs. AFDC-MN or FPL: 1931(b) recipients have a number of advantages: they may work 100 hours or more without losing eligibility; much more earned income is disregarded; and if they lose coverage under 1931(b), coverage may automatically continue under TMC for up to 12 months. Also, property limits are higher than for AFDC-MN (although there is no property limit in the FPL programs so children with a lot of property many need the FPL programs).</p> <p>1931(b) vs. TMC: Families should stay on 1931(b) as long as possible before switching to TMC. Once TMC begins, it lasts for no more than 12 months per eligibility period.</p>
<p>More Information</p>	<p>For further information on 1931(b) eligibility, see DHS All-County Letters 98-43; 98-67; 99-02; 99-02E; 99-03; 99-18; 99-20; 99-23; 99-37; 99-39; 99-41; 99-42; 99-54; 00-04, 01-52; 01-62, 02-44, 03-36, 04-35. See also MCEPM Articles 5C at pp. 13-14 (12/5/02); 5S at pp. 6-7 (9/1/00); 8G at pp. 4-5 (11/5/02), pp. 38-45 (12/1/00); 8F at p. 13 (5/10/99); Worksheets at ACWDL 03-36 & MCEPM 8G-37, 8G-42.</p>
<p>Aid Codes</p>	<p>Aid codes for 1931(b) beneficiaries:</p> <ul style="list-style-type: none"> ◆ Full scope: 3N Restricted: 3V