

SHD Paraphrased Regulations - Medi-Cal
470 Deductions and Other Programs

470-1

Income exemptions and deductions are set forth in and refer to §§50523 through 50555.2. (§50519)

470-4

Health insurance premiums shall be deducted from income if paid by and purchased for any person in the family. Health insurance premiums paid less often than monthly shall be averaged on a monthly basis except that the premium for Part B Medicare shall be deducted for those months in which the beneficiary actually makes the payment. (§50555.2)

470-4A ADDED 9/07

Enrollees in Medicare Part D will have premiums, deductibles and copayments as well as a “coverage gap” during which many enrollees will be responsible for the entire cost of their prescription drugs normally covered under Part D. Enrollees who are approved for a low income subsidy will not have a coverage gap.

Copayments and deductibles can be used as out-of-pocket medical expenses to reduce the share of cost. The Medicare Part D premium is an “other health coverage” income deduction.

(ACWDL 05-23, August 4, 2005)

470-4B ADDED 12/08

(a) Medicare Buy-In is the payment of Medicare Part B premiums by the Department under the California Medicare Buy-In agreement with the Social Security Administration for Medi-Cal beneficiaries who are:

- (1) Eligible under the SSI/SSP, Other PA or MN program on the basis of age.
- (2) Eligible under the SSI/SSP, Other PA or MN program on the basis of blindness or disability and also eligible for Medicare Part B in accordance with section 50775(a).

(b) State payment of Part B premiums under the Buy-In provisions shall become effective the:

- (1) Second month after the month in which Medi-Cal eligibility is approved for MN persons who were not eligible for a federally covered Medi-Cal program in the month before their first month of MN eligibility.
- (2) First month of eligibility for PA and Other PA recipients and MN persons not specified in (1).
- (3) The first month after the month of eligibility for qualified Medicare beneficiaries in accordance with Section 50258.
- (4) The first month eligibility is approved for Specified Low-Income Medicare Beneficiaries in accordance with Section 50258.1:

(§50773)

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470-4C ADDED 12/08

The Department of Health Care Services (DHCS) will stop paying cost avoidance Medicare Part B premiums for Medicare eligible Medi-Cal applicants and beneficiaries who have a SOC over \$500 until or unless the SOC is met on a monthly basis. This change is a result of budget trailer bill AB 1183, amending W&I 14005.11.

This change is effective upon enactment and will be implemented on November 1, 2008, affecting Social Security checks received by the beneficiaries in December 2008.

Individuals who are eligible for one of the Medicare Savings Programs (MSPs) - Qualified Medicare Beneficiary (QMB), Specified Low-Income Medicare Beneficiary (SLMB), and Qualified Individual (QI-1) are also eligible for payment of Medicare Part B premiums, but are eligible for those payments because the Part B premium payment is an MSP program benefit. This is regardless of whether they are also eligible for Medi-Cal under another program with or without a SOC.

To be eligible for cost avoidance payment of Medicare Part B premiums, a beneficiary must be a full-scope Medi-Cal beneficiary with no SOC or a SOC beneficiary with a SOC at or below \$500 or a certified SOC beneficiary, including individuals in long-term care who are certified on the first of the month.

When a county is informed that an applicant or beneficiary is eligible for Medicare benefits, the county shall determine whether that individual is eligible under the QMB program, the SLMB program, or the QI-1 program and enroll the applicant or beneficiary in the appropriate program. Counties must complete MSP eligibility determinations for ALL Medicare eligible Medi-Cal applicants and beneficiaries with or without a SOC. The counties must complete these evaluations immediately.

(ACWDL 08-48 and 08-48E, October 30 and 31, 2008)

470-5

Payments made under the California Victims of Crimes Program shall be exempt as income in the month of receipt, and exempt as property for the following nine months. (§§50534 and 50448)

470-6

Adoption Assistance Program (AAP) payments are to be treated as exempt income in determining the adoptive family's SOC.

The State-only AAP recipient is an ineligible member of the adoptive family's MFBU and that recipient is an MI person. Children eligible for federal AAP are also excluded from the family's MFBU, but those children are considered Public Assistance (PA) if they receive a cash grant, and Other PA if they do not.

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(All-County Welfare Directors Letter (ACWDL) No. 92-83, December 31, 1992)

470-7

The first \$60 in interest payments paid quarterly are excluded as infrequent or irregular unearned income under §50542. Interest income paid monthly is not excluded as it is received more than twice a quarter. (All-County Welfare Directors Letter (ACWDL) No. 92-37, June 15, 1992)

470-8 ADDED 11/05

Effective August 1, 2005, interest and dividends paid to an individual from countable property are exempt for purposes of determining Medi-Cal income eligibility for certain Medi-Cal programs which determine countable income using SSI/SSP income methodologies.

The programs that exempt such interest and dividend income from countable property are the Aged and Disabled Federal Poverty Level Program, the Aged, Blind and Disabled Medically Needy Program, the 250% Working Disabled Program, the Pickle Program, the QMB Program, the QI Program, the SLMB program, the TB Program, the QDWI Program, the Program for No Longer Disabled Children, The DAC Program and the Program for Disabled Widow(er)s.

This interest and dividend payment exemption only applies to countable property, not to excluded property. This exemption does not apply to the AFDC-MN program. This new interest and dividend exemption should be applied before the exemption for infrequent or irregular income set out in Title 22, CCR §50542(a).

(ACWDL 05-17, June 7, 2005)

470-9 ADDED 9/07

That portion of monthly income of a medically needy person residing in a licensed board and care facility which is both (A) paid to the facility for residential care and support and (B) in excess of the appropriate maintenance need level as determined accordance with §50603 shall be considered unavailable in determining the share of cost. (§50515(a)(3))

Individuals in licensed board and care residential facilities are to be allowed a standard \$315 personal care services income deduction in lieu of the excess maintenance need deduction for residential care and support indicated in 22 California Code of Regulations §50515(a)(3). If the excess maintenance need deduction allows for a lower SOC than the standard \$315, then the excess maintenance need deduction is to be used instead. (ACWDL 00-56, November 15, 2000)

470-10 ADDED 7/09

The Federal Stimulus package provides increases to both regular and extended Unemployment Benefits by \$25 a week. The increases will begin with the week of February 22, 2009, for both new and existing claims. The monthly equivalent to the \$25 weekly increase shall be exempt income and, as such, shall not be considered for purposes of determining Medi-Cal eligibility or share-of-cost (SOC). Effective immediately, applicants/beneficiaries or representatives who

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report the receipt of the \$25 Federal Stimulus increase in their Unemployment Compensation Benefit shall be required to provide verification sufficient to identify the nature of the increase in order to receive the income exemption. (ACWDL 09-22, April 29, 2009)

Title II, Subtitle C, Section (§) 2201 of the American Recovery and Reinvestment Act (ARRA) of 2009, allows a one-time Economic Recovery Payment of \$250 (two-hundred fifty dollars) to be made to:

- Retirees, disabled individuals and Supplemental Security Income recipients receiving benefits from the Social Security Administration,
- Disabled veterans receiving benefits from the U.S. Department of Veterans Affairs, and
- Railroad Retirement beneficiaries.

These payments are exempt and, as such, are **not** to be counted as income in the month of receipt, or as property for the following nine months for the purposes of determining Medi-Cal eligibility or share-of-cost (SOC).

(ACWDL 09-23, April 29, 2009)