

**County of San Diego, Health and Human Services Agency (HHSA)
Medi-Cal Program Guide**

Exempt Income

Number

10.03.01

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Revision Date:

12/18/2017

Background:

Certain items of available earned and unearned income are exempt and are not counted to compute the share of cost. The income that remains after applying the exemptions detailed in Article 10 Section 03 is not exempt. This Article has been updated to the new format and revised to include the changes implemented by the Affordable Care Act (ACA) effective January 1, 2014.

Purpose:

This section provides an overview of exempt income that is not counted to compute the share of cost.

Policy:

These exemptions apply to all applicants/beneficiaries, unless otherwise specified.

10.03.01A Irregular or Infrequent Income

Casual or Inconsequential income – The first \$60 of casual or inconsequential unearned income per calendar quarter is exempt if either of the following is met:

- The income is received not more than twice per quarter
- The income cannot be reasonably anticipated

Earned Income – Earned income not exceeding \$30 per calendar quarter is exempt if either of the following conditions is met:

- The income is received not more than twice per quarter
- The income cannot be reasonably anticipated

10.03.01B Property Tax Refunds

Refunds or rebates of taxes on real property are exempt.

10.03.01C Federal Housing Assistance

Federal housing assistance in the form of rent subsidies, loans, or partial house payments are exempt if issued under the following acts:

- U.S. Housing Act of 1937
- National Housing Act
- Title V of the Housing Act of 1949
- Housing and Development Act of 1965

10.03.01D Senior Citizen Rent Assistance

The Senior Citizens Rent Assistance rebate is exempt from consideration as income in the month received. If not used in the month received, the rebate is considered property beginning with the first day of the month following the month of receipt.

10.03.01E Senior Citizens Volunteer Programs

The following compensation received by beneficiaries who are 60 years of age, or older is exempt:

- Volunteer services performed under the Retired Senior Volunteer program
- Foster Grandparents program

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- Older Americans Community Service program of the National Older Americans Act

10.03.01F Executive Volunteer Program

Payments for supportive services or reimbursement of out-of-pocket expenses made to persons serving in the Service Corps Of Retired Executives (SCORE) and the Active Corps of Executives (ACE) pursuant to Section 418 of Public Law 93-113 are exempt.

10.03.01G Volunteers In Services To America (VISTA)

Payments made under the Domestic Volunteer Services Act of 1973 to VISTA volunteers are exempt.

10.03.01H Public Assistance and General Relief Grants

Assistance from the following programs is exempt:

- CalWORKs
- SSI/SSP
- General Relief (GR)
- Cash Assistance Program for Immigrants (CAPI)
- Indochinese refugee or Cuban refugee program

10.03.01I Fair Hearing Decision Penalty Payments

Ball v. Swoap penalty payments of \$100, paid by DHS to beneficiaries whose Fair Hearing decisions are not timely, are exempt from consideration as income.

10.03.01J Title XX Social Services Payments

Payments received to pay for social services provided in accordance with Title XX of the Social Security Act are exempt. This income is exempt whether in-kind or as a direct payment to the customer to pay for services. Such services will have been approved by a social worker and include, but are not limited to:

- In-Home Supportive Services (IHSS)
- Child care; e.g., money received for child care expenses which is approved by a social worker in accordance with Title XX of the Social Security Act
- Training and rehabilitation services, including payment for training expenses

10.03.01K In-Home Supportive Services (IHSS) Payments

1. In-Home Caregiver Wages

Effective January 01, 2005, in-home caregiver wages received by a spouse or parent for care of a spouse or minor child in receipt of federal, state or local government in-home services program shall be exempt as income for Medi-Cal purposes. This exemption includes payments received by a parent or spouse of an IHSS Residual recipient. For the purpose of this exemption, a minor child is defined as a child under 21.

2. In-Home Care Services Payments

Effective January 01, 2005, payments made by California Department of Social Services (CDSS) to an in-home care recipient for the purpose of purchasing in-home care services, including restaurant meals, shall be exempt as income for Medi-Cal purposes.

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3. IHSS Plus Waiver Income

The income received under the In-Home Supportive Services (IHSS) Plus Waiver is exempt as income for Medi-Cal purposes. These exempt payments include:

- Caretaker wages that are paid to a parent of an IHSS Plus Waiver minor child recipient for services provided to that child (for purposes of this exemption, a minor child is defined as a child under 21)
- Caretaker wages that are paid to a spouse of an IHSS Plus Waiver recipient for services provided to that recipient
- Restaurant meal allowances supplied by IHSS, and
- The advance payment made to IHSS Plus Recipients to pay their caregivers directly for services provided under IHSS Plus Waiver

Note: In-Home Supportive Services (IHSS) payments received by a disabled person to pay for IHSS services received are exempt. If the spouse of the disabled person receives the payment for care of the IHSS recipient, the payment is income to the MFBU. See MPG Article 10, Section 6, for deduction information when a client pays for IHSS services from his/her own income.

10.03.01L CalWORKs Assistance

1. CalWORKs Diversion Payments

The CalWORKs Diversion Program provides one-time payments to families who appear eligible to CalWORKs. These payments are to enable a family member to accept a job offer, or continue in their current job, and thus avoid the need for public assistance. Payments received under this program are exempt as income.

2. CalWORKs Restricted Account Interest

Interest earned on a restricted account is exempt as income as long as it is deposited directly into the restricted account by the financial institution.

Interest withdrawn from a restricted account to meet qualifying expenses is permitted and exempt. (See MPG 09.06 for a description of qualifying expenses.) The only other allowable withdrawal of interest from a restricted account is when the account balance exceeds \$5,000.

Excess interest withdrawn in the month it is accrued is considered nonexempt unearned income. (See MPG 09.06) for treatment of excess interest remaining in a restricted account past the month accrued.

Procedure:

Income exemption will be apportioned over time using procedures in MPG 10.04.

Program Impacts:

None

References:

MEM 50519, 23, 25, 27, 29, 38

ACWDL 98-50, 00-03, 05-29, 06-04, 07-02, 07-28

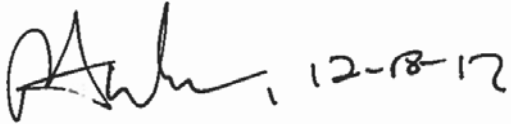
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Approval for Release:

Handwritten signature of Rick Wanne and the date 12-18-17.

Rick Wanne, Director
Eligibility Operations

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Assistance Based on Need

Number

10.03.02

Page

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Revision Date:

12/18/2017

Background:

Assistance paid by the state or any political jurisdiction of the state is considered exempt. This section has been updated to the new format.

Purpose:

To provide guidelines for the processing assistance received based on need.

Policy:

Assistance based on need that is paid by the state or any political jurisdiction of the state as detailed below, is exempt, if the payment is all of the following:

- Made on a regular basis (at least once every three months), to a specific group of class of people in similar circumstances or situations, and
- Made in cash, which may be currency or any negotiable instrument, and
- Issued in an amount based on the need of the individual

10.03.02A Source of Payments

Assistance based on need includes payments from the following and similar sources:

- Short-Doyle (for mental health services)
- Regional Center for the developmentally disabled
- Probation departments

10.03.02B Public Law Payments

Payments made as a result of public law, when the law specifically exempts the payment from eligibility and share of cost determinations, are considered assistance based on need and, therefore, exempt.

Public law payments that are exempt include, but are not limited to the following:

- Home Energy Assistance – Public Law (PL) 94-385 and PL 97-35
PL 94-385 provides for a Low Income Weatherization Assistance Program (LIWAP) through the Department of Energy. This law also provides for a Low Income Energy Assistance Program (LIEAP) through the Department of Health and Human Services. LIEAP is composed of the Energy Crisis Intervention Program (ECIP) and the Home Energy Assistance Program (HEAP).

These programs provide payments either to the recipient or to vendors on behalf of the recipient for the purpose of home energy assistance (e.g., heating, cooling, weatherization, blankets, storm doors, etc.). These payments are exempt as income or resources.

- Payments Distributed Under the Main Indians Claim Settlement Act of 1980 – PL 94-420
Entitlement to or receipt of payment by an individual in accordance with the Maine Implementing Act and the Maine Indians Claims Settlement Fund are exempt.

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10.03.02C Adoption Assistance

Adoptive Assistance payments are exempt income when determining the Medi-Cal share of cost for the adoptive family.

10.03.02D Foster Care

Payments for the care of a foster child, received by a licensed foster parent, from any source are exempt, with the following exceptions:

- Payments made to a foster parent when a foster child is temporarily absent from the foster home for one month or more are not exempt
- Payments made to ensure availability of a room or rooms for foster children are not exempt
- If the County specifically designates a portion of the foster care payment for care and supervision, that portion is not exempt

Procedure:

N/A

Program Impacts:

None

References:

MEM 50528, 31

MEPM 10C

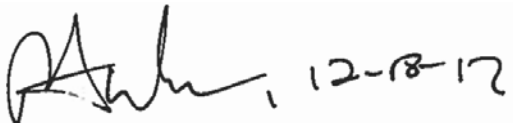
ACWDL 92-83

MEDIL 14-38

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Loans, Grants, Scholarships and Fellowships

Number

10.03.03

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Revision Date:

12/18/2017

Background:

Student assistance payments made to graduate or under-graduate students under Title IV are exempt. This section has been updated to the new format.

Purpose:

This section will provide guidelines for the processing student assistance payments.

Policy:

10.03.03A Title IV Student Assistant Payments

The exemption is allowed only to the Title IV assistance that is actually paid to the student.

These loans, grants, scholarships include, but are not limited to:

- PELL Grants (formerly Basic Educational Opportunity Grants (BEOG))
- Federal Supplemental Educational Opportunity Grants (SEOG)
- Cal Grants (A, B and C)
- College Work Study
- Federal Parent Loan for Undergraduate Students (PLUS) Loans
- Federal Supplemental Loans for Students
- Bureau of Indian Affairs Educational Assistance
- National Student Savings Demonstration Program
- Federal Consolidation Loans
- Special Child Care for Disadvantaged
- Upward Bound

10.03.03B Federally Insured

Any loan or grant to an undergraduate student that is made or insured by the Federal Secretary of Education is exempt from consideration as income.

10.03.03C Based on Need

Educational loans or grants to undergraduate students awarded on the basis of the student's need are exempt. These include but are not limited to Extended Opportunity Program loan and grants.

10.03.03D Special Funds for ABD Persons

Funds for readers or educational scholarships which meet **all** of the following conditions are exempt:

- Provided to an ABD person enrolled in a California public school or an institution of higher learning
- Awarded by an educational institution
- Not available to meet basic needs

10.03.03E Limited Use

Other loans, grants, scholarships or fellowships made to undergraduates or graduate students are exempt if:

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- The loan, grant, scholarship or fellowship document specifically limits the use of the funds for purposes other than current living expenses; and
- The loan, grant scholarship or fellowship would not be available if used for any purpose other than the one specified

10.03.03F Non-Exempt

The following are non-exempt student loans, grants, scholarships, and fellowships:

- Student loans and grants made to undergraduate students not made or insured by the Federal Secretary of Education
- Other grants or fellowships not requiring repayment
- Loans, grants or scholarships to graduate students except those meeting the criteria detailed in MPG 10.03.03D or 10.03.03E above

Note: Student loans requiring repayment that are not exempt, as detailed in this section, are considered property in the month received rather than income.

Procedure:

The following steps are taken to receive the exemption:

Step	Action
1	The student must submit a financial assistance award letter or student financial assistance verification form from a college, school, or financial aid office.
2	Confirm that the award letter includes: <ul style="list-style-type: none">• The amount of the Title IV assistance the student qualifies for• The amount that will be paid to the student

Program Impacts:

None

References:

ACWDL 94-06
MEM 50533,
MEPM 9D

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Rick Wanne, Director
Eligibility Operations

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Earnings of Children

Number

10.03.04

Page

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Revision Date:

12/18/2017

Background:

Earnings of children under 14 years of age are exempt. The term “child” includes a parent under 21 who is a child in his or her parent’s Medi-Cal case. This exemption also applies to a parent, who meets the definition of child per MPG 01.01. This section has been updated to the new format.

Purpose:

This section will provide guidelines for processing cases when children have earnings.

Policy:

The earnings of a child in the MFBU, including earnings from the Job Training Partnership Act (JTPA) after the six months exemption (see MPG 10.03.04D), are exempt when the child meets the student exemption criteria.

10.03.04A Student Exemption Criteria

The earnings of a child are exempt when:

- The child is a full-time student (i.e. a student who has a school schedule equal to a full-time curriculum, as defined by the school attended), or
- The child has a school schedule that is equal to at least half of a full-time curriculum and is not employed full-time. For purposes of this regulation, full-time employment is defined as working 173 hours or more per month.

Note: School attendance means enrollment and attendance in a school, college, university, or in a course of vocational or technical training designed to fit the child for gainful employment, and includes participation in the Job Corps program under the Economic Opportunity Act.

10.03.04B Duration of Exemption

This exemption is allowed on earnings received during the school term, between terms, or during vacations if the child plans to return to school following the vacation period.

10.03.04C Documentation

Student status will be verified and documented on Form CSF 37. Verification will be obtained at intake or redetermination.

10.03.04D Job Training Partnership Act (JTPA) Payments

See 10.03.05A for handling of JTPA payments when received by a child.

Note: Children under 14 years of age do not receive JTPA earnings payments; thus, regulations regarding exempt earnings of a child under age 14 do not apply.

Procedure:

N/A

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Program Impacts:

None

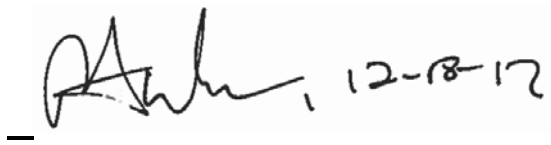
References:

MEM 50543, 44, 39

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Rick Wanne, Director
Eligibility Operations

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Employment Training Assistance

Number

10.03.05

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Revision Date:

12/18/2017

Background:

Employment training assistance is exempt when received and used for trainings. This section has been updated to the new format.

Purpose:

This section provides guidelines for processing Employment Training assistance payments.

Policy: These exemptions apply to all applicants/beneficiaries, unless otherwise specified.

10.03.05A Job Training Partnership Act (JTPA) Payments

JTPA payments received by a child will be handled as follows:

Payment	Treatment
JTPA Payment received	Always exempt from income
Earnings of a child received for participating in JTPA programs	Exempt for up to six month per calendar year

JTPA payments received by an adult will be handled as follows:

Payment	Treatment
JTPA Payment, other than earnings which reimburse adults for actual training, transportation or child care expenses	Always exempt from income
Amounts exceeding the actual training, transportation or child care expenses	Not exempt

10.03.05B Work Incentive Program (WIN)

Earnings from public service employment under the Work Incentive Program (WIN) program are exempt.

10.03.05C Training Expense Allowance

The allowance for training expenses paid by the Department of Rehabilitation to persons participating in that department's training program is exempt.

Procedure:

N/A

Program Impacts:

None

References:

ACWDL 90-01, 17-25

MEM 50539

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Rick Wanne, Director
Eligibility Operations

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Restitution Payments

Number

10.03.06

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Revision Date:

12/18/2017

Background:

Restitution is a payment that is made to an individual who has been wronged or has suffered because of the misdeeds of another person or organization. This section has been updated to the new format.

Purpose:

This section lists several types of restitution payments and the treatment of these payments for Medi-Cal purposes.

Policy:

These exemptions apply to all applicants/beneficiaries, unless otherwise specified.

10.03.06A Payments to Victim of Crime

Payments made under the California Victims of Crimes program are exempt.

10.03.06B Relocation Assistance Benefits

Housing Relocation Assistance Benefits are exempt if paid by a public agency to a person who has been relocated as a result of a program of:

- area redevelopment
- urban renewal
- freeway construction
- any other public development involving demolition or condemnation of existing housing

Note: Payments are exempt if received as a one-time, lump-sum payment or as a monthly allotment.

10.03.06C Holocaust Restitution Payments

The following Holocaust restitution payments are exempt. Payments received as a result of persecution by Nazi Germany, any other Axis regime, any other Nazi controlled or Nazi-allied country on the basis of:

- Race
- Religion
- Physical disability
- Mental disability
- Sexual orientation

Holocaust restitution payments may be verified with any of the following:

- Grant award letter
- Copy of the check

Note: This exemption includes any interest which is included as part of the payment. It also includes any payments made to an individual's heirs or estate.

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The verification provided must show that this payment is made due to persecution by Nazi Germany, any other Axis regime, any other Nazi controlled or Nazi-allied country on the basis of:

- Race
- Religion
- Physical disability
- Mental disability
- Sexual orientation

10.03.06D Federal Payments to Indians and Alaskan Natives

Below are types of federal payments made to Indians and Alaskan natives:

Public Law 90-507	Payments made to Indians under Public Law 90-507 are considered personal property (as detailed in MPG 09.06) rather than income.
Public Law 87-775 and 92-254	Payments made to Indians under Section 6 of Public Law 87-775 and Public Law 92-254 are exempt.
Indian Claims Commission or Court of Claims Judgments	Payments made as a result of any judgment of the Indian Claims Commission or the Court of Claims in favor of any Indian tribe are exempt.
Native Claims Settlement Act	Payments made to Alaskan Natives under the Alaskan Native Claims Settlement Act are exempt. Income received from stock investments under this Act is not exempt.
Restricted Land or Other Property Held in Trust Payments	<p>Payments of up to \$2000 per year to an individual member of any Indian tribe from restricted lands or other property held in trust by the federal government or an agency of the federal government, under Section 13736 of Public Law 103-66 are exempt.</p> <p>The beneficiary/recipient must provide documentation from the Bureau of Indian Affairs that the income is from restricted lands held in trust by the federal government or is received under Public Law 103-66.</p>
Payments Obtained from Lands Held in Trust and Distributed by Federal Government	<p>Payments obtained from lands held in trust and distributed by the federal government to members of the following Indian tribes are exempt.</p> <ul style="list-style-type: none"> • Bad River Band of the Lake Superior Tribe of Chippewa Indians of Wisconsin • Blackfeet Tribe, Blackfeet, Montana • Cherokee Nation of Oklahoma, Oklahoma • Cheyenne River Sioux Tribe, Cheyenne River, South Dakota • Crow Creek Sioux Tribe, Crow Creek, South Dakota • Lower Brule Sioux Tribe, Lower Brule, South Dakota • Devil's Lake Sioux Tribe, Fort Totten, North Dakota • Fort Belknap Indian Community, Fort Belknap, Montana • Assinboine and Sioux Tribes, Fort Peck, Montana

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	<ul style="list-style-type: none"> • La Courte Oreilles Band of Lake Superior Chippewa Indians, Lac Courte and Oreilles, Wisconsin • Keweenaw Bay Indian Community, L'Anse, Michigan
Payments Obtained from Lands Held in Trust and Distributed by Federal Government (continued)	<ul style="list-style-type: none"> • Minnesota Chippewa Tribe, White Earth, Minnesota • Oglala Sioux Tribe, Pine Ridge, South Dakota • Rosebud Sioux Tribe, Rosebud, South Dakota • Shoshone-Bannock Tribe, Fort Hall, Idaho • Standing Rock Sioux Tribe, Standing Rock, North and South Dakota • Seminole Indians, Florida • Pueblos of Zia and Jemez, New Mexico • Stockbridge Munsee Indian Community, Wisconsin • Burns Indian Colony, Oregon

10.03.06E Japanese American Aleutian Restitution Payments

The following Japanese American Aleutian restitution payments are exempt. Restitution payments made by the U.S. federal government or, effective January 1, 2000 from the Canadian government, made to:

- Japanese-Americans (or if deceased, to their survivors)
- Aleuts who were interned or relocated during World War II

Note: All interest earned on exempt restitution payments is unearned income and is used to compute the share-of-cost. See MPG 09.06 for property treatment.

10.03.06F Austrian Social Insurance Payments

Payments which were based in whole or in part, on wage credits pursuant to Paragraphs 500-506 of the Austrian General Social Insurance Act (GSIA) and granted to individuals who suffered a loss, presumably due to unemployment, resulting from the individual's imprisonment, flight from Austria, or other reasons relating to political, religious or ethnic persecution, during the period from March 1933 through May 1945, are exempt from income consideration. This includes any interest that is included in the payment.

Note: This exemption does not cover interest accruing from retained GSIA payments, although such interest may qualify for the irregular or infrequent income exemption under MPG 10.03.01.

The applicant must present both:

- An award letter from an Austrian pension insurance agency (may be written in German) in favor of the client, which contains the language:

Die Beguenstigungsvorschriften fuer geschaedigte aus politischen oder religiosen gruenden oder aus gruenden der abstammung wurden angewendet (500ff ASVG)." Translation:

"The regulations which give preferential treatment for persons who suffered because of political or religious reasons or reason of origin were applied (500ff ASVG)."

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- A check copy or stub showing an Austrian pension payor.

If the applicant does not produce...	and all reasonable attempts to obtain it have failed, then...
the award letter	the applicant may attest, under penalty of perjury, the he/she was imprisoned or unemployed in, or forced to flee from Austria during the period 1933 – 1945 because of political or religious reasons
a check stub or copy	the client may attest, under penalty of perjury, that a particular account deposit represents such a payment

Note: The applicant must produce either a check copy/stub or an award letter. In the absence of both such documents, the attestations do not suffice as verification for this exemption.

10.03.06G Susan Walker v. Bayer Corporation Payments

The Susan Walker v. Bayer Corporation court settlement is a result of a class action lawsuit involving individuals who received contaminated blood products in the process of medical treatment. Payments received under this settlement are exempt.

10.03.06H National Defense Authorization Act of 1997

Payments made as a result of the National Defense Authorization Act of 1997, to persons captured and interned by North Vietnam, are exempt as income. Recipients are sent a letter from the Office of the Assistant Secretary of Defense that identifies the payment as having been made in accordance with the National Defense Authorization Act of 1997.

10.03.06I Ricky Ray Hemophilia Relief Fund Act Payments

Payments received under the Ricky Ray Hemophilia Relief Fund are for individuals with blood-clotting disorders, who contracted human immunodeficiency virus in the process of medical treatment, due to contaminated blood products. Payments received from this fund are exempt as income.

10.03.06J Radiation Exposure Compensation Trust Fund Payments

The Radiation Exposure Compensation Trust Fund provides payments to individuals who were exposed to fallout emitted from nuclear testing in Nevada during the 1950's and for a brief period in 1962. Payments received from this fund are exempt as income.

Procedure:

N/A

References:

MEPM 9E, 9M, 10C, 19D, 50535
ACWDL 90-01, 92-08, 95-21, 98-05, 00-14
01-20, 01-65, 03-50, 15-36, 17-15, 17-25
MEDIL 14-38, 14-59, 17-16

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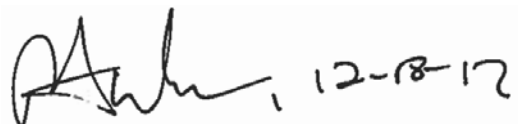
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Approval for Release:

Handwritten signature and date: Rick Wanne, 12-18-17

Rick Wanne,
Director Eligibility

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Veterans

Number

10.03.07

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Revision Date:

12/18/2017

Background:

Veteran's assistance is a wide range of government programs established to aid in the welfare of the veteran and their families. This section has been updated to the new format.

Purpose:

The purpose of this section is to provide guidelines for processing veteran's assistance payments.

Policy:

Assistance payments are exempt under specific guidelines stated in this section.

10.03.07A Veteran Educational Assistance Program (VEAP)

VEAP payments will be handled as follows:

VA Contribution	Treatment
One-third	Is exempt as income
Two-thirds	Is income for educational purposes

The veteran may elect to withdraw his/her contribution, but forfeits entitlement to matching funds from the VA. When a veteran voluntarily withdraws his/her own contribution, the entire amount is exempt from consideration as income. (See MPG Article 9 for treatment as property.)

VEAP is not the same as the GI Bill. None of the GI Bill is exempt, and is considered unearned income for educational purposes. See MPG 10.02, for further details regarding these programs.

10.03.07B Veterans Aid to Attendance (AA) and Unusual Medical Expense (UME) Payments

AA payments provide money to eligible individuals residing in the home or in a medical institution who cannot feed or dress themselves, care for their needs, or remain out of bed. For purposes of determining eligibility to AA, an individual residing in the home is any individual who is not residing in a medical institution on a permanent basis. Medical institutions include nursing homes, acute care facilities, and the State-operated veterans homes located in Yountville and Barstow.

1. Treatment of AA payments are as follows:

AA payments received by an individual residing in...	Are considered...
the home	exempt
a medical facility with a community spouse or minor child	exempt when determining the individual's share of cost

2. Spousal Impoverishment (SI) rules can apply to AA payments received by an institutionalized individual.

Under SI rules AA payments:

- Must be excluded from the institutionalized individual's income prior to determining how much income is available to allocate to the community spouse

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- When determining the community spouse's Medi-Cal eligibility, the portion of an institutionalized individual's AA payment, which is given to the community spouse is countable income to the community spouse in calculating his/her unmet needs when determining spousal allocation
- Received by an individual residing in a medical facility without a community spouse or minor child, the first \$90 is exempt

Note: AA exemption criteria in MPG 10.03.07a and 10.03.07b apply to both veterans and their widows or widowers who may receive a portion of the deceased veteran's AA payment.

3. Unusual Medical Expenses (UME)

Pursuant to an injunction from the Sherman v. Griepentrog UME lawsuit, workers must disregard that portion of needs-based VA pension or needs-based compensation that is the direct result of an UME when determining a beneficiary's share-of-cost. This exemption applies regardless of the living situation, or place of residence, of the individual receiving the UME payment.

4. Verifications

Payments will be verified by viewing the VA award letter or by following the MC05 referral process detailed in MPG 04.12. AA and UME payments will be verified when the applicant/beneficiary states receipt or if not sure of receipt of AA and/or UME payments at:

- Intake
- Redetermination, or
- Whenever a veteran enters a nursing home or other medical facility, or
- When a veteran's dependent enters a nursing home or other medical facility

Note: Granting will not be delayed pending verification of AA or UME payments. Instead, the amount of the VA check, which is not otherwise exempt, will be counted as income when determining the share-of-cost. When Form CW5 is returned indicating the amount paid for AA and/or UME, the worker will readjust the share-of-cost for previous months following procedures detailed in MPG Article 12.

10.03.07C VA Payments to LTC Veterans

1. VA Payments Received by an Individual in LTC

The first \$90 of Veterans Administration (VA) payments received by an individual in LTC is exempt. VA payments in excess of \$90 are included in the individual's SOC by counting the over-\$90 portion of VA income.

2. VA Payments Received by a Veteran's Surviving Spouse in LTC

A veteran's surviving spouse residing in LTC with no children and receiving a portion of the deceased veteran's pension will be treated in the same manner as veterans in LTC who do not have a spouse or child. The surviving spouse's VA payments in excess of \$90 are included in the individual's SOC.

10.03.07D Post 9/11 GI Bill

The Post 9/11 Veterans Educational Assistance Act of 2008 expands educational benefits for military veterans who served since September 11, 2001. These changes took effect October 1, 2011.

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Payment changes include a new reduced housing stipend for online (distance learning) learners and prorates housing allowance payments based on the number of enrolled units taken by the veteran.

There are three payments associated with the Post 9/11 GI Bill:

- Tuition and Fees
- Monthly Housing Allowance
- Annual Books and Supplies Stipend of \$1,000.

The Post 9/11 payments are treated as follows:

Type of Payment	Treatment
Tuition and Fees - Tuition and fees are paid directly to the educational institution	These payments are not counted as income to the veteran. This treatment applies to all Medi-Cal programs.
Monthly Housing Allowance - The monthly housing allowance is paid directly to the veteran on a monthly basis	The monthly housing allowance is treated as unearned income for all Medi-Cal programs.
Annual Books and Supplies Stipend - The annual books and supplies stipend of \$1,000 is paid directly to the veteran on a proportional basis based on enrolled units	Two different treatments apply: <ul style="list-style-type: none">• Aid to Families with Dependent Children/Medically Needy (MN), and Medically Indigent (MI) treatment. The annual books stipend is excluded to the extent that the proceeds are used to meet the non-tuition educational expenses• Aged Blind and Disabled/MN treatment. The annual books stipend is excluded as income.

Post-9/11 GI Bill payments are identified as VA-CH 33 payments. The VA award letter is acceptable evidence to be used to document type, amount, and frequency of payments.

The annual books and supplies stipend will be verified in accordance with MPG 04.07.

Procedure:

N/A

References:

MEM 50507, 72,
MEPM 10P
ACWDL 93-51, 12-15

Sunset Date:

This policy will be reviewed for continuance by 12/31/2020

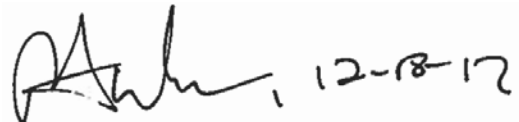
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Approval for Release:



Rick Wanne, Director
Eligibility Operations

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Revision Date:

12/18/2017

Background:

This section identifies exempt payments received under special circumstances for specific situations. The section has been updated to include information and procedures regarding disaster assistance and the revised format.

Purpose:

This section provides an overview of exempt income that is not counted for Medi-Cal eligibility evaluations.

Policy:

10.03.08A Disaster Assistance Funds

A natural disaster is designated as a qualifying disaster by federal, state or local agencies or certain other personal hardship. Disaster Assistance funds are distributed to individuals affected by a qualifying disaster. Presumptive Eligibility (PE) programs are available for disaster victims with severe or immediate medical needs.

1. Treatment of Disaster Payment for MAGI

Most disaster assistance received is exempt as income. Whether the payments are exempt depends on the source of the payment.

Payments from federal or state government:

- Payments disaster victims receive from federal or state government that are based on need are exempt.
- Payments to disaster victims of qualified disasters from federal, state or local government are also exempt.

Payments from charitable organizations (not employer sponsored):

- Payments individuals receive as a result of a disaster or emergency hardships are considered gifts and are excluded from the gross income of the tax household.

Payments from insurance:

- Payments from insurance in federally declared disaster areas are exempt as income.
- Insurance payments for losses in non-federally declared disaster areas may count under certain circumstances, depending on whether they are taxable.

2. Treatment of Disaster Payment for Non-MAGI

Disaster Assistance funds from federal, state, or local government agencies or disaster assistance organizations are permanently exempt and shall not be counted as income or property.

Note: Interest earned on funds exempt under this provision is exempt from income and from property. If the exempt funds have been commingled with nonexempt funds, interest accruing on the accounts must be prorated.

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3. Medi-Cal Managed Care Plan Coverage

Staff are to assist beneficiaries temporarily residing outside of the county affected by a disaster who need urgent services in submitting the on-line fillable form to the Office of the Ombudsman. The online, fillable form should be used when requesting expedited:

- Plan Changes
- Plan Enrollments
- Plan Disenrollment, or
- Removal of 59 Holds

Submit forms to the website located at: <http://dhcs.ca.gov/MCOmbudsman> or contact the Office of the Ombudsman by phone at 1-888-452-8609.

4. Disaster Assistance Cash Payments

Cash payments received for the repair or replacement of lost or stolen property is exempt in the month received and is exempt property for nine months from the date of receipt. Interest earned from these resources is exempt for the period during which the funds themselves are excluded from resources.

5. Verifications for Disaster Victims

Some verification may not be available due to unusual circumstances. When this occurs, process the application using self-attestation, electronic verifications and ex parte review. If still unable to confirm eligibility, a signed and dated affidavit, under penalty of perjury can be used in place of verification documents. For residency, a written statement indicating they are a resident of the state may be provided.

10.03.08B Gifts to Children with Life-Threatening Conditions

Effective August 1, 1999, in-kind gifts of any amount, and cash gifts up to \$2,000 in a calendar year, are exempt from income if given by a tax-exempt organization to a child under age 18 who has a life-threatening condition. For the purpose of this exemption, a child is defined as an individual who has not yet reached his/her 18th birthday. A tax-exempt organization must be an organization as described in Section 501(c)(3) of the Internal Revenue Code (IRC) of 1996 and exempt from taxation under Section 501(c) of the IRC.

10.03.08C Interest and Dividends Received from Property Included in the Property Reserve

Effective August 1, 2005, interest and dividends paid to an individual from his or her Medi-Cal countable property is exempt for the purpose of determining income eligibility for certain programs that use SSI/SSP income rules. This applies to programs specifically for Aged, Blind and Disabled individuals, including the following Medi-Cal and Medicare Savings programs:

- Aged and Disabled Federal Poverty Level (A&D FPL) Program
- Aged, Blind and Disabled Medically Needy (ABD MN) Program
- 250% Working Disabled (WD) Program
- Pickle Program
- Disabled Adult Child (DAC) Program
- Disabled Widow(er)s (DW) Program
- Long Term Care (for aged or disabled individuals)

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- No Longer Disabled Adult and Child Programs
- Tuberculosis Program
- Qualified Medicare Beneficiary Program (QMB)
- Specified Low-Income Medicare Beneficiary (SLMB) Program
- Qualified Individual Program
- Qualified Disabled Working Individual Program (QDWI)

Procedures:

10.03.08D Verification of Life-Threatening conditions

To verify the life-threatening condition, obtain a credible written declaration from the adult(s) legally responsible for the child that states that the child has a life-threatening condition. The written declaration must include the general nature of the child's condition. If the declaration is questionable, an oral or written corroboration from a physician may be requested.

10.03.08E Verification of Exempt Tax Rules

To verify that the organization making the gift meets the requirement of a tax-exempt organization, obtain a copy of the organization's IRS 501(c) exemption certificate.

10.03.08F Determining Rare Disease or Condition

Some commonly known rare diseases are:

- Amyotrophic Lateral Sclerosis (Lou Gehrig's disease)
- Crohn's Disease
- Cystic Fibrosis
- Cystinosis
- Duchenne Muscular Dystrophy
- Huntington's Disease
- Tourette Syndrome

If the condition listed in the summary is not part of this list and the documentation provided does not indicate the condition is a rare disease or condition, then verify the disease or condition against the Office of Rare Disease Research's database at: <http://rarediseases.info.nih.gov/>

10.03.08G Interest and Dividends Received from Property Included in the Property Reserve

Interest or dividend payments are treated as follows:

Interest or Dividends paid to an individual from his/her property...	Is...
which has been counted in the property reserve	exempt
or from countable property of another family member in the MFBU or Sneed Mini Budget Unit (MBU)	
which is not included in the property reserve	Included as income
when evaluating eligibility for non-ABD programs	

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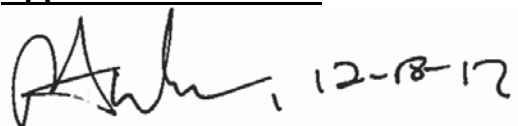
References:

ACWDL 99-31, 12-07, 05-17, 15-36
MEDIL 17-16

Sunset Date:

This policy will be reviewed for continuance by 12/31/2020

Approval for Release:



Rick Wanne, Director
Eligibility Operations