

ELIGIBILITY MANUAL

Effective January 1, 2027

(Approved by CMSP Governing Board October 5, 2026)

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DETERMINATION OF COUNTY MEDICAL SERVICES PROGRAM ELIGIBILITY AND SHARE OF COST

Article 1 Definitions, Abbreviations and Program Terms

1-010. General

The purpose of this Manual is to set forth standardized definitions and eligibility criteria to be used by Counties in the determination of an individual's or family's eligibility for CMSP covered services.

Although many provisions in this manual appear to duplicate many Medi-Cal criteria and requirements, this manual is a separate and distinct document that is to be applied to the CMSP population only. CMSP eligibility is not bound to Medi-Cal criteria and requirements, only to CMSP-specific criteria and requirements.

1-011. Definitions--General

The definitions in this article shall apply to CMSP unless the context requires otherwise.

1-012. Abbreviations

The following abbreviations shall apply to CMSP:

ABD	Aged, Blind, or Disabled
ABD-MN	Aged, Blind, or Disabled--Medically Needy
BIC	Beneficiary Identification Card
BRU	Benefits Review Unit
CAAP	California Alternative Assistance Program
CalWORKs	California Work Opportunity and Responsibility to Kids Program
CFBU	CMSP Family Budget Unit
CHDP	Child Health and Disability Prevention Program
CMSP	County Medical Services Program
DDSD	Disability Determination Service Division
ETS	Employment Training Services
GA/GR	General Assistance/General Relief
IHSS	In-Home Supportive Services
LPR	Lawful Permanent Resident
LTC	Long Term Care
MBSAC	Minimum Basic Standard of Adequate Care
MFBU	Medi-Cal Family Budget Unit
MI	Medically Indigent
MN	Medically Needy
OASDI	Old Age Survivors and Disability Insurance
Other PA	Other Public Assistance
PA	Public Assistance
POS	Point of Service

PRUCOL	Present Under Color of Law
SSA	Social Security Administration
SSI/SSP	Supplemental Security Income/State Supplemental Payment
SSN	Social Security Number
USCIS	U.S. Citizenship and Immigration Services
UIB	Unemployment Insurance Benefits

1-013. Adequate Consideration

Adequate Consideration means receiving fair value in cash or property, under the circumstances considering the net market value of the property, for property belonging to the Applicant or Beneficiary, which is sold, converted, or transferred to another.

1-014. Adult

Adult means a person who is 21 years of age or older.

1-015. Adverse Action

Adverse Action is any action, which the County Department takes that results in an increase in a CFBU's Share of Cost or results in the discontinuance of CMSP eligibility. Discontinuance due to any of the following reasons shall not be considered Adverse Actions:

A. Death, for a one person CFBU;

B. The whereabouts of the Beneficiary is unknown and the post office has returned County Department mail addressed to the Beneficiary indicating that he/she has moved and left no forwarding address;

C. Admission to an Institution that renders the Beneficiary ineligible;

D. It has been determined that the Beneficiary has full-scope CMSP or Medi-Cal eligibility under another identity or category, or will have such dual eligibility as of the first of the next month if discontinuance action is not taken;

E. Resides in another County or state;

F. Receipt of the Beneficiary's clear written or verbal statement that does either of the following:

    1. States the Beneficiary no longer wishes CMSP benefits; or

    2. Gives information that requires discontinuance and includes the Beneficiary's acknowledgement that the information supplied would result in discontinuance; or

G. An increase in a CFBU's Share of Cost due to the voluntary inclusion of eligible Family Members who currently are not receiving benefits under CMSP.

1-016. Aid

Aid means cash assistance, CalFresh (food stamps), Medi-Cal, or CMSP.

1-017. Aid Category

Aid Category means the specific category under which a person is eligible to receive Medi-Cal or CMSP.

1-018. Aid Code

Aid Code means the two-digit number, or combination number and letter, which indicates the Aid Category under which a person is eligible.

1-019. Aid-Paid Pending

Aid-Paid Pending means the continuation of CMSP eligibility and CMSP Share of Cost without change when a Member files for a hearing prior to the effective date stated on a notice of action until the end of the certification period or the hearing decision, whichever occurs first.

1-019.1 Appeal

An “appeal” is defined as a request to review an action taken by the County which resulted in the denial, discontinuance or reduction in eligibility or benefits.

1-020. Appertains

Appertains means any property or structure, which is connected to and is or was, intended to be used as a permanent part of the property. This includes, but is not limited to:

A. Acreage which constitutes a farm or ranch; or

B. Separately assessed parcels used as a whole; or

C. An entire parcel or separately assessed parcels purchased or used as a whole separated by, but not limited to, any of the following:

1. Easements or rights of way;

2. Water courses; or

3. Streets, highways, or freeways.

1-021. Applicant

Applicant means the individual or family that has submitted, or on whose behalf was submitted, a CMSP Application, Reapplication, or request for Restoration of aid to the County Department.

1-022. Application or CMSP Supplemental Application

Application or CMSP Supplemental Application means a written request for CMSP aid using a standardized approved CMSP application form.

1-023. Approval of Eligibility

Approval of Eligibility means the determination made by the County Department that a person or family is eligible for CMSP.

1-023.1. Authorized Representative

Individual(s) or organization(s) chosen by a competent Applicant/Beneficiary to assist, accompany, and/or represent him/her.

1-023.2 Beneficiary

An individual approved for and receiving CMSP benefits, also known as a Member.

1-024. Beneficiary Identification Card (BIC) or State of California BIC (CA-BIC)

The Beneficiary Identification Card (BIC) or State of California BIC (CA-BIC) is a plastic card issued by the State of California to each individual in a MFBU or CFBU which provides eligibility documentation that allows access to medical care, provider billing, and Share of Cost tracking. The CA-BIC replaces the State of California paper cards and may be kept after discontinuance and used again if the individual is determined eligible for either Medi-Cal or CMSP at a later date.

1-025. Burial Insurance

Burial Insurance means insurance, which by its terms can only be used to pay the burial expenses of the insured.

1-026. California Alternative Assistance Program (CAAP)

California Alternative Assistance Program (CAAP) means a program, which provides child-care payment or other services to CalWORKs eligible persons who do not wish to receive cash assistance payments.

1-027. CalWORKs

CalWORKs means the assistance program resulting from the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, which replaced the Aid to Families with Dependent Children (AFDC) Program and its employment component, GAIN.

1-028. Cash Grant

Cash Grant means the monetary payment made to a person eligible for CalWORKs, SSI/SSP, RCA, ECA, or other public assistance programs and GA/GR.

1-029. Certification Date for Claims Clearance

Certification Date for Claims Clearance means the date that the Share of Cost has been cleared through the POS device or other automated process by the provider.

1-030. Certification – Effective Date

Certification Effective Date means the date the Member is certified eligible to receive CMSP benefits.

1-031. Certification for CMSP

Certification for CMSP means the determination by the County Department, or the Program, that a person is eligible for CMSP with no Share of Cost or has met the Share of Cost.

1-032. Child or Children

Child or Children means a person or persons under the age of 21 years.

1-033. Child Health and Disability Prevention Program (CHDP)

Child Health and Disability Prevention (CHDP) Program means the community-based program for early identification and referral for screening and treatment of persons under 21 years of age.

1-034. Client

Client means a person who has been determined eligible for CMSP, also referred to as a Beneficiary or Member.

1-035. Competent

Competent means being able to act on one's own behalf in business and personal matters.

1-036. Conversion of Property

Conversion of Property means changing property from one form to another without changing ownership.

1-037. County

County means those rural California counties, which contract with the Governing Board to participate in CMSP.

1-038. County Agency

County Agency means either an administrative division of a County government or a non-County organization that has a contract with the County to act on the County's behalf.

1-039. County Department

County Department means the department authorized by the County board of supervisors to conduct eligibility administration for CMSP.

1-040. County Medical Services Program (CMSP)

County Medical Services Program (CMSP) means the program authorized by Sections 16709, 16709(a), 16709(d), and 16809 et seq of the Welfare and Institutions Code to provide for the health care of medically indigent Adults residing in rural and semi-rural counties of California which contract with the Governing Board to participate in CMSP.

1-041. CMSP Family Budget Unit (CFBU)

CMSP Family Budget Unit (CFBU) means the person or persons who will be included in the determination of CMSP eligibility and CMSP Share of Cost, if any.

1-042. CMSP Governing Board

The CMSP Governing Board (Governing Board) is comprised of County supervisors, County administrators, County welfare directors, County health administrators, and a representative of the Secretary of the California Health and Human Services Agency in accordance with the California Welfare and Institutions Code, Section 16809.4. The CMSP Governing Board shall govern the CMSP Program and any pilot projects.

1-043. CMSP Identification Card

The CMSP Identification Card is a paper card each eligible individual is issued in addition to a CA-BIC. The card provides information regarding CMSP benefit coverage administered by the Governing Board's Third Party Benefits Administrator. The card will be replaced if there is a break in aid to the beneficiary of greater than two months.

1-044. CMSP Person or Family Member

CMSP Person or Family Member means a person or Family Member eligible for benefits under CMSP.

1-045. DDSD - Disability Determination Service Division

DDSD evaluates Beneficiaries for disability under the Aged, Blind and Disabled – Medically Needy (ABD-MN) Title XIX program.

1-046. Dependent Relative

Dependent Relative means a Relative who is either of the following:

Claimed as a tax dependent by the Applicant or Beneficiary, regardless if the individual is residing with the Applicant or Beneficiary; or

Receiving more than one-half of his/her basic needs for food, shelter, clothing, and transportation from the Applicant or Beneficiary.

1-047. Deficit Reduction Act (DRA)

Deficit Reduction Act (DRA) refers to Section 6036 of the federal Deficit Reduction Act of 2005 which requires individuals to provide specified documentary evidence of citizenship or nationality when applying for Medicaid.

1-048. Eligibility Services

Eligibility Services means those services provided by the County Department relating to the initial and continuing determination of CMSP eligibility.

1-049. Encumbrances of Record

Encumbrances of Record means obligations for which property is security as evidenced by a written document.

1-050. Fair Market Value

Fair Market Value means the amount (price) an item would sell for, if made available for sale on the open market in the geographic region where the item is located.

1-051. Family Member

Family Member means any of the following persons living in the home or declared as a tax dependent:

A. A Child or sibling Child;

B. The Married or unmarried Parents of the Child or sibling Children;

C. The stepparents of the sibling Children;

D. The separate Children of either unmarried Parent or of the Parent or stepparent; or

E. If there are no Children, Family Member means a single person or Married couple.

1-052. Fleeing Felon

Fleeing Felon means an individual who is fleeing to avoid prosecution, or custody or confinement under the laws of the place from which the individual flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place which the individual flees, or which, in the case of New Jersey, is a high misdemeanor under the laws of such State, or violating a condition of probation or parole imposed for committing a felony under Federal or State law. Fleeing Felons are ineligible for benefits under CMSP and are treated as ineligible members of the CFBU.

1-053. Full Scope CMSP Benefits

Full Scope CMSP Benefits means all of the health care benefits covered by CMSP under Aid Codes 88 and 89 for an applicant or enrollee that meets all eligibility criteria, including legal residency and identity standards. Full Scope Benefits may be available without a share of cost (Aid Code 88) or with a share of cost (Aid Code 89).

1-053.1. Full Time Employed

Full time employed means working 40 hours or more per week.

1-054. General Assistance (GA)/General Relief (GR)

General Assistance/General Relief (GA/GR) means support provided by the county under Section 17000 of the California Welfare and Institutions Code for incompetent, poor, and indigent persons who are not supported and relieved by their relatives, friends, their own means, or other state or private program or Institution.

1-055. Heirloom

Heirloom means any item of Personal Property other than cash, securities, or other liquid resources, which has substantial sentimental value, has been owned by the same family for at least two generations, and is intended to be retained by the same family in succeeding generations.

1-056. In Home Supportive Services (IHSS)

In Home Supportive Services (IHSS) means the social services program, which provides necessary personal and domestic care so that aged, blind, and disabled persons may remain in their homes. IHSS beneficiaries may also receive Medi-Cal coverage.

1-057. Inmate

Inmate means a person either living or being cared for in an Institution, or a person under the direct control of a penal authority, such as an individual under house arrest. Excluded from this definition are persons residing at a facility for vocational training or educational purposes, and persons temporarily in an Institution pending more suitable arrangements, such as Children in a local agency facility pending foster care placement.

1-058. Institution

Institution means an establishment, which provides food, and shelter to four or more persons unrelated to the proprietor and, in addition, provides some treatment or services, which meet needs beyond basic provision of food and shelter.

1-059. Institution--Medical

Medical Institution means any public or private acute care hospital, acute psychiatric hospital, intermediate care facility, skilled nursing facility, or other medical facility licensed by an officially designated state standard setting authority.

1-060. Institution--Mental Diseases

An Institution for Mental Diseases means an Institution primarily engaged in providing diagnosis, treatment, or care for persons with mental illness.

1-061. Institution--Nonmedical

Nonmedical Institution means any Institution providing nonmedical residential care, custodial care, custody, or restraint. This term includes penal institutions.

1-062. Institution--Private

Private Institution means a proprietary or nonprofit Institution managed and controlled by an individual, private association, or corporation.

1-063. Institution--Public

Public Institution means an Institution that is the responsibility of a governmental unit or over which a governmental unit exercises administrative control. Excluded from this definition are medical facilities and publicly operated community residences designed to serve and serving no more than 16 persons.

1-064. Institution--Tuberculosis

Tuberculosis Institution means an Institution, which is primarily engaged in providing diagnosis, treatment, or care of persons with tuberculosis, including medical attention, nursing care, and related services.

1-065. Intraprogram Status Change

Intraprogram status change means a change in a person's or family's eligibility from one Aid Category to another Aid Category

1-066. Life Estate

Life Estate means a legal arrangement whereby the Member (i.e., the life tenant) is entitled to the use and/or income from the property for his or her life. Upon the death of the life tenant, the property will revert to the holder of the remaining interest or to the grantor.

1-067. Life Insurance

Life Insurance means a contract from which premiums are paid during the lifetime of the insured and on which the insuring company pays the face amount of the policy to the Beneficiary of the policy upon the death of the insured. Life insurance may also be purchased by a single premium or by letting dividends accumulate.

1-068. Limited Service Status

Limited Service Status means that the Beneficiary's use of CMSP is limited because of the Member’s improper utilization of service.

1-069. Long-Term Care (LTC) Status

Long-Term Care (LTC) Status means inpatient medical care, which lasts for more than the month of admission and is expected to last for at least one full calendar month after the month of admission.

1-070. Marriage

Marriage is defined as a legal union of two consenting adults of either sex as evidenced by the issuance of a valid marriage license and solemnization. Solemnization is authorized by California Family Codes Section 400 et. seq.

1-071. Medi-Cal

Medi-Cal means California's Medicaid (medical assistance) Program and the benefits available under that program.

1-071.1 Medi-Cal Family Budget Unit (MFBU)

Medi-Cal Family Budget Unit (MFBU) means the persons who will be included in the Medi-Cal eligibility and Share of Cost determination.

1-071.2 Medically Needy (MN) Person or Family

Medically Needy (MN) person or family means a person or family eligible under the Medi-Cal MN program.

1-072. MedImpact

MedImpact is the pharmacy benefit management company hired by the Governing Board to administer CMSP retail pharmacy benefits.

1-073. Member

An active CMSP Beneficiary.

1-074. Mini-Budget Unit (MBU)

Mini-Budget Unit (MBU) means family sub-units derived from the initial MFBU composition and used to determine eligibility or Share of Cost when Sneede/Gamma regulations apply to the MFBU.

1-075. Multiple Dwelling Units

Multiple Dwelling Units means any dwelling with more than one separate living unit, that is, a unit which normally would include, as a minimum, a bathroom and a kitchen.

1-076. Nonrecurring Lump Sum Payment

Nonrecurring Lump Sum Payment means a payment received by a member of the CFBU one time only, or infrequently. Examples of Nonrecurring Lump Sum Payments include but are not limited to payments such as lottery winnings, insurance settlements, court orders and inheritances.

1-077. Obligate

Obligate means to incur a cost for health care services.

1-078. Other Public Assistance (Other PA) Recipient

Other Public Assistance (Other PA) Recipient means a person eligible for Medi-Cal under one of the categories in the Other PA programs, such as SSI/SSP or CalWORKs.

1-079. Overpayment

Overpayment means the receipt of CMSP benefits when there is no entitlement to all or a portion of the benefits received.

1-080. Parent

Parent means the natural or adoptive Parent of a Child.

1-081. Patient

Patient means a person receiving individual professional services directed by a licensed practitioner of the healing arts towards maintenance, improvement, or protection of health or the alleviation of disability or pain.

1-082. Persons Living In The Home

Persons Living in the Home means any of the following:

A. Persons physically present in the home;

B. Persons temporarily absent from the home because of hospitalization, visiting, vacation, trips in connection with work or because of similar reasons.

1. A temporary absence is normally one in which the person leaves and returns to the home in the same or following month;

2. A Child temporarily absent from the home shall be considered to be living in the home as long as the Parent continues to have responsibility for the care and control of the child. If a Child is absent from the home, but claimed as a tax dependent by the Parent(s), the Child shall be considered to be living in the home; or

C. Persons away at school or vocational training who will resume living in the home as evidenced by the person returning home for vacations, weekends, and at other times.

1-083. Principal Residence

Principal Residence means the property in which the Applicant or Beneficiary has an ownership interest and which the Applicant or Beneficiary uses as his/her home.

1-084. Program--County Medical Services Program (CMSP)

Program or CMSP Program means the County Medical Services Program (CMSP) authorized by Sections 16709, 16709(a), 16709(d), and 16809 et seq of the California Welfare and Institutions Code to provide for the health care of the medically indigent

Adults residing in rural and semi-rural counties of California which contract with the Governing Board to participate in CMSP.

1-084.1 Property

"Property" for purposes of this manual means any real, liquid or personal possessions also commonly referred to as "assets" and/or "resources."

1-085. Property--Community

Community property means property acquired by either spouse during Marriage, unless the property was acquired as Separate Property or with funds that can be identified as Separate Property

1-086. Property--Personal

Personal property means possessions or interest, exclusive of Real Property, that may be easily transported or stored; including but not limited to cash on hand, bank accounts, notes, mortgages, deeds of trust, cash surrender value of Life Insurance, motor vehicles, uncollected judgments, an interest in a firm in receivership, a lawsuit, patents, copyrights, household goods, and musical instruments.

1-087. Property--Real

Real property means land and improvements, which generally include any stationary property attached to the land and any oil, mineral, timber or other rights related to the land.

1-088. Property--Separate

Separate property means any item that is considered Separate Property under California Property Law. Generally, Separate Property is property acquired by an individual by any method prior to Marriage, after obtaining an interlocutory or final judgment of dissolution, or while voluntarily separated; or at any time by gift or inheritance, or purchases made with funds that are Separate Property, and can be identified as Separate Property, or with funds from the sale of Separate Property.

1-089. Property--Share of Community

Share of community property is to be treated as if each spouse owns one-half of the Community Property for purposes of determining CMSP eligibility.

1-090. Prospective Applicant

Prospective Applicant means someone who, after a Medi-Cal denial, has been mailed or provided the CMSP supplemental application but has not yet returned it to their county social services agency.

1-091. Public Agency

Public Agency means an administrative division of local, state, or federal government, or an organization that has a contract to act in behalf of the local, state, or federal government.

1-092. Public Assistance (PA) Recipient

Public Assistance (PA) Recipient means a person or family receiving assistance under CalWORKs, Foster Care, SSI/SSP, IHSS, RCA, and ECA.

1-093. Public Funds

Public Funds means monies provided by local, state, or federal government, such as, but not limited to, Adoption Assistance or Pickle.

1-094. Quality Control

Quality Control means the review of CMSP cases to ensure proper determination of eligibility and correctness of Share of Cost.

1-095. Reapplication

Reapplication means an Application for CMSP eligibility made in the same County as a previous Application, if the previous Application was denied or withdrawn or if the certification period ended in the previous month or will come to an end the following month and a renewal of eligibility is being sought.

1-096. Recipient

Recipient means a person or family receiving aid under a PA program, Other PA, Medi-Cal or CMSP.

1-097. Relative

Relative means a mother, father, grandfather, grandmother, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, aunt, first cousin, nephew, niece, half-brother, half-sister, or any such person of a preceding or succeeding generation denoted by a prefix of grand, great or great great.

1-098. Repayment

Repayment means the liquidation of an Overpayment in response to issuance of demands and recovery thereof by the County Department.

1-099. Residence

Residence means the place in which a person or family lives or is physically present if the person or family has no present intention of leaving.

1-100. Responsible Relative

Responsible Relative means a Family Member who is responsible to contribute to the cost of health care services received by a Beneficiary.

1-101. Restoration

Restoration means restoring CMSP eligibility for a person or family in the same County as that in which they were previously eligible for CMSP, due to an erroneous discontinuance, fair hearing decision, or administrative error. Eligibility is restored to the end of the original certification period.

1-102. Restricted Scope CMSP Benefits

Restricted Scope CMSP Benefits means program-covered services to treat an emergency medical condition. Restricted Scope CMSP Benefits are provided under Aid Code 50 to aliens otherwise eligible for CMSP but lacking documentation of Satisfactory Immigration Status or citizenship.

1-103. Satisfactory Immigration Status

Satisfactory Immigration Status means lawful admission for permanent Residence in the United States, or status as an alien permanently residing in the United States under color of law.

1-104. Share of Cost

Share of Cost means the amount of net income in excess of CMSP maintenance need, which must be paid or obligated, toward the cost of the health care received, before CMSP will pay for covered services.

1-105. Share of Encumbrances

Share of Encumbrances means that portion of the encumbrances attributed to each portion of jointly owned property.

1-106. Spend Down

Spend Down means the process of reducing or converting excess property assets in order to become eligible for CMSP.

1-107. Supplemental Security Income (SSI)/State Supplemental Payment (SSP)

Supplemental Security Income/State Supplemental Payment (SSI/SSP) means the federal and state payments, respectively, which are based on need, and are paid to aged, blind or disabled persons.

1-108. Temporary Assistance for Needy Families (TANF)

Temporary Assistance for Needy Families (TANF) is the program created from implementation of Public Law 104-193 (The Personal Responsibility and Work Opportunity Reconciliation Act of 1996) which replaced the AFDC, JOBS, and GAIN programs.

1-109. Third Party Benefits Administrator

The Third Party Benefits Administrator is the firm hired by the Governing Board to administer CMSP health care and dental benefits, including authorization of services and payment of medical care claims. The Third Party Benefits Administrator does not administer CMSP retail pharmacy benefits, which are administered by MedImpact.

1-110. Transfer of Property

Transfer of Property means a change in ownership whereby a person no longer holds title to, or beneficial interest in, property.

1-111. U. S. Citizenship and Immigration Services (USCIS)

U.S. Citizenship and Immigration Services means the branch of the United States Government that administers regulations regarding aliens in, and immigration to, the United States.

1-112. Verification

Verification means the process of obtaining acceptable evidence, which substantiates statements made by an Applicant or Beneficiary.

1-113. 200% Federal Poverty Level (FPL) Income Test

200% Federal Poverty Level Income Test means the net non-exempt income of the CFBU must be less than, or equal to, the 200% FPL limit for an applicant(s) to be eligible for CMSP benefits.

Article 2. County of Responsibility for Determination of CMSP Eligibility

2-010. County of Responsibility
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Article 2 County of Responsibility for Determination of CMSP Eligibility

2-010. County of Responsibility

The county of responsibility shall be the county whose department is responsible for the determination of the initial and continuing CMSP eligibility for a person or family. The appropriate county of responsibility shall be determined in accordance with this article.

2-011. County of Responsibility – Persons With a Family

The county of responsibility for determining CMSP eligibility for persons whose eligibility for CMSP is determined as part of a family, shall be either of the following:

A. The county in which the family's Residence is located; or

B. The county of physical presence if the family's Residence is unclear.

2-012. County of Responsibility--Persons With No Family

The county of responsibility for determining CMSP eligibility for persons whose eligibility for CMSP is not determined as part of a family shall be:

A. The county in which the persons home is located, if the home is situated on Real Property owned by the Applicant or Beneficiary and is exempt as a Principal Residence; or

B. The county of physical presence in all other situations.

2-013. County of Responsibility--Persons With a Guardian

The county of responsibility for persons with a guardian shall be determined as follows:

A. For persons with a county public guardian, the county of responsibility is the county in which the public guardian is located.

B. For persons with a private guardian or a guardian appointed by the State, the county of responsibility shall be established as if there were no guardian in accordance with Sections 2-011 and 2-012, provided that the person under guardianship is a resident of a CMSP County.

2-014. County of Responsibility--Deceased Persons

The county of responsibility for determining CMSP eligibility for deceased persons shall be the county, which would have been the county of responsibility at the time of the person's death.

2-015. Application Made in Contract Counties Other Than Contract County of Responsibility

The county in which a person makes an Application for CMSP shall forward a courtesy Application and a CMSP Supplemental Application from the Applicant to the county of responsibility determined by Sections 2-011 and 2-012.

2-016. Intercounty Transfers

When a CMSP eligible person or family moves out of the initial county of responsibility they must be advised to reapply in the new county of Residence. No intercounty transfer is to be initiated between the two counties.

Article 3. Application Process

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Article 3 Application Process

3-010. County Medical Services Program (CMSP)

For purposes of this section, persons are considered 21 years of age on the first day of the month following the month in which they reach age 21. Persons are considered 65 years of age on the first day of the month in which they reach age 65. A person's eligibility under CMSP shall be determined if that person:

A. Is at least 21 years of age but less than 65 years and any of the following:

1. A person who cannot meet the linkage/income factors necessary to be eligible for the Medi-Cal program; or

2. Not yet determined eligible for Medi-Cal as a PA or Other PA Recipient or as an MN person because of a pending Application for Medi-Cal eligibility based on allegations of blindness or disability; or

B. Meets the other eligibility requirements specified in this manual.

A person who is otherwise eligible for Medi-Cal but fails to provide proper documentation of legal status and/or citizenship as required under state or federal law and regulation shall not be eligible under CMSP pursuant to A and B above.

3-011. CMSP Supplemental Application Process--General

The County Department shall receive and act upon all CMSP Supplemental Applications, Reapplications, and requests for Restoration without delay and in accordance with the provisions of this article.

3-011.1 Application Process--Appointment of an Authorized Representative

Any competent Applicant/Beneficiary may appoint an Authorized Representative to assist, accompany and represent him/her in the CMSP Supplemental Application or Reapplication process. The county may accept any written, telephonic, or electronic method (allowed by Medi-Cal) from the Applicant/Beneficiary to designate an Authorized Representative.

The Applicant/Beneficiary may define the scope of authorized duties each Authorized Representative will have. Authorized Representatives shall receive copies of notifications if previously requested by the Applicant/Beneficiary via any written, telephonic, or electronic method (allowed by Medi-Cal). Only the Applicant/Beneficiary may modify the authorized duties for an Authorized Representative by contacting the county via any written, telephonic, or electronic method (allowed by Medi-Cal).

Either the Applicant/Beneficiary or Authorized Representative may cancel the Authorized Representative appointment at any time. The county may accept any written, telephonic,

or electronic method (allowed by Medi-Cal) from the Applicant/Beneficiary or Authorized Representative to cancel the designation.

3-012. Evaluation of Medi-Cal Linkage

The County Department shall evaluate potential Medi-Cal linkage of each applicant prior to and as a part of processing the CMSP Supplemental Application.

For any Applicant or Beneficiary who alleges a disability, either in writing or orally, the County Department shall discuss a disability referral for the applicant. If there is a potential disability, the County Department shall give the Applicant or Beneficiary a DDSD Application with instructions to complete and return the application within 10 calendar days.

3-012.1 Medi-Cal Linkage and Disability

The County shall not approve CMSP eligibility until the completed disability Application, including all appropriate forms and verifications necessary for a Medi-Cal application is submitted to the County by the Applicant. The singular exception shall be when a person claims to be a U.S. citizen and is making a good faith effort to provide verification in accordance with federal standards and the person has completed all other aspects of the Medi-Cal application.

If all required forms and verifications are not received timely, the CWD shall contact the Applicant or Beneficiary and give 10 additional days for the required forms and verifications to be returned. If not received timely, County shall deny the Application unless good cause is demonstrated in accordance with Article 3-029.

3-012.2 Evaluation of Other Program Linkage

CMSP is the “payer of last resort.” Individuals seeking treatment for breast or cervical cancer, HIV/AIDS, family planning, genetic conditions covered by the Genetically Handicapped Persons Program (GHPP), or Hepatitis C must apply for the public and other programs that specifically provide services for these conditions. CMSP is a secondary payer to these programs and any other public programs for which applicants or enrollees of CMSP are otherwise eligible.

3-012.3 Evaluation for Expanded (MAGI-Based) Medi-Cal

CMSP is the “payer of last resort.” Prior to evaluating eligibility for CMSP, all Applicants shall be evaluated for all Medi-Cal programs, including MAGI-based Medi-Cal.

3-012.4 Evaluation for Covered California

All Applicants shall be evaluated for Covered California. For Applicants that are otherwise eligible for Covered California, the following rules shall apply:

A. Applications Subject to Covered California's Open Enrollment Period

1. An application for CMSP shall be considered "subject to the Covered California open enrollment period" when the application is pending disposition action by the county between the first day of open enrollment to the 15 days prior to the close of open enrollment.

2. When applications are subject to a Covered California open enrollment period, Applicants for CMSP that are not otherwise eligible for Medi-Cal shall be required to do the following:

    a. Provide electronic or written evidence to the county that an application has been made to Covered California for health insurance coverage. Such evidence may be obtained by the county through electronic interface as systems may allow.

    b. Provide electronic or written evidence to the county that the applicant has paid the first month's premium for participation in Covered California, when required. Such evidence may be obtained by the county through electronic interface as systems may allow.

3. Counties shall notify CMSP Applicants of the requirements described in 2 (a) and (b) at the time of application if application is to be made on the CMSP supplemental application form.

4. Applicants that fail to comply with the requirements set forth in 2 (a) and (b) shall be determined in non-compliance with CMSP eligibility rules that require applicants to cooperate, initially and during the course of CMSP eligibility, in availing themselves of other health coverage. Such Applicants shall be denied eligibility for CMSP for noncooperation.

5. If all other CMSP eligibility criteria are met, Applicants that provide the evidence set forth in 2 (a) and (b) shall be approved for CMSP for the period commencing with the first of the month of application to the beginning of the Covered California coverage period, or for three months, including the month of application, whichever is shorter, and any one-month retroactivity period granted under Section 3-015.

6. CMSP Applicants that are denied CMSP eligibility during a period that is subject to the Covered California open enrollment period due to non-compliance with the requirements set forth in 2 (a) and (b) may apply for

CMSP beginning with the first of the month following the period that is subject to the Covered California open enrollment period.

B. Applications Not Subject to Covered California's Open Enrollment Period

1. An application for CMSP shall be considered "not subject to the Covered California open enrollment period" when the application is received and pending disposition action by the county on or after the date that is 15 days before the end of the Covered California open enrollment period and the day prior to the date of the start of the next open enrollment period.

2. During any period when applications are not subject to the Covered California open enrollment period, CMSP applicants that are not otherwise eligible for Medi-Cal shall be required to do the following:

    a. Provide electronic or written evidence of any participation in Covered California that was terminated for lack of monthly premium payment.

        i. Such evidence may be obtained by the county through electronic interface as systems may allow.
        ii. Processing of the CMSP application shall not be completed until the CMSP applicant provides this evidence.

    b. Provide an attestation that none of the conditions outlined below are applicable. These qualifying life event conditions are considered special circumstances for enrollment in Covered California outside of an open enrollment period.

        i. A qualified individual or a dependent's loss of Minimum Essential Coverage;
        ii. A qualified individual gains a dependent or becomes a dependent;
        iii. An individual not previously a U.S. citizen, U.S. national or lawfully present gains such status;
        iv. A qualified individual's enrollment or disenrollment in a Covered California Plan (CCP) is unintentional, inadvertent, or erroneous as a result of an error, misrepresentation, or inaction of the staff or instrumentalities of Covered California or Health and Human Services;
        v. An enrollee adequately demonstrates that a CCP substantially violated a material provision of its contract in relation to the enrollee;

vi. An enrollee is determined newly eligible or newly ineligible for Advanced Premium Tax Credit (APTC) or has a change in eligibility for cost-sharing reduction (CSR);
vii. An individual whose existing coverage through an eligible employer-sponsored plan will no longer be affordable or provide minimum value;
viii. A qualified individual or enrollee gains access to new CCPs as a result of a permanent move; this also applies to individuals recently released from incarceration; or,
ix. A qualified individual who is an Indian may enroll in a CCP or change to another one time per month.

c. If the attestation described in 2 (b) finds none of the conditions are applicable, a determination of eligibility for CMSP shall be made following receipt of all other information required to determine eligibility.

d. If the attestation described in 2 (b) finds one or more of the conditions are applicable, the applicant shall be required to do the following:
   i. Provide electronic or written evidence to the county that an application has been made to Covered California for health insurance coverage. Such evidence may be obtained by the county through electronic interface as systems may allow.
   ii. Provide electronic or written evidence to the county that the applicant has paid the first month's premium for participation in Covered California. Such evidence may be obtained by the county through electronic interface as systems may allow.

e. If the applicant fails to provide the evidence described in 2 (b), 2 (d.i.), or 2 (d.ii.) within sixty (60) days of the qualifying date for the special circumstance, or as otherwise required by Covered California, the CMSP application shall be denied.

3-012.4 Information and Education for Potentially Eligible Persons

The County Department shall do all of the following:

A. Notify all potentially eligible persons (21 – 64 years of age) determined ineligible for Medi-Cal, and not eligible for Medicare, of the opportunity to apply for CMSP. Such notification may be provided by the County Department through a follow up letter with an enclosed copy of the CMSP Supplemental Application; a notification generated by the County Department that provides information on how to obtain a Supplemental CMSP Application and submit the application; or, as an added section to the Denial Notice of Action provided to the Medi-Cal applicant, as long

as such additional section provides information on how to obtain a Supplemental CMSP Application and submit the application.

B. Provide a copy of the flyer “CMSP Benefit Program” in the Medi-Cal/Covered California application package and/or Medi-Cal informing packet sent to applicants.

3-013. Persons Who May File an Application for CMSP

Any person who wishes to receive CMSP may file a CMSP Supplemental Application. If the Prospective Applicant, for any reason, is unable to apply on his/her own behalf, or is deceased, any of the following may complete and file the CMSP Supplemental Application for the Prospective Applicant:

A. The Prospective Applicant's spouse, guardian, conservator or executor.

B. A person who knows of the Prospective Applicant's need to apply.

C. A Public Agency representative.

The case record must clearly specify why anyone other than a spouse has applied for the Applicant.

3-014. CMSP Supplemental Application Form

A person or family applying for CMSP shall submit a completed CMSP Supplemental Application form.

The Applicant or Prospective Applicant shall be given two opportunities to submit the completed CMSP Supplemental Application form including all verifications necessary to establish the Applicant’s eligibility for CMSP. The timeframe for return of the required forms and verifications shall be 10 calendar days for each request.

Note: The MC 13 should still be used if the CMSP Applicant is claiming and verifying amnesty alienage, lawfully permanent residency and PRUCOL (Permanent Residency Under Color of Law).

3-015. Application for Retroactive CMSP

Effective with Supplemental Applications taken on or after June 1, 2016, retroactive eligibility for a period of one month may be granted for CMSP cases. The beginning date of eligibility will be in accordance with Section 11-010.

Retroactive eligibility may be requested at the following times:

1. At the time the Supplemental Application is completed by requesting retroactive eligibility on the Supplemental Application.

2. During the Medi-Cal application process.

3. At any time during the applicant's term of CMSP enrollment by making a request for retroactive eligibility to the county worker and the request is documented in the case notes for the applicant.

To determine retroactive CMSP eligibility for an applicant, the county shall utilize the same information and process utilized to determine retroactive Medi-Cal eligibility with the MC 210A "Supplement to Statement of Facts for Retroactive Coverage/Restoration" form. In its process, the county may use the MC 210A form to process retroactive CMSP eligibility or collect the information required on that form through telephonic or other communication with the applicant. In no instance shall retroactive CMSP eligibility be granted for more than one month.

Notice to CMSP Applicants Regarding Retroactive Eligibility:

At the time of application, all CMSP Applicants shall be informed of the ability to request retroactive eligibility for a period of one month.

3-016. Application for Medi-Cal LTC Aid Code 53, Acute Care

A person eligible for Medi-Cal under Aid Code 53, which only covers Skilled Nursing Facility or Intermediate Care Facility (SNF or ICF) services, may also receive CMSP benefits under Aid Code 8F to cover any acute care services. There is no LTC length of stay requirement to receive a 53 Aid Code. Persons made eligible for 8F will not be subject to the term of enrollment required for other Aid Codes while receiving LTC/SNF services. If the person has a Share of Cost under Aid Code 53 he/she will have no Share of Cost under aid code 8F as the Share of Cost is met under the 53 Aid Code. The Applicant must complete and sign the MC 13 (or other appropriate Medi-Cal form declaring citizenship/immigration status).

Additionally, an Application (MC 223) for disability evaluation must be completed for any Beneficiary determined eligible for Aid Code 8F services, if the disability is expected to last 12 consecutive months or longer. The Beneficiary's failure to cooperate will result in denial or discontinuance of 8F services.

Upon notification that the Beneficiary has entered LTC/SNF, the County Welfare Department (CWD) shall:

1. Check to see if the Beneficiary has presumptive eligibility: if so, discontinue CMSP, and follow 22C – 3.6 of MEPM.

2. Provide a DDSD packet within 10 days of notification if the disability is expected to last at least one year, or result in death. If the packet is not completed and returned within thirty (30) days, eligibility for CMSP should be terminated with timely notice.

3-017. Date of Application

The date of the CMSP Supplemental Application shall be the date of the Medi-Cal or Covered California Application submitted by the Applicant.

3-018. Withdrawal of Application--Request for Discontinuance

An Applicant or Beneficiary may withdraw or request discontinuance from the CMSP Supplemental Application process at any time. The County shall note such request in the case file. If a written request is not submitted by the Applicant or Beneficiary, the County shall issue a Notice of Action (NOA) which indicates that the action is being taken to withdraw the CMSP Supplemental Application or discontinue benefits and that the Applicant/Beneficiary must contact the County to indicate if they desire that the Application process or eligibility continue.

3-019. Face-To-Face Interview

A face-to-face interview with the Applicant is optional at the time of Application, Reapplication, or Restoration. However, the County eligibility staff may require the Applicant to complete a face-to-face interview before benefits are established when eligibility staff determine any of the following conditions exist:

A. Information provided on the CMSP Supplemental Application form or verifying information provided is questionable;

B. The individual has no visible means of support, such as in-kind income (as discussed in Section 8-016), or means of support is not reported for the individual; or

C. Income and expenses of a self-employed individual do not match reported income, and the questionable information cannot be resolved with follow-up telephone contact and/or mail.

If needed, the interview:

A. Shall be completed within 30 days of the date of the Application or Reapplication.

B. Shall not be required for persons who have a government representative, such as a public guardian, acting on their behalf.

C. Shall be conducted by a representative of the County Department unless, for good reason, a direct interview between the County Department and the Applicant or the person completing the CMSP Supplemental Application is not possible. In such a situation, the interview may be conducted by another Public Agency acting on behalf of the County Department.

3-020. Persons Who May Complete and Sign the CMSP Supplemental Application

The Applicant or spouse of the Applicant shall complete and sign the CMSP Supplemental Application. The CMSP Supplemental Application may be signed through a Telephonic Signature Declaration in accordance with the requirements sets forth on CMSP 216. If one of the conditions outlined below is met, the CMSP Supplemental Application may be signed by another party on behalf of the applicant:

A. The Applicant has an Authorized Representative(s), conservator, guardian, or executor. In this case, the Authorized Representative(s), conservator, guardian or executor may complete and sign the CMSP Supplemental Application.

B. The Applicant is not competent, in a comatose condition or suffering from amnesia, and there is no spouse, conservator, guardian or executor. In this case:

1. The County Department shall evaluate the Applicant's circumstances and determine whether or not there is a need for protective services.

a. If the County Department determines that there is a need for protective services, it shall make a referral to the public guardian or Adult Protective Services (APS) Division. The public guardian or APS social worker may complete and sign the CMSP Supplemental Application.

b. If the County Department determines that there is no need for a referral to the public guardian or APS division, or if the public guardian or APS division is unable or refuses to complete the eligibility process, then the CMSP Supplemental Application may be completed and signed, in accordance with Section 3-024, by a family representative or a representative of a Public Agency or the County Department.

c. The person completing the CMSP Supplemental Application on behalf of the Applicant shall provide all available information required on the CMSP Supplemental Application, regarding the Applicant's circumstances.

d. If a County Department representative completes and signs the CMSP Supplemental Application, another representative of that County Department shall:

i. Confirm, by personal contact, the Applicant's inability to act on his own behalf.

ii. Countersign and approve any recommendation for eligibility.

iii. If the Applicant cannot be located before completing the CMSP Supplemental Application, the County Department shall obtain as much information as possible regarding the Applicant's circumstances. In such cases, a Relative, friend, or a

representative of a Public Agency or the County Department may complete the CMSP Supplemental Application on behalf of the Applicant in accordance with (B)(2)(b), and (B)(2(d11).

iv. If the Applicant dies before completing the CMSP Supplemental Application, the County Department shall discontinue processing the application. At this point the County Department will pursue Medi-Cal eligibility via the DDSD process based on presumptive eligibility. In such cases, a Relative, friend, or a representative of a Public Agency, or the County Department may complete a Medi-Cal Statement of Facts and DDSD packet on behalf of the Applicant in accordance with Medi-Cal manual Section Article 22 and Procedures Section 4A. If forms are completed by the County Department a diligent search must be initiated.

3-021. Filing the CMSP Supplemental Application

The County Department shall:

A. Set a reasonable deadline for returning the CMSP Supplemental Application to the County Department and inform the Prospective Applicant of the deadline at the time the CMSP Supplemental Application is given or mailed to the Prospective Applicant.

B. Attempt to contact the Prospective Applicant to determine the reason for delay if the CMSP Supplemental Application is not returned by the deadline specified in (A).

C. Extend the deadline for returning the CMSP Supplemental Application if a valid reason for the delay, such as incapacity, is found.

D. Deny the Application or discontinue eligibility if a valid reason for the delay, such as incapacity, is not found.

E. Provide a copy of the completed CMSP Supplemental Application to the individual who signed it, at their request.

3-022. Obtaining Information for the Completion of the CMSP Supplemental Application

The County Department or the representative of a Public Agency completing the CMSP Supplemental Application in accordance with Section 3-022 (B) shall:

A. Perform a reasonably diligent search to obtain available information regarding the Applicant's circumstances applicable to a CMSP eligibility determination.

B. Complete the CMSP Supplemental Application based upon the findings of the diligent search.

C. Initiate a Medi-Cal Application in those cases where a disability is expected to last for more than 12 months. If the Applicant is Competent and refuses to apply for Medi-Cal based on a disability and to complete a DDSD Application to determine disability, the County shall deny the CMSP Supplemental Application due to non-cooperation after the County has explained the additional benefits available to the Applicant under the Medi-Cal program.

3-023. Verification--Prior to Approval

The County Department shall obtain verification of the following information contained on CMSP Supplemental Application prior to Approval of Eligibility:

1. Identity as specified in Section 3-024.1.
2. Income. Note: The Applicant needs to provide verification of in-kind income only if the Applicant claims that the value of the in-kind income being received is less than the in-kind values chart in section 8-017.
3. The value of stocks, bonds, and mutual funds.
4. Trust deeds.
5. Other real property.
6. All CMSP income deductions such as child care costs, health insurance premiums, alimony, etc.
7. Any other item which the County determines to be necessary to **establish eligibility.**

Note: In emergency situations the Applicant's signed statement may be accepted to verify anticipated income, and the worker shall give the Applicant ten (10) days to provide written verification. If the verification is not received the worker shall discontinue case. Future benefits cannot be issued without the Member providing verification of the anticipated income.

The following can be verified by Applicant's sworn statement or CMSP Supplemental Application:

A. Savings and checking accounts (including closure of accounts) – as long as Applicant provides:

- The type of account
- The account number
- Bank name
- Balance
- Date of the account closure
- Balance on closure

Note: For closed bank accounts, if transfer occurred within 2 months prior to the date of application, please consider transfer of property sections of the manual 7-016 through 7-20.

B. Life insurance as long as Applicant provides:

- Insurance company name and address
- Type of insurance (Whole or Term)
- Face value
- Cash surrender value (CSV)

C. Burial Insurance and trusts as long as Applicant provides:

- Company's name and address
- Face value
- CSV

D. Non-exempt vehicles:

- Must provide enough information and (make, model, year) details for the worker to determine the Fair Market Value (FMV).

E. In-kind income as specified in sections 8-016 and 8-017.

Note: If other members of the individual's family are ineligible for Medi-Cal solely due to not providing valid Medi-Cal resource verifications, their failure to comply will not affect CMSP individuals' CMSP eligibility, unless CMSP also requires this verification and it is not provided.

Any resource or income verification that is acceptable for non-MAGI Medi-Cal is acceptable for CMSP. If the Applicant has provided verification to the Public Agency (i.e. CalFresh) they are not required to provide again. The eligibility worker will document the fact that verification has been received by the Department. Such documentation includes IEVS reports that may be generated by systems as part of the application process and may include information concerning income and resources.

3-024.1 Verification of Identity

For CMSP the identity of one Adult in the CFBU shall be verified by viewing one of the items from the following list. If the identification of one spouse is verified, the other spouse is not required to provide additional verification.

- California Driver's License
- DMV Identification Card
- Picture ID
- United States Citizenship or Alien Status Documents
- Birth Certificate
- School ID Card
- Passport
- Social Security Card (or a document containing the Social Security number and the individuals name)

- Marriage Record
- Divorce Decree
- Adoption Record
- Court Order for a Name Change
- Church Membership or baptism/confirmation record
- Any other document which appears to be valid
- A “2Z” match with Social Security as indicated by the Medi-Cal Eligibility Data System (MEDS)

If the applicant/beneficiary is unable to provide any of the above documents they must be given the opportunity to complete an affidavit attesting to their identity. The affidavit must include:

- Name
- Date of birth
- Place of Birth
- Current address

If the County is unable to obtain any of the items on the list and the applicant/beneficiary is unable to complete an affidavit the County may establish identity through collateral contacts.

3-024.2. Verification of Identity of an Authorized Representative

An Authorized Representative appointed by an Applicant/Beneficiary may be required to provide valid identification.

3-025. Clarification of CMSP Supplemental Application

When necessary, the County Department shall clarify information on the CMSP Supplemental Application. If additional clarification is needed:

A. The County Department shall inform the person who signed the CMSP Supplemental Application of the information needed and the reason for the request. The Applicant or person who signed the CMSP Supplemental Application shall be responsible for securing the additional information.

B. If the Applicant or person who signed the CMSP Supplemental Application has difficulty in securing the necessary information, the County Department shall, with the person's written consent, obtain the information. The Applicant's Authorization for Release of Information shall identify persons to be contacted and the specific information to be requested.

3-026. Verification by Signature

If the County determines that verification by signature is the only viable method available for any item on the CMSP Supplemental Application, the County shall state that fact in

the case record. The signature on the CMSP Supplemental Application shall not be accepted as verification of a person's Application for an SSN.

The signature on the CMSP Supplemental Application shall be accepted as verification of the facts if both of the following conditions are met:

A. The information required for establishing eligibility under these regulations is not available; and

B. The County Department determines that the information provided on the CMSP Supplemental Application is sufficient to determine eligibility. If the information on the CMSP Supplemental Application is insufficient, the County Department shall accept a signed statement, from the person completing the CMSP Supplemental Application that provides the necessary supplemental information.

3-027. Eligibility Determination

After the Applicant has applied for CMSP and provided all essential information and verifications, the County Department shall determine the Applicant's eligibility and Share of Cost. A determination based on the results of a County search for information under Section 3-024 shall be completed in the same manner as any other determination with only the income and resources discovered through the search considered available. The County Department shall make the determination within 75 days from the date of the Medi-Cal Application in accordance with Section 3-032.

3-028. Denial or Discontinuance Due to Lack of Information, Noncooperation or Loss of Contact

The Application or Reapplication shall be denied or eligibility discontinued under any one of the following circumstances:

A. There is insufficient information available to make an eligibility determination, after the County Department has made a reasonable effort to obtain the necessary information;

B. The Applicant or person completing the CMSP Supplemental Application fails, without good cause [as defined in Section 3-029(B)], to provide necessary verification or to cooperate with the County Department in resolving incomplete, inconsistent or unclear information on the CMSP Supplemental Application;

C. The Applicant fails, without good cause [as defined in Section 3-029(B)], to participate in the face-to-face interview in accordance with Section 3-019;

D. The County Department, after reasonable attempts to contact the Applicant or Beneficiary, determines that there is loss of contact;

E. The Applicant or Beneficiary, without good cause [as defined in Section 3-029(B)], fails to cooperate with the DDSD process, including failure to cooperate with, or

provide requested information to, the Social Security Administration as part of the DDSD process;

F. Applicant's income exceeds 200% of FPL; or

G. Resources exceed maximum allowable for CFBU for CMSP eligibility.

3-029. Reversal of a Denial or Discontinuance Due to Lack of Information, Noncooperation, or Loss of Contact

An Applicant or Beneficiary whose eligibility is denied or discontinued for any of the reasons specified in 3-028 may:

A. Reapply at any time, including the month of Application or Reapplication.

B. Have the denial or discontinuance rescinded within 30 days from the discontinuance/denial date by providing evidence that the Applicant, the Beneficiary or their family had good cause for not meeting the conditions specified by the County Department. For purposes of this section good cause is limited to:

1. Physical or mental illness or incapacity of the Applicant or the authorized representative, which precludes timely submission of the CMSP Supplemental Application and all required verifications necessary to determine the Applicant's or Beneficiary's eligibility.

2. Participation of the Applicant, the Beneficiary or their authorized representative in a face-to-face interview is precluded by physical or mental illness or incapacity, or the unavailability of transportation to the County Department for the face-to-face interview.

3. A delay in the receipt of verifications, reports and/or other information necessary to determine eligibility that is beyond the control of either the Applicant or the County Department.

4. The CWD is notified by SP-DDSD the Applicant's or Beneficiary's case has been closed with a 'No Determination' status due to insufficient evidence resulting from the failure to cooperate. The CWD shall:

    a. First notification – Discontinue CMSP with timely notice for failure to cooperate with DDSD process.

If the Applicant or the Beneficiary contacts the CWD prior to the effective date of discontinuance and provides a reasonable excuse for failure to cooperate, the CWD

may rescind the discontinuance and resubmit the disability Application to SP-DDSD with any new information, if applicable.

Note: If the Applicant or the Beneficiary is willing to cooperate and if it has been less than 30 days from the date the DDSD case was closed, then the County shall contact DDSD and request that DDSD reopen the existing packet.

If it has been over 30 days from the date that the DDSD case was closed the CWD shall require the Applicant or the Beneficiary to resubmit a new packet.

b. Second Notification – Discontinue CMSP with a timely notice for failure to cooperate with DDSD process.

If the Member reapplies for CMSP following the discontinuance and agrees to cooperate, the CWD shall resubmit the disability application with any new information, if applicable, to DDSD.

The CWD shall not grant eligibility for CMSP until the individual provides the CWD with adequate documentation of compliance with DDSD requests, or the CWD receives a final determination on the case from DDSD (see CMSP ACL 05-04 appendix B for more details). If the Member appeals a denial by Social Security for non cooperation within thirty days the CWD shall either 1) rescind the CMSP discontinuance for the remainder of the CED, or 2) approve a CMSP reapplication if otherwise eligible.

3-030. Discontinuance Due to Death

Eligibility for CMSP shall be discontinued at the end of the month in which a Beneficiary dies. In addition, upon notice of the death of a Beneficiary, the CWD shall initiate a DDSD referral.

3-031. Eligibility Determination Promptness Requirement

The County Department shall complete the determination of eligibility and Share of Cost as quickly as possible but not later than 75 days following the date of the Medi-Cal Application.

A. The 75-day period may be extended when the Applicant, for good cause [see section 3-029(B)], has been unable to return the completed CMSP Supplemental Application and necessary verifications in time for the County Department to meet the promptness requirement. The CWD may permit additional and reasonable time for the Applicant who is making a reasonable effort to obtain the required verifications or information.

B. The CWD shall contact the Applicant or Beneficiary twice in writing to obtain any verification or information needed to determine eligibility. The First Contact may take place at the initial face-to-face interview when the Eligibility Worker gives the Applicant a written request to provide specific information. If the application is submitted by mail the first contact occurs when the Eligibility Worker sends a

written request to the Applicant for needed information/verifications. In both of these instances the Eligibility Worker shall give the Applicant/Beneficiary 10-calendar days to provide the necessary information

C. If the Applicant fails to provide the necessary information within the 10-calendar days, the CWD shall contact the Applicant/Beneficiary to notify them in writing that the eligibility determination cannot be made and that they have not provided all necessary information. The CWD shall provide the Applicant/Beneficiary an additional 10-calendar days to submit the requested information.

D. The CWD shall deny the application or discontinue eligibility if the information is not received by the second due date.

E. If good cause is established after the application is denied, the denial action may be rescinded in accordance with section 3-029(B).

F. The determination of eligibility shall be considered complete on the date the Notice of Action is mailed.

G. Applicants indicating that they have an immediate need, in that medical services and/or medications cannot be obtained without a determination of eligibility, shall have their eligibility established as soon as all information has been received by the county. The county shall expedite the eligibility determination within available resources.

3-032. Notice of Action – CMSP Determinations

County Departments shall notify Applicants or Beneficiaries in writing of their CMSP eligibility or ineligibility per section 15-011.C.

Note: No additional Notice of Action is required prior to date of discontinuance due to the end of certification period, after the initial approval Notice of Action is issued. However, when automated systems allow, a Certification End Date notice may be issued to the beneficiary prior to the Certification End Date to facilitate timely reapplication. If the beneficiary requests discontinuance or the county discontinues CMSP benefits for a reason other than the end of the certification period, a separate Notice of Action is required.

A. The Notice of Action shall include the following:

1. The approval, denial, or discontinuance of eligibility and the effective date of the action.

2. The amount of the Share of Cost, if any, and the amount of the net nonexempt income used to determine the Share of Cost.

3. The reason an action is being taken and the specific regulations supporting the action.

4. A statement, when appropriate, regarding the information or action necessary to reestablish eligibility.

5. A statement informing the applicant/enrollee of their right to file an appeal and the procedures for exercising these rights.

B. The Notice of Action shall be mailed as follows:

1. Adverse Actions, at least ten calendar days prior to the first of the month in which the action becomes effective.

2. Discontinuances or changes in the Share of Cost which are not Adverse Actions, in sufficient time to reach the Beneficiary by the effective date of the action.

3. All other instances, no later than the date the County Department takes the action.

C. Conditional notices, which advise Applicants or Beneficiaries that eligibility will be denied or discontinued unless specified actions are taken by the Applicants or Beneficiaries, shall not be considered to have met the Notice of Action requirements of this Section.

D. Authorized Representatives shall receive copies of the notifications if previously requested by the Applicant or Beneficiary via MC 382, or other written, telephonic or electronic method (allowed by Medi-Cal).

3-033. Corrective Action on Denied Applications

A denial of an Application shall be rescinded when the County Department determines that the denial was in error. CMSP eligibility that results from corrective action taken on a denied Application shall be approved based on the date of the CMSP Application that was denied.

3-034. Applicant and Beneficiary General Responsibilities

The County shall assist the Applicant as necessary in meeting the requirements of this Section.

Applicants, persons acting on behalf of such Applicants, or persons who have completed and signed the CMSP Supplemental Application, shall:

1. Complete and participate in the completion of all documents required in the Application.

2. Make available to the County Department all documents needed to determine eligibility and Share of Cost, as specified in Sections 3-025 through 3-027.

3. Report all facts that are pertinent to the determination of eligibility and Share of Cost.

4. Report any changes in the facts pertinent to the determination of eligibility within ten calendar days following the date the change has occurred.

5. Cooperate fully in any investigation that may be required for Quality Control.

6. Report and utilize other health care coverage available to the individual or family group in accordance with Section 13-011.

7. Applicant must cooperate fully with the disability determination process following Application to SP-DDSD.

8. Be responsible for any action or inaction taken by an appointed Authorized Representative.

3-035. Unconditionally Available Income

At the time of Application/Reapplication an Applicant or Beneficiary shall, as a condition of CMSP eligibility, take all actions necessary to obtain unconditionally available income except as limited in (C) below. This includes applying for such income and cooperating in supplying the information requested by the agency making the award determination.

A. Income shall be considered unconditionally available if the Applicant or Beneficiary has only to claim or accept the income. Such income includes, but is not limited to:

    1. Disability insurance benefits.

    2. Benefits available to veterans of military service.

    3. OASDI benefits, except for early Social Security retirement.

    4. Unemployment insurance benefits, if such benefits are available and the individual is working less than 40 hours per week.

B. Only the person who refuses to apply for and accept unconditionally available income shall be rendered ineligible by such refusal.

C. After the amount of unconditionally available income is determined, an Applicant or Beneficiary will not be required to apply for or accept such income, if either of the following exists:

    1. The acceptance of such income would not result in a Share of Cost; or

    2. The acceptance of such income would not increase a Share of Cost already determined.

D. For cases detailed in (C), the County shall require verification from the agency making the award determination. The verification shall be maintained in the case file.

3-036. Social Security Numbers

Each Applicant for CMSP shall, as a condition of eligibility for Full Scope CMSP benefits under Aid Codes 88 and 89, obtain and provide the County Department with a SSN.

A. The SSN shall be provided to the County Department at the time of Application unless the Applicant must apply for the number. If Application for a SSN must be made, the SSN will be provided to the County Department by the Program or by the Social Security Administration (SSA).

B. CMSP shall not be denied, delayed, or discontinued for an Applicant or Beneficiary because of these requirements unless the Applicant or Beneficiary refuses to apply for or provide a SSN.

    1. Eligibility of an Applicant or Beneficiary who refuses to apply for or provide a SSN shall be denied or discontinued.

    2. Persons ineligible for CMSP in accordance with (1) shall be an ineligible member of the CFBU in accordance with Section 6-013.

C. The County Department shall assist the Applicant or Beneficiary by explaining how to apply for a SSN and by providing a SSA Referral Notice, Form MC 194.

D. The County shall notify the Beneficiary if the information provided by that Beneficiary does not result in verification of the SSN by the SSA. CMSP eligibility shall be discontinued if the Beneficiary fails, without good cause, to respond to the notice within 60 days.

3-037. Case Records and Confidentiality

The County Department shall retain case records and ensure confidentiality.

A. The County Department shall adhere to the requirements in Division 19 and 23, Manual of Policies and Procedures, Department of Social Services, governing:

    1. Maintenance of case records.

    2. Confidentiality of case records.

    3. Safeguarding federal tax information.

    4. Access to case records.

B. The Board of Supervisors of a County may authorize the destruction of:

1. Narrative portions of a case record, which are over three years old, in any case file, active or inactive, after an audit by the County Department.

2. Case files, which have remained inactive for a period of three years providing the Program has not notified the County Department that unresolved issues or pending civil or criminal actions, exist.

3. Fiscal records, which are over three years old from the date that the County Department has submitted the last CMSP expenditure, report to the Program.

4. Budget records that are over three and one-half years old from the date of the last budget month document.

Article 4. Institutional Status

4-010. Institutional Status--General
4-011. Ineligible Due to Institutional Status

Article 4 Institutional Status

4-010. Institutional Status--General

The status of Inmates in public or private Institutions shall be a factor in the determination of their CMSP eligibility as specified in Section 4-011. The eligibility of Inmates whose institutional status does not cause ineligibility under Section 4-011 shall be contingent upon all other eligibility requirements being met.

4-011. Ineligible Due to Institutional Status

Ineligibility for persons classified as Inmates in (A) begins on the day institutional status commences and ends on the day institutional status ends.

A. Inmates in public or private Institutions shall be ineligible for CMSP due to institutional status if they are any of the following:

    1. Detained under the penal system (includes house arrest).

    2. Detained under Section 602 (wards of the juvenile court), California Welfare and Institutions Code.

    3. Inmates in an Institution for the treatment of tuberculosis.

    4. Inmates in an Institution for mental diseases.

    5. Inmates of a public Institution, which is not a medical facility.

B. Institutional status of persons detained under the penal system including Section 602 of the California Welfare and Institutions Code shall be considered to be terminated only when the Inmates are released from the public Institution on permanent release, bail, probation or parole (but not including house arrest). Institutional status of such persons shall not be affected by an outpatient visit to a physician or other medical practitioner outside the public Institution or transfer to a public or private medical facility.

C. Institutional status for persons in non-penal facilities shall be considered to be terminated when either of the following situations exists:

    1. Persons are released from an Institution for mental diseases or tuberculosis or transferred from such an Institution to a public or private medical facility. Institutional status of such persons shall not be affected by an outpatient visit to a physician or other medical practitioner outside the Institution.

    2. Persons are on conditional release or convalescent leave from an Institution for mental diseases.

Article 5. Alienage, Citizenship, and Residency

5-010. Citizenship or Immigration Status for Full Scope CMSP Benefits
5-011. Documentation of Status as a Citizen or National of the United States
5-012. Documentation of Status as an Alien Lawfully Admitted for Permanent Residence
5-013. Documentation of Status as an Alien Permanently Residing in the United States Under Color of Law (PRUCOL)
5-014. Opportunity to Submit Documents
5-015. Verification of Satisfactory Immigration Status
5-016. Restricted Scope CMSP Benefits Under Aid Code 50 for Certain Aliens
5-017. Written Declaration of Status as a Citizen or National of the United States, or an Alien
5-018. Residence--General
5-019. Temporary Absence From the County
5-020. Absence From the County for More Than 60 Days
5-021. Death During Absence From the County

Article 5 Alienage, Citizenship, and Residency

5-010. Citizenship or Immigration Status for Full Scope CMSP Benefits

To be eligible for Full Scope CMSP Benefits under Aid Code 88 and 89, an Applicant or Beneficiary shall be a California resident who is one of the following:

A. A citizen of the United States. Persons born in any of the following locations are U.S. citizens:

- The 50 states
- The District of Columbia
- Puerto Rico
- Guam
- The U.S. Virgin Islands
- The Northern Mariana Islands

B. A national of the United States from American Samoa or Swain's Island.

C. A lawfully present alien, including, but not limited to, legal immigrants, refugees, and permanent alien residents.

5-011. Documentation of Status as a Citizen or National of the United States

An Applicant's status as a citizen or national of the United States must be documented.

A. Original documents which serve as evidence that an Applicant is a citizen or national of the United States must be presented for all individuals applying for benefits.

B. Documents which verify an individual's status as a citizen or national of the United States include the following:

1. A birth certificate issued by a governmental entity within the United States or its outlying possessions.

2. A United States passport.

3. United States Citizen Identification Card (USCIS Form I-179 or I-197).

4. Certification of Naturalization (USCIS Form N-550 or N-570).

5. Certification of Citizenship (USCIS Form N-560 or N-561).

6. Certification of Birth Abroad (Department of State Form FS-545 or DS-1350).

7. Report of Birth: Child Born Abroad of American Parent or Parents (Department of State Form FS-240).

8. Northern Mariana Identification Card (I-873) issued by INS to persons born in the Northern Mariana Islands. These persons acquired United States citizenship through Public Law 94-241.

9. A religious document recorded within three months of birth, showing that the birth took place in the U.S. Religious documents shall be accepted only in the absence of other types of evidence listed above.

10. Any other document from USCIS, which verifies that the individual is legally present in the United States. Such documents include, but are not limited to, an Individual Fee Registration Receipt (USCIS Form G-711), which shows that the individual has filed an Application for a replacement USCIS document which was lost or stolen.

11. A successful Social Security Administration (SSA) Match can be used to verify citizenship and identity. The Medi-Cal Data System (MEDS) on the Other Client Eligibility Information (INQE) screen reflects if the SSA match was successful in verifying citizenship and identity.

    a. If there is a match ("2Z"), then citizenship and identity requirements have been met and no further evidence of citizenship or identity is required.

    b. If there is no match, the citizenship and identity of the applicant/ beneficiary are considered to be "unverified."

12. Citizenship and identity determined through the federal Data Services Hub shall also satisfy the requirements for documentation of citizenship and identify under this Section 5-011.

5-012. Documentation of Status as an Alien Lawfully Admitted for Permanent Residence

Applicants in this classification shall present a document, which establishes their identity and one or more, but not limited to, the following documents:

A. A Resident Alien Receipt Card (USCIS Form I-551) (also known as a Permanent Resident Card, or Green Card), or USCIS Form I-151. B. Record of Arrival and Departure (USCIS Form I-94) or foreign passport with a special stamp of admission which shows the date of arrival, class of admission and date on which the alien is to depart. In addition, the form should have a stamp indicating that an I-551 will be issued.

B. An USCIS Form I-181b notification letter which is issued in connection with a Memorandum of Creation of Record of Lawful Permanent Residence (I-181) which

shows that an Alien Registration Receipt Card (USCIS Form I-551). The Form I-181b should indicate that an I-551 will be issued.

C. USCIS Form I-327: Permit to Re-enter the United States.

D. A letter from the Canadian Department of Indian Affairs, a birth or baptismal record issued on a Canadian Indian reservation, or tribal or school records which establish that a Native American born in Canada is of at least one-half American Indian ancestry.

E. An Individual Fee Register Receipt (USCIS Form G-711) for replacement of lost, stolen, or unreadable alien registration or alien admission document listed in this section.

F. Persons with valid Lawfully Permanent Resident (LPR) documentation residing in the US for less than 5 years may be eligible for CMSP benefits with Aid Codes 88 or 89.

5-013. Documentation of Status as an Alien Permanently Residing in the United States under Color of Law (PRUCOL)

Applicants in this classification meeting program requirements may be eligible for Full Scope CMSP benefits under Aid Codes 88 or 89. To establish PRUCOL status the applicant shall present a document, which establishes their identity, and one or more of the following USCIS issued documents:

A. Aliens admitted to the United States before April 1, 1980, in accordance with Immigration and Nationality Act (INA) Section 203 (a) (7) {8 USC 1153 (a) (7)}: Arrival-Departure Record, USCIS Form I-94, annotated "REFUGEE-CONDITIONAL ENTRY."

B. Aliens paroled into the United States for an indefinite period including Cuban/Haitian Entrants and Public Interest/Humanitarian Parolees: USCIS Form I-94, with notation that the alien has been paroled into the United States pursuant to INA Section 212 (d) (5) {8 USC 1182 (d) (5)}.

C. Aliens subject to an Order of Supervision: ISCIS Form I-220B.

D. Aliens granted an indefinite stay of deportation: USCIS Form I-94 or a letter from USCIS showing this status.

E. Aliens granted an indefinite voluntary departure: USCIS Form I-94 or a letter from USCIS showing this status.

F. Aliens on whose behalf an USCIS Form I-130 (Petition to Classify Status of Alien Relative for Issuance of Immigrant Visa) has been filed, with their families covered by the petition, who are entitled to voluntary departure but whose departure USCIS

does not contemplate enforcing: USCIS Form I-94 showing this status or Alien Voluntary Departure Notice, USCIS Form I-210.

G. Aliens who have filed Applications for adjustment to be lawfully admitted for permanent Residence status that USCIS has accepted as "properly filed:" An USCIS Form I-181 Memorandum of Creation of Record of Lawful Permanent Residence, and USCIS Form I-94 stamped I&NA Section 245 Applicant, or a properly endorsed U.S. passport.

H. Aliens granted a stay of deportation for a specific period by court order, statute or regulation, or by individual determination of USCIS in accordance with INA Section 106 (8 USC 1105a) or relevant USCIS Operating Instruction and whose departure USCIS does not contemplate enforcing: USCIS Form I-94, a letter from USCIS, or an order issued by a District Director of USCIS, the Executive Office of Immigration Review, or a federal court.

I. Aliens granted asylum in accordance with INA Section 208 (8 USC 1158): USCIS Form I-94, and a letter from USCIS showing this status.

J. Aliens admitted as refugees since April 1, 1980: Arrival-Departure Record, USCIS Form I-94, annotated: "ADMITTED AS A REFUGEE PURSUANT TO SECTION 207 OF THE IMMIGRATION AND NATIONALITY ACT," or an unexpired Refugee Travel Document, USCIS Form I-571.

K. Aliens granted voluntary departure, whose departure USCIS does not contemplate enforcing: USCIS Form I-94, showing this status, or Alien Voluntary Departure Notice, USCIS Form I-210, bearing a departure date.

L. Aliens in deferred action status pursuant to INS operating instructions: Alien Voluntary Departure Notice, USCIS Form I-210, or a letter from USCIS showing this status.

M. Aliens who have applied for an adjustment of status from undocumented alien to alien lawfully admitted for permanent Residence in accordance with INA Section 249 (8 USC 1259) on the basis of having entered and continuously resided in the United States since before January 1, 1972: Individual Fee Register Receipt, USCIS Form G-711, and an Interview Appointment Letter, USCIS Form I-468.

N. Aliens who have been granted suspension of deportation in accordance with INA Section 244 (8 USC 1254) whose departure USCIS does not contemplate enforcing: Arrival-Departure Record, USCIS Form I-94, and an order issued by the Executive Office of Immigration Review.

O. Aliens whose deportation is being withheld in accordance with INA Section 243 (h) {8 USC 1253 (h)}: Arrival-Departure Record, USCIS Form I-94, and an order issued by the Executive Office of Immigration Review.

P. Aliens granted extended voluntary departure for a specified time due to conditions in their home countries: Arrival-Departure Record, USCIS Form I-94, showing this status or Alien Voluntary Departure Notice, USCIS Form I-210.

Q. Aliens whose USCIS documents have been lost or stolen or are unreadable: An Individual Fee Register Receipt (USCIS Form G-711) which shows the person has applied for replacement of a lost, stolen, or unreadable alien registration, or alien admission document listed in this section.

R. Aliens living in the United States with the knowledge and permission of USCIS whose departure USCIS does not contemplate enforcing: INS documents which establish these facts.

S. Battered non-citizen, or parent or child of battered non-citizen.

T. Pending application for Creation of Record of Lawful Admission for Permanent Residence, with Employment Authorization.

U. Granted withholding of removal under the Convention against Torture.

V. Granted Temporary Protected Status (TPS), or pending applicants for TPS (pending applicants must have Employment Authorization).

W. Family Unity Beneficiary.

X. Granted Deferred Enforced Departure.

Y. Resident of American Samoa.

Z. Citizens of Micronesia, the Marshall Islands, and Palau.

AA. Administrative order staying removal issued by the Department of Homeland Security,

BB. Pending application for asylum with Employment Authorization or is under the age of 14 and has had a pending application for asylum for at least 180 days.

CC. Pending application for withholding of removal with Employment Authorization, or is under the age of 14 and has had a pending application for withholding of removal for at least 180 days.

DD. Pending application for legalization under the LIFE Act, with Employment Authorization.

EE. Pending application for suspension of deportation, or cancellation of removal or special rule cancellation of removal, with Employment Authorization.

5-014. Opportunity to Submit Documents

Applicants shall be informed that they must present documents, which serve as reasonable evidence of United States citizenship, or USCIS issued documents, which indicate Satisfactory Immigration Status for CMSP eligibility purposes.

A. Applicants for Full Scope CMSP Benefits under Aid Codes 88 and 89, including persons born abroad and claiming United States citizenship, shall have 30 calendar days, or the time it actually takes the County to process the CMSP Application, whichever is longer, to submit such documents. The 30-day period begins at the time the completed MC 13 (or other appropriate Medi-Cal form declaring citizenship/immigration status) is received by the County Department.

B. Applicants who do not present documentation indicating United States citizenship or Satisfactory Immigration Status within the period prescribed in subsection (A) shall receive Restricted Scope CMSP Benefits under Aid Code 50.

C. The County Department shall provide adequate notice to the individual of any Adverse Action and shall accord to the individual an opportunity for a hearing.

5-015. Verification of Satisfactory Immigration Status

Applicants for Full Scope CMSP Benefits under Aid Code 88 or 89, who have declared themselves to be aliens, must also declare in writing whether, to the best of their knowledge and belief, they have a Satisfactory Immigration Status. Such aliens must complete the MC 13, Statement of Citizenship, Alienage, and Immigration Status. In addition;

A. Such aliens shall present original USCIS issued documents, which indicate their status. At least one of these documents should contain an alien registration or alien admission number.

B. Counties shall forward copies of the USCIS issued documents to USCIS in cases where:

1. The document presented indicates immigration status but does not include an alien registration or alien admission number.

2. The document is suspected to be counterfeit or to have been altered.

3. The document includes an alien registration number in the A60 000 000 (not yet issued) or A80 000 000 (illegal border crossing) series.

4. The document is an USCIS Form I-181b Notification Letter issued in conjunction with a Memorandum of Creation of Record of Lawful Permanent Residence (USCIS Form I-181), an Arrival-Departure Record (USCIS Form I-94) or a foreign passport stamped "PROCESSED FOR I-551, TEMPORARY

EVIDENCE OF LAWFUL PERMANENT RESIDENCE" that USCIS issued more than one year before the date of Application for CMSP.

C. Full Scope CMSP Benefits received pending completion of a determination of immigration status by USCIS shall be reduced to restricted (emergency services only) CMSP benefits upon receipt of a notice from the USCIS or the Applicant or Beneficiary of a lack of Satisfactory Immigration Status.

5-016. Restricted Scope CMSP Benefits Under Aid Code 50 for Certain Aliens

Aliens who possess only a visitor visa are **not** eligible for any CMSP benefits. Certain aliens are entitled to restricted scope CMSP benefits under Aid Code 50.

A. To be eligible these aliens must be:

1. A CMSP County resident, as specified in Section 5-018, and either of the following:

2. An alien who lacks INS issued documents establishing Satisfactory Immigration Status.

3. A nonimmigrant alien legally admitted to the United States for a limited period, such as individuals legally admitted under a work permit with a limited duration.

B. Alien Applicants for CMSP Benefits shall meet all other program requirements except for possessing or having applied for a Social Security Number.

C. A person who is otherwise eligible for Medi-Cal shall not be eligible under this section.

5-017. Written Declaration of Status as a Citizen or National of the United States, or an Alien

All individuals requesting or receiving CMSP benefits shall state in writing, on the MC 13 (or CMSP 210, MC 210, SAWS 2 or other appropriate Medi-Cal form declaring citizenship/immigration status), under penalty of perjury, whether they are citizens or nationals of the United States or aliens. This shall not apply to Applicants for CMSP Benefits in any category of aliens covered by a restraining order, injunction or other order issued by a court of competent jurisdiction restricting the requirement of a declaration of citizenship, national of the United States, or alien status.

5-018. Residence--General.

An individual applying for, or receiving, CMSP benefits must be a resident of a CMSP County.

A. County Residence shall be established by either of the following:

1. Physical presence, if there is no intention of leaving the County unless the Applicant maintains a home outside the County of physical presence.

2. Living in the County at the time of Application, not receiving medical assistance from another County, and having entered the County with a job commitment or to seek employment, whether or not currently employed.

B. Family Members may establish separate residences without a break in marital or family ties. Only those Family Members who meet the requirements of this article may be eligible for CMSP.

C. Once County Residence is established, it continues until Residence is established in another County.

D. A person's declaration on the CMSP Supplemental Application shall be accepted as proof of Residence unless there is evidence to the contrary.

E. Aliens possessing only a visitor visa are not considered a resident.

5-019. Temporary Absence From the County

Residence shall not be affected by temporary absence from the County for periods of 60 days or less. An absence of 60 days or less shall be presumed to be a temporary absence, unless there is evidence to the contrary. An Application or Reapplication from an Applicant or Beneficiary who has been temporarily absent from the County for 60 days or less shall be accepted.

5-020. Absence From the County for More Than 60 Days

Absence from the County for more than 60 days shall be presumptive evidence of the Applicant's or Beneficiary's intent to change County Residence.

A. The person may contest this presumption by declaring in writing:

1. An intent to return to the County; and

2. The existence of one of the following circumstances:

a. Illness or emergency circumstances, which prohibit return to the County.

b. Family Members with whom the Applicant or Beneficiary lives are County residents and are physically present in the County.

c. The Applicant or Beneficiary maintains County housing arrangements.

B. Unless there is evidence to the contrary, County Residence may be considered to be terminated when an Applicant or Beneficiary leaves the County and then takes any of the following actions in another county:

1. Purchases, leases, or rents a residence.
2. Becomes employed.
3. Obtains a new address on his or her driver's license.
4. Applies for aid in another county.

5-021. Death During Absence From the County

A person who dies during an absence from the County shall be considered a resident if there is evidence that the requirements of Section 5-019 or Section 5-020 were met at the time of death.

Article 6. Responsible Relatives and Unit Determination

6-010. Responsible Relatives
6-011. CMSP Family Budget Unit (CFBU)
6-012. CMSP Family Budget Unit Determination, No Family Member in LTC or Board and Care
6-013. Ineligible Members of the CMSP Family Budget Unit
6-014. Persons Excluded From the CMSP Family Budget Unit

Article 6. Responsible Relatives and Unit Determination

6-010. Responsible Relatives

In determining CMSP eligibility and Share of Cost, Relative responsibility shall be determined in accordance with the following:

A. Relative responsibility shall be spouse for spouse when the spouses are living together in the same home.

B. If one spouse is absent from the home due to employment in another locality, they will have their eligibility determined as if they were living together.

C. If the spouses are living apart due to a marital break, they shall have their eligibility and Share of Cost determined as single persons the day following the separation if it is known that the separation will not be temporary.

D. Parent for ineligible Child living in the Parent's home.

E. Unmarried Parents shall have their eligibility and Share of Cost determined as a family unit when both unmarried Parents and their common Child/Children live together in the same home. In mixed cases, the higher deduction allowed by either program shall be used.

6-011. CMSP Family Budget Unit (CFBU)

The CMSP Family Budget Unit (CFBU) shall be the basic unit of persons considered in determining an Applicant's or Beneficiary's eligibility and Share of Cost:

The CFBU shall be established in accordance with Sections 6-012 and 6-013. Members of the CFBU may be excluded from an established CFBU in accordance with Section 6-014.

6-012. CMSP Family Budget Unit Determination, No Family Member in LTC or Board and Care

The CFBU for a family shall be determined in accordance with the following:

A. Family Members who are PA or Other PA Recipients shall not be included in the CFBU.

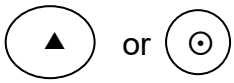
B. All Family Members living in the home, other than individual Adults, shall be included in the CFBU in accordance with Section 6-010, whether or not they are eligible for, or wish to receive, CMSP. Potential members of the CFBU may be excluded in accordance with Section 6-014.

C. Once the potential members of the CFBU have been identified, the CFBU shall be determined in accordance with the following:

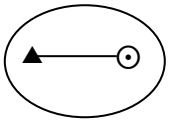
Family Members Living in the Home or LTC who are not PA or Other PA Recipients:

SYMBOLS: ▲ = Male Adult ⊙ = Female Adult ⊡ = Child ⭘ = Minor Spouse
()= Ineligible members of CFBU

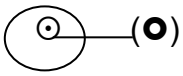
1. Individual Adult



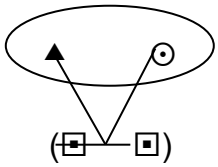
2. Adult and Adult spouse



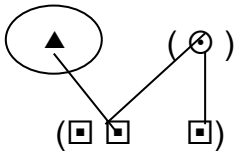
3. Adult and minor spouse



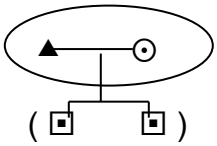
4. Adult unmarried Parents, mutual Children



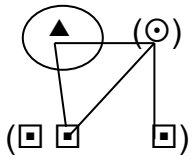
5. Both Adult unmarried Parents, mutual Children, and separate Children of either or both Parents



6. Adult Parent, Adult spouse, mutual Children



7. Adult married Parents, mutual Children, and separate Children of either or both Parents



Note: The above examples ONLY illustrate the CFBU, not the MFBU.

6-013. Ineligible Members of the CMSP Family Budget Unit

A CFBU may contain ineligible members:

A. Persons who are ineligible for CMSP for any of the following reasons shall be ineligible members of the CFBU, as limited by (D).

1. Receiving or potentially eligible for (due to age or other factors that may "link" the individual to the Medi-Cal program) Medi-Cal.

2. Refusal to apply for, or divulge, a Social Security Number.

3. Refusal to apply for and accept unconditionally available income.

4. Deliberately refusing to cooperate with the Medi-Cal program requirements, which results in their denial or termination of Medi-Cal eligibility.

5. Alien status.

6. Fleeing Felons.

7. Refusal to cooperate with DDSD Application process.

B. A Child who has separate income or property may be treated as an excluded member of the CFBU in accordance with Section 6-014. This is an option of the person who has legal responsibility for the Child. A Child or spouse receiving Medi-Cal shall always be an ineligible member of the CFBU.

C. Persons who are eligible for Transitional Medi-Cal (TMC) eligibility shall be ineligible members of the CFBU.

D. Ineligible members of a CFBU shall be included in the CFBU for the purpose of determining eligibility based on property and Share of Cost.

- If both spouses are applying for medical assistance and one is Medi-Cal eligible, deductions allowed in the Medi-Cal program are allowed for CMSP.

6-014. Persons Excluded From the CMSP Family Budget Unit

Any Child not receiving Medi-Cal may be excluded from the CFBU if the Child has separate income or property. This is an option of the person who has legal responsibility for the Child. Excluded Children shall not:

A. Be included in the CFBU for the purposes of determining eligibility and Share of Cost.

B. Have their health care costs used to meet the CFBU's Share of Cost

Note: An Applicant who voluntarily excludes a Child from the Medi-Cal Application and, thereby, eliminates his/her own deprivation/linkage to Medi-Cal cannot be eligible for CMSP based on that lack of linkage. For CMSP non-financial purposes, that individual is still considered to have Medi-Cal deprivation linkage.

Article 7. Property

7-010. Property Evaluation
7-011. Property Evaluation – Sneede v. Kizer
7-012. Availability of Property
7-013. Treatment of Property
7-014. Owner of Property
7-015. Contracts of Sale
7-016. Conversion or Transfer of Property
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7-019. Transfer of Property Which Results in Ineligibility
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7-050. Personal Effects

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7-054. Life Insurance
7-055. Burial Insurance
7-056. Burial Plots, Vaults, and Crypts
7-057. Burial Trusts or Prepaid Burial Contracts
7-058. Loans
7-059. Business Property
7-060. Stocks Held by Natives of Alaska
7-061. Property Held in Trust
7-062 Pension Funds, IRA's, and Other Retirement Accounts
7-063. CalWORKs Restricted Accounts

Article 7. Property

7-010. Property Evaluation

After determining the composition of the CFBU, the County Department shall evaluate the property holdings of the CFBU to determine:

A. Property to be included in determining eligibility.

    1. CMSP does not allow for Community Spouse Resource Allowance (CSRA).

B. The value of the included property.

C. Whether the total value of the included property exceeds the property reserve limits specified in Section 7-029.

7-011. Property Evaluation - Sneede v. Kizer

The County Department shall consider the results of a Medi-Cal eligibility determination made pursuant to Sneede v. Kizer for any CMSP Applicant or Beneficiary who was included in the Medi-Cal determination.

A. All property attributed to a CMSP Applicant or Beneficiary from a Sneede v. Kizer calculation shall be included in their property reserve.

B. The property reserve shall be compared with the appropriate property limit shown in Section 7-029 to determine eligibility.

7-012. Availability of Property

1) Property, which is not available, shall not be considered in determining eligibility. Property not available includes, but is not limited to, any property affected by court action or legal proceedings, which is frozen until such action, or proceedings are completed.

    In addition, property, which is not accessible to the Applicant or Beneficiary due to verified legal constraints or lack of competence, verified by a physician statement, shall not be considered in determining eligibility for the whole certification period. Follow up regarding such property shall be completed at the time of reapplication.

    Note: For Cash Surrender Value of Life Insurance, Annuities, IRAs and other retirement accounts, property is considered unavailable for the whole certification period beginning the month in which the Applicant/beneficiary requested disbursement or withdrawal of the funds. Verification of the request for withdrawal/disbursement of the funds shall be received from the source

(company/bank) prior to case approval. Follow up regarding the receipt of the funds and spend down shall be completed at the time of reapplication.

2) Other real property regardless of value shall be considered unavailable beginning the first day of the month in which a good faith intent and bona fide effort to sell is started and shall remain unavailable until the last day of the month in which the property has been sold.

3) At the time of reapplication or when there is a break of eligibility at any subsequent reapplication, if the Applicant or Beneficiary discontinues his/her good faith intent or bona fide efforts to liquidate other real property or otherwise fulfill the requirements of this section, the property shall be considered available. The Applicant shall not be given a second opportunity to apply the unavailable property rules.

   Necessary steps demonstrating a bona fide effort to sell shall include, but are not limited to:

   i. Listing property for sale with a licensed real estate broker for its fair market value established by a qualified real estate appraiser.

   ii. Advertising the property for sale in at least a local newspaper. If there is no local newspaper, the property must be advertised in a newspaper with a local distribution.

   iii. Accepting bona fide offers within two-thirds of the fair market value and

   iv. Supplying copies of all offers.

   The Applicant or Beneficiary shall supply verification to the county department every six months and at any other time it is requested by the county department, that all the conditions in subsection 3 are met.

4) Good cause for ceasing bona fide efforts shall include misplaced reliance by the Applicant or Beneficiary upon what appeared to be a bona fide offer. The county department shall require a copy of the written offer for the property as evidence that the offer was bona fide. Misplaced reliance may have resulted if the offer was either of the following:

   i. Bona fide but the purchaser was unable to complete the purchase.

   ii. Apparently bona fide but eventually found not to be bona fide.

7-013. Treatment of Property

The Separate Property and Share of Community Property of any person included in the CFBU shall be considered in determining CMSP eligibility. A spouse's Share of Community Property is always one-half of the current total Community Property.

7-014. Owner of Property

The owner of property, for CMSP eligibility purposes, shall be the person who holds legal title to the property unless otherwise specified in these regulations. Ownership of property may be vested in one individual or shared with other individuals.

7-015. Contracts of Sale

Property purchased under a signed contract of sale by the Applicant or Beneficiary shall be included in the property reserve of the Applicant or Beneficiary.

A. Property being sold by the Applicant or Beneficiary under a signed contract of sale shall not be considered the property of the Applicant or Beneficiary. The interest payments received under the contract of sale shall be unearned income. The principle payments received under the contract of sale shall be property.

B. Property being purchased or sold under a verbal or unsigned contract of sale shall be considered the property of the seller until the sale is complete.

7-016. Conversion or Transfer of Property

Conversion or Transfer of Property may affect eligibility. Sections 7-017 and 7-018 describe methods of converting or transferring property, and the effect of each method on eligibility.

7-017. Conversion of Property--Treatment

Conversion of property in itself from one form to another has no effect on eligibility; however, the property obtained through a conversion may have an effect on eligibility and, therefore, shall be evaluated to determine its effect. Insurance or other third-party payments for the loss or damage of property shall be treated as converted property, rather than income.

7-018. Transfer of Property Which Does Not Result in Ineligibility

A. Transfer of property shall not result in ineligibility for CMSP under any of the following conditions:

(1) The property would have been considered exempt pursuant to Section 7-027 at the time of transfer.

(2) The net market value of the property transferred, when included in the property reserve, would not result in ineligibility. The determination of value shall be made as of the time of transfer. If eligibility exists, the value of the property shall no longer be considered.

(3) Adequate Consideration is received. Adequate Consideration is the Fair Market Value of the property as defined in Section 7-021 and includes:

a) A transfer, which was made to satisfy a legal debt.

b) A transfer, which was to reimburse someone other than a responsible Relative, as specified in Section 6-010 for care and benefits provided on the basis of an agreement or understanding that reimbursement would be made. The Applicant or Beneficiary shall provide evidence that clearly establishes that the value of the care or benefits provided was reasonably equivalent to the value of the property transferred.

c) A written transmittance of a married couple's non-exempt Community Property into two equal shares of Separate Property through an interspousal agreement.

d) Foreclosure or repossession of the property was imminent at the time of transfer, and there is no evidence of collusion.

e) The transfer was made in return for an enforceable contract for life care, which does not include complete medical care. In this case, each full item of need provided under the life care contract shall be considered income in-kind in accordance with Section 8-016.

f) The transfer was made without Adequate Consideration, but the Applicant or Beneficiary provides sufficient evidence, as specified in Section 7-019(B), to overcome the presumption that the transfer was for the purpose of establishing eligibility or reducing the Share of Cost.

B. There is a presumption that property transferred by the Applicant more than two months preceding the date of the initial Application was not transferred to establish

eligibility or reduce the Share of Cost. Such property shall not be considered in determining eligibility.

C. While the Transfer of Property by an Applicant or Beneficiary from one form to another as described in (A) above, has no effect on eligibility, any property obtained by an Applicant or Beneficiary through such a transfer may have an effect on eligibility and therefore shall be evaluated to determine its effect.

7-019. Transfer of Property Which Results in Ineligibility

A. Transfer of property shall result in ineligibility for CMSP if:

(1) The transfer met none of the conditions specified in Section 7-018; or

(2) The transfer was in return for an enforceable life care contract, which includes complete medical care.

B. Transfer of property without Adequate Consideration shall result in ineligibility for CMSP if the transfer was made to establish eligibility or to reduce the Share of Cost.

1. It shall be presumed that property transferred without Adequate Consideration was for the purpose of establishing eligibility or to reduce the Share of Cost as limited by (2).

2. To overcome the presumption that the Applicant or Beneficiary has the burden of establishing that the presumption is not correct.

a. The Applicant or Beneficiary shall provide evidence which may include verification of the onset of traumatic injury or illness, diagnosis of a previously undetected disability condition or unexpected loss of income or resources after transfer and/or that adequate resources were available at the time of the transfer or property for support and medical care considering such things as the Applicant's or Beneficiary's age, health, life expectancy, and ability to understand the extent of the resources.

b. Such evidence may also include other subjective evidence including, but not limited to, evidence that the claimant transferred property to avoid probate and/or that the claimant had no knowledge of CMSP or its benefits at the time of transfer.

c. However, any such evidence presented must be convincing evidence to overcome the presumption stated in (B) (1) above.

7-020. Period of Ineligibility Due to Transfer of Property

A. Following a determination of ineligibility due to the Transfer of Property, there shall be a period of ineligibility. This period shall be the time during which the net market value of the property at the time of transfer, less consideration received, would have supported the Applicant or Beneficiary and the Applicant's or Beneficiary's family. All transfers in a month should be added together to determine the total amount of the transfer.

B. The period of ineligibility shall be computed in the following manner:

1) Determine the net market value of the property at the time of transfer; less any consideration received which is the net value of the property transferred.

2) Determine the portion of the net value of the property transferred which, if included in the property reserve at the time of transfer, would not have caused such reserve to exceed the property limit that was applicable at that time.

3) The portion of the net value of the property transferred that would have exceeded the property limit at the time of transfer is the excess net value of the property transferred and shall be used to determine the period of ineligibility.

4) The number of months in the period of ineligibility shall be determined by dividing the excess net value of the property transferred by the monthly maintenance need for the CFBU. The maintenance need used shall be the maintenance need in effect during each individual month since the date of the transfer. Income received by the CFBU after the transfer shall not affect this computation.

5) The period of ineligibility may be further reduced by deducting the actual cost to the Applicant or Beneficiary of the following:

a. Medical expenses.

b. Out-of-home care costs in excess of the maintenance needs.

c. Major home repairs necessary to put the home into a livable condition.

C. The period of ineligibility shall begin the first of the month following the date the transfer occurred, which resulted in ineligibility, unless a ten-day notice is required, and cannot be given. In that case, the period of ineligibility shall begin the first of the next month.

D. The period of ineligibility shall end when any of the following situations occur:

(1) The property, which was transferred and caused ineligibility, is reconvened to the Applicant or Beneficiary.

(2) The Applicant or Beneficiary receives Adequate Consideration for the property.

(3) Deduction of the amounts specified in (B) (4) and (5) has reduced the excess net market value to zero.

7-021. Market Value of Property

The market value of property shall be determined.

A. The market value of Real Property shall be either (1) or (2) below, unless the Applicant or Beneficiary chooses to meet the conditions of (3), and (3) is lower:

(1) The assessed value determined under the most recent property tax assessment, if the property is located in California.

(2) The value established by applying the assessment method used in the area where the property is located, if the property is located outside of California.

(3) The value established as the result of an appraisal by a qualified real estate appraiser, if the appraisal is obtained by the Applicant or Beneficiary and provided to the County Department.

B. The market value of each item of Personal Property shall be determined by the specific methods contained in this article.

C. The market value of notes secured by deeds of trust and mortgages, which are considered as other Real Property in accordance with Section 7-036 (B), shall be established in accordance with Section 7-036 (C).

7-022. Encumbrances

Encumbrances of record are obligations for which the property is security. Encumbrances include, but are not limited to:

A. Loans.

B. Attachments for debts and taxes.

C. Chattel mortgages and liens.

7-023. Share of Encumbrances Determination

The Share of Encumbrances shall be determined as follows:

A. Determine the total market value of the property.

B. Determine the market value of the portion of the property that is to be considered.

C. Divide the amount determined in (B) by the amount determined in (A) to obtain the percentage that the portion of property is of the total property.

D. Multiply the total encumbrances on the property by the percentage determined in (C) above. This is the Share of Encumbrances.

7-024. Net Market Value of Property

The net market value of real or Personal Property is the owner's equity in that property.

A. The net market value shall be determined by subtracting the encumbrances of record from the market value.

B. The net market value of real or Personal Property owned jointly with other persons shall be determined by subtracting the Applicant's or Beneficiary's Share of Encumbrances from the Applicant's or Beneficiary's interest in the property.

7-025. Utilization Requirements

Other available Real Property, not part of a business, as specified in Section 7-034 (B), shall be utilized in order to be exempt unless the net market value, when added to the net market value of other nonexempt property, falls within the limits set forth in Section 7-029.

A. The property is utilized if the owner is receiving net yearly income from the property of at least six percent of the property's net market value.

(1) For property not limited to seasonal use, this requirement is met if the net monthly income from the property is one-twelfth (1/12) of six percent of the net market value of the property.

(2) For property limited to seasonal use, this requirement is met if the net yearly income is six percent of the net market value of the property. Property limited to seasonal use includes, but is not limited to, farmland or summer cabins.

(3) For purposes of determining net yearly income for property limited to seasonal use, the year is considered to begin in the first month of the year in which income normally begins. Income from all months of the year shall be considered in determining net yearly income of the property, regardless of the eligibility status of the Member in those months.

(4) This requirement is met if the property has been sold, or the sale is in escrow and there is a bona fide attempt to close the sale.

B. The owner shall be allowed six months to meet utilization requirements. The six month period shall be known as the utilization period and shall begin on the first of the month following issuance of a notice of action informing the Applicant or Beneficiary that the property is not yielding sufficient income, as required in (A). The utilization period shall be stayed during periods of ineligibility in accordance with (J).

C. The utilization period may be extended for a maximum of one year for good cause, as specified in Section 7-026.

D. An existing environmental impact report involving a property shall be considered by the County Department in determining the utilization potential of the property.

E. A Life Estate interest in Real Property shall be utilized in accordance with this section.

F. The Applicant or Beneficiary may arrange for a reassessment of the property during the utilization period. The assessment shall affect utilization as follows:

1) The reassessment value shall be used in determining utilization requirements.

2) The reassessment shall not affect the beginning date or the length of the utilization period.

G. The entire net market value of property not utilized in accordance with this section shall be included in the property reserve on the first of the month following the last month of the utilization period.

H. A utilization period shall begin whenever:

1. An Applicant owns other Real Property subject to utilization, which does not receive income equivalent to six percent of the property's net market value.

2. The other Real Property ceases to be utilized.

3. The net market value of other Real Property, when added to the net market value of other nonexempt property, no longer falls within the property limits specified in Section 7-029.

I. When a utilization period has begun and the Member becomes ineligible for CMSP prior to its expiration, the remainder of the utilization period shall be applied if eligibility is subsequently reestablished and the property is not utilized at that time.

However, if verification is provided that shows that the property was utilized at any time during the period of ineligibility, a new utilization period shall begin.

7-026. Utilization--Good Cause

Good cause may affect utilization requirements.

A. Good cause, as required in Section 7-025 (C), shall be found only if the Applicant or Beneficiary has made a bona fide effort to meet utilization requirements and is unable to do so because of circumstances beyond such person's control.

B. Circumstances beyond a person's control shall include any of the following situations:

(1) Death of a part owner of the property and inability or refusal of the administrator or executor of the estate or other responsible person to take actions necessary to meet the utilization requirements if such person is other than the Applicant or Beneficiary.

(2) Prolonged illness causing the Applicant or Beneficiary to be homebound or hospitalized during the utilization period and unable to take the necessary action to meet utilization requirements or to arrange for an agent to do so.

(3) Other reasons, which the County Department determines, meet the general intent of good cause.

7-027. Exemption of Property

Certain real and Personal Property is exempt and shall not be included in determining eligibility. These property exemptions are specified in Sections 7-032 through 7-063. All real and Personal Property not exempt is nonexempt property and must be included in the eligibility determination.

7-028. Property Reserve

The property reserve is the net market value of the nonexempt property of those persons whose property is considered in determining the eligibility of the CFBU.

7-029. Property Limit

Asset limits will apply to all CMSP Applicants.

As determined in accordance with Section 8-011, the following limits shall apply: the countable property reserve for these applicants must fall within the specified ranges listed below for the size of the CFBU. As long as the property reserve falls within the appropriate range sometime during the month, except where conditions specified in

Section 7-030 are met, the property limit requirements will be satisfied to establish eligibility.

The property reserves for CMSP are:

Number of Persons Whose Property is Considered	Property Limit
1 person	$10,000
2 persons	$20,000
3 persons	$21,500
4 persons	$23,000
5 persons	$24,500
6 persons	$26,000
7 persons	$27,500
8 persons	$29,000
9 persons	$30,500
10 persons	$32,000

7-030. Spend Down of Excess Property

Eligibility may be established by Spend Down of excess property, when the property reserve exceeds the property limit.

If the property reserve has been in excess of the limit from the first day of the month of Application through the date of Application, and the property reserve is brought within the property limit by the last day of the month of Application, the CFBU shall be eligible if all other eligibility requirements are met.

Excess property must be reduced during the month of Application. It may be reduced in any manner as long as the Applicant receives adequate consideration as defined in Sections 7-018 through 7-024.

When excess property is reduced during the month of application through payment of medical expenses, these medical services may not be billed to CMSP. The Applicant must provide verification to the County as to the amount spent down on medical expenses as well as the name and address of the providers that were used to reduce the excess property.

The County shall complete a CMSP Notice to Providers (CMSP 174) for each provider used to reduce the excess resource. The Applicant must sign and date the release of information section contained on the CMSP 174.

The same medical expenses cannot be used to meet the Beneficiary's Share of Cost for the application month.

7-031. Items of Property to be Considered

The items of property to be considered in determining eligibility are described in Sections 7-032 through 7-063. Each of these sections indicates:

A. Whether all or a portion of the item is exempt.

B. The method for determining the net market value of the specific item of property.

C. Any other information necessary to evaluate the property.

7-032. Principal Residence

Principal Residence means the property in which the Applicant or Beneficiary has an ownership interest and which the Applicant or Beneficiary uses as his/her home.

A. The principal Residence of the Applicant or Beneficiary is exempt from inclusion in the property reserve. The principal Residence:

(1) May be either real or Personal Property, fixed or mobile, and located on land or water.

(2) Includes all land, which Appertains to the home and any other buildings located on such land.

(3) May be a multiple unit dwelling. If any portion of the multiple unit's dwelling serves as the Applicant's or Beneficiary's principal Residence, the entire multiple unit dwelling is exempt under this Section.

B. The property shall continue to be considered the Applicant's or Beneficiary's principal Residence and shall be exempt during his/her absence under any of the following circumstances:

1. During any absence of less than six months duration, other than admission to a skilled nursing facility or intermediate care facility if the Applicant or Beneficiary establishes an intent to return to the principal Residence.

2. The Applicant's or Beneficiary's spouse or a Dependent Relative, as defined in Section 1-047 or his/her Child under age 21 continues to reside in the principal Residence.

3. The principal Residence cannot be either:

a. Sold, because there are legal obstacles preventing the sale of the property, and the Applicant or Beneficiary or person acting on his/her behalf provides evidence of attempts to overcome such obstacles; or

b. Readily converted to cash, but a bonafide effort is being made to sell the property. For purposes of this Section, a bonafide effort to sell means that all of the following conditions are met:

i. The property is listed for sale with a licensed real estate broker for its Fair Market Value as established by a qualified real estate appraiser.

ii. The Applicant or Beneficiary provides written documentation that a continuous effort is being made to sell the property.

iii. Offers at Fair Market Value are accepted.

iv. All offers are reported to the County Department.

C. Only one property at a time shall be exempt as a principal Residence.

D. Real property, which is no longer exempt as a principal Residence, shall be considered other Real Property beginning the first day of the month following the date it ceases to qualify as a principal Residence. Any change in the treatment of property, which adversely affects the Applicant or Beneficiary, must have an appropriate and timely notice of action issued.

E. Personal property, which is no longer exempt as a principal Residence, shall be included in the property reserve beginning the first day of the month following the date it ceases to qualify as a principal Residence.

7-033. Property Used to Purchase a Principal Residence

The proceeds from the sale of Real Property owned by the Applicant or Beneficiary shall be exempt from inclusion in the property reserve for a period of six months from the date of receipt so long as:

A. The proceeds are used to purchase a principal Residence.

B. The proceeds are applied to the cost of moving, necessary furnishings, repair or alteration to the principal Residence.

C. If any portion of the proceeds is used for any other purpose, the remainder shall not be affected so long as it is being retained to apply toward the purchase of a principal Residence.

7-034. Other Real Property

Nonbusiness Real Property not exempt, as a principal Residence is other Real Property. Deeds of trust as specified in Section 7-036 (B) are also regarded as other Real Property for purposes of this Section.

A. Other Real Property not exempt under any other section of these regulations shall be exempt if both the following are met:

(1) The property has a net market value of $6,000 or less.

(2) The owner meets the utilization requirements set forth in Section 7-025.

B. Other Real Property with a net market value of more than $6,000 shall be considered as follows:

1) The first $6,000 of net market value shall be exempt if the owner meets the utilization requirements set forth in Section 7-025.

2) The net market value in excess of $6,000 shall be included in the property reserve.

7-035. Timeshares and Timesharing Arrangements

The value of timeshares and timesharing arrangements shall be included in the property reserve. This value shall be the lesser of the following:

A. The purchase price, minus any encumbrances; or

B. The current market value, minus any encumbrances.

7-036. Mortgages, Deeds of Trust, and other Promissory Notes

Nonbusiness mortgages, notes secured by deeds of trust, and other promissory notes, which can be sold or discounted, shall be included in the property reserve, except as specified in (A).

A. A mortgage or a note secured by a deed of trust from the sale of Real Property owned by the Applicant or Beneficiary shall be considered other Real Property and subject to all the conditions placed upon Real Property in these regulations.

B. The market value of all mortgages and notes shall be the value as established in (1) below, unless the Applicant or Beneficiary chooses to meet the conditions of (2), and (2) is lower.

(1) The principal amount remaining on the note.

(2) The appraised value obtained by the Applicant or Beneficiary from a qualified appraiser. Parties qualified to appraise such items of property include, but are not limited to:

a) Banks.

b) Savings and Loan Associations.

c) Credit Unions.

d) Licensed loan or mortgage brokers.

C. Proceeds from mortgages and notes shall be treated as follows:

1. The principal portion of the payment shall be treated as property.

2. The interest portion of the payment shall be unearned income and shall be included in determining the Share of Cost.

7-037. Life Estate

A Life Estate interest in Real Property shall be considered Real Property. A Life Estate interest in Personal Property shall be considered Personal Property.

A. The value of a Life Estate shall be:

(1) For a revocable Life Estate:

a) If the Applicant or Beneficiary was the owner of the property prior to transfer, the entire market value of the property on which the Life Estate is held.

b) If the Applicant or Beneficiary was not the owner of the property prior to transfer, the value determined in accordance with the California State Gift Inheritance Tax Formula as specified in (2) (a) below.

(2) For an irrevocable Life Estate, the value is determined in accordance with the California State Gift Inheritance Tax Formula, as appropriate for the age and sex of the individual, given below:

B. When a Life Estate meets the conditions in (1) (b) or (2) above; the current value of the Life Estate shall be determined as follows:

1) Determine the current market value of the property in accordance with Section 7-021.

2) Deduct any encumbrances in accordance with Section 7-024 to determine the net market value.

3) Multiply the net market value of the Life Estate by the age factor specified in the following table:

AGE	FACTOR
21	.97245
22	.97120
23	.96986
24	.96841
25	.96678
26	.96495
27	.96290
28	.96062
29	.95813
30	.95543
31	.95254
32	.94942
33	.94608
34	.94250
35	.93868
36	.93460
37	.93026
38	.92567
39	.92083
40	.91571
41	.91030
42	.90457
43	.89855
44	.89221
45	.88558
46	.87863
47	.87137
48	.86374
49	.85578
50	.84743
51	.83674

52	.82969
53	.82028
54	.81054
55	.80046
56	.79006
57	.77931
58	.76822
59	.75675
60	.74491
61	.73267
62	.72202
63	.70696
64	. 69352

C. The value of the Life Estate may also be determined for a time in the past when a property transfer occurred using these factors for the individual's age at the time of transfer and by deducting the encumbrances that existed at that time.

7-038. American Indian's Interest in Land Held in Trust by the United States Government

The entire market value of an American Indian's interest in land held in trust by the United States Government shall be exempt.

A. For purposes of this section exempt property includes

1. Property, including real property and improvements, that is held in trust, subject to Federal restrictions, or otherwise under the supervision of the Secretary of the Interior, located on a reservation, colony or pueblo.

2. Ownership interests in rents, leases, royalties, or useage rights related to natural resources (including extraction of natural resources or harvesting of timber, other plants and plant products, animals, fish, and shellfish) resulting from the exercise of federally protected rights.

3. Ownership interest in or useage rights not covered in paragraphs (1) or (2) that have unique religious, spiritual, traditional, or cultural significance or rights that support subsistence or a traditional lifestyle according to applicable tribal law or custom.

7-039. Federal Payments to Indians and Alaskan Natives--Property

Federal payments to Indians and Alaskan Natives shall be treated as follows:

A. Payments received from the Federal Government under Public Law 90-507 shall be excluded from consideration as Personal Property when the total of nonexempt Personal Property, including such payments, does not exceed $2,000 for each individual. Payments converted into other property shall be treated the same as the payments. However, if the property received through such a conversion is again converted, the property acquired is included in the property reserve unless otherwise exempt.

B. Payments received from the Federal Government under Public Law 92-254 or Section 6 of Public Law 87-775 shall be exempt.

C. Per capita payments distributed pursuant to any judgment of the Indian Claims Commission or the Court of Claims in favor of any Indian Tribe are exempt.

D. Shares of stock and money payments made to Alaskan Natives under the Alaskan Native Claims Settlement Act are exempt as long as the payments or stock remain separately identifiable and not commingled with nonexempt resources. Any property obtained from stock investments under the Act is not exempt.

E. Receipts derived from lands, as specified in Section 8-036 (E), shall be exempt providing the monies:

(1) Are retained by the original Recipient;

(2) Are not commingled;

(3) Can be separately identified as a proportionate share of the Applicant's or Beneficiary's property.

7-040. Cash on Hand

Cash on hand shall be included in the property reserve, unless it is income received in that month.

7-041. Checking and Savings Accounts

The entire amount in nonbusiness checking and savings accounts which is available in accordance with Section 7-012 to the CFBU shall be included in the property reserve, subject to the following conditions:

A. Income received during a month and deposited in a checking or savings account shall not be considered as property during that month.

B. Accounts held with persons whose property is not otherwise included in the property reserve of the CFBU shall be considered available in their entirety if the Applicant, Beneficiary, or other CFBU member who has the account has unrestricted access to the funds, unless all or a portion of the funds are unavailable in accordance with Section 7-012.

7-042. Savings of a Child

Reasonable amount saved from a Child's exempt earnings for future education or for future identifiable needs are exempt as property.

7-043. Income Tax Refunds

Income tax refunds shall be included in the property reserve in the month after receipt.

7-044. Lump Sum Payments

Nonrecurring lump sum social insurance payments, such as Nonrecurring Lump Sum Payments for State Disability Insurance payments (SDI) or any of the items specified in Section 8-014 (A) through (I) shall be included in the property reserve, except for:

Retroactive SSI and Title II benefit payments, which shall be exempt for six months after the month in which they were received.

7-045. Stocks, Bonds, Mutual Funds, Money Market Accounts

Stocks, bonds, mutual funds, and money market accounts shall be included in the property reserve. The value of these items shall be the closing price on the date the property is evaluated. The value may be verified by:

A. Contacting a licensed stockbroker.

B. Checking the stock or mutual fund listings in the business section of the newspaper for the date that the valuation is made.

C. Other credible sources which list the item and the closing price, including, but not limited to, a stock exchange web page on the Internet.

7-046. United States Savings Bonds and Treasury Bills

United States Savings Bonds and Treasury Bills shall be included in the property reserve. The value of these bonds shall be the amount for which they can be sold.

7-047. Motor Vehicles

Motor vehicles shall be considered as property.

A. One motor or other vehicle shall be exempt.

   1) The Applicant or Beneficiary shall be allowed to choose which vehicle shall be exempt, except that recreational vehicles and vehicles used for business shall be considered exempt under this section only if other motor vehicles are not available to provide transportation for the Applicant or Beneficiary.

B. The net market value of all nonexempt motor vehicles shall be included in the property reserve.

C. Counties have the responsibility to determine a reasonable value for motor vehicles. The Applicant does not need to obtain three appraisals by auto dealers, insurance adjustors, or personal property appraisers. Some of the methods which may be used to determine the reasonable value include, BUT ARE NOT LIMITED TO:

   1) The market value determined by the wholesale value published in the “Kelley Blue Book” which is also available on-line at the Kelley Blue Book’s Website.

   2) The market value determined by the “National Auto Dealers Association (NADA) Guide” Website.

   3) An estimate of market value obtained by the Applicant from a disinterested knowledgeable source from the auto industry.

      Or

   4) DMV Vehicle License Fee Rate Table.

The Vehicle License Fee Rate (VLF) chart is updated by the Department of Motor Vehicles. The current 2% chart has now been replaced with a .65% VLF chart. No longer will the license fee be multiplied by $50 to derive the market value of a motor vehicle.

The procedure for determining the market value of a motor vehicle shall be determined by the following process (Note: the VLF chart is just one method of obtaining a reasonable value):

A. Determine the class of the motor vehicle.

B. Determine the year the motor vehicle was purchased, (Note: this could be initial purchase of a new vehicle or resale date.)

C. Divide the vehicle license fee by .0065 NOT .65.

D. Subtract any encumbrance of record from the market value. This is the net market value.

Whatever method the counties use to determine the market value of a vehicle any encumbrance of record must be subtracted from the market value to establish the net market value, which must be included in the property reserve.

7-048. Boats, Campers, Trailers

Boats, campers and trailers shall be considered as property.

A. The net market value of boats, campers and trailers, including mobile homes, which are not assessed as Real Property by the County assessor, shall be included in the property reserve unless exempt as:

(1) A home; or

(2) A vehicle exempted under section 7-047.

B. Items in (A) which are assessed as Real Property by the County assessor and which are not exempt as a home shall be considered as other Real Property and treated in accordance with Section 7-034.

C. The market value of these items shall be determined by any of the following:

1. The average of three appraisals by dealers, insurance adjustors, or Personal Property appraisers submitted to the County Department by the Applicant or Beneficiary.

2. The market value placed on the item by the County assessor.

3. The market value of the item determined by use of the DMV License Fee chart, Kelley Blue Book, Google, or similar on-line tools.

4. The Applicant’s self-attested statement of the original purchase price of the item if the Applicant or Beneficiary does not wish or is unable to provide three appraisals, or the value cannot be determined in accordance with (2) or (3).

5. The net market value shall be the market value less any encumbrances of record.

7-049. Household Items

All items used to furnish and equip a home shall be exempt.

7-050. Personal Effects

Personal effects are to be considered as property.

A. All items of clothing are exempt.

B. The following jewelry shall be exempt:

(1) Wedding and engagement rings.

(2) Heirlooms.

(3) Any other item of jewelry with a net market value of $100 or less.

C. The net market value of jewelry not exempted above shall be included in the property reserve.

D. The net market value of jewelry shall be the value listed by the Applicant on the CMSP Supplemental Application, unless the County Department determines further verification is necessary. If verification is required:

1) The Applicant shall submit:

a. A sales slip showing the actual purchase price; or

b. At least one written statement signed and dated from a jeweler, insurance adjuster, or Personal Property appraiser. The statement shall include a description of the item and its current market value.

1) Subtract any encumbrances of record from the market value. This is the net market value.

7-051. Recreational Items

All recreational items shall be exempt, except for motor vehicles~~,~~ such as motor homes, All Terrain Vehicles (ATV) and snowmobiles, which shall be considered in accordance with Section 7-047. Boats, campers, and trailers shall be considered in accordance with Section 7-048.

7-052. Musical Instruments

All musical instruments shall be exempt.

7-053. Livestock, Poultry, and Crops

Livestock, poultry, and crops are to be considered as property.

A. These items will be exempt if retained primarily for personal use.

B. Equipment and Personal Property used to produce and/or maintain livestock, poultry, and crops primarily for personal use shall be exempt.

C. The net market value of livestock, poultry, or crops retained primarily for profit shall be included in the property reserve except to the extent it is exempt as business property in accordance with Section 7-059.

D. The net market value of livestock, poultry, or crops shall be the net market value listed by the Applicant on the CMSP Supplemental Application, unless the County Department determines further verification is required. If verification is required:

(1) The owner shall submit three appraisals from persons or businesses dealing in livestock, poultry, or crops. The average of the three appraisals shall be the market value.

(2) Subtract any encumbrances of record from the market value. This is the net market value.

7-054. Life Insurance

Life Insurance policies that generate cash surrender value and are owned by a member of the CFBU shall be exempt if the combined face value of all such policies on the insured individual is $1,500 or less. If the combined face value of all such policies exceeds $1,500, their net cash surrender value shall be included in the property reserve. Please see section 7-012 regarding availability of cash surrender value.

7-055. Burial Insurance

The cash surrender value of Burial Insurance policies on any individual in the family shall be exempt.

7-056. Burial Plots, Vaults, and Crypts

Burial Plots, Vaults, and Crypts are to be considered as property.

A. Any Burial Plot, Vault, or Crypt retained for use by any member of the family shall be exempt.

B. The net market value of any Burial Plot not exempted above is other Real Property and shall be subject to all conditions placed on other Real Property in these regulations.

C. The net market value of any Burial Vault or Crypt not exempted above is Personal Property and shall be included in the property reserve.

D. The net market value of a Burial Plot, Vault, or Crypt shall be the market value listed by the Applicant on the CMSP Supplemental Application, unless the County Department determines further verification is required. If verification is required:

(1) The Applicant shall submit a statement of value from the organization from which the plot, vault, or crypt was purchased. This statement of value shall be the market value.

(2) Subtract encumbrances of record from the market value. This is the net market value.

7-057. Burial Trusts or Prepaid Burial Contracts

Burial trusts and prepaid burial contracts are to be considered as property and treated as follows:

A. The first $1,800 paid for burial trusts and prepaid burial contracts for funeral, cremation, or internment expenses for an individual shall be exempt provided trusts or contracts are held with one of the following:

(1) A banking institution or trust company legally authorized and empowered by the State of California to act as trustee in the handling of trust funds.

(2) Not less than three persons, one of whom may be an employee of the funeral director handling the Pre-need Funeral Arrangement.

(3) A cemetery authority, which has established an endowment care fund under Section 7100.1 of the Health and Safety Code.

B. Securities, issued by a licensed cemetery authority, which are convertible only into payment for funeral, cremation, or internment expenses shall be exempt.

C. The remainder of the amount paid for burial trusts and prepaid burial contracts, not exempted in (A) or (B) shall be included in the property reserve.

D. Revocable Burial Trusts are not exempt and should be included in the property reserve.

7-058. Loans

A. Loans shall be exempt as property in the month in which they are any of the following:

(1) Exempt as income in accordance with Section 8-033. The balance of a student loan is exempt for one year after receipt if student status is maintained.

(2) Treated as income in the month of receipt because no Repayment is required.

B. Loans, which require Repayment, except those, exempted in (A) (1), shall be included in the property reserve beginning in the month of receipt.

7-059. Business Property

A. Equipment, inventory, licenses, and materials, which are in current use and are necessary for employment, self-support (self-employment), an approved plan of rehabilitation, or self-care necessary for employment, shall be exempt.

(1) Equipment, inventory, licenses, and materials shall be considered necessary for employment if one of the following conditions is met:

a. The Applicant or Beneficiary uses this property for employment.

b. The owner of the property is currently unemployed but has been required to use this property for employment in the past and can provide reasonable evidence that the owner is actively seeking employment, which will require the use of the same property. This property shall be exempt for a maximum of one year from the date the owner became unemployed.

c. The owner verifies the existence of a business by providing prior to current year tax returns for the business, such as the Internal Revenue Service Schedule C ("Profit or Loss From Business or Profession").

d. If business tax returns are not available and subsections (A) and (B) are not applicable, the owner shall provide documentation such as business receipts, cancelled checks, invoices, sales receipts, and bank statements sufficient to verify the existence of a business.

(2) A business or means of self-support that has operated in the past shall be exempt from the requirements to realize any actual income or to utilize any business property for a maximum of:

a. One year during a period when it is not in operation if the owner can provide evidence that both of the following conditions are met:

i. The business or means of self-support is not in operation due to reasons beyond the owner's control.

ii. Operation will resume within one year of the date operation ceased.

b. Two years if operation ceased due to the owner's illness or disability if the owner provides verification of:

i. The illness or disability; and

ii. A plan to resume operation within two years of the date operation ceased.

(3) Equipment, inventory, licenses, and materials shall be considered necessary for an approved plan of rehabilitation or self-care necessary for employment if the County Department determines that the property is necessary for any of the following:

a. Training which will lead to employment or self-support;

b. Future employment or a means of self-support that will result from a plan of rehabilitation established by the County or the Department of Rehabilitation; or

c. Employment or a means of self-support that will continue after a period of illness or a period of convalescence, or both.

B. Motor vehicles shall be considered business equipment only if used for employment or for a means of self-support other than for commuting to and from work.

C. Cash on hand and money in checking accounts necessary for business operations or a means of self-support shall be exempt.

D. Real property used in whole or in part as a business or as a means of support shall be exempt.

E. A person who owns equipment, inventory, licenses, and materials for self-support shall not be required to be personally involved in the business in order for the property to be exempt under (A).

F. The net market value of nonexempt business equipment, inventory, licenses, or material shall be the amount listed on the CMSP Supplemental Application, unless the County Department determines that the property may be evaluated under another section in this article, or that further verification is required. If further verification is required:

1. The owner shall provide a copy of the current or prior year's Federal tax return's depreciation forms.

    a. The County shall use the values indicated on the depreciation forms to establish the market value.

    b. The County shall subtract encumbrances of record from the market values established to determine the net market value.

2. If the Internal Revenue Service (IRS) forms are not available and if the sections between Section 7-053 and 7-063 can be applied as a method valuing the specific items of property may be evaluated using any of the other sections in this article, those sections shall be used.

3. If the IRS forms are not available, the other sections in this article do not apply, and the County determines that further verification is required:

    a. The owner shall submit an appraisal from an appropriate dealer, insurance adjuster, or Personal Property appraiser. The value listed on the appraisal shall be the market value.

    b. The County shall subtract any encumbrances of record from the market value to determine the net market value.

G. Stocks, bonds, and other similar items of Personal Property shall not be considered property necessary for employment or self-support even in those instances where the owner holds stock in the corporation in which the owner is employed. Such stocks, bonds, or other similar financial holdings shall be included in the property reserve.

7-060. Stocks Held by Natives of Alaska

Shares of stock in a regional or village corporation held by Natives of Alaska for a 20-year period during which such stock cannot be conveyed, transferred, or surrendered, shall be exempt.

7-061. Property Held in Trust

A. Real or Personal Property held in trust for the Applicant or Beneficiary shall be exempt if the Applicant or Beneficiary is unable to obtain access to the principal of the trust. To determine whether the trust is available, the Applicant or Beneficiary shall take whichever of the following actions is appropriate within 30 days of being advised by the County Department of the requirement to do so:

   (1) Request the trustee to release the funds.

   (2) Request that the trustee petition the court for the release of funds.

   (3) Petition the court directly if the trustee refuses to take action specified in (1) or (2).

B. The trust shall be exempt pending completion of the actions specified in (1) through (3).

C. The trust shall be included in the property reserve or considered as other Real Property, under either of the following conditions:

   (1) The Applicant or Beneficiary refuses to initiate the action specified in

   (2) The court determines that the trust is available to the Applicant or Beneficiary.

D. The provisions of this Section shall not apply if the trust agreement clearly specifies that the Applicant or Beneficiary is the income-beneficiary only and has no ownership interest in the corpus of the trust.

Note: To ensure that recovery of costs of medical care provided to a CMSP member occurs, the County must notify the Governing Board's Third Party Benefits Administrator when an Individual or Pooled Trust is discovered, when the county worker finds out that the disabled individual or disabled spouse has died, or when the trust of a CMSP member is being terminated, (Reference CMSP Manual Section 13-014 E)

7-062. Pension Funds, IRA's, and Other Retirement Accounts

Pension funds, IRA's, Annuities, and any other retirement account which the Applicant or Beneficiary has access to shall be included in the property reserve. Any penalties, which may be applied for early withdrawal, shall be deducted from the account balance in determining the amount to be applied to the property reserve. Pension funds, IRA's, Annuities, or other retirement accounts that are already in pay status will be counted as income and the remaining balance of that account will be considered exempt. Please see section 7-012 regarding availability of property.

7-063. CalWORKs Restricted Accounts

CalWORKs restricted accounts, up to $5,000 for the purchase of a home, to start a business, or to apply toward future education or employment, will be exempt from inclusion in the CMSP property reserve if all of the following conditions are met:

A. The individual while on CalWORKs established the account.

B. The account is maintained in a financial institution and is not commingled with other funds.

C. At least one individual in the home is still receiving CalWORKs benefits.

D. The account cannot be established by an Applicant or Beneficiary of Medi-Cal or CMSP only.

Article 8. Income

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Article 8 Income

8-010. Income--General

Income includes benefits in cash or in-kind from labor services provided, business activities, returns from real or Personal Property, contributions, retirement/pension payments, or other similar sources. Such income shall be considered as income only if it is currently available in accordance with Sections 8-018 through 8-020. Income from these sources shall be divided into three types:

A. Gross earned income as described in Section 8-012.

B. Gross unearned income as described in Section 8-014.

C. Income in-kind as described in Section 8-016.

8-011. Net Non-exempt Income Test for Federal Poverty Level (FPL)

Applicants will be restricted by income limits, as set forth below:

A. The CMSP CFBU must have net non-exempt income at or below 200% FPL for eligibility.

B. The following process shall apply:

1) Determine net non-exempt income, for the Application month and the future month(s) including intervening months.

2) Apply the income test of the FPL to each of these months using:

- All applicable deductions as defined in sections 8-023, 8-045 through 8-059.

- The Social Security Administration Cost of Living Adjustment increase and allowing for health care premiums as a deduction. Sneede regulations will not be applied when determining the 200% FPL income test.

3) If Applicant meets the test, proceed with determining Share of Cost.

8-012. Gross Earned Income

Gross earned income includes:

A. Wages, including amounts designated for meals provided by an employer or business enterprise, salaries, bonuses, and commissions from an employer or business enterprise.

B. Temporary Workers Compensation (TWC) and State Disability Insurance (SDI) payments. If benefits are being reduced to offset a previous Overpayment use the net amount received as income.

C. Net profits from self-employment as determined in accordance with Section 8-013.

D. Earnings under Title 1 of the Elementary and Secondary Education Act.

E. Payments under the Job Training Partnership Act (JTPA). Payments identified by the local JTPA office as incentive payments or training allowances shall be considered as gross unearned income.

F. Payments under the Economic Opportunity Act.

G. Training incentive payments and work allowances under ongoing manpower programs other than Welfare-To-Work or JTPA.

H. Income received for having provided IHSS services.

I. Net income from real or Personal Property as determined in accordance with Section 8-014, which is the result of continuous and appreciable effort on the part of the Applicant or Beneficiary. This includes income from:

(1) Room and board.

(2) The rental of rooms, which requires daily effort on the part of the Applicant or Beneficiary.

(3) A business enterprise.

(4) The sale of produce, livestock, poultry, dairy products, and other similar items.

J. Earnings from public service employment.

K. Tips actually received for the performance of work activities, notwithstanding the amount calculated by the employer for tax withholding purposes.

8-013. Net Profit from Self-Employment

CMSP's policy for determining net profit from self-employment, will be as set forth below.

A. The net profit from self-employment shall be an estimation of the annual net income for the current year, based on the federal tax return filed for the previous year as limited by (C).

B. If there is no tax return for the previous year, or there is evidence that using the tax return would give an inaccurate estimation of income, the County Department

shall use current business records. In this circumstance, net profit shall be determined in accordance with (D) and (E).

Note: Profit and Loss statements should be requested for three months if the business is ongoing (if the Applicant does not file taxes). If the self-employment business just started, one month verification would be acceptable with a declaration of the anticipated hours of work and income for future months.

C. The following expenses, when used to determine annual net income on the federal tax return, shall not be deducted:

(1) Entertainment costs.

(2) Depreciation.

(3) Purchase of capital equipment expenditures.

(4) Payments on the principal of loans for capital assets or durable goods.

D. Net profit of a self-employed person shall be determined by subtracting from the gross business income expenses which are directly related to the production of goods or services and without which the goods or services could not be produced. Such expenses include, but are not limited to:

1) Transportation costs to call upon customers or deliver goods.

2) Payments of the interest of loans for capital assets or durable goods.

3) Payments for rental of space or equipment.

4) Wages and other benefits paid to employees.

5) Material and supply costs.

6) Maintenance and repair costs.

E. Personal expenses such as income tax payments, lunches, and transportation to and from work are not classified as business expenses and shall not be deducted.

8-014. Gross Unearned Income

Gross unearned income includes:

A. Old Age, Survivors, and Disability Insurance (OASDI) payments from the SSA. If benefits are being reduced to offset a previous Overpayment use the gross amount less the overpayment reduction as income.

B. Annuities, which are sums paid yearly or at other specific intervals in return for payments of a fixed sum by the annuitant.

C. Pensions.

D. Retirement payments.

E. Disability payments from an employer or insurance except for State Disability Insurance benefits considered to be earned income under Section 8-011.

F. Veteran's payments which include:

1. Pensions based on need.

2. Compensation payments.

3. Educational assistance.

Note: The Aid and Attendance portion of Veteran's payment is considered a third party payment and is exempt.

G. Workers' compensation, except for any amount determined to be unavailable in accordance with Sections 8-014 (I) and 8-018 or for temporary workers' compensation payments considered to be earned income under Section 8-011.

H. Railroad retirement or any other payments made by the Railroad Retirement Board.

I. Unemployment Insurance Benefits.

1. If benefits are being reduced to offset prior Overpayments the net amount of benefits will be used.

2. Coronavirus Aid, Relief, and Economic Security (CARES) Act related benefits shall be treated as follows:

A. The regular (taxable portion) of Pandemic Unemployment Assistance (PUA) provided under Section 2102 of the CARES Act shall be counted as income.
B. The regular portion (taxable portion) of Pandemic Emergency Unemployment Compensation (PEUC) benefits provided under Section 2107 of the CARES Act shall be counted as income.
C. Refer to Section 8-043.5 for CARES Act income exemptions.

J. Proceeds from a Life Insurance policy which are in excess of the lesser of:

1. $1,500.

2. The amount expended on the insured person's last illness and burial expenses.

K. Other insurance payments.

L. Loans, which do not require Repayment.

M. Gifts.

N. Nonexempt child support, whether provided voluntarily or by court order.

O. Alimony payments.

P. Inheritances, which are in the form of cash, securities, or other liquid assets.

Q. Contributions from any source.

R. Prizes and awards.

S. Net income from the rental, real, or Personal Property, which is not considered gross earned income in accordance with Section 8-011.

T. Dividends.

U. Interest payments from any source, including trusts, trust deeds, and contracts of sale.

V. Royalties including, but not limited to, payments to a holder of a patent or copyright for the use of the invention, or to the owner of a mine, oil well, or similar holdings for the extraction of the product or other use.

W. Income from a PA or Other PA Recipient, which is not used to determine the Recipient's eligibility.

X. Incentive payments or training allowances under WIA.

Y. Proceeds from Indian Gaming.

Z. Any other income, which is available to meet current needs in accordance with Section 8-017.

AA. Any of the items specified in (J) through (Z) if received as a lump sum payment.

8-015. Net Income From Property

Net income from property shall be considered in determining Share of Cost.

A. Net income from property shall be computed as follows:

1) If the income is from the rental of other Real Property, subtract the following expenses from the gross income:

a) Taxes and assessments.

b) Interest on encumbrance payments. The principal portion of the payment shall not be deducted.

c) Insurance.

d) Utilities.

e) Upkeep and repairs. The amount of this item shall be the greater of the following:

i. The actual amount expended for upkeep and repairs during the month.

ii. Fifteen percent of the gross monthly rental, plus $4.17 per month.

(2) In determining whether utilization requirements are met in accordance with Section 7-025 (A)(1), only the amount specified in (A) (1) (e) (i) shall be deducted rather than the amount specified in (A) (1) (e) (ii).

(3) If the income is from the rental of rooms, the provision of board and room or board and care, which does not require a business license, the net income shall be ten percent of the gross amount received.

(4) If the income is from the provision of board and room, board and care, which requires a business license, or from self-employment, the net income is the net profit from self-employment as determined in accordance with Section 8-012.

(5) If the income is from a deed of trust or a mortgage, the net income is the amount specified in Section 7-036 (C).

(6) If the income is from property in which the person holds a Life Estate, the net income is the amount actually received.

(7) If the income is from Personal Property, the net income is the amount actually received.

B. If the income is from the rental of unit(s) of a multiple unit dwelling or other dwellings on property that is exempt as the principal Residence, and the Applicant or Beneficiary is living in a portion of the property, the expenses specified in (A) which are common to the property, as a whole shall be prorated as follows:

1) Determine the number of rooms in the building. If there is more than one building, determine the number of rooms in all of the buildings together. For the purpose of this Section, rooms include any room other than the following:

a) Bathrooms.

b) Hallway.

c) Closet.

d) Unfinished basement, loft, or attic.

2) Determine the number of rooms, which are producing the rental income.

3) Based upon the number of rooms, determine the percentage of the property which is producing the rental income.

Apply the percentage determined in accordance with (3) to the expenses specified in (A) which are common to the property as a whole. This is the amount, which shall be subtracted from the gross income.

8-016. Income In-Kind

Income in-kind is any support or maintenance received in-kind from a person, other than a responsible Relative, for housing, utilities, food, or clothing.

A. Income in-kind shall be considered as income only if the entire item of need is provided.

B. The value of free board and lodging received during a temporary absence from the home shall be considered as follows:

(1) If the absence is for one month or less, the income in-kind shall not be considered income.

(2) If the absence is for more than one month, the income in-kind value shall be considered income to the extent that it exceeds the actual cost of maintaining the home to which the Member will return.

C. Income in-kind, which is received, as earned income shall be subject to earned income exemptions and deductions.

D. Income in-kind, which is received as unearned income, shall be subject to unearned exemptions and deductions.

8-017. Value of In-Kind Income

A. The value of the income in-kind for the items specified in Section 8-016 shall be the actual cost, the net market value of the item, or the following amounts, whichever is less:

In-Kind Values Chart

CFBU Size	HOUSING Value	UTILITIES Value	FOOD Value
1 Person	$153	$33	$86
2 Persons	$206	$38	$182
3 Persons	$225	$40	$232
4 Persons	$236	$41	$286
5 Persons	" "	" "	$346
6 Persons	" "	" "	$401
7 Persons	" "	" "	$447
8 Persons	" "	" "	$490
9 Persons	" "	" "	$537
10 Persons +	" "	" "	$582

B. If one of the items listed in 8-015 is shared with persons who are not included in the CFBU and who are not responsible for members of the CFBU, the income in-kind value to the members of the CFBU shall be the lesser of:

(1) Their share of the net market value or actual cost of the item.

(2) The value listed in the "In-Kind Values Chart" above.

8-018. Availability of Income

Only income which is actually available to meet the needs of a person or family shall be considered in determining that person's or family's Share of Cost.

A. Income shall be considered available in the month it is received, unless it is:

(1) Unavailable in accordance with Section 8-019.

(2) To be apportioned over time in accordance with Section 8-020.

B. Income is considered to be received on the day it becomes available for use.

C. Income is considered to belong to the person who is:

1) Named on the negotiable instrument; or

2) Who is given cash; or

3) Who receives the income in-kind;

8-019. Unavailable Income

Income, which is not available to meet current needs of a person or family, shall not be considered in determining the person's or family's Share of Cost.

Unavailable income includes, but is not limited to, the following:

A. That portion of workers' compensation and other public or private insurance settlements which is either of the following:

1. Designated for medical, legal, or other such expenses.

2. Not controlled by the Applicant or Beneficiary or person acting on his behalf.

B. That portion of a contribution that is both of the following:

1. From a person living in the household for which the household has no legal responsibility to support, such as an unrelated Adult or an Adult Child.

2. Used to meet the actual costs of the contributor's share of the housing, utilities, food, and other household costs. If the actual costs are unknown or unavailable, the amount specified in Section 8-017 shall be used. This shall be the difference between the income-in-kind values for the family size with the person included and excluded.

C. An advance or reimbursement is unavailable to the extent that the advance or reimbursement does not exceed the actual out-of-pocket costs of the applicant/beneficiary.

8-020. Apportionment of Income Over Time

Income shall be considered available in the month received, unless it is apportioned over time in accordance with the following:

A. Income earned and received, in more than eight but less than 12 months, under an annual contract of employment shall be apportioned equally over the period of the contract beginning with the first month of the contract.

B. Income received more frequently than monthly or semi-monthly shall be converted to monthly income in accordance with (C) if both of the following conditions are met:

   1. The Applicant/Beneficiary wishes to receive CMSP for more than two months.

   2. The Applicant/Beneficiary is to receive the income for a full month.

C. Income shall be converted to monthly income by the following methods:

   1. Multiply weekly income by 4.33 or 4 1/3.

   2. Multiply income received every two weeks by 2.167 or 2 1/6.

D. Income received less frequently than monthly shall be converted to monthly income by the following methods for CFBUs with a one-month Share of Cost pursuant to Section 10-012 (B).

   1. Divide quarterly income by three.

   2. Divide income received every two months by two.

E. Income from self-employment, as determined in accordance with Section 8-012, shall be determined on an annual basis and apportioned monthly.

F. Loans, which do not require Repayment, are not exempt in accordance with Section 8-033, and which specify that they are to cover a certain period of time, shall be apportioned over that period of time.

G. Interest income from a deed of trust or contract of sale shall be determined on an annual basis and apportioned monthly.

H. Interest income which is received less frequently than monthly and is not exempt as specified in Section 8-041, shall be apportioned as follows:

   1. Determine the number of months of the period during which the interest accrued.

   2. Divide the interest income by the number of months in the interest period.

   3. Consider the amount determined in (2) as income in each of the months of the next interest period.

8-021. Apportionment of Income Exemptions and Deductions

Income exemptions and deductions shall be apportioned over time using the procedures set forth in Section 8-020.

8-022. Fluctuating Income

Fluctuating income shall be determined by estimating the amount to be received in the month, unless the conditions of (B) are met.

A. This estimate shall be made considering all of the following:

    1. The income pattern over the last year.

    2. The actual income received in the last month.

    3. The Applicant’s statement of anticipated income.

B. Actual income shall be used if it is known at the time the share-of-cost determination is being made. In no instance shall the share-of-cost determination be delayed solely to determine the actual income.

C. The provisions of this section shall not apply to income from self-employment, which shall be determined in accordance with Section 8-013 or apportioned in accordance with Section 8-020 (E).

8-023. Income Exemptions and Deductions--General

Certain items of earned and unearned income shall be exempt from consideration in determining an Applicant's Share of Cost.

A. Income, which remains after the Application of the exemptions specified in Sections 8-025 through 8-044, shall be nonexempt income.

B. Certain amounts of income shall be deducted from nonexempt income to determine the net income to be used in determining the Share of Cost. Income, which remains after the application of the deductions specified in Sections 8-046 through 8-056, and 8-059 shall be net nonexempt income.

C. Exemptions and deductions do not apply uniformly to both earned and unearned income. Restrictions are stated where applicable.

8-024. Payments Exempt From Consideration as Income

Income specified in Sections 8-025 through 8-044 shall be exempt. These exemptions apply to all persons, unless otherwise specified.

8-025. Property Tax Refunds

Refunds or rebates of taxes on Real Property shall be exempt as income, but included in property reserve for CMSP in the month following receipt.

8-026. Public Assistance and General Relief Grants

Public assistance Cash Grants, County General Relief or General Assistance payments, and the cash value of CalFresh benefits shall be exempt.

8-027. Welfare-To-Work Program

Earnings from public service employment under the Welfare-To-Work program component of CalWORKs are exempt.

8-028. Social Services

Payments received for social services provided in accordance with Title XX of the Social Security Act shall be exempt, whether provided in-kind or as a direct payment to the individual for purchase of designated services. Such services include, but are not limited to:

A. In-Home Supportive Services (IHSS).

B. Childcare.

C. Training and rehabilitation services, including payment for training expenses.

8-029. Assistance Based on Need

Assistance based on need shall be evaluated as follows:

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

   1. Short-Doyle.

   2. Regional Centers for the Developmentally Disabled.

   3. Probation Departments.

B. Payment made pursuant to public law, when the law specifically exempts such payments from eligibility and share-of-cost determinations, shall be considered assistance based on need.

C. Assistance based on need which is furnished by the State or any political jurisdiction, thereof, as specified in (A), shall be exempt if the payment is all of the following:

1. Made regularly on a periodic basis, at least once a quarter, or made to a specific group or class of individuals in similar circumstances or situations.

2. Made in cash, which may be currency or any negotiable instrument.

3. Issued in an amount based on the need of the individual.

8-030. Federal Housing Assistance

Federal housing assistance in the form of rent subsidies, loans, or partial house payments under the U.S. Housing Act of 1937, the National Housing Act, Title V of the Housing Act of 1949, or the Housing and Urban Development Act of 1965 shall be exempt.

8-031. Training Expenses

The allowance for training expenses paid by the Department of Rehabilitation to persons participating in that Department's training programs shall be exempt.

8-032. Foster Care Payments

Payments from any source, received by a foster Parent for the care of a foster Child, shall be exempt except for:

A. The portion of the payment designated by the County Department for care and supervision, if such a designation is made.

B. Payments made to a foster Parent when a foster Child is temporarily absent from the foster home for a month or more.

C. Payments made to ensure availability of a room or rooms for foster Children.

8-033. Exempt Loans, Grants, Scholarships, and Fellowships

The following loans, grants, scholarships, and fellowships are exempt:

A. Loans made under Title III of the Federal Economic Opportunity Act, Special Program to Combat Poverty in Rural Areas.

B. Loans or grants to an undergraduate student for educational purposes made or insured by the Federal Commissioner of Education. These include, but are not limited to:

1. Supplemental Education Opportunity grants.

2. National Direct Student loans.

4. College Work Study.

4. Basic Educational Opportunity grants.

5. Federal insured student loans.

C. Educational loans or grants to undergraduate students when it is verified that they are awarded on the basis of the student's need. These include, but are not limited to:

1. Extended Opportunity Program loans and grants.

2. Bureau of Indian Affairs loans and grants.

3. California State scholarships (Cal Grant A).

4. College Opportunity grants (Cal Grant B).

5. Occupational, Educational-Training grants (Cal Grant C).

D. Funds for readers, or educational scholarships, which are all of the following:

1. Provided to an aged, blind, or disabled person enrolled in a California public school or institution of higher learning.

2. Awarded by an educational institution.

3. Not available to meet basic needs.

E. Other loans, grants, scholarships, or fellowships, or portions thereof, to undergraduate or graduate students if the following conditions are met:

1. The loan, grant, scholarship, or fellowship document specifically limits the use of the funds for purposes other than current living costs.

2. The loan, grant, scholarship, or fellowship would not be available if used for any purpose other than the one specified.

8-034. Payments Made to Victims of Crime

Payments made under the California Victim of Crimes program shall be exempt.

8-035. Relocation Assistance Benefits

Relocation assistance benefits shall be 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, or any other public development involving demolition or condemnation of existing housing.

8-036. Federal Payments to Indians and Alaskan Natives--Income

Federal payments to Indians and Alaskan Natives shall be evaluated as follows:

A. Payments made to Indians under Public Law 90-507 shall be considered Personal Property rather than income to the extent specified in Section 7-039.

B. Per capita payments made to Indians under Section 6 of Public Law 87-775 and Public Law 92-254 shall be exempt.

C. Per capita payments distributed pursuant to any judgment of the Indian Claims Commission or the Court of Claims in favor of any Indian Tribe are exempt.

D. Payments made to Alaskan Natives under the Alaskan Native Claims Settlement Act are exempt. Income obtained from stock investments under the Act is not exempt.

E. Receipts derived from lands held in trust and distributed by the federal government to members of the following Indian tribes are exempt:

(1) Bad River Band of the Lake Superior Tribe of Chippewa Indians of Wisconsin.

(2) Blackfeet Tribe, Blackfeet, Montana.

(3) Cherokee Nation of Oklahoma, Oklahoma.

(4) Cheyenne River Sioux Tribe, Cheyenne River, South Dakota.

(5) Crow Creek Sioux Tribe, Crow Creek, South Dakota.

(6) Lower Brule Sioux Tribe, Lower Brule, South Dakota.

(7) Devil's Lake Sioux Tribe, Fort Totten, North Dakota.

(8) Fort Belknap Indian Community, Fort Belknap, Montana.

(9) Assinboine and Sioux Tribes, Fort Peck, Montana.

(10) Lac Courte Oreilles Band of Lake Superior Chippewa Indians, Lac Courte and Oreilles, Wisconsin.

(11) Keweenaw Bay Indian Community, L'Anse, Michigan.

(12) Minnesota Chippewa Tribe, White Earth, Minnesota.

(13) Navajo Tribe, Navajo, New Mexico.

(14) Oglala Sioux Tribe, Pine Ridge, South Dakota.

(15) Rosebud Sioux Tribe, Rosebud, South Dakota.

(16) Shoshone-Bannock Tribe, Fort Hall, Idaho.

(17) Standing Rock Sioux Tribe, Standing Rock, North and South Dakota.

(18) Seminole Indians, Florida.

(19) Pueblos of Zia and Jemez, New Mexico.

(20) Stockbridge Munsee Indian Community, Wisconsin.

(21) Burns Indian Colony, Oregon.

8-037. AmeriCorps Payments (formerly known as Vista)

Payments made under the National and Community Service Trust Act of 1993 to AmeriCorps volunteers are exempt.

8-038. Workforce Investment Act (WIA) Payments

Workforce Investment Act payments shall be evaluated as follows:

A. All of a Child's earnings, which are derived from participation in WIA programs, shall be exempt for up to six months per calendar year. Other WIA payments made to a Child shall be exempt at all times.

B. Other than earnings, payments to an Adult that are derived from participation in WIA programs shall be exempt to the extent that the payment reimbursements do not exceed the Adult's actual training expenses.

8-039. Executive Volunteer Programs

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.

8-040. Senior Citizen Volunteer Programs

Compensation received by beneficiaries, who are 60 years of age or older, for volunteer services performed under the Retired Senior Volunteer program, the Foster Grandparents program, or the Older Americans Community Service program of the National Older Americans Act, shall be exempt.

8-041. Irregular or Infrequent Income

Irregular or infrequent income shall be evaluated as follows:

A. The first $60 of casual or inconsequential unearned income per calendar quarter shall be exempt if either of the following conditions are met:

   1. The income is received not more than twice per quarter.

   2. The income cannot be reasonably anticipated.

B. Earned income not exceeding $30 per calendar quarters shall be exempt if either of the following conditions is met:

   1. The income is received not more than twice per quarter.

   2. The income cannot be reasonably anticipated.

8-042. Student Exemptions

The income of students shall be evaluated as follows:

A. All earned income of a Child, including earnings from WIA after the six-month's exemption pursuant to Section 8-038 has expired, shall be exempt if the Child is either of the following:

   1. A full-time student.

   2. A part-time student with a school schedule that is equal to at least one-half of a full-time curriculum, and the Child is not employed full-time.

B. For purposes of this exemption, the following definitions apply:

   1. School attendance means enrollment and attendance in a school, college, university, or in a course or 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.

   2. Full-time student means a student who has a school schedule equal to a full-time curriculum, as defined by the school attended.

   3. Part-time employment means employment for less than 173 hours per month.

C. The student exemption shall also apply to full or part-time earnings between school terms or during vacation periods, if the Child plans to continue school attendance during the next term when the vacation period ends.

8-043. Earned Income Tax Credit

The actual Earned Income Tax Credit (EITC) payment received by a CMSP person shall be exempt as income whether received as a tax refund or an advance payment.

8-043.5. CARES Act

A. Recovery Rebates (also known as economic impact payments or stimulus payments) provided under Section 2201 of the CARES Act shall be exempt as income. Furthermore, these one-time tax rebates of up to $1200 for each adult and $500 for each child are exempt as property for 12 months from receipt of the benefit.

B. Pandemic Unemployment Compensation (PUC), the weekly $600 amount increase, provided under Section 2104 of the CARES Act shall be exempt as income in the CMSP eligibility determination. Refer to Section 8-014 for other types of unemployment compensation which are counted as income.

8-044. Earnings of a Child Under Age 14

Earnings of a Child under 14 years of age shall be exempt.

8-045. Deductions From Income

The deductions specified in Sections 8-046 through 8-056 and 8-059 shall be deducted from nonexempt income in the sequence presented in these regulations to determine net nonexempt income.

8-046. Educational Expenses

Documented educational expenses for college or similar training courses, which are incurred, by an Applicant or Beneficiary shall be deducted either from any income received for educational purposes, as defined in (B), or any loan received for educational purposes, which is considered as property in accordance with Section 7-058(B). The Applicant shall provide documentation of any income received for educational purposes and the time period (e.g. quarter, semester, year) for which this income was provided.

A. Such educational expenses shall be apportioned over the period of time they are intended to cover to determine the monthly deduction. Documented expenses incurred by the Applicant or Beneficiary include any of the following items or services necessary for school attendance:

    1. Tuition.

    2. Books.

    3. Fees.

4. Equipment and supplies.

5. Special clothing needs.

6. Childcare services.

7. Costs of transportation to and from school based on the mode most economically available and feasible in the particular circumstances. If it is determined that personal care usage meets this criteria, all actual transportation costs will be prorated based on the percentages of miles driven to and from school to total miles driven each month. Allowable transportation costs include, but are not limited to, car payments, car insurance and registration fees, gasoline, and bus pass fees.

B. Income for educational purposes includes, but is not limited to:

1. Exempt student loans, grants, or fellowships, as identified in Section 8-033.

2. Nonexempt student loans, grants, or fellowships that do not require Repayment.

3. Social Security and Veteran's Administration payments made to a Child attending school and that are based on a deceased or disabled Parent's entitlement.

4. Veteran's Educational Assistance Program payments (GI Bill).

C. The Applicant’s/Beneficiary's educational expenses shall first be deducted from the totally exempt loans or grants identified in Section 8-033. Any remaining educational expenses shall next be deducted from other loans for educational purposes that are considered property in accordance with Section 7-058 (B) and, finally, from other income received for educational purposes.

8-047. Support Payments From an Absent Parent

One-third of any payment made by an absent Parent for the support of a disabled or blind Child shall be deducted from the total payment received. A blind or disabled Child is allowed this deduction or the fifty-dollar deduction (Section 8-051); the higher deduction should be used.

8-048. Deductions From Earned Income

The deductions specified in Sections 8-049 through 8-051 shall be subtracted in the sequence presented from the nonexempt gross earned income of each person or persons who are eligible members of the CFBU.

8-049. Deduction for Work Expenses

Ninety dollars ($90) for mandatory deductions and work-related expenses shall be deducted from the earned income of each person.

8-050. Deduction for Dependent Care

A deduction for dependent care shall be allowed as follows:

A. The amount as determined in accordance with (B) shall be deducted from the income remaining after the $90 deduction for work expenses has been subtracted from the income of each employed person when both of the following conditions exist:

    1. The person has reasonable and necessary costs of obtaining Childcare for a Child in the CFBU or care for an incapacitated person in the CFBU.

    2. The County Department determined that adequate dependent care cannot be provided by another member of the CFBU.

B. The amount deducted in accordance with (A) shall be the actual amount paid as limited by the following:

    1. A maximum of $200 per month per Child under two years of age.

    2. A maximum of $175 per month per Child two years of age or older.

    3. A maximum of $175 per month per incapacitated person.

C. This deduction shall also apply when the care is provided by a member of the CFBU, other than a Spouse or Parent, who terminated employment specifically to provide the necessary care.

8-051. Court Ordered Alimony or Child Support

Court ordered alimony or Child support, or Child support paid pursuant to an agreement with a district attorney, shall be deducted from the income of a CMSP Applicant or Beneficiary when it is actually paid by that Applicant or Beneficiary. The amount deducted shall be the lesser of the amount:

A. Actually paid.

B. Specified in the court order or agreement with Child Support Services.

8-052. Child or Spousal Support Received by CMSP Family Members

Child or spousal support payments received shall be evaluated as follows:

A. Fifty dollars per month shall be deducted from the Child or spousal support received by CMSP Family Members, whether provided voluntarily or by court order, when received and due in the current month. If one-third of support payment (8-047) has been allowed do not allow fifty-dollar deduction.

B. Fifty dollars for each month shall be deducted from Child support received by CMSP Family Members for past months, if both of the following conditions are met:

   1. The payments for past months are received by the Family Member in the current month.

   2. The payments were made by the absent Parent in the month the payment was due as defined in (C).

C. Past month Child support payments considered to meet the conditions described in (B)(2) shall be limited solely to cases where the absent Parent makes payment as described and required in the court order, agreement with the district attorney, or voluntary payment schedule and one of the following conditions is met:

   1. The agreement or court order specifies a payment schedule which requires annual, semiannual, quarterly, or other multiple month payments for reasons other than payment of past due amounts.

   2. Payment is made, but not received, due to administrative processing problems beyond the control of both the absent Parent and the CMSP person until a subsequent month. Such processing problems include, but are not limited to:

      a) Timely payment is made to Child Support Services or court and not passed on to the CMSP person until a subsequent month.

      b) Payment for each month is made through payroll deduction or garnishment of wages and is not forwarded to the CMSP person until a subsequent month.

8-053. Deductions From Any Income

The deductions specified in Sections 8-054 through 8-055 shall be subtracted from any nonexempt income that remains after the application of all preceding exemptions and deductions

8-054. Income Used to Determine Public Assistance Eligibility of Another Family Member

Any income of persons ineligible or excluded from the CMSP Family Budget Unit (CFBU) as a Public Assistance (PA) Recipient which was used to determine their PA, Other PA (includes SSI), or Medi-Cal eligibility, is not to be considered when determining the

countable income of the CFBU. The following income shall be considered in determining the share-of-cost of a person or family:

A. Net income of all persons included in the CFBU in accordance with Sections 6-011 through 6-014.

B. Income specified in Sections 8-056 and 8-057.

8-055. Income of Persons Who Choose to Be Excluded From the CFBU

The income of Children excluded from the CFBU shall not be counted in determining the share-of-cost for the CFBU. In addition to their own income, Children excluded from the CFBU shall be allocated an amount to meet their combined need, which shall be determined as follows:

A. Determine the maintenance need for the CFBU with the Children included.

B. Determine the maintenance need for the CFBU with the Children excluded.

C. Subtract the amount determined in (B) from the amount determined in (A).

D. Subtract the net nonexempt income of all excluded Children from the amount determined in (C). This is the amount that shall be allocated to the Children excluded from the CFBU.

8-056. ABD Medi-Cal Spouse or Child

All Applicable Medi-Cal ABD deductions apply to the CFBU when a spouse or child is ABD Medi-Cal eligible.

8-057. Treatment of Income--Persons No Longer Receiving Title XVI Due to Cost of Living Increases in OASDI Benefits Under Title II, (Pickle Eligibles)

The income deemed from the Title II Disregard person (Pickle Eligible) shall be considered when determining the share-of-cost for the CFBU.

8-058. Treatment of Income--Sneede v. Kizer

The County Department shall consider the results of a Medi-Cal eligibility determination made pursuant to the Sneede v. Kizer lawsuit for any CMSP Applicant/Beneficiary who was included in the Medi-Cal determination.

A. All income attributed to a CMSP Applicant/Beneficiary from a Sneede v. Kizer calculation shall be considered countable income.

B. The countable income shall be compared with the appropriate maintenance need level shown in Section 9-012 to determine the share-of-cost obligation, if any.

8-059. Health Insurance Premiums

Health insurance premiums, not including any payments for Covered California, shall be deducted from all income if paid by and purchased for any person in the CFBU or MFBU, living in or out of the home. Such a deduction shall be applied if the health insurance premium is paid voluntarily or as part of a Medical Support order.

A. Health insurance payments paid less often than monthly shall be averaged on a monthly basis.

B. The premium for Parts A, B and D of Medicare shall be deducted for those months in which the Family Member actually makes the payment.

Article 9. Maintenance Need

9-010. Maintenance Need—General
9-011. Maintenance Need--Persons Living in the Home
9-012. Maintenance Need Levels
9-013. Maintenance Need Levels—Persons in LTC

Article 9 Maintenance Need

9-010. Maintenance Need--General

The amount of income a person or family is allowed to retain for living expenses shall be the maintenance need for the members of the CFBU living in the home as determined in accordance with Section 9-011.

9-011. Maintenance Need--Persons Living in the Home

The maintenance need for members of the CFBU living in the home shall be determined by the number of persons, both ineligible and eligible, in the CFBU. Excluded persons shall not be included in the CFBU for the determination of the maintenance need. The maintenance need levels for the appropriate CFBU size is illustrated in Section 9-012.

9-012. Maintenance Need Levels

The maintenance needs appropriate for the size of the CMSP Family Budget Unit shall be as follows:

CFBU SIZE	MAINTENANCE NEED
1 person in all situations	$ 600
2 persons	$ 750
2 Adults	$ 934
3 persons	$ 934
4 persons	$1,100
5 persons	$1,259
6 persons	$1,417
7 persons	$1,550
8 persons	$1,692
9 persons	$1,825
10 persons	$1,959

Add $14 per each additional person.

9-013. Maintenance Need Levels—Persons in LTC

Per Medi-Cal regulations, the maintenance need for persons residing in a skilled nursing facility (SNF) or intermediate care facility (ICF) under aid code 53 shall be $35 effective the first of the month following the month of admission to inpatient medical care when LTC status has been established. Companion aid code 8F, which covers acute inpatient services only, will have no share of cost as the share of cost will be met with the 53 aid code.

Example:

- A medically indigent adult is involved in an auto accident on 11/5/2027 and enters an acute care hospital. On 11/20/2027 the individual is transferred to a skilled nursing facility (SNF) and an application is made for medical assistance. The case is approved on 12/20/2027 for November and ongoing with a Medi-Cal aid code 53 and CMSP aid code 8F. For purposes of calculation of the share of cost for the 53 aid code, a $600 maintenance need is used for the month of November and a $35 maintenance need is used for December and ongoing.

For persons already receiving CMSP and entering` a SNF/ICF the aid code must be changed from the 88 or 89 to 8F the month that LTC status and aid code 53 has been established. Since the 8F will not have a share of cost this is not considered an adverse action and 10-day notice is not required.

Article 10. Share of Cost

10-010. Share of Cost--General
10-011. Share of Cost Period
10-012. Determination of Share of Cost
10-013. Changes in Share of Cost Determination Due to Administrative Error
10-014. Changes to Share of Cost Due to Beneficiary Request

Article 10 Share of Cost

10-010. Share of Cost--General

Share of Cost shall be determined and processed in accordance with the requirements of this article. The Share of Cost can be paid or obligated by anyone in the CFBU in the month of service.

> Example: Married couple applies for CMSP and is determined to have a share of cost. The share of cost is $50 per month. The $50 may be met by one or both of the adults as it is assigned to the CFBU and not to the individual.

Note: All medically necessary health services – including medical services, supplies, devices and prescription drugs, whether CMSP covered or not – can be used to meet the Share of Cost for CMSP purposes.

10-011. Share of Cost Period

The Share of Cost for a CFBU shall cover the certification period.

10-012. Determination of Share of Cost

The Share of Cost shall be determined at the time of Application or Reapplication.

A. The Share of Cost for a person eligible for Medi-Cal under Aid Code 53, as determined in accordance with Section 3-016 and 9-013.

B. For applicants with income less than or equal to 100% of the Federal Poverty Level (FPL), as determined in accordance with Section 8-011, no Share of Cost shall be required.

C. For applicants with incomes greater than 100% FPL up to 200% FPL, as determined in accordance with Section 8-011, the Share of Cost for all CMSP CFBUs shall be determined as follows:

   (1) Determine the net nonexempt income available to the CFBU based on the most recent information available.

   (2) Round the total net nonexempt income for the month determined in (1) to the nearest dollar, with amounts ending in 50 cents or more rounded to the next higher dollar.

   (3) Determine the appropriate maintenance need for the CFBU for the month in accordance with Section 9-011.

   (4) Subtract the maintenance need from the total rounded net nonexempt income for the month to determine the remainder. (5) The value of this calculation, if any, is the Share of Cost.

D. Beneficiaries who have a change in income will not have that change applied to the CMSP Share of Cost during the existing certification period.

E. Add person:

1. Spouse joins family and is a mandatory-included person in the CMSP Family Budget Unit (CFBU).

a) Spouse requests CMSP in the month they join CFBU.

(i) Original Member must request discontinuance of the existing certificate period effective the same month.

(ii) Failure to do so will be deemed failure to cooperate and new Family Member's Application will be denied.

(iii) If the discontinuance is requested:

a. Re-evaluate eligibility for month of request. If there is an increase in Share of Cost:

i. Added person will have to meet the difference between the old Share of Cost and the new Share of Cost to have medical services covered by CMSP.

ii. The Share of Cost of the original Applicant will not be changed in the month the new person is added.

iii. The new Share of Cost will apply to both members of the case in the month following the change.

iv. A new certificate period will begin in the month following addition of the new person.

(iv) Request to add person occurs after Medi-Cal Eligibility Data System (MEDS) renewal, the policy will be applied as described above:

- Original person must discontinue.
- New person must be added in the current month.
- New determination is made in the following month.

Note: If there is a change in Share of Cost, a MEDS override should be attempted. If that is not possible due to an increase in the Share of Cost, the original Member will have the previous Share of Cost for the first month of certification.

(v) CMSP Beneficiary is linked to Medi-Cal and joins the Medi-Cal case; the CMSP case will be discontinued in the month of Medi-Cal Application.

- Failure of the CMSP Beneficiary to cooperate in determining Medi-Cal eligibility shall result in discontinuance.

F. For CFBUs which include ineligible members who are also eligible members of an MFBU:

1. The Share of Cost of the MFBU will not be the same as the Share of Cost of the CFBU, due to the differences in the maintenance need.

2. Eligible members of the MFBU shall be ineligible members of the CFBU except if the eligible member is a stepchild in his/her own case; the Share of Cost of the MFBU must be determined separately.

G. For a CFBU, which includes a CMSP Applicant or Beneficiary who was included in a Medi-Cal eligibility determination made pursuant to the Sneede v. Kizer lawsuit:

1. Use all income attributed to the CMSP Applicant or Beneficiary from the Sneede v. Kizer calculation.

2. Determine the appropriate maintenance need level as shown in Section 9-012.

3. Subtract the maintenance need from the Sneede v. Kizer income of the Applicant or Beneficiary. The remainder, if any, is the Share of Cost.

10-013. Changes in Share of Cost Determination Due to Administrative Error

An administrative error, which causes the Share of Cost amount to be in excess of the correct Share of Cost, shall be adjusted immediately. If the County fails to take action on an increase in income within the specified time frames, excess income received after the time the County Department should have taken action shall not be reported as a potential Overpayment.

10-014. Changes to Share of Cost Due to Beneficiary Request

If a CMSP beneficiary's income has decreased during an existing certification period he/she may request that the existing CMSP case be discontinued. The income shall be reevaluated and a new share of cost and certification period shall commence the first of the following month.

Article 11. Period of Eligibility

11-010. Beginning Date of Eligibility
11-011. Period of Eligibility
11-012. Instances for Denial or Discontinuance
11-013. Retroactive Medi-Cal Eligibility

Article 11 Period of Eligibility

11-010. Beginning Date of Eligibility

The County Department shall determine the beginning date of eligibility as follows:

A. The beginning date of eligibility for persons applying for CMSP, and whose eligibility has not yet been determined, shall be either:

   (1) The first day of the month of the Medi-Cal or Covered California Application, if all eligibility requirements are met.

   (2) The first day of the month, subsequent to the month of the Medi-Cal or Covered California Application, during which the eligibility requirements of CMSP are met.

B. For the purposes of (A), eligibility criteria are considered to be met throughout the month if they are met at any time during the month.

11-011. Period of Eligibility

The County Department shall determine the period of eligibility as follows:

A. For persons eligible for CMSP, the period of eligibility shall begin with the date specified in Section 11-010 (A) and any one-month retroactivity period granted under Section 3-015:

B. Period of eligibility will be based on the Applicant's Aid Code:

- Applicants who are eligible for full scope CMSP benefits with and without a monthly Share of Cost (Aid Codes 88 and 89) will be eligible/certified for six months;
- Applicants who are eligible for restricted scope CMSP benefits with and without a monthly Share of Cost (Aid Code 50) will be eligible/certified for six months;
- Applicants who are eligible for CMSP through a companion code (Aid Code 8F) to Medi-Cal long-term care (Aid Code 53) are not affected by time-limited certification periods described for other Aid Codes. However, they are subject to the income limits described in Section 8-011.
- Beneficiaries who are eligible for CMSP through a companion code (Aid Code 8F) to Medi-Cal long-term care (Aid Code 53) are not affected by time-limited certification periods. However, upon release from the long-term care (LTC)/skilled nursing facility, the Beneficiary must reapply for CMSP if he/she wishes to continue benefits.

C. Add a person and changes to income and citizenship documentation

(1) In situations where an adult is added to an existing CMSP case per section 10-012.D a new certification period will be established for both adults the first of the month following the change.

(2) In situations where an existing CMSP member reports that his/her income has decreased and requests a new evaluation of a Share of Cost the individual must request that the existing CMSP case be discontinued and a new Share of Cost and certification period shall be established the first of the following month.

Example: Member reports on April 28 that his income has stopped and requests a reevaluation of his Share of Cost. County discontinues current certification and issues notice of action indicating that the CMSP has discontinued by client's request. (This is not an adverse action so the NOA must be issued in sufficient time to reach the client by the effective date of the change.) EW reviews new income information and reduces the Share of Cost with an effective date of May 1 and establishes a new CED.

11-012. Instances for denial or discontinuance

A final date of eligibility shall be established when the County Department determines that the person or family no longer meets all eligibility requirements as of the first day of the following month provided that a ten day notice can be given.

A. Does not cooperate in any of the following Application processes, initially or during the course of CMSP eligibility:

(1) DDSD

(2) Avails themselves to other health coverage that includes but is not limited to employer sponsored coverage.

B. Moves out of County

C. Becomes institutionalized (date of ineligibility shall correspond to date of institutionalization)

D. Becomes eligible for Medi-Cal Program

E. Administrative Error

F. Becomes a fleeing felon

11-013. Retroactive Medi-Cal Eligibility

A CMSP Beneficiary may be determined eligible for Medi-Cal retroactively if determined either as an MN Beneficiary based on blindness or disability, or as a PA or Other PA Beneficiary retroactive to the date of CMSP eligibility.

Article 12. State of California Benefits Identification Card and CMSP Benefits Identification Card Use and Issuance

12-010. State of California Beneficiary Identification Card (CA-BIC) Use
12-011. State of California Paper Immediate Need Cards
12-012. Locations at Which Cards May be Used
12-013. Format of CA-BIC
12-014. CA-BIC for Restricted CMSP Benefits to Certain Aliens
12-015. CA-BIC Issuance by the Department
12-016. Limitation on CA-BIC Issuance
12-017. Verification to Providers of CMSP Eligibility
12-018. Retroactive Medi-Cal Card Issuance and Recipient Notification
12-019. Report of Eligible Beneficiaries
12-020. CA-BIC/Immediate Need Card Signature Requirement
12-021. CMSP Identification Card Use
12-022. Issuance of CMSP Identification Card
12-023. Format of CMSP Identification Card

Article 12 State of California Beneficiary Identification Card Use and Issuance

12-010. State of California Beneficiary Identification Card (CA-BIC) Use

A. The CA-BIC is not proof of CMSP eligibility. It is used as a permanent form of identification and will be issued even to individuals who may not be eligible for the current month. The CA-BIC issued to CMSP beneficiaries is identical to that issued to Medi-Cal beneficiaries, and individuals may use the same card even if they transition from one program to the other (i.e., Medi-Cal to CMSP or CMSP to Medi-Cal).

B. Providers may use the CA-BIC to determine eligibility status, clear any Share of Cost, and to submit electronic billing. Once the CA-BIC is "swiped" through a point of service (POS) device, or eligibility is verified through the Automated Eligibility Verification System (AEVS) or the Claims and Eligibility Real-Time System (CERTS), the provider will receive a message indicating eligibility status, Share of Cost, and any restrictions placed on the individual's benefits.

12-011. State of California Paper Immediate Need Cards

Some beneficiaries may receive a State of California paper immediate need card instead of a CA-BIC. These cards are valid for 30 days, but the 30 days may cover a two-month period (i.e., "Issue Date," 03/03/2027, and "Good Thru Date," 04/02/2027). The provider will be able to verify eligibility status and Share of Cost with the State of California paper card in the same manner as the CA-BIC is used.

12-012. Locations at Which Cards May be Used

The CA-BIC or paper immediate need card shall be authorization for payment for CMSP covered services received in any California County and in designated border state areas outside of California.

12-013. Format of CA-BIC

The CA-BIC or State of California paper immediate need card issued by the Department or County Department, in accordance with the CMSP contract with the State DHCS, shall be used to verify eligibility to enable authorization of CMSP services.

12-014. CA-BIC for Restricted CMSP Benefits to Certain Aliens

An alien who is eligible for Restricted CMSP Benefits, and who meets all other eligibility requirements, shall receive a CA-BIC or State of California paper immediate need card which entitles him or her to program-covered services to treat an emergency medical condition.

12-015. CA-BIC Issuance by the Department

A. The Department shall issue a CA-BIC to each person who is reported to be eligible for CMSP benefits or otherwise in the CFBU.

B. A State of California paper immediate need card may be issued by the County Department to individuals eligible for CMSP benefits and who need an identification card prior to receiving a CA-BIC in order to receive covered services.

12-016. Limitation on CA-BIC Issuance

The County Department shall not cause a CA-BIC to be issued or to establish eligibility on MEDS to any CMSP Beneficiary more than one year subsequent to the month of service, unless one of the following conditions is met:

A. A court action requires that a CA-BIC be issued;

B. An adopted administrative hearing states that, due to a County Department or Department administrative error, an eligible month was not posted on MEDS or a CA-BIC was not issued so that services could be reimbursed to the provider;

C. The Department requests that the CA-BIC card be issued; or

D. The County Department has determined that an administrative error has occurred.

12-017. Verification to Providers of CMSP Eligibility

The County is not to release information concerning an ineligible individual other than the fact that he/she is not eligible for CMSP for a specific month. The County may request that the provider use the POS, AEVS, or other automated system(s) first to determine the individual's eligibility status. If the provider indicates that he/she does not have access to such a method, the counties are required to provide verification of CMSP eligibility to approved providers as follows:

A. Counties are to verify CMSP eligibility and provide limited eligibility information to all providers of CMSP upon request.

B. Only County welfare departments and their out-stationed staff may have access to MEDS terminals for inquiry and update of eligibility information.

C. Counties shall not provide MEDS printouts to any provider.

D. When a provider requests Beneficiary information, the County shall obtain the provider's name, telephone number, and sufficient information to positively identify the Beneficiary.

E. If the provider is unable to furnish the Beneficiary's birth date or SSN, but is able to provide sufficient information such as the name and home address of the

Beneficiary to enable identification, the County may release Beneficiary information.

F. The following information may be released if (D) or (E) is met to the provider:

(1) County ID number (14 digits).

(2) Date of birth.

(3) Eligibility status for requested months (i.e., eligible, ineligible, Share of Cost amount, long-term care status).

(4) Other health coverage.

(5) Restricted status (if applicable)

(6) Client Identification Number (CIN)

12-018. Retroactive Medi-Cal Determination and Recipient Notification

If a CMSP Recipient is determined eligible for Medi-Cal, retroactive to the CMSP eligibility date, the County shall:

A. Revise the Beneficiary's eligibility history by:

(1) Performing an EW-30 transaction to update the Beneficiary's 13-month MEDS history for the appropriate retroactive months.

(2) Performing an EW-50 transaction to update the Beneficiary's eligibility history for the appropriate retroactive months beyond the 13-month MEDS history.

B. Notify the Recipient of the change in eligibility status, and advise the Beneficiary of the rights and responsibilities under Medi-Cal and the scope of Medi-Cal benefits.

12-019. Report of Eligible Beneficiaries

The Department shall compile a monthly report of all persons eligible for CMSP as follows:

A. This report shall include all persons:

(1) Determined by the County Department as eligible for CMSP benefits with no Share of Cost.

(2) Determined by the County Department as eligible for CMSP benefits with a Share of Cost, which has not been met.

(3) Determined as eligible for CMSP benefits with a Share of Cost, which has been cleared.

B. The County Department shall report the information specified in (A) (1) and (2) in a timely manner in accordance with Department procedures.

12-020. CA-BIC/Immediate Need Card Signature Requirement

A. Each Recipient of the CA-BIC shall sign the back of the card prior to presenting it to the provider to obtain CMSP covered service.

B. For persons who are unable to sign their name, they may make a "mark" in lieu of their signature.

C. For persons who are unable to sign their name or make their "mark," the provider shall determine that the individual is unable to sign the card due to a disability.

12-021. CMSP Identification Card Use

A. The CMSP Identification Card is not proof of CMSP eligibility. This card is issued to individuals in addition to the CA-BIC.

B. The CMSP Identification Card is a paper card and should be retained by the beneficiary until there is a break-in-aid.

12-022. Issuance of CMSP Identification Card

The Governing Board or its Third Party Benefits Administrator will generate a CMSP Identification Card in the following circumstances.

- New Member
- Beneficiary requests a replacement card
- There is a break-in-aid

12-023. Format of CMSP Identification Card

An identification card issued by the Governing Board or its Third Party Benefits Administrator to each eligible member of the CFBU shall include the following information:

1. Member’s name and I.D. Number
2. Date of beneficiary’s birth
3. Card Issuance date
4. Provider Customer Service Telephone Number
5. Non-participating Provider Emergency Service Notification Instructions
6. Toll-Free Telephone Number for the Member

Article 13. Other Health Care Coverage

13-010. Other Health Care Coverage--General
13-011. Beneficiary Responsibility--Other Health Care Coverage
13-012. County Responsibility--Other Health Care Coverage
13-013. Governing Board Responsibilities--Other Health Care Coverage
13-014. Recovery of Third Party Payments
13-015. Veteran's Aid and Attendance Payments

Article 13. Other Health Care Coverage

13-010. Other Health Care Coverage--General

An Applicant or Beneficiary shall apply for, and/or retain any available health care coverage when no cost is involved. This shall include but is not limited to coverage provided through Covered California.

13-011. Beneficiary Responsibility--Other Health Care Coverage

An Applicant or Beneficiary shall:

A. Report any entitlement to other health care coverage to the County Department at the time of Application, Reapplication, and at any time that entitlement changes.

B. Utilize other health care coverage, which is available prior to utilizing CMSP.

C. Report services received and information as specified in Sections 13-014(B) and 13-014 (C) (2). Report any changes in coverage or termination of coverage to the County Department within 10 days.

13-012. County Department Responsibilities--Other Health Care Coverage

The County Department shall:

A. Determine the other health care coverage available to an Applicant or Beneficiary, which shall include coverage available through Covered California.

B. Code CalSAWS appropriately using other health care coding prescribed by Medi-Cal.

C. Report the other health care coverage to Governing Board's Third Party Benefits Administrator by completing and submitting the Form CMSP 203 (Health Insurance Questionnaire) when other health care coverage is determined. Forms should be batched and mailed monthly. See the CMSP website for the mailing address.

D. Report termination of other health care coverage by:

1. Follow the Medi-Cal rules and process pursuant to All County Welfare Director Letter 13-12 as set forth on the DHCS website.

2. A copy of the original CMSP 203 (Health Insurance Questionnaire) indicating the ending date of the OHC must be faxed to the Governing Board's Third Party Benefits Administrator. See the CMSP website for the fax number.

3. Remove other health care coverage coding from MEDS

13-013. Governing Board Responsibilities--Other Health Care Coverage

The Governing Board's Third Party Benefits Administrator shall:

A. Recover payments made for CMSP services that should be paid through other health care coverage.

B. Distribute other health care coverage payments collected which exceed both the CMSP payments for services and the administrative cost incurred in collecting the payment as follows:

(1) The difference between the provider's billing and the amount paid through other health care coverage.

(2) Funds remaining shall be paid to the legally entitled person or entity.

13-014. Recovery of Third-Party Payments

A. A Beneficiary shall reimburse the Governing Board for any payment received for health care services which were paid for by CMSP if the payment received by the Beneficiary is made by either of the following:

(1) A federal or state program; or

(2) A legal or contractual entitlement.

B. A Beneficiary who receives health care services as a result of an accident or injury caused a person's action or failure to act shall furnish the Governing Board's Third Party Benefits Administrator with an assignment of rights to receive payment for those services, if those services will be billed to CMSP. If the Beneficiary is unable to make the assignment, the Beneficiary's guardian, attorney, or the person acting on the Beneficiary's behalf shall do so.

C. The Program may file a lien against the property of a Beneficiary if the Beneficiary fails to comply with the requirement in (A).

D. The County Department shall provide the following written information to the Governing Board's Third Party Benefits Administrator concerning a Beneficiary who may meet the conditions in (A) using one of the following methods:

1. Counties must use CMSP 1176 (Potential Third Party Liability Notification).

a. Either Beneficiary or Eligibility Worker may complete, the 1176 does not have to be signed by the beneficiary

b. The CMSP 1176 is to be batched and mailed monthly to the Governing Board at the address listed on the form.

E. Recovery of Costs

To ensure that recovery of costs of medical care occurs, EWs must notify the Governing Board's Third Party Benefits Administrator when:

1. An Individual or Pooled Trust is discovered, or
2. The EW finds out that the disabled individual or disabled spouse has died, or
3. The trust is being terminated.

Send the beneficiary's name, Social Security number, Medi-Cal I.D. number, and photocopies of the trust document to the Governing Board's Third Party Benefits Administrator using a Third Party Liability Notification of Trust Cover Letter (CMSP 205). See the CMSP website for the mailing address.

Note: It is the responsibility of the trustee to contact the Governing Board in writing to obtain the dollar amount of medical assistance provided by CMSP and then submit that amount, or the amount remaining in the trust, whichever is less, to the Governing Board's Third Party Benefits Administrator.

13-015. Veterans Aid and Attendance Payments

Veterans Aid and Attendance payments, a veterans benefit designated to purchase aid and attendance services, shall be considered third-party payments and are exempt as per section 8-014 (F).

Article 14. Overpayments, Fraud, and Improper Utilization

14-010. Potential Overpayments
14-011. Fraud
14-012. County Action on Potential Overpayments
14-013. Action on Overpayments
14-014. Demand for Repayment
14-015. Failure to Repay
14-016. Disposition of Recoupment
14-017. Prior Authorization for Improper Utilization

Article 14 Overpayments, Fraud and Improper Utilization

14-010. Potential Overpayments

Potential Overpayments shall be evaluated as follows:

A. A potential Overpayment occurs when any of the following conditions exist, as limited by (C).

(1) A Beneficiary has property in excess of the property limits for an entire calendar month.

(2) A Beneficiary or the person acting on the Beneficiary's behalf willfully fails to report facts, and those facts, when considered in conjunction with the other information available on the Beneficiary's circumstances, would result in ineligibility.

(3) A Beneficiary has other health care coverage of a type designated by the Department as not subject to post-service reimbursement, and the Beneficiary or the person acting on the Beneficiary's behalf willfully fails to report such coverage.

B. A Beneficiary or the person acting on the Beneficiary's behalf, after completing the CMSP Supplemental Application and the rights and responsibilities forms, willfully fails to report facts and has done any of the following:

1) Provided incorrect oral or written information.

2) Failed to provide information, which would affect the eligibility or Share of Cost determinations.

3) Failed to report changes, within ten days of the change, in circumstances, which would affect eligibility.

C. No potential Overpayment exists if a change occurred in a person's circumstances and that change could not have been reflected in the person's eligibility determination in the month that the change occurred, or the following month, because a ten-day notice could not be issued.

14-011. Fraud

Fraud occurs if the Beneficiary or the person acting on the Beneficiary's behalf willfully fails to report facts as specified in Section 14-010 (B) with the intention of deceiving the Program or the County Department for the purposes of receiving CMSP benefits to which the Beneficiary was not entitled, or to receive benefits at a Share of Cost less than it should be. An Overpayment will have occurred because of these actions.

14-012. County Action on Potential Overpayments

The County Department shall take the following action when it appears that there may be a potential Overpayment:

A. Determine the correct eligibility status and Share of Cost based on the correct income, property, household size, and other circumstances.

B. Determine whether a potential Overpayment exists in accordance with Section 14-010.

C. Determine the amount of CMSP benefits received during the period when the potential Overpayment occurred as specified in Section 14-013 (A) (1).

D. In those instances where a potential Overpayment is due to the willful failure to report facts and there was a person acting on the Beneficiary's behalf:

(1) Determine whether the Beneficiary is Competent to handle his/her own affairs.

(2) If the Beneficiary is Competent, require that the Beneficiary act on his/her own behalf in the future.

(3) If the Beneficiary is not competent, refer the case to the public guardian, conservator, or Adult services to ensure that the Beneficiary's interests are protected.

14-013. Action on Overpayments

The County Department shall take the following action on Overpayments:

A. Upon receipt of information indicating a potential Overpayment, the County shall:

(1) Determine the amount of benefits received by the Beneficiary for the period in which there was a potential Overpayment by submitting a County Request for CMSP Claims Detail, form CMSP 609 to the CMSP Administrative Office data section. This request for a claims detail should include the Beneficiary name, 14-digit ID number, SSN, and the dates of the potential Overpayment.

(2) Compute the actual Overpayment in accordance with the following:

a) When the potential Overpayment was due to excess property, the actual Overpayment shall be the lesser of the:

(i) Actual cost of services paid by the Program during the period of consecutive months in which there was excess property throughout each month.

(ii) Amount of property in excess of the property limit during that period when excess property existed for the entire calendar month(s). This excess amount shall be determined in the same manner as the amount of excess property for Spend Down of property purposes in Section 7-030 (C).

b) When the potential Overpayment was due to increased Share of Cost, the actual Overpayment shall be the lesser of the:

(i) Actual cost of services received in the Share of Cost period which was paid by the Department.

(ii) Amount of the increased Share of Cost for the Share of Cost period(s).

c) When the Overpayment was due to excess property and increased Share of Cost, the actual Overpayment shall be a combination of (a) and (b).

d) When the potential Overpayment was due to other factors, which result in ineligibility, the Overpayment shall be the actual cost of services paid by the Department.

e) Potential Overpayments, due to Beneficiary possession of other health coverage that is not subject to post-services reimbursement, shall be processed by the County to determine and recover actual Overpayments in all cases. The actual Overpayment in such cases shall be the actual cost of services paid by the Program which would have been covered by private health insurance or other health coverage had the coverage been known to the Department. The actual Overpayment shall not include any costs, which can be recovered directly by the Department from the health insurance carrier or other sources. Such potential Overpayment should be processed according to (A) above.

B. Refer those cases where there appears to be fraud to the County district attorney.

C. Take appropriate action to collect Overpayments in accordance with Section 14-014.

14-014. Demand for Repayment

The County shall demand Repayment through the issuance of CMSP 239E notice of action of an Overpayment only if it is made as a result of a Beneficiary's willful failure to meet the reporting responsibilities as specified in Section 14-010.

A. Repayment shall be demanded of a Beneficiary who has property or income which meets all of the following conditions:

(1) The property can be reasonably converted to cash within one year of the time the Overpayment is reported. The value assigned to property other than cash shall be the net market value of the property, less reasonable selling costs.

(2) The property is not essential to safe and healthful household operation.

(3) The income is above the maintenance need for the size of the CFBU.

B. The County may enter into a Repayment agreement with a Beneficiary who does not currently have property or income that can be used for Repayment in accordance with (A) if it appears that such property or income will become available within one year of the date of the discovery of the Overpayment.

C. The County may take other collection actions as permitted under state law.

14-015. Failure to Repay

If the Beneficiary refuses to repay the total amount of the Overpayment, which is subject to a demand for Repayment, the County shall proceed to reduce the court judgment to a lien by having an abstract of judgment recorded in any County in which the Beneficiary owns Real Property, pursuant to Section 697.530, Code of Civil Procedures. Thereafter, it shall take all appropriate action to execute the judgment. As one way of satisfying an otherwise uncollectible Overpayment, the County may arrive at a reasonable settlement for its demand for Repayment with the Beneficiary.

14-016. Disposition of Recoupment

From the total amount of recouped funds collected from a person who has improperly received or obtained CMSP benefits, the County shall retain an amount equal to its actual costs of recovery and shall forward any remaining funds to the Department for deposit in the CMSP account. The County shall report the following information to the Department for each case where recovery occurs:

A. The case number, case ID, and period of Overpayment.

B. The total amount of the Overpayment.

C. The total amount of the demand for Repayment.

D. The amount recovered.

E. The actual costs of recovery.

F. The net amount forwarded to the Department.

14-017. Prior Authorization for Improper Utilization

A Beneficiary who has been determined by the Department or the County to be utilizing CMSP benefits improperly, or engaging in practices inimical to the purposes of CMSP, may be subjected to utilization restriction. Utilization restrictions shall not apply in emergency situations. The County shall impose utilization restrictions upon a Beneficiary by written order, which shall include the reasons for the action. The notice of restricted utilization shall be sent to the Beneficiary by regular mail at least ten days prior to the effective date. The utilization restrictions may be any of the following:

A. Prior authorization for all CMSP services.

B. Prior authorization for specific CMSP services.

C. Restriction to utilization of a specific physician prescriber of drugs.

Article 15. Aid-Paid Pending and Fair Hearings

15-010. Fair Hearings
15-011. Eligibility Hearings and Aid-Paid Pending
15-012. Benefits Hearings
15-013. Medical Benefits Hearing with CMSP Governing Board

15-010. Fair Hearings

A CMSP Applicant/Beneficiary is entitled to request a hearing if he or she is dissatisfied with any action or inaction of the County Department relating to eligibility or benefits provided by CMSP.

15-011. Eligibility Hearings and Aid-Paid Pending

A. Each County must provide a due process procedure for Applicants or beneficiaries who are dissatisfied with any eligibility determination, including the determination of any Share of Cost.

B. The structure of the hearing shall be up to each participating individual County and may follow the hearing structures established for the County General Assistance/General Relief program.

C. Each eligibility determination or change in the eligibility determination shall have a Notice of Action (NOA) issued per Section 3-033. Any Adverse Action shall require a NOA to be issued ten days prior to the effective date of action by the County. Each NOA shall have printed on the back the Applicant's or Beneficiary's right to appeal and shall include information on how to request a hearing from the County, as well as the County address and telephone number.

D. Any request for a hearing on eligibility or Share of Cost issues must be made within 30 days of the NOA.

E. Any Beneficiary who requests a hearing on eligibility or Share of Cost issues prior to the effective date of the stated change shall receive Aid-Paid Pending. Aid-Paid Pending granted will result in the same eligibility and Share of Cost being continued until the end of the certification period or the hearing decision, whichever occurs first.

F. The decision of the County hearing officer on eligibility issues shall be final, unless the County due process provides for a second level of appeal. If so, the second level of appeal decision shall be final. A written decision must be provided to the individual.

> **Note:** If the new Application is denied and the Applicant files a fair hearing on the new denial, APP is not applicable because there is no existing aid to be continued.

G. If the Applicant or Beneficiary requests assistance in filing for a hearing, the County shall provide such assistance as necessary.

15-012. Benefits Hearings

1. A beneficiary or provider may appeal an adverse benefit determination by MedImpact Healthcare System Inc. (MedImpact) or the Governing Board's Third Party Benefits Administrator:

    (1) A denial of benefits
    (2) A reduction of benefits
    (3) A termination of benefits that were previously approved

2. Any hearing request received by the County on benefit issues the beneficiary or provider will be directed back to the Governing Board's Third Party Benefits Administrator or MedImpact.

    i. The beneficiary or provider should contact the Governing Board's Third Party Benefits Administrator. See the Governing Board's website for the Customer Service phone number and mailing address.

    ii. For prescription Drug Appeals the beneficiary or provider should contact MedImpact Customer Service at 1-800-788-2949 and inform the representative they wish to file a hearing or fax MedImpact at:

        MedImpact Health Systems, Inc.
        Attn: Appeals Coordinator
        10680 Treena Street
        San Diego, CA. 92131
        FAX: 1-858-790-6060

The beneficiary or provider may appeal an adverse benefit determination within sixty (60) calendar days of notification of benefit decision.

If the beneficiary wants to keep their treatment going during the appeal process, the beneficiary must request a hearing within ten (10) days from the date of notification. The beneficiary must state in their appeal request that they wish treatment to continue during the appeal process.

15-013. Medical Benefits Hearing with the CMSP Governing Board

The beneficiary or provider must have exhausted the appeal processes of MedImpact or the Governing Board's Third Party Benefits Administrator before requesting a hearing with the Governing Board.

The beneficiary must complete and return a completed 1175A within thirty (30) calendar days of receiving an appeal decision by MedImpact or the Governing Board's Third Party Benefits Administrator.

If the beneficiary or provider wants to continue receiving treatment during the Medical Benefit process, the beneficiary or provider must file a hearing request within ten (10) days of receiving a benefit appeal decision.

The 1175A must be accompanied by:

1. A copy of the appeal decision or action that is the subject of the request for the Medical Benefits Hearing.
2. A statement describing why the beneficiary or provider believes the appeal decision or action is wrong.
3. A statement describing how the beneficiary or provider believes the matter should be resolved.
4. Any other relevant information the beneficiary or provider believes should be considered.

Only written request submitted on a Medical Benefit Hearing Request (1175A) will be accepted. Written requests may be faxed to (916) 649-2606 or mailed to the address listed below.

County Medical Services Program Governing Board
ATTN: Medical Benefit Hearings
1545 River Park Drive, Suite 435
Sacramento, CA 95815

The decision of the Governing Board is the final determination of the matter.