

County Medical Services Program Guide (CMSPG) Letter 16

May 30, 2012

Subject 2012/2013 COUNTY MEDICAL SERVICES (CMS) MAINTENANCE NEED LEVELS (MNL) AND CMS HARDSHIP MAXIMUM ALLOWABLE EXPENSES AND CLARIFICATION TO HARDSHIP EXPENSES

Effective Date July 1, 2012

Reference County Policy

Purpose The purpose of this letter is to provide staff:

- with the new CMS and CMS Hardship MNL's;
- the CMS Hardship Maximum Allowable Expenses amounts; and
- clarify all taxes paid are considered a non-discretionary expense.

Background Under the direction of the Board of Supervisors, the CMS MNL, CMS Hardship MNL, and CMS Hardship Maximum Allowable Expenses are adjusted annually, effective July 1st. The annual adjustment to the CMS MNL, CMS Hardship MNL and CMS Hardship Maximum Allowable Expenses will ensure that low income San Diego County residents continue to have access to health benefits, which supports the County's "Live Well San Diego!" initiative.

Changes The chart below reflects the changes to the MNL.

CMS Category	CMS MNL for	
	1 person	2 people
Standard	\$1,536	\$2,081
Hardship	\$3,259	\$4,414

The chart below reflects the changes to the Maximum Allowable Expenses.

Non-Discretionary Expense	Maximum Allowable Expense for	
	1 person	2 person
Housing/Utilities	\$816	\$1,105
Transportation	\$437	\$591
Food	\$237	\$322
Miscellaneous (includes clothing, personal)	\$106	\$142
Allowable Out-of-Pocket Health Care Expenses	\$167	\$226

Tax expenses include taxes paid whether shown as a deduction on earning statements or paid out of pocket.

Required Actions Workers are to use the new MNL's and new CMS Hardship Maximum Allowable Expenses amounts effective July 1, 2012 and ongoing.

Forms Impact The HHS: CMS-38H (Attachment A) has been revised to:

- reflect the 2012 CMS Hardship Maximum Allowable Expenses; and
- clarify that all taxes paid, including taxes deducted earnings are Non-Discretionary expenses.

This form has been uploaded into the CMS IT System and is available in Xerox Print Services for ordering.

CMS IT System The CMS IT system has been updated to include the current MNL changes.

ACCESS Impact None

Quality Assurance Effective with the August 2012 review month, Quality Assurance will cite the appropriate error on any case that does not comply with the requirements outlined in this letter.

Summary of Changes

The chart below shows the changes to the CMSPG.

Section	Changes
Appendix 6.02A	Updated MNL charts
Appendix 13.03A	Maximum Allowable Expenses updated

Approval for Release



SB

Patient Name		Budget Month/Year	
Patient Case #		Date	
Worker #		Worker Name	

CMS Budget Worksheet

1.	Number of people in family unit _____	Complete these columns to determine income eligibility	
2.	Name of adult family members with income		
	A.	A	B
	B.	Earned Income	
3.	Gross Earnings/Earned In-kind (before deductions)	\$	\$
4.	State Disability Insurance (SDI)		
5.	Subtotal earned (add lines 3 and 4)	=	=
6a.	Work Expenses (\$90 for each person with earned income)	-90.00	-90.00
6b.	ABD Deduction (\$65 + ½ of the remainder for each person with earned income)	-65.00 + \$	-65.00 + \$
7.	Total Earned Income (subtract line 6 from line 5)	\$	\$
		Unearned Income	
8.	In-Kind Income	\$	\$
9.	Other Unearned Income (UIB, VA, SSA, etc.)		
10.	Total Unearned Income (Add lines 8 and 9)		
11.	Total Income (add lines 7 and 10)	\$	\$
12.	Health Insurance Premium <input type="checkbox"/> yes <input type="checkbox"/> no	-	-
13.	Verified Court Ordered Child Support/Alimony		
14.	Total Monthly Net Non-Exempt Income (subtract 12 and 13 from 11)	\$	\$
15.	Total CFBU Monthly Net Non-Exempt Income (add individual rounded totals for columns 14 A & B)		\$
16.	CMS MNL for CFBU Size		\$
17.	Subtract line 15 from line 16. If 15 is greater than 16, the applicant is over income. Offer Applicant CMS Hardship Application.		\$

If applicant is being denied for the sole reason of excess income, and is otherwise eligible, calculate CMS Hardship Evaluation budget.

CMS Hardship Evaluation

STEP 1	<p>Determine if the Applicant's monthly net non-exempt income is at or below 350% FPL. Refer to Article A, Section 5, Appendix C for CMS Maintenance Need Levels (MNL)</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 5px;"> <tr> <td style="width: 60%; padding: 2px;">Applicant's monthly net non-exempt income</td> <td style="width: 40%;"></td> </tr> <tr> <td style="padding: 2px;">350% FPL</td> <td></td> </tr> </table> <p>If Applicant's monthly net non-exempt income is at or less than 350%, go to Step 2.</p>	Applicant's monthly net non-exempt income		350% FPL																																										
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STEP 2	<p>Determine Total Monthly Allowable Non-Discretionary Expenses (using chart below)</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 5px;"> <thead> <tr style="background-color: #333; color: white;"> <th rowspan="3" style="width: 30%; text-align: center;">Non-Discretionary Expenses</th> <th style="width: 15%; text-align: center;">(A) Applicant's Actual Non-Discretionary Expenses</th> <th colspan="2" style="width: 20%; text-align: center;">(B) Maximum Allowable Expense (eff 7/1/12)</th> <th rowspan="3" style="width: 35%; text-align: center;">Applicant's Allowable Expenses (Lesser of A or B)</th> </tr> <tr> <th></th> <th style="text-align: center;">for 1</th> <th style="text-align: center;">or for 2</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;">Housing/Utilities</td> <td></td> <td style="text-align: center;">\$816</td> <td style="text-align: center;">\$1,105</td> </tr> <tr> <td style="padding: 2px;">Transportation</td> <td></td> <td style="text-align: center;">\$437</td> <td style="text-align: center;">\$591</td> </tr> <tr> <td style="padding: 2px;">Food</td> <td></td> <td style="text-align: center;">\$237</td> <td style="text-align: center;">\$322</td> </tr> <tr> <td style="padding: 2px;">Miscellaneous (includes clothing, personal)</td> <td></td> <td style="text-align: center;">\$106</td> <td style="text-align: center;">\$142</td> </tr> <tr> <td style="padding: 2px;">Allowable Out-of -Pocket Health Care Expense Allowance</td> <td></td> <td style="text-align: center;">\$167</td> <td style="text-align: center;">\$226</td> </tr> <tr> <td style="padding: 2px;">Tax expenses (state and federal taxes, SDI, Social Security, and Medicare) include taxes paid whether shown as a deduction on earning statements or paid out of pocket.</td> <td></td> <td colspan="2" style="text-align: center;">Actual</td> </tr> <tr> <td style="padding: 2px;">Court Ordered Payments (e.g., current child support and alimony)</td> <td></td> <td colspan="2" style="text-align: center;">Actual</td> </tr> <tr> <td style="padding: 2px;">Payments on Prior Medical Debt</td> <td></td> <td colspan="2" style="text-align: center;">Actual</td> </tr> <tr style="background-color: #ccc;"> <td colspan="5" style="padding: 5px; text-align: center;">Applicant's Total Monthly Allowable Non-Discretionary Expenses Enter amount in item B below.</td> </tr> </tbody> </table>	Non-Discretionary Expenses	(A) Applicant's Actual Non-Discretionary Expenses	(B) Maximum Allowable Expense (eff 7/1/12)		Applicant's Allowable Expenses (Lesser of A or B)		for 1	or for 2	Housing/Utilities		\$816	\$1,105	Transportation		\$437	\$591	Food		\$237	\$322	Miscellaneous (includes clothing, personal)		\$106	\$142	Allowable Out-of -Pocket Health Care Expense Allowance		\$167	\$226	Tax expenses (state and federal taxes, SDI, Social Security, and Medicare) include taxes paid whether shown as a deduction on earning statements or paid out of pocket.		Actual		Court Ordered Payments (e.g., current child support and alimony)		Actual		Payments on Prior Medical Debt		Actual		Applicant's Total Monthly Allowable Non-Discretionary Expenses Enter amount in item B below.				
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STEP 4	<p>Determine Applicant's Monthly Share of Cost</p> <p>The Applicant's Total Monthly Available Income (Line C above) is the Applicant's Monthly Share of Cost.</p>																																													

Article 6 Section 02 Maintenance Need Level (MNL)

Table of Contents

TITLE	CMS PG CITE
Maintenance Need Level (MNL)	06.02.01
General	06.02.01A
CMS Maintenance Need Chart And In-kind Income Values	APPENDIX 6.02A

06.02.01 Maintenance Need Level (MNL)

06.02.01A General

See [Article 6.02 Appendix A](#) for CMS and CMS Hardship MNL charts. When monthly net non-exempt income exceeds the amount for CMS eligibility (165% FPL), the monthly net non-exempt income amount should be compared to the maximum amounts allowed shown for CMS Hardship eligibility (maximum 350% FPL).

Workers shall use the month of certification to determine which year's MNL chart to use.

Example 1: Application date is June 27, 2008. Application disposition is evaluated on July 1, 2008 and CMS is granted effective June 1, 2008. The MNL chart effective July 1, 2007 is to be used.

Example 2: Application date is June 27, 2008. Application disposition is evaluated on July 1, 2008 and CMS is granted effective July 1, 2008. The MNL chart effective July 1, 2008 is to be used.

The CMS MNL for a beneficiary residing in a skilled nursing or intermediate care facility equals the MNL for one (1).

Appendix 6.02A CMS Maintenance Need Chart and Inkind Income Values

1. CMS Maintenance Need Level (MNL)

CFBU SIZE	CMS 165% FPL (Eff 07/01/12)	CMS HARDSHIP 350% FPL (Eff 07/01/12)
1	1,536	3,259
2	2,081	4,414
3	2,625	5,569
4	3,170	6,724
5	3,714	7,879
6	4,259	9,034
7	4,803	10,189
8	5,348	11,344
9	5,892	12,499
10	6,437	13,654
Add for additional members	545	1,155

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2. CMS In-kind Values

INCOME IN-KIND VALUES				
EFFECTIVE 7/1/89				
HH SIZE	HOUSING	UTILITIES	FOOD	CLOTHING
1	153	33	86	27
2	206	38	182	49
3	225	40	232	75
4	236	41	286	100
5	236	41	346	126
6	236	41	401	149
7	236	41	447	178
8	236	41	490	199
9	236	41	537	227
10	236	41	582	249

Article 13 Section 03 CMS Hardship for Individuals Over 165% FPL

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Hardship Application	<u>13.03.01C</u>
Required Worker Action	<u>13.03.01D</u>
CMS Hardship Evaluation Process	<u>Appendix 13.03A</u>
Determine Monthly Net Non-Exempt Income	<u>Step 1</u>
Determine Monthly Net Allowable Non-Discretionary Expenses	<u>Step 2</u>
Calculate Total Monthly Discretionary Income	<u>Step 3</u>
Determine Monthly Share of Cost (SOC)	<u>Step 4</u>

13.03.01 CMS Hardship Evaluation

**13.03.01A
Hardship
Evaluation**

If the applicant’s monthly net non-exempt income is over 165% FPL but not over 350% FPL, the worker continues the eligibility process by evaluating for a CMS Hardship as long as the applicant meets all other eligibility requirement.

**13.03.01B
Worker Action**

1. The worker shall determine whether the applicant’s monthly net non-exempt income is at or below 350% FPL.
 - a) If the applicant’s monthly net non-exempt income is in excess of 350% FPL, deny the case for excess income.
 - b) If the applicant’s monthly net non-exempt income is 350% FPL or less, the applicant is eligible to apply for CMS Hardship. The CMS case is to remain in a pending status until the outcome of the CMS Hardship evaluation has been determined.

2. The worker shall provide to each applicant who has been determined eligible to apply for a CMS hardship, a CMS Hardship Packet:
 - a) CMS Hardship Application (CMS-01)
 - b) Agreement to Reimburse the County of San Diego (CMS-106)
-

**13.03.01C
Hardship
Application**

The applicant will be given the opportunity to complete and return the completed CMS-01 and CMS-106 during the intake interview to facilitate the CMS Hardship evaluation.

1. If the applicant returns the completed CMS-01 and CMS-106 during the intake interview, the worker shall continue with the CMS Hardship evaluation.
2. If the applicant states they would like additional time to consider the CMS Hardship opportunity, the CMS-01 and/or CMS-106 shall be considered a pending verification(s) and the applicant shall be given 10 calendar days in which to return the completed forms and any supporting documentation. The CMS-01 and/or CMS-106 shall be included on the list of pending verifications provided to the applicant by the worker.
3. If the applicant does not return the CMS-01 and/or CMS-106 within the initial 10 calendar day timeframe, the applicant shall be given additional 10 calendar days in which to return the completed forms and any supporting documentation. The CMS-01 and/or CMS-106 shall be included on the list of pending verifications provided to the applicant by the worker.
4. If the applicant returns the CMS-01 and CMS-106 but does not return required supporting documentation by the deadline outlined in "3" above, the worker shall calculate the hardship budget with out giving allowances for any items missing documentation.
 - a) Documentation is required for:
 - 1) Rent & Utilities
 - 2) Transportation
 - 3) Taxes
 - 4) Court ordered support and payments
 - 5) Payments on previously incurred medical debt

b) Documentation is not required for:

- 1) Food
- 2) Miscellaneous

**13.03.01D
Required
Worker
Actions**

All eligibility staff are required to evaluate for good cause if the applicant hasn't returned the required documents/verification by the end of the second 10 day period.

All documentation related to CMS Hardship shall be maintained in the case record.

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Appendix 13.03A County Medical Services (CMS) Hardship Evaluation Process

**CMS Hardship
Application**

The following instructions are to be utilized to process CMS Hardship applications.

Step 1

Determine if the Applicant's monthly net non-exempt income is at or below 350% FPL. Refer to [06.02 Appendix A](#) for CMS Maintenance Need Levels (MNL).

Applicant's monthly net non-exempt income	
350% FPL	

If Applicant's monthly net non-exempt income is at or less than 350%, go to Step 2.

Step 2

Determine Total Monthly Allowable Non-Discretionary Expenses (using chart below):

Non-Discretionary Expenses	(A) Applicant's Actual Non-Discretionary Expenses	(B) Maximum Allowable Expense (Eff 7/1/12) for 1 or for 2		Applicant's Allowable Expenses (Lesser of A or B)
Housing/Utilities		\$816	\$1,105	
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Miscellaneous (includes clothing, personal)		\$106	\$142	
Allowable Out-of - Pocket Health Care Expense Allowance		\$167	\$226	
Tax expenses (state and federal taxes, SDI, Social Security, and Medicare) include taxes paid whether shown as a deduction on earning statements or paid out of pocket.		Actual		
Court Ordered Payments (e.g., current child support and alimony)		Actual		
Payments on Prior Medical Debt		Actual		
Applicant's Total Monthly Allowable Non-Discretionary Expenses Enter amount in item B below.				

Step 3

Calculation of Total Monthly Discretionary Income	
A. Total Gross Monthly Income	
- B. Total Monthly Allowable Non-Discretionary Expenses	-
= C. Total Monthly Available Income	=

Subtract Line B (applicant's Total Monthly Allowable Non-Discretionary Expenses) from Line A (applicant's Total Gross Monthly Income).

The remaining amount (Line C) shall be considered the applicant's Total Monthly Available Income.

CMSPG LTR #16 (05/12)

Step 4

Determine Applicant's Monthly Share of Cost.

The Applicant's Total Monthly Available Income (Line C above) is the Applicant's Monthly Share of Cost.

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