

July 2, 2013

CalFresh Program Guide Letter #584

Subject CLARIFICATION OF CALFRESH MODIFIED CATEGORICAL ELIGIBILITY (MCE) REGULATIONS

Effective Date Upon receipt

Reference All County Letters 12-62 and 13-32

Purpose The purpose of this letter is to provide new policy information regarding the determination of Modified Categorical Eligibility (MCE) for CalFresh households.

Background California implemented MCE on July 1, 2009 for Non-assistance CalFresh (NACF) households with children under the age of 18, who would otherwise be eligible for CalFresh, except for their exceeding the resource limit. MCE was granted by providing the household with a Temporary Assistance for Needy Families (TANF)/Maintenance of Effort (MOA)-funded service in the form of the "PUB 275 – Family Planning" brochure. The County issued CalFresh Program Guide (CFPG) Letter #545 to implement MCE.

California expanded MCE to all NACF households on February 1, 2011, thus implementing a Broad-based Categorical Eligible (BBCE) program. The County issued CFPG Letter #555 to implement the expansion of MCE to MCE/BBCE.

ACL 13-32 was received April 24, 2013 providing instructions to counties.

Final CalWIN workaround instructions (BENDS 6258) were received June 25, 2013.

Definition **Modified Categorical Eligibility (MCE) or Broad-based Categorical Eligibility (BBCE)**

MCE/BBCE refers to the policy that makes most households categorically eligible for CalFresh because they receive a non-cash TANF/MOE-funded benefit or service, such as PUB 275 in California.

Note: MCE is referred to as BBCE at the federal level and it is intended to only exempt resources for households who meet all other conditions of eligibility.

Continued on next page

CalFresh CalFresh Program Guide Letter #584, Continued

Previous Policy MCE was granted to all eligible NACF households that received the PUB 275 Family Planning brochure. The PUB 275 meets the criterion for providing a TANF/MOA-funded service. Human Service Specialists (HSSs) were not required to evaluate resources or request verification of resources after MCE was granted.

Updated Policy Receipt of the PUB 275 does not, in itself, grant MCE eligibility to a NACF household. A household must first meet the income limits listed below. Once MCE is granted, all resources are exempt.

INCOME

In California, a household's gross income must be at or below the following limits in order to be eligible to MCE:

- 130% of the Federal Poverty Level (FPL) for households with non-elderly or disabled (E/D) members, and
- 200% of FPL for households that include an E/D member.

RESOURCES

Once the household is determined MCE eligible, the household's resources will not be evaluated to determine eligibility to CalFresh.

If an E/D household's gross income is above 200% of FPL, they are not considered MCE, and the HSS will evaluate resources as instructed in [Chapter 63-200](#).

ALLOTMENT

MCE eligible households are entitled to a minimum allotment even if their net income exceeds the Maximum Net Income limit:

- One or two people – \$16 minimum allotment.
- Three or more people – See the CalFresh Allotment Table ([Section 63-1101.5](#)) according to household size.

Note: 130% of FPL is also the Maximum Gross Income limit set for NACF eligibility for non E/D households.

Continued on next page

CalFresh CalFresh Program Guide Letter #584, Continued

Required Action: PUB 275 shall be included in all NACF application packets including MCE Evaluation the Benefit CalWIN (BCW) and One-e-App packets.

The HSS will evaluate MCE at intake, when the household reports an income change, and at recertification.

- If gross income is at or below 130% of FPL or 200% of FPL if the household includes an elderly or disabled (E/D) household member, the HSS will grant Modified Categorical Eligibility (MCE) because the household received the PUB 275. Once the household is MCE eligible, the household's resources will not be evaluated and the household will receive at least the minimum CalFresh allotment.
- If an E/D household's gross income is above 200% of FPL, the HSS will evaluate resources to determine eligibility to CalFresh. Only those E/D households whose resources do not exceed the maximum resource eligibility standards ([Section 63-1101.1](#)) and pass the Net Income Test will be eligible to CalFresh.

Refer to [Sections 63-120.7-12](#).

Required Action: Case Comments of MCE determination is essential to prevent Quality Control (QC) errors. The HSS will document the MCE determination in Case Documentation Case Comments every time eligibility to NACF is approved and when the case is denied or discontinued due the household exceeding either 130% or 200% of FPL (e.g., at application and recertification, when processing the QR 7, or when a Change Reporting household reports a change which is required to be reported).

Case Comments will be written in the following order:

1. The household's gross income is at or below, or above 130% (or 200%) of FPL;
2. The PUB 275 was provided to the household; and
3. The result of the MCE determination.

Continued on next page

CalFresh CalFresh Program Guide Letter #584, Continued

Required Action:
Case
Documentation
(Continued)

EXAMPLE 1

The household's gross income of \$_____ is below the limit of 130% (or 200%) of FPL for the TANF-funded service (PUB 275). Since the PUB 275 was provided to the household, the household is MCE eligible and CalFresh is approved.

EXAMPLE 2

The household's gross income of \$_____ is over the limit of 130% of FPL for the TANF-funded service (PUB 275). The household is not (or is no longer) MCE eligible. CalFresh is denied (or discontinued).

EXAMPLE 3

The elderly/disabled household's gross income of \$_____ exceeds the limit of 200% of FPL for the TANF-funded service (PUB 275); therefore, the household is not (or is no longer) MCE eligible. The household is under the Net Income Limit of 100% of FPL and after evaluating resources, CalFresh is approved because the household's resources are under the maximum resource eligibility standards (\$3,250).

Refer to [Section 63-120.11](#) for additional MCE Case Documentation information and examples.

Automation
Impact

Currently, CalWIN does not evaluate income to grant, deny, or discontinue MCE to CalFresh households nor evaluate resources.

REQUIRED CALWIN FUNCTIONALITY

CalWIN must be programmed to:

- Grant MCE only to households whose gross income does not exceed 130% of FPL or 200% of FPL if the household includes an E/D member;
- Evaluate the resources of E/D households whose income is over 200% of FPL but under the Maximum Net Income limit (100% of FPL);
- Issue at least the minimum allotment to households that have been determined MCE eligible and whose income is over the Maximum Net Income limit.

Continued on next page

CalFresh CalFresh Program Guide Letter #584, Continued

Automation
Impact
(Continued)

TEMPORARY WORKAROUND

Please, follow [BENDS #6258](#) until these changes are implemented in CalWIN. The MCE BENDS consists of two workarounds:

SCENARIO 1: To grant and issue the minimum allotment to an MCE eligible non-E/D or E/D household whose gross income is below 130% or 200% of FPL but over the Maximum Net Income limit (100% of FPL):

CALWIN QUICK REFERENCE		
Step	Action	BENDS Pages
1	On the “Display Unearned Income Summary” screen select “ Tribal TANF funds –CE ” Enter <i>monthly</i> as frequency and gross amount income of “\$0”	5-6
2	Run EDBC, review results for accuracy and enter case comments <i>Remember to end-date the “Tribal TANF Funds-CE” when the HH’s net income falls below 100% of FPL</i>	6-10

SCENARIO 2: Deny or discontinue an E/D household whose income is above 200% of FPL, passes the Net Income Test, but resources are above the limit of \$3,250:

CALWIN QUICK REFERENCE		
Step	Action	BENDS Pages
1	Enter Asset (resources) in “Collect Liquid Asset Detail” screen as appropriate	12-13
2	Complete all other windows and run EDBC	13
3	Deny or discontinue the case using the Collect Withdraw/Deny/Cancel/Terminate window and enter case comments	14
4	Generate the appropriate NOA in the “Print a NOA Manually” window (DFA 377.1A – Reason Code NM0452, total non-exempt resources exceed the maximum	14

Continued on next page

CalFresh Program Guide Letter #584, Continued

Other Programs Impact **CALWORKS**
No impact.

MEDI-CAL
No impact.

ACCESS Impact No impact

Quality Control Impact Quality Control (QC) will cite the appropriate error when instructions in this material are not followed or are followed incorrectly.

Summary of Changes The table below shows the changes made in the CalFresh Program Guide:

Section	Changes/Updates
63-119	<ul style="list-style-type: none"> Moved Categorical Eligibility (CE) regulations from this section to 63-120. Moved AB 59 and SB 493 procedures (notification to CalFresh applicants of potential Medi-Cal eligibility) from 63-119 to this section.
63-120	<ul style="list-style-type: none"> Moved Categorical Eligibility and Modified Categorical Eligibility (MCE) regulations from 63-119 to this section. Moved AB 59 and SB 493 procedures (notification to CalFresh applicants of potential Medi-Cal eligibility) from this section to 63-119.
63-105.1	Clarified MCE eligibility when evaluating Expedited Services.
63-105.6	
63-117.20	Clarified MCE eligibility regulations.
63-121.4	Added link to Section 63-120 (MCE regulations).
63-157.1	
63-157.2	
63-201.1-4	Clarified MCE eligibility and resources evaluation.

Continued on next page

CalFresh CalFresh Program Guide Letter #584, Continued

Summary of
Changes
(Continued)

Section	Changes/Updates
63-202	Clarified MCE eligibility and added link to Section 63-120.
63-203	
63-206	
63-224.11	Clarified MCE eligibility and added link to Section 63-120.
63-254.10	Clarified CE and MCE eligible households are eligible to the minimum allotment.
63-275.7	Clarified resources MCE eligibility and added link to Section 63-120.
63-302.4	Clarified MCE eligibility and added link to Section 63-120.
63-501.5	
63-1101.1	Restored resource standards information and clarified MCE eligibility.
63-1101.3	Added 200% of FPL Chart.
63-1102.2	Added a 200% of FPL column to the CalWORKs and CalFresh Assistance Standards Table.
63-201 – 63-205	<ul style="list-style-type: none"> Reinstated all regulations pertaining to resources (previously deleted) Deleted IEVS information from section 63-205. IEVS information can be found in section 63-118.

Director
Approval



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Eligibility operations Director

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