

Medi-Cal Program Guide (MPG) Letter #593

March 9, 2006

Subject **2006 FEDERAL POVERTY LEVELS, EFFECTIVE APRIL 1, 2006 AND NEW LIMITS FOR THE AGED & DISABLED (A&D) FEDERAL POVERTY LEVEL (FPL) PROGRAM AND THE 2006 STATEWIDE AVERAGE PRIVATE PAY RATE FOR NURSING FACILITY SERVICES**

Effective Date April 1, 2006

Reference ACWDLs 06-06, 06-07, 06-08, and 06-11

Purpose The purpose of this letter is to inform staff of the following:

- The increase to the FPLs and Sneede v. Kizer prorated income levels for Section 1931(b),
- The revised income disregard for couples in the A&D FPL Program, and
- The Average Private Pay Rate (APPR) for 2006.

Background ***FPL Levels***

Annually, the Social Security Administration (SSA) Title II Cost of Living Adjustment (COLA) for all FPL based programs is disregarded until the new FPLs are in effect on April 1, 2006. These programs include:

- 100% FPL for children ages 6 to 19,
- 133% FPL for children ages 1 to 6,
- 200% FPL for children under age 1 and pregnancy,
- A&D FPL,
- Qualified Medicare Beneficiary (QMB),
- Specified Low-Income Medicare Beneficiary (SLMB),
- Qualified Individual (QI), and
- 1931(b) using Applicant or Recipient Budget Method B.

The Sneede v. Kizer prorated income figures for Section 1931(b) are derived from the annual FPL figures.

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Background (continued)

The income disregard for couples in the A&D FPL Program is the difference between the SSI/SSP couple payment and 100% of FPL.

APPR Level

The APPR is used to calculate a potential period of ineligibility whenever a transfer of resources has been made for less than fair market value by an applicant/beneficiary who is in Long-Term Care (LTC).

Changes

The APPR increased to \$5,031 for 2006.

The following changes/adjustments are effective April 1, 2006:

- FPLs increased,
 - Sneede v. Kizer prorated FPLs increased, and
 - The A&D couples' disregard effective April 1, 2006 through December 31, 2006 has been changed to \$372.
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Required Action

FPL

Effective April 1, 2006, workers will:

- Use the new FPL figures provided in MPG Article 11, Appendices A and B when determining eligibility to the following special programs:
 - 100% FPL for children ages 6 to 19,
 - 133% FPL for children ages 1 to 6,
 - 200% FPL for children under age 1 and for pregnancy,
 - A&D FPL,
 - QMB,
 - SLMB,
 - QI,
 - 250% Working Disabled (WD) Program, and
 - 1931(b) using Applicant or Recipient Budget Method B.
 - Use the revised Social Security Income when comparing the MFBU's net countable income to the new FPLs for Special Program, 1931(b), and A&D FPL cases,
 - Use the new prorated Sneede v. Kizer income limits for Section 1931(b) when determining eligibility, and
 - Use the new couple disregard for A&D FPL cases.
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Required Action
(continued)

APPR

The new APPR amount is used for calculating the period of ineligibility for transfers of property for less than fair market value. Workers must use this figure whenever the date of application for Medi-Cal or the date of institutionalization (the more recent of the two) occurs on or after January 1, 2006 and a disqualifying transfer has occurred.

Ad Hoc Reports

Five ad hoc reports (listed in the table below) will be run on the evening of March 6, 2006. They will be distributed during that week. Begin review of the ad hocs upon receipt and complete by April 16, 2006. A ten-day notice is required to increase a Share of Cost (SOC) or take any other adverse action. The following table is a list of the ad hoc reports and evaluation procedures.

Ad Hoc Report	Evaluation Procedures
MC Special Programs Denied 3/1/06-3/31/06	FPL cases identified as denied between 3/1/06 and 3/31/06 due to excess income are to be reviewed to determine if Medi-Cal eligibility exists for April 2006 using the new FPL limits.
MC Special Programs Discontinued 3/31/06	FPL cases identified as discontinued effective 3/31/06 due to excess income are to be reviewed to determine if Medi-Cal eligibility exists for April 2006 using the new FPL limits.
1931(b) FPL Case Reviews	Cases using the Applicant or Recipient B budgets based on 100% of the FPL, which include Social Security income, are to be reviewed to determine if Medi-Cal eligibility exists for April 2006 using the new Social Security income amounts from the January 1, 2006 COLA increase and the April 1, 2006 FPL limits.
Aged & Disabled FPL Case Review	A&D FPL cases, which include Social Security income, are to be reviewed to determine if Medi-Cal eligibility exists for April 2006 using the new Social Security income amounts from the January 1, 2006 COLA increase and the April 1, 2006 FPL limits.

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Ad Hoc Reports (continued)

Ad Hoc Report	Evaluation Procedures
250% Working Disabled Case Review	250% WD cases, which include Social Security income, are to be reviewed to determine if Medi-Cal eligibility exists for April 2006 using the new Social Security income amounts from the January 1, 2006 COLA increase and the April 1, 2006 FPL limits. Ad Hoc Report

QMB Cases On April 1, 2006, CDS will automatically remove BIC QVR on active QMB cases (which was entered by CDS in 12/05 during the 2006 Social Security COLA process) and redetermine eligibility using the new Social Security income and FPLs. F documents will be generated and must be reviewed for accuracy before filing in the case folder. If the case is ineligible, it will automatically be discontinued. If the QMB case is in discontinued status at month end and later rescinded, BIC QVR will need to be removed manually from the budget.

1931(b) Cases On April 1, 2006, CDS will automatically remove BIC MVR on active 1931(b) cases (which was entered by CDS in 12/05 during the 2006 Social Security COLA process) and redetermine eligibility using the new Social Security income and FPLs. F documents will be generated and must be reviewed for accuracy before filing in the case folder. If the case is ineligible, it will automatically be discontinued. If the 1931(b) case is in discontinued status at month end and later rescinded, BIC MVR will need to be removed manually from the budget.

Automation Impact The FPL tables were updated on CDS February 27, 2006.

Forms Impact The Special Zero SOC Programs Desk Aid (Attachment A) has been updated to reflect the increased FPL limits.

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Quality Assurance Impact

Effective with the May 2006 review month, Quality Assurance will cite with the appropriate error any case which does not follow the requirements of this letter.

Summary of Change

The table below shows the changes made in the Medi-Cal Program Guide (MPG).

Section	Changes
Article 5, Section 10	Appendices D-F updated with the latest SSI information.
Article 11, Section 1	Updated Appendix A and B with the revised standards.

Filing Instructions

The table below shows how to file the MPG material.

Action	Pages
Remove	MPG 5-10-D through 5-10-F
	MPG 11-1-A through 11-1-B
Replace	MPG 5-10-D through 5-10-F
	MPG 11-1-A through 11-1-B

Important Notice

The MPG is available in its entirety on the County Intranet by accessing <http://hhsa.intranet/manuals/mpg/index.html>. The MPG revisions listed in this letter will be entered into the Intranet MPG at the next update.

Manager Approval

ORIGINAL SIGNED BY:

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