

# Medi-Cal Program Guide Letter #729

May 19, 2011

---

**Subject** ARTICLE A—2011/2012 COUNTY MEDICAL SERVICES (CMS) MAINTENANCE NEED LEVELS (MNL) AND CMS HARDSHIP MAXIMUM ALLOWABLE EXPENSES

---

**Effective Date** July 01, 2011

---

**Reference** County Policy

---

**Purpose** This letter is to provide staff with the new CMS and CMS Hardship MNL's and the CMS Hardship Maximum Allowable Expenses amounts effective July 1, 2011.

---

**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 1<sup>st</sup>.

---

**Changes** The CMS standard MNL is increased to \$1,498 for a single adult and \$2,023 for a married couple. The CMS Hardship MNL is increased to \$3,178 for a single adult and \$4,291 for a married couple. The Allowable Expenses have also increased to accommodate the MNL adjustments.

---

**Required Actions** Workers are to use the new MNL's and new CMS Hardship Maximum Allowable Expenses amounts effective July 1, 2011 and ongoing.

---

**Forms Impact** The HHSA: CMS-38H (Attachment A) has been revised to reflect the 2011 CMS Hardship Maximum Allowable Expenses. This form has been uploaded into Xerox Print Services and is available to be ordered.

---

**Quality Assurance Impact** Effective with the August 2011 review month, Quality Assurance will cite the appropriate error on any case that does not comply with the requirements outlined in this letter.

---

---

**Access  
Impact**

None

---

**CMS IT  
System**

The revised CMS-38H will be uploaded into the CMS IT System.

---

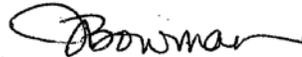
**Summary of  
Changes**

The table below shows the changes made to the MPG.

Article	Changes
A. 5 Appendix 5C	MNL chart updated
A.13 Appendix 13A	Allowable Expensed Updated

---

**Manager  
Approval**



Janya Bowman, Assistant Deputy Director  
Health Care Policy Administration  
Office of Health Systems Innovation



Sylvia Melena, Assistant Deputy Director  
Self Sufficiency Programs  
Strategic Planning and Operational Support

---

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 + \$
<b>7.</b>	<b>Total Earned Income (subtract line 6 from line 5)</b>	<b>\$</b>	<b>\$</b>
		Unearned Income	
8.	In-Kind Income	\$	\$
9.	Other Unearned Income (UIB, VA, SSA, etc.)		
<b>10.</b>	<b>Total Unearned Income (Add lines 8 and 9)</b>		
<b>11.</b>	<b>Total Income (add lines 7 and 10)</b>	<b>\$</b>	<b>\$</b>
12.	Health Insurance Premium <input type="checkbox"/> yes <input type="checkbox"/> no	-	-
13.	Verified Court Ordered Child Support/Alimony		
<b>14.</b>	<b>Total Monthly Net Non-Exempt Income (subtract 12 and 13 from 11)</b>	<b>\$</b>	<b>\$</b>
15.	Total CFBU <b>Monthly Net Non-Exempt</b> 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

<b>STEP 1</b>	<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: 50%; padding: 2px;">Applicant's monthly net non-exempt income</td> <td style="width: 50%;"></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																																										
Applicant's monthly net non-exempt income																																														
350% FPL																																														
<b>STEP 2</b>	<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%;">Non-Discretionary Expenses</th> <th style="width: 15%;">(A) Applicant's Actual Non-Discretionary Expenses</th> <th colspan="2" style="width: 20%;">(B) Maximum Allowable Expense (eff 7/1/11)</th> <th rowspan="3" style="width: 35%;">Applicant's Allowable Expenses (Lesser of A or B)</th> </tr> <tr> <th></th> <th style="width: 10%;">for 1</th> <th style="width: 10%;">or for 2</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;">Housing/Utilities</td> <td></td> <td style="text-align: center;">\$796</td> <td style="text-align: center;">\$1,075</td> </tr> <tr> <td style="padding: 2px;">Transportation</td> <td></td> <td style="text-align: center;">\$426</td> <td style="text-align: center;">\$575</td> </tr> <tr> <td style="padding: 2px;">Food</td> <td></td> <td style="text-align: center;">\$231</td> <td style="text-align: center;">\$313</td> </tr> <tr> <td style="padding: 2px;">Miscellaneous (includes clothing, personal)</td> <td></td> <td style="text-align: center;">\$103</td> <td style="text-align: center;">\$138</td> </tr> <tr> <td style="padding: 2px;">Allowable Out-of -Pocket Health Care Expense Allowance</td> <td style="background-color: #333;"></td> <td style="text-align: center;">\$163</td> <td style="text-align: center;">\$220</td> </tr> <tr> <td style="padding: 2px;">Taxes (state and federal taxes deducted from the applicant's earnings, SDI, Social Security, and Medicare.)</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;"> <p style="text-align: center;">Applicant's Total Monthly Allowable Non-Discretionary Expenses Enter amount in item B below.</p> </td> </tr> </tbody> </table>	Non-Discretionary Expenses	(A) Applicant's Actual Non-Discretionary Expenses	(B) Maximum Allowable Expense (eff 7/1/11)		Applicant's Allowable Expenses (Lesser of A or B)		for 1	or for 2	Housing/Utilities		\$796	\$1,075	Transportation		\$426	\$575	Food		\$231	\$313	Miscellaneous (includes clothing, personal)		\$103	\$138	Allowable Out-of -Pocket Health Care Expense Allowance		\$163	\$220	Taxes (state and federal taxes deducted from the applicant's earnings, SDI, Social Security, and Medicare.)		Actual		Court Ordered Payments (e.g., current child support and alimony)		Actual		Payments on Prior Medical Debt		Actual		<p style="text-align: center;">Applicant's Total Monthly Allowable Non-Discretionary Expenses Enter amount in item B below.</p>				
Non-Discretionary Expenses	(A) Applicant's Actual Non-Discretionary Expenses		(B) Maximum Allowable Expense (eff 7/1/11)		Applicant's Allowable Expenses (Lesser of A or B)																																									
			for 1	or for 2																																										
	Housing/Utilities		\$796	\$1,075																																										
Transportation		\$426	\$575																																											
Food		\$231	\$313																																											
Miscellaneous (includes clothing, personal)		\$103	\$138																																											
Allowable Out-of -Pocket Health Care Expense Allowance		\$163	\$220																																											
Taxes (state and federal taxes deducted from the applicant's earnings, SDI, Social Security, and Medicare.)		Actual																																												
Court Ordered Payments (e.g., current child support and alimony)		Actual																																												
Payments on Prior Medical Debt		Actual																																												
<p style="text-align: center;">Applicant's Total Monthly Allowable Non-Discretionary Expenses Enter amount in item B below.</p>																																														
<b>STEP 3</b>	<table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 5px;"> <thead> <tr style="background-color: #333; color: white;"> <th colspan="2" style="text-align: center;">Calculation of Total Monthly Discretionary Income</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;">A. Total Gross Monthly Income</td> <td style="width: 15%;"></td> </tr> <tr> <td style="padding: 2px;">- B. Total Monthly Allowable Non-Discretionary Expenses</td> <td style="text-align: center;">-</td> </tr> <tr> <td style="padding: 2px;">= C. Total Monthly Available Income</td> <td style="text-align: center;">=</td> </tr> </tbody> </table> <p>Subtract Line B (applicant's Total Monthly Allowable Non-Discretionary Expenses) from Line A (applicant's Total Gross Monthly Income).</p> <p>The remaining amount (Line C) shall be considered the applicant's Total Monthly Available Income.</p>	Calculation of Total Monthly Discretionary Income		A. Total Gross Monthly Income		- B. Total Monthly Allowable Non-Discretionary Expenses	-	= C. Total Monthly Available Income	=																																					
Calculation of Total Monthly Discretionary Income																																														
A. Total Gross Monthly Income																																														
- B. Total Monthly Allowable Non-Discretionary Expenses	-																																													
= C. Total Monthly Available Income	=																																													
<b>STEP 4</b>	<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>																																													

# APPENDIX 5C CMS Maintenance Need and Property Limit Charts

## 1. CMS Maintenance Need Levels (MNL)

CFBU SIZE	CMS 165% FPL (Eff 07/01/11)	CMS HARDSHIP 350% FPL (Eff 07/01/11)
1	1,498	3,178
2	2,023	4,291
3	2,549	5,408
4	3,074	6,521
5	3,599	7,634
6	4,125	8,750
7	4,650	9,863
8	5,174	10,976
9	5,701	12,093
10	6,227	13,209
Add for additional members	526	1117

MPG Letter # 729 (5/11)

## 2. CMS Property Limits

PROPERTY LIMITS	
CFBU SIZE	LIMIT
1	\$ 2,000
2	3,000
3	3,150
4	3,300
5	3,450
6	3,600
7	3,750
8	3,900
9	4,050
10	4,200

## 3. 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

---

# APPENDIX 13A

## County Medical Services (CMS) Hardship Evaluation

**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 Article A, Section 5, Appendix C for CMS Maintenance Need Levels (MNL).

Applicant's monthly net non- 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 7/1/11)		Applicant's Allowable Expenses (Lesser of A or B)
		for 1	or for 2	
Housing/Utilities		\$796	\$1,075	
Transportation		\$426	\$575	
Food		\$231	\$313	
Miscellaneous (includes clothing, personal)		\$103	\$138	
Allowable Out-of -Pocket Health Care Expense Allowance		\$163	\$220	
Taxes (state and federal taxes deducted from the applicant's earnings, SDI, Social Security, and Medicare.)		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.

---

**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.

---