

# Medi-Cal Program Guide (MPG) Letter #746

February, 28 2012

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**Subject** 2012 FEDERAL POVERTY LEVELS (FPL)

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**Effective Date** January 1<sup>st</sup>, 2012

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**Reference** ACWDLs 11-43, 11-44, 12-01,12-05 and Draft

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

- Increases to the FPLs and the Sneed v. Kizer prorated FPLs for Section 1931(b).
- The increased property limits for Medicare Savings Plans (MSP).
- A Cost of Living Adjustment (COLA) Mass Update run is scheduled for March 03, 2012 to apply the SSA COLA increases that were previously disregarded until the new FPLs are released.

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**Background** Every year, the Social Security Administration (SSA) Title II COLA for all FPL based programs is disregarded until the new FPLs become effective on April 1<sup>st</sup>. The FPL based programs include:

- 100% FPL for children ages 6 to 19
- 133% FPL for children ages 1 to 5
- 200% FPL for pregnant women and children under 1
- Aged and Disabled (A & D) FPL
- MSP (i.e. Qualified Medicare Beneficiary (QMB), Specified Low Income Beneficiary (SLMB), and Qualified Individual 1 (QI-1))
- Section 1931(b) Applicant or Recipient Budget Method B
- 250% Working Disabled

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

The income disregard for couples in the A & D FPL is determined by subtracting the FPL for two from the SSI/SSP couple payment standard.

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**Changes** For most individuals whose eligibility is determined based on the FPL, the following adjustments are effective April 1, 2012:

- FPLs increased
- Sneed v. Kizer prorated FPLs increased

**Exceptions:**

- For QMB, SLMB, or QI-1 applicants and recipients **without** SSA Title II income, the FPL increase shall be effective January 1, 2012.
- For QMB, SLMB, or QI-1 applicants and recipients **with** SSA Title II income, the FPL increase shall be effective March 1, 2012.

The A&D FPL disregards will remain at \$230 for individuals and \$310 for couples.

Effective January 1<sup>st</sup>, the property limits for Medicare Savings Plans increased to \$6,940 for individuals and \$10,410 for a couple.

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**COLA Mass Update**

A COLA Mass Update is scheduled for March 03, 2012 to apply the SSA COLA increases that were previously disregarded until the new FPLs are released.

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**Exception Lists**

Cases that did not process successfully during the COLA Mass Update will be identified on Exception Lists. A case may exception-out during the COLA Mass Update run due to four primary error types:

- EDBC Error
- Authorization Error
- Pre-EDBC Exceptions
- Pre-Authorization Exceptions

Medi-Cal Program will notify FRC staff via email when the Exception Lists are available for review on the SharePoint website [here](#).

Workers must review each case on the Exception List and take appropriate action to resolve the error. Descriptions and possible reasons for the error and instructions for processing cases appearing on the Exception Lists are attached to this letter (attachment A).

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**Notices of Action (NOAs)**

The COLA Mass Update scheduled for March 03, 2012 will produce NOAs. As part of the COLA workgroup's recommendations, certain NOAs will be deleted from the print queue while others will be mailed automatically and require no additional action by the worker. However, some NOAs will require worker's review and will be set to stay in On-line status. A list of cases identifying NOAs placed in

Online status will be distributed to FRCs as soon as it is made available by the CalWIN project, most likely the week following the March 3 COLA Mass Update. Workers must review their Print Queue before the March 2012 NOA deadline in order to verify that the information is correct before issuing the NOA to the beneficiary.

Priority shall be given to those cases which are negatively affected as these must be sent out by the March NOA deadline to meet the 10-day requirement. The worker must review and determine:

If the NOA is...	Then the worker must...
Correct	Set Print Mode to either "Immediate" or "Batch."
Inappropriate	Delete the NOA.
Incorrect	Make the appropriate corrections by using the "Manual Variables" button and enter the correct information.

#### Required Actions

Workers must:

- Ensure that effective April 1, 2012, the new FPL figures provided in MPG Article 11, Appendix A are used when determining eligibility for Medi-Cal programs that utilize FPL income levels (such as 100%, 133%, 200%, A & D FPL, etc.).
- Apply the new FPL figures effective January 1, 2012 for QMB, SLMB, or QI-1 applicants and recipients **without** SSA Title II income.
- Use the new FPL figures effective March 1, 2012 for QMB, SLMB, or QI-1 applicants and recipients **with** SSA Title II income.
- Review and process any NOAs that were generated from the COLA Mass Update.
- Review each case on the Exception List and take appropriate action to resolve the error.

#### QMB, SLMB, and QI-1 Listings

Since the effective date for the FPL increases for QMB, SLMB, QI-1 applicants and recipients is dependent on whether the case consists of SSA Title II income, certain QMB/SLMB/QI-1 cases must be reviewed to determine if the income is below the new standard and eligibility re-established, if otherwise eligible. Listings of cases needing review will be generated by the CalWIN Project and placed on SharePoint [here](#). FRCs will be notified by email as they become available. Upon receipt of the list, the worker must to take the following actions:

- For QMB, SLMB, or QI-1 cases **without** SSA Title II income that

were denied/discontinued between (01/01/12 – 03/3/12) due to excess income, the worker must review the case to determine if eligibility exists for January 2012 and on-going. The worker must re-run EDBC and indicate “Y” on Capture Discrepancy window for January 2012 through March 2012.

- For QMB, SLMB, or QI-1 cases **with** SSA Title II income that were denied/discontinued between (03/01/12 – 03/3/12) due to excess income, the worker must review the case to determine if eligibility exists for March 2012 and on-going. The worker must re-run EDBC and indicate “Y” on Capture Discrepancy window for March 2012.

Since the property limit increase for MSP cases was not implemented in CalWIN until March, cases denied or discontinued between January and March as over property must be reviewed to determine if the property is below the new limit and eligibility re-established if otherwise eligible.

- For QMB, SLMB, or QI-1 cases denied/discontinued as over property between 1/1/12 and 3/3/12, the worker must review the case to determine if eligibility exists for January 1<sup>st</sup> and on-going. The worker must re-run EDBC and indicate “Y” on the Capture Discrepancy window for January through March 2012.

**ACCESS  
Impact**

None.

**Automation  
Impact**

The following CalWIN Reference Tables (RTs) have been updated to reflect the increases in the FPLs, the Sneeve vs. Kizer prorated FPLs for Section 1931(b), and the A & D FPL couple disregard amount.

<b>RT Name</b>	<b>Description</b>
RT_DED_TYPE	Deduction Type for update of the A & D FPL couple disregard
RT_SNEEDE_MAINT_NEED	Sneeve Maintenance Need for Update of the 1931(b) Applicant Sneeve income limits
RT_FPL	FPL Limit for update of all FPL amounts related to Medi-Cal
RT_RSC_LIM	Resource Limit for MSP Programs.

**Forms Impact**

None.

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**Quality Assurance Impact**

Effective with April 2012 sample month, Quality Assurance will cite with the appropriate error any case which does not follow the requirements of this letter.

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**Summary of Change**

The table below shows the changes made in the MPG.

<b>Section</b>	<b>Summary of Change</b>
Article 11, Section 1 Appendix A	Updates to FPLs, Sneed prorated FPLs, and changes reported in MPG SN 11-07 related to the January Social Security COLA.
Article 5, Section 10	Updated values in Appendices E, K,

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**Manager Approval**



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

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# Cost of Living Adjust (COLA) Error Exception List Instructions

Cases that were not processed successfully during the COLA Mass Update, will be identified on the Exception Lists. A case may exception out during the COLA Mass Update due to four primary Error Types (EDBC Error, Authorization Error, Pre-EDBC Exception and Pre-Authorization Exception). Below are the descriptions for the various reasons for the error types and required actions to resolve the error.

## 1. ERROR ENCOUNTERED IN AUTHORIZATION PROCESS

After EDBC was run, a program in the case encountered an error during the Batch Authorization process.

If your program is...	Then...
Authorized	No further action is required
Not Authorized	<ul style="list-style-type: none"> <li>• Trouble shoot case</li> <li>• Take action to authorize case</li> <li>• Review any NOAs produced</li> </ul>

## 2. ERROR ENCOUNTERED IN EDBC PROCESS

The case could not run EDBC during the COLA Mass Update and reason for these errors vary.

Step	Action
1	Re-run EDBC
2	Trouble shoot case if error message is received
3	Take action to authorize case
4	Review any NOAs produced

## 3. PRE AUTHORIZATION EXCEPTION - Benefit Split needs to be performed by worker

A condition exists in the case that may require an alternate payee, i.e. sanctioned parent, etc. CalWIN will not allow **batch** authorization unless another payee has been entered.

Step	Action
1	Click "OK" when the pop-up message that "A Benefit split must be performed" appears during the authorization process.
2	Open the detail screen and view the split screen then close that screen.
3	Continue on-line authorization of appropriate supplements.

## 4. PRE AUTHORIZATION EXCEPTION - Case Eligibility Status is in Pending Mode

Cases in pending status will not be automatically authorized as all initial authorizations must be made online.

Step	Action
1	Review results in Wrap Up
2	Authorize appropriate benefit(s) on-line

- 5. PRE AUTHORIZATION EXCEPTION - Case Results were previously Overridden**  
 EDBC was run in the COLA Mass Update but since the case was overridden in the past, the authorization status has reverted to “pending.”

Step	Action
1	Review results in Wrap up to determine if they are programmatically correct or if an override is needed.
2	If an override is needed, contact the CalWIN Operational Support Help Desk
3	If an override is not required, take action to authorize case.
4	Review any NOAs produced

- 6. PRE AUTHORIZATION EXCEPTION - Case has Failed for Future Month**  
 Cases in this category were not shown as eligible for a benefit in 01/12 in CalWIN.

Step	Action
1	Troubleshoot as needed.
2	Re-run EDBC for January 2012 on-line
3	Take action to authorize case
4	Review any NOAs produced

- 7. PRE AUTHORIZATION EXCEPTION - Case runs for more than three retro (prior months)**  
 EDBC was run in the COLA Mass Update and the program has been in pending status for more than 3 months.

Step	Action
1	Re-run EDBC for January 2012 on-line
2	Review the results in Wrap Up for each pending month. Troubleshoot as needed.
3	If results are correct, authorize your program and review any NOAs produced.
4	If results are incorrect and require override, contact the CalWIN Operational Support Help Desk

- 8. PRE AUTHORIZATION EXCEPTION - Converted case has not been authorized online**  
 One or more programs were pending when the case converted to CALWIN and are still in pending status.

Step	Action
1	Re-run EDBC. Evaluate discrepancies. At least one program in the case remains discrepant.  Note: The following may be reasons the case did not authorize: <ul style="list-style-type: none"> <li>• Cases need to be reviewed and conversion factors need to be updated</li> <li>• Check application Date</li> </ul>
2	Take action to authorize case
3	Review NOAs generated

**9. PRE AUTHORIZATION EXCEPTION - Intake case currently having pending verification during a COLA**

These cases have a verification checklist pending. Review and manual authorization is required.

**10. PRE AUTHORIZATION EXCEPTION - On-going case currently having pending Verification during a COLA**

These cases have a verification checklist pending. Review and manual authorization is required.

**11. PRE AUTHORIZATION EXCEPTION - Program in intake mode, cannot authorized in batch**

<b>Step</b>	<b>Action</b>
1	Resolve the pending status
2	Run EDBC
3	Authorize appropriate benefit(s) on-line

**12. PRE AUTHORIZATION EXCEPTION - Case has new Overpayment**

On Medi-Cal/Food Stamps combo cases, the Food Stamps over-issuance claim must be processed before the MC program can be authorized.

**13. PRE AUTHORIZATION EXCEPTION - User Requested/System determined program to pend**

A batch authorization exception special indicator exists on a program in the case. Cases must be authorized online.

**14. PRE EDBC EXCEPTION: - Case is in RRR Mode**

<b>Step</b>	<b>Action</b>
1	Complete the RRR
2	Run EDBC
3	Authorize appropriate benefit(s) on-line

# Appendix E Pickle DHCS Disregard Computation Chart

2012  
Pickle Persons Title II Disregard Computation Chart

Date of Last SSI	Cost of Living Amount	Multiplier
<b>1/11 through 12/11</b>	<b>1.036</b>	<b>0.0347</b>
1/10 through 12/10	1.000	0.0347
1/09 through 12/09	1.000	0.0347
1/08 through 12/08	1.058	0.0877
1/07 through 12/07	1.023	0.1082
1/06 through 12/06	1.033	0.1367
1/05 through 12/05	1.041	0.1707
1/04 through 12/04	1.027	0.1925
1/03 through 12/03	1.021	0.2091
1/02 through 12/02	1.014	0.2200
1/01 through 12/01	1.026	0.2398
1/00 through 12/00	1.035	0.2655
1/99 through 12/99	1.024	0.2827
1/98 through 12/98	1.013	0.2919
1/97 through 12/97	1.021	0.3065
1/96 through 12/96	1.029	0.3260
1/95 through 12/95	1.026	0.3431
1/94 through 12/94	1.028	0.3610
1/93 through 12/93	1.026	0.3772
1/92 through 12/92	1.030	0.3953
1/91 through 12/91	1.037	0.4169
1/90 through 12/90	1.054	0.4468
1/89 through 12/89	1.047	0.4716
1/88 through 12/88	1.040	0.4919
1/87 through 12/87	1.042	0.5124
1/86 through 12/86	1.013	0.5187
1/85 through 12/85	1.031	0.5331
1/84 through 12/84	1.035	0.5489
7/82 through 12/83	1.035	0.5642
7/81 through 06/82	1.074	0.5942
7/80 through 06/81	1.112	0.6351
7/79 through 06/80	1.143	0.6807
7/78 through 06/79	1.099	0.7095
7/77 through 06/78	1.065	0.7272
4/77 through 06/77	1.059	0.7424

## Instructions for Current Year Title II Disregard Computation Chart

This chart replaces and supersedes all previous Title II Disregard Computation charts. The steps to be taken to use this chart are outlined below.

1. Determine the current benefit amount.
2. Determine when the last SSI/SSP check was received.
3. Multiply the current benefit amount by the multiplier for the time period the last SSI/SSP check was received.

# Appendix K 2010 Income Support and Maintenance (ISM) Computing Pickle Eligibility

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<u>Individual</u>		<u>Couple</u>	
VTR	(not rebuttable)	\$232.66	\$349.33
PMV	(rebuttable)	\$252.66	\$369.33

The VTR is the payment level to be used in situations 1, 2 and 3 below.

The PMV is the unearned income amount to be added in other situations.

The following chart provides the method that must be used for determining Pickle eligibility for individuals and couples in various living arrangements.

<u>HOUSEHOLD SITUATION (LIVING ARRANGEMENT)</u>	<u>Principle</u>
1. Living in household of another throughout a month and receiving both food and shelter from someone in the household.	Reduce the applicable payment level by one-third the Federal Benefit Rate (FBR). Use the VTR
2. Living in household of another who is providing both food and shelter and also receiving ISM from a third party.	Reduce the FBR payment level by one-third (VTR). Exclude third party ISM.
3. Living with a responsible relative (deemor) who lives in the household of another and the householder is not a responsible relative but is supplying both food and shelter	Add VTR from the Householder to deemed income from the responsible relative and add to other unearned income
4. Living in own household (ownership or rental liability) and receiving ISM from someone outside the household.	Add Presumed Maximum Value (PMV) to other unearned income.
5. Living in non-institutional *care situation or group home and receiving ISM from someone outside the household.	Add PMV to other unearned income.
* All non-medical institutions including those for education or Vocational training. Also, see page 3 of ISM section.	
6. Living with a responsible relative (deemor) who lives in the household of another and the householder is not a responsible relative but is supplying food or shelter.	Add PMV from the householder to deemed income from the responsible relative and add to other unearned income.
7. Living in household of another and sharing partial or total household expenses	If prorata share is contributed we use the SSI/SSP payment level for a person in an "Independent Living Arrangement". If prorata share is not contributed add PMV.
8. One member of an eligible couple lives in the household of another and receives both food and shelter from the householder while the second member lives in his/her home or a non-medical	1/6 of the FBR for a couple for the person living in his/her own household. (VTR) not rebuttable.

institution.

1/6 of the FBR for a couple plus \$10.

9. If the non-institutionalized spouse lives in any other situation.

1/6 of the FBR for a couple plus \$10.

10. Paying less than current market rental value for shelter.

Add PMV unless criteria for earned/unearned income are met. (See ISM)

(Pickle Handbook Revised 2/21/2012)

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# Appendix A Maintenance Needs Assistance Standards

MN & FPL CHART – EFF 4/01/12					MN INCOME IN-KIND VALUES – EFF 7/1/89					1931 (B) INCOME IN-KIND VALUES – EFF 6/1/99				
HH Size	MMNL	100%	133%	200%	HH SIZE	HOUSING	UTILITIES	FOOD	CLOTHING	HH SIZE	HOUSING	UTILITIES	FOOD	CLOTHING
1	600	931	1239	1862	1	153	33	86	27	1	161	34	90	27
2	750	1261	1677	2522	2	206	38	182	49	2	217	39	191	52
2 Adults	934	1261	1677	2522	3	225	40	232	75	3	237	42	244	79
3	934	1591	2116	3182	4	236	41	286	100	4	248	44	301	105
4	1100	1921	2555	3842	5	236	41	346	126	5	248	44	363	133
5	1259	2251	2994	4502	6	236	41	401	149	6	248	44	422	157
6	1417	2581	3433	5162	7	236	41	447	178	7	248	44	470	187
7	1550	2911	3872	5822	8	236	42	490	199	8	248	44	515	209
8	1692	3241	4311	6482	9	236	41	537	227	9	248	44	565	239
9	1825	3571	4750	7142	10	236	41	582	249	10	248	44	612	261
10	1959	3901	5189	7802										
Add for Addit'l Members	14	330	439	660	* Effective 3/9/2005 In-Kind amounts for clothing only apply to 1931(b).									

  

1931 (b) INCOME STANDARDS				1931 (b) SNEEDE V. KIZER INCOME/PROPERTY PRORATIONS						PROPERTY LIMITS		
HH SIZE	1931 (B) LIMIT	OR	100%	No. of Kids in MBU	EFF 12/1/04		EFF 4/01/12		PROPERTY		MFBU	LIMIT
1	398		931		1931 (B) LIMITS		100%		1931 (b) LIMIT OR 100%		1	\$2,000
2	653		1261		1 Parent	2 Parent	1 Parent	2 Parent	1 Parent	2 Parent	1	\$3,000
3	808		1591	1	2	1	2	1	2	2 (Both)	\$3,000	
4	961		1921	2	3	2	3	2	3	3	\$3,150	
5	1094		2251	3	4	3	4	3	4	4	\$3,300	
6	1229		2581	4	5	4	5	4	5	5	\$3,450	
7	1350		2911	5	6	5	6	5	6	6	\$3,600	
8	1473		3241	6	7	6	7	6	7	7	\$3,750	
9	1591		3571	7	8	7	8	7	8	8	\$3,900	
10	1709		3901	8	9	8	9	8	9	9	\$4,050	
Effective	12/1/04	4/1/12	9	10	9	10	9	10	10	\$4,200		
More than 10	1709	Add for Additional Members 330	10	Add for Additional Members	Contact Medi-Cal Program for amount		319		QMB 1 = \$6,940 QMB 2 = \$10,410			

QMB/SLMB/QI-1 LEVELS – EFF 04/01/2012						
Family Size	QMB 100%	SLMB 120%	QI-1 135%	TMC 185%	QWDI 200%	WD 250%
1	931	1117	1257	1723	1862	2328
2	1261	1513	1703	2333	2522	3153
3	1591	1909	2148	2944	3182	3978
4	1921	2305	2594	3554	3842	4803
5	2251	2701	3039	4165	4502	5628
6	2581	3097	3485	4775	5162	6453
7	2911	3493	3930	5386	5822	7278
8	3241	3889	4376	5996	6482	8103
9	3571	4285	4821	6607	7142	8928
10	3901	4681	5267	7217	7802	9753
Add for Addit'l Members	330	396	446	611	660	825

COMPLETE SSI PAYMENT STANDARDS CAN BE FOUND IN MPG ([ARTICLE 5, SECTION 10 Appendix L](#))

LTC MAINTENANCE NEEDS- EFF 7/89	
MNM Individual	35
SSI Eligible LTC	40
Home Upkeep	
Living Alone	209
Shared	138
Both Spouses LTC	176

A&D FPL DISREGARDS		
EFF DATE	INDIVIDUAL	COUPLE
4/1/09 – 12/31/12	\$230	\$310
1/1/09 – 3/31/09	\$230	\$412
6/1/08 – 12/31/08	\$230	\$391
4/1/08 – 5/31/08	\$230	\$357

COMM SPOUSE INCOME ALLOCATION EFF 1/1/08	
\$2,841	
ACWDL 12-05	
FAMILY MEMBER MAX ALLOCATION EFF 7/1/11	
\$1839	
ACWDL 11-32	
250% WD SSI STANDARD ALLOCATION AND WMB STANDARD 1/01/12	
\$350	
ACWDL 12-01	
SGA SUBSTANTIAL GAINFUL ACTIVITY EFF 1/1/12	SGA FOR A BLIND PERSON EFF 1/1/12
\$1,010	\$1,690
ACWDL 11-43	

CSRA EFF 1/1/12	
YEAR	RATE
2012	113,640
09-11	109,580
2008	104,400
2007	101,640
2006	99,540
2005	92,760
2004	90,660
2003	89,280
2001	87,000
ACWDL 12-05	
APPR EFF 1/1/11	
YEAR	RATE
2011	6840
2010	6311
2009	5698
2008	5496
2007	5101
2006	5031
2005	4812
ACWDL 10-06	

FEDERAL BENEFIT RATE (FBR) – EFF 1/01/11		
Use to Determine Parental Deduction		
Use for 250% WD		
YEAR	INDIVIDUAL	COUPLE
2012	698	1048
2010/2011	674	1,011
2009	674	1,011
2008	637	956
2007	623	934
2006	603	904
2005	579	869
2004	564	846
2003	552	829
ACWDL 12-01		
MEDICARE PREMIUMS – EFF 1/01/12		
PART A		
\$451	For persons who don't receive no-cost	
\$248	For at least 30 quarters of coverage	
PART B		
\$99.90		
If income is above \$85,000 for one-person or \$170,000 for a couple, the Part B premium may be higher than \$99.90 per month.		

ISM – EFFECTIVE 1/01/09		
IN-KIND SUPPORT AND MAINTENANCE		
	INDIVIDUAL	COUPLE
VTR	232.66	349.33
PMV	252.66	369.33
For scenarios, please see <a href="#">(Article 5, Section 10 Appendix K)</a>		
ACWDL 11-44		
MEDICARE DEDUCTIBLES – EFF 1/01/12		
PART A – INPATIENT CARE		
\$1156	for 0-60 days	
\$289	per day for 61-90 days	
\$578	Per day for 91-150 days	
PART A- SKILLED NURSING FACILITY CARE		
\$144.50	Per day for 21-100 days	
There is no deductible for days 1-20		
PART B – ANNUAL DEDUCTIBLE		
\$140		

TB STANDARDS – EFF 1/01/12	
TB Resource \$ Limit = \$2,000 (Exception to \$2,000 limit is when determining a child's eligibility and there are two parents present. Allow the parents a property limit of \$3,000)	
INCOME	
YEAR	INDIVIDUAL
2012	1,481
2011	1,433
2010	1,433
2009	1,433
2008	1,359
2007	1,331
2006	1,291
2005	1,243
2004	1,213
2003	1,189

PICKLE DISREGARD	
Last SSI/SSP Check Received Between	Effective 1/1/09
1/11 - 12/11	.0347
1/10 - 12/10	.0347
1/09 - 12/09	.0347
1/08 - 12/08	.0877
1/07 - 12/07	.1082
1/06 - 12/06	.1367
1/05 - 12/05	.1707
1/04 - 12/04	.1925
1/03 - 12/03	.2091
1/02 - 12/02	.2200
For Complete Chart see <a href="#">(Article 5, Section 10 Appendix E)</a>	
ACWDL 11-44	