

Medi-Cal Program Guide (MPG) Letter #788

June 12, 2013

Subject	INCOME IN-KIND CLARIFICATION
Effective	Upon receipt.
Reference	Department of Health Care Services (DHCS) Clarification
Purpose	The purpose of this letter is to update information regarding income in-kind.
Background	MPG Letter #761 provided information from a clarification from DHCS regarding income in-kind. That clarification stated that income in-kind would not be counted if received from a person in the home. Further clarification was received from DHCS which changes the information included in Letter #761.
Highlighted Changes	DHCS has clarified that income in-kind exists when a full item of need is earned or voluntarily contributed by a person, other than a responsible relative, and who is not in the Medi-Cal Family Budget Unit (MFBU), for a full calendar month.
Required Actions	<p>Income in-kind provided by an individual who is not a responsible relative and is not in the MFBU is counted against the MFBU.</p> <p>Example 1: Unmarried parents with two common children are living together. On the statement of facts, the parents state that the father is providing the mother with full free housing and utilities. In this situation, since he is in the MFBU and a responsible relative of the common children, income in-kind would not be counted.</p> <p>Example 2: Unmarried couple and the woman is pregnant but not in her last trimester. The father is providing full income in-kind to the mother. Income in-kind would count in this case because he is not in the MFBU and is not a responsible relative of the mother.</p>

Continued on next page

Medi-Cal Program Guide (MPG) Letter #788, Continued

Automation Impact No impact.

Forms Impact No impact.

ACCESS Impact No impact.

Scanning Impact No impact.

Other Program Impact No impact.

Quality Control (QC) Impact Effective with the July 2013 review month, QC will cite the appropriate error on any case that does not comply with the requirements outlined in this letter.

Summary of Changes The table below shows the changes made in the MPG cites.

Section	Summary of Change
Article 10, Section 5	Added clarification regarding income in-kind

Approval for Release

Pat Wherry, Dir. Author 6-12-13

DH

10.5.1 Treatment of Income In-Kind

A. Income In-Kind

Income in-kind exists when a full item of need for one or more MFBU members is earned or voluntarily contributed by a person, other than a responsible relative, for a full calendar month. The contributing person must not be in the MFBU.

MEM
50509

DHCS
Clarification

Income in-kind exists when a payment is made to the provider of the item of need. However, if the money is given to the applicant/beneficiary, the entire amount is counted as earned or unearned income rather than income in-kind.

MEPM
10F

Determining in-kind income evaluate	<ul style="list-style-type: none">• Housing• Utilities• Food• Clothing [1931(b) cases only]
Re-evaluate in-kind income when	<ul style="list-style-type: none">• Income appears to be less than his/her needs• Any of the following is reported:<ul style="list-style-type: none">– A loss, decrease or absence of income– Change in household composition– Change in shared housing situation– A job start or other source of income

Note: Income in-kind cannot be assumed solely because the applicant/beneficiary does not pay toward a need item. The worker will document clarifications in case comments.

Note: In-kind for clothing is only counted for 1931(b) cases.

MPG LTR #788 (6/13)
