

# Medi-Cal Program Guide Letter #597

September 19, 2006

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**Subject**            **Clarification of the Income and Property Exemption for Payments Made Under the In-Home Supportive Services (IHSS) Plus Waiver, Update to Motor Vehicle Valuation, and Trusts/Similar Legal Devices**

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**Effective Date**    Upon receipt

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**Reference**        ACWDLs 06-04, 06-19, and 06-24  
MEPM Letter 301  
MPG Letter #589

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**Purpose**            The purpose of this letter is to provide:

- Clarifications on exempt income and property for recipients of the IHSS Plus Waiver,
- Instructions on the use of the revised DMV Fee Chart, and
- Examples of Similar Legal Devices (SLDs) to Trusts or Annuities for use by staff to assist in identifying SLDs.

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**Background**      ***IHSS Plus Waiver Income***  
MPG Letter #580 introduced the IHSS Plus Waiver program. Some of the income received by the participants and/or service providers in this program is exempt for Medi-Cal.

***DMV Fee Chart***

The revised DMV Fee Chart was issued in MPG Letter #589. At the time that it was received by the County, the State Department of Health Services (DHS) had not released instructions on the use of this new chart.

***Trusts/Similar Legal Devices***

SLDs are to be treated as trusts for purposes of establishing initial and ongoing Medi-Cal eligibility.

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**Changes/  
Clarifications**

***IHSS Plus Waiver Income***

The caretaker wages that are paid to a parent of a minor child or a spouse of an IHSS Plus Waiver recipient are exempt as income and property. For the purposes of this exemption, a minor child is defined as a child under 21 years of age.

***DMV Fee Chart***

The DMV Fee Chart is updated by the Department of Motor Vehicles (DMV) and not DHS. DMV has replaced the prior 2% chart with a new .65% chart. No longer will the license fee be multiplied by \$50 to derive the market value of the motor vehicle.

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**Required  
Action – IHSS  
Plus Waiver**

Caretaker wages that are paid to a parent of a child who is under age 21 and is an IHSS Plus Waiver recipient are to be considered exempt as income and property.

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**Required  
Action – DMV  
Fee Chart**

The table below shows the new procedures for determining the market value of a motor vehicle.

<b>Step</b>	<b>Action</b>
1	Determine the class of the motor vehicle.
2	Determine the year the motor vehicle was purchased. (Note: This could be the initial purchase of a new vehicle or resale date [asterisk year].)
3	Divide the vehicle license fee by .0065. This is the market value.
4	Subtract any encumbrances of record from the market value. This is the net market value.

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**Required  
Action –  
Trusts/Similar  
Legal Devices**

Use the examples included as Article 9, Section 14, Appendices H and I to assist in identifying a SLD.

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**Automation  
Impact**

Enter the amount from Step 4, above, in the “FMV” field on the **Collect Vehicle Detail** screen.

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**Forms Impact** No impact.

**Quality Assurance Impact** Effective with the November 2006 sample month, Quality Assurance will cite with the appropriate error any case that does not follow the requirements of this letter.

**Summary of Change** The table below shows the changes that were made to the MPG material.

Article	Change
Table of Contents	Added the new Appendices to Article 9, Section 14.
Article 9, Table of Contents	Added the new Appendices to Article 9, Section 14.
Article 9, Section 6	<ul style="list-style-type: none"> <li>• Added instructions for using the revised DMV Fee Chart, and</li> <li>• Added clarifications for exempt property for IHSS Plus Waiver recipients.</li> </ul>
Article 9, Section 14	Added Appendices H & I providing examples of Similar Legal Devices.
Article 10, Section 3	<ul style="list-style-type: none"> <li>• Added clarifications for exempt income for IHSS Plus Waiver recipients.</li> <li>• Corrected typographical errors (Job Training Partnership Act abbreviation corrected to JTPA instead of JPTA).</li> </ul>

**Filing Instructions** The table below shows how to file the MPG material.

Action	Pages
Remove	Table of Contents ix-xiv
	Article 9-v
	Article 9-6-7 through 9-6-8
	Article 9-6-19 through 9-6-20
	Article 10-3-i through 10-3-ii
	Article 10-3-5 through 10-3-8
	Article 10-3-13 through 10-3-14

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### Filing Instructions (continued)

Action	Pages
Replace	Table of Contents ix-xiv
	Article 9-v
	Article 9-6-7 through 9-6-8
	Article 9-6-19 through 9-6-20
	Article 10-3-i through 10-3-ii
	Article 10-3-5 through 10-3-8
	Article 10-3-13 through 10-3-14
Add	Article 9-14-Appendices H and I

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### Important Notice

The MPG is available in its entirety on the County Intranet by accessing [http://hhsa\\_intranet/manuals/mpg/index.html](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.

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### Manager Approval

ORIGINAL SIGNED BY:

Dann Crawford, Assistant Deputy Director  
Medi-Cal, General Relief, and CAPI Program Administration  
Strategic Planning & Operational Support Division

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