

spouse to qualify for Medi-Cal. Also assume that the community spouse receives a monthly \$1000 social security check and the LTC spouse receives a \$1535 monthly social security check.

Under the old rules before enactment of S. 1932, Section 6013, the judge would consider all the property to determine if investing the \$350,000 in a six-month CD would generate \$1489 or less (\$2489 MMMNA-\$1000 social security income of the community spouse). Under S.1932, section 6013, the judge must consider the LTC spouse's income. That combined income is \$1000 (community spouse) + \$1500 for the LTC spouse (allowing for a \$35 LTC maintenance need) = \$2500. Since \$2500 is greater than \$2489, the judge would not be able to increase the CSRA above \$99,540. If the couple's property exceeded \$99,540, the LTC spouse would be ineligible for Medi-Cal.

If the LTC spouse has \$1400 in net-nonexempt income instead of \$1500 (i.e., allowing for the \$35 LTC maintenance need and assuming no other deductions), the combined countable income would be \$1000 + \$1400 = \$2400. If an applicant sought to increase the CSRA to \$350,000, he/she would have to establish that investing \$350,000 would generate \$89 or less since the MMMNA is \$2489 and the combined non-investment income of the LTC spouse and community spouse is \$2400. Absent convincing reasoning why the plan to generate income based upon a CSRA of \$350,000 should be granted, the Administrative Law Judge would find that at 4.5% (applying current six-month CD rates) the client would receive a CSRA of only \$23,735 to generate the additional \$89 per month. Because this amount is less than the standard amount, the claimant's request would be denied.

In the above example, if the applicant applies on March 2, 2006, but seeks retroactive Medi-Cal for February 2006, the old rules would apply. If such applicant sought to increase the CSRA to \$350,000, he/she would have to establish that investing \$350,000 would generate \$1489 or less since the MMMNA is \$2489 and the non-investment income of the community spouse is \$1000. At a current six-month CD rate of 4.5%, the claimant could retain \$397,068 in order to generate \$1489 monthly. The Administrative Law Judge would therefore approve the request to increase the CSRA to include the entire \$350,000.

ITEM 06-3-1:Paraphrased Regulations

This version of the paraphrased regulations provides 13 additions and 14 revisions to paraphrased regulations.

The major additions and revisions are to update food stamp deductions, increases in federal poverty levels and increases in CAPI payment standards. It is noted that SSP cost-of-living adjustments are suspended for 2006 and SSI cost-of-living adjustments are delayed until April 2006.

ITEM 05-12-1: Paraphrased Regulations

This version of the paraphrased regulations provides ten additions and twelve revisions to paraphrased regulations. There is also one deleted paraphrased regulation and ten renumbered ones. Several of the renumbered pararegs are revised.

All the additions, revisions, renumbered pararegs and the deletion are in two sections of the Medi-Cal regulations 431-439 (Special Programs) and 440-449 (Program Eligibility).

A new issue code 439 has been added called Program income/premium limits. The Special Programs section has been reorganized. Pararegs in 431-438 list basic concepts applicable to those programs. For example, pararegs in 438-1 through 438-8 address general principals applicable to the A&D`FPL. Parareg 439-5 cites the current A&D FPL levels for an individual and a couple.

There are also current levels for the 100% of FPL, 120% of FPL, 135% of FPL, the CSRA, the MMMNA, the family member base allocation, the SSI/SSP standard allocation and Medicare Part B premium payment standards listed in the 439 section. Also, judges are given a parareg option to insert the appropriate standard in several instances. For example, parareg 439-1 states:

The CSRA was \$92,760 in 2004, \$95,100 in 2005 and is \$99,540 in 2006. (All-County Welfare Directors Letters (ACWDLs) No. 03-54, 04-36 and 05-40)

Parareg 439-1B states:

Effective_____, the CSRA was_____. Effective_____, the MMMNA was_____.
(ACWDL_____)

In some instances, the current standard remains in the general parareg section. For example, 431-3 describes the CSRA and lists the effective CSRA rate for 2006.

This section of the pararegs was reorganized to avoid duplication of pararegs. For example, sections 432-6, 433-6 and 437-6 dealing with SSI/SSP standard allocation amounts were all renumbered to 439-2.

ITEM 05-11-1: Paraphrased Regulations

This version of the paraphrased regulations provides 33 additions and 39 revisions to paraphrased regulations. There are also six deleted paraphrased regulations and three renumbered ones.

The major additions and revisions are to CalWORKs and food stamp quarterly reporting regulations. Several new subsections have been added to CalWORKs and food stamp quarterly reporting regulations while others have been revised to clarify language and policy.

A new issue code 527 has been added for *Conlan* cases that involve Medi-Cal reimbursement issues. Issue codes 013 and 217 have been renamed “Civil rights/language issues”. References to language translation issues are listed in those sections of the paraphrased regulations. If an Administrative Law Judge has a hearing with a language issue regarding the translation of forms or notices or where some other language barrier is alleged in a CalWORKs or food stamp case, please use issue code 013 or 217 as applicable.