

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