WESTERN CENTER ON LAW & POVERTY

Health Care Practice Tip - August 2019

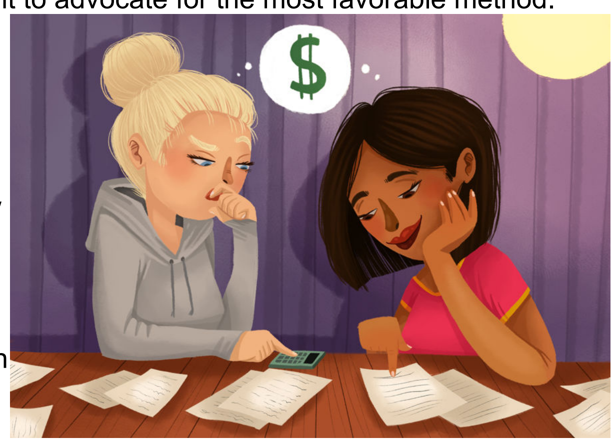
Counting Census (and Other Temporary) Income for Medi-Cal Eligibility

Hiring temporary workers for the 2020 Census has already begun. How will short-term census income impact Medi-Cal eligibility? DHCS plans to issue guidance at a future date, but we know there are questions now about how temporary income may impact Medi-Cal eligibility.

Census income is earned income that is countable in both MAGI and Non-MAGI Medi-Cal programs, although there are different counting methods. Read on for details on helpful income-counting rules for census income, which also apply to similar short-term and seasonal earnings in both MAGI and Non-MAGI Medi-Cal programs.

MAGI Medi-Cal

MAGI Medi-Cal counts census income following the rules for temporary or fluctuating income. There are three different methods: current monthly income, reasonably predictable future income, or projected annual income.[1] Medi-Cal must always use the calculation most favorable to the applicant or beneficiary.[2] Depending on the individual's income, one method may maintain Medi-Cal eligibility, while another may result in a termination. So to preserve ongoing eligibility, you will want to advocate for the most favorable method.



(1) The **Current Monthly Income (CMI)** method counts only the applicant or beneficiary's reported current monthly income. For temporary census workers, this method may make them ineligible for MAGI Medi-Cal. This example shows how the CMI method is not the most favorable method:

César is a single 27-year-old MAGI Medi-Cal beneficiary who earns $800 per month from part-time work. Starting this month, he will work for the 2020 Census earning $650 per month. With both jobs, César expects to earn $1,450 during the current month and each of the following three months. After then, César will have just one part-time job with the same $800-per-month income.

César's $1,450 current monthly income is above the 2019 MAGI Medi-Cal limit for a single individual ($1,437). To help César keep his Medi-Cal, you will want to make sure that Medi-Cal uses one of the two methods below instead of CMI.

(2) The **Reasonably Predictable Future Income (RPFI)** method counts fluctuating income that an applicant or beneficiary expects to receive in the *next* 12 months based on a prorated calculation.[3] The RPFI method may be the most favorable way to count César's census income, and may often be the best method to count fluctuating income in other cases:

Under the RPFI method, César can report his income for the next 12 months: four months earning $1,450 per month, and eight months earning $800 per month.

August – November 2019:	$1,450 (census + part-time income)

December 2019 – July 2020:	$800 (part-time income only)

Following the RPFI method, César's Medi-Cal eligibility worker must add up earnings from the next 12 months, and then divide the total by 12. The result is a countable monthly income of $1,017—well below the 2019 MAGI Medi-Cal limit for a single individual. Instead of facing a termination of Medi-Cal eligibility because his temporary $1,450 monthly income was above the limit, César will maintain continuous coverage.

A note on RPFI: Applicants and beneficiaries must provide "adequate evidence" of their change in income, such as a signed employment contract, proof of past income fluctuations, or *any other* "clear indicia of such future changes in income," including a signed affidavit.**[4]**

(3) The **Projected Annual Income (PAI)** method has four notable limitations: (a) it only applies to current Medi-Cal *beneficiaries* (not applicants), (b) it only allows a beneficiary to report income through the end of the calendar year, (c) it requires an eligibility redetermination at the end of the calendar year, and (d) it can only be used when the two methods above make a beneficiary ineligible for MAGI Medi-Cal.**[5]** When applied, the PAI method allows beneficiaries to prorate their earned income over the entire calendar year (both past and future months).

Counties should not apply the PAI method in César's case, because the RPFI method results in his countable income being below the MAGI Medi-Cal limit. But if they were to use the PAI method, counties would count César's $1,450 temporary census income, and eight months of his regular $800 earnings (during only the current calendar year) to reach the same result ($1,017):

January – July 2019:	$800 (part-time income only)
August – November 2019:	$1,450 (census + part-time income)
December 2019:	$800 (part-time income only)

Although César's countable income is the same using RPFI and PAI in this scenario, PAI is not the most favorable method for César because he would then be subject to an eligibility redetermination in December of the current year. (Remember also that PAI only applies to beneficiaries, not applicants—so if César was applying for Medi-Cal, he could not use PAI.) If the county is using the PAI method, you will want to ask them to apply the RPFI method first.

Non-MAGI Medi-Cal

The best way to assist non-MAGI beneficiaries who receive census income is to consider the earned income disregards of the Aged, Blind and Disabled Medi-Cal program: subtract $65 from earned income, and then determine countable income by dividing the result by two. Then subtract any unused portion of the $20 unearned income discount.**[6]** Depending on a beneficiary's countable earned and unearned income before getting a temporary job, these income disregards may help to maintain eligibility.

- If César qualified for the Aged, Blind and Disabled Medi-Cal program, his $1,450 in earnings from his census and part-time jobs would result in an actual countable income of $678 ($1,450 - $65 = $1,395 ÷ 2 = $698 - $20 = $678), which is well below the limit for a single person.
- If César qualified for the AFDC-MN program, he would only get a $90 earned income disregard, so his countable income would be $1,360.**[7]** Unless César qualified for a consumer protection program described below, he could get Medi-Cal with a share of cost or qualify for Covered California premium assistance.**[8]**

For more information on non-MAGI income-counting requirements, check out Chapter Three of **Western Center's Guide for Advocates**.

Consumer Protection Programs

Several other special protections apply to Medi-Cal beneficiaries in specific categories. Some may allow enough time for a family member's census income to end, resulting in uninterrupted Medi-Cal.

Transitional Medi-Cal (TMC): Medi-Cal beneficiaries enrolled in the MAGI Parents and Caretaker Relatives, MAGI Children or CalWORKs-linked programs may maintain Medi-Cal eligibility for up to twelve months despite increased earned income.**[9]**

Continuous Eligibility for Children (CEC): All children with full-scope Medi-Cal may maintain active eligibility through their next annual renewal or 19th birthday (whichever comes first).[10]

Deemed Eligibility for Infants (DE): Newborns born to mothers with any Medi-Cal eligibility (including MCAP) at the time of birth keep their Medi-Cal if their parents' income increases.[11] Infant Medi-Cal eligibility is guaranteed up to the child's first birthday.

Applying these income-counting rules is rarely a simple task. So please contact **Cori** or **David** with any questions or concerns. Good luck in your efforts to preserve and increase Medi-Cal eligibility for temporary workers!

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[1] *See* CMCS Informational Bulletin, Temporary Census Income and Medicaid and CHIP Eligibility, Centers for Medicare & Medicaid Services (CMS), July 3, 2019, **https://www.medicaid.gov/federal-policy-guidance/downloads/cib20190702.pdf**. The most recent DHCS guidance is from the 2010 census, before the income-counting rules of the Affordable Care Act took effect. *See* **ACWDL 10-12** (July 21, 2010).
[2] *See* Welf. & Inst. Code § 10500; *see also* **ACWDL 15-06** (January 21, 2015).
[3] 42 C.F.R. 435.603(h)(3); *see also* Welf. & Inst. Code § 14005.65(c).
[4] *See* Welf. & Inst. Code §§ 14005.65(c)(2), 15926(f)(2). During application, a signed and dated affidavit must be accepted in lieu of unavailable pay stubs, employment contracts, or other written proofs. *See* 22 CCR § 50167(c).
[5] *See* Welf. & Inst. Code § 14005.65(b) (implementing 42 C.F.R. 435.603(h)(2)); *see also* **ACWDL 15-06** (January 21, 2015)

[6] *See* 22 CCR §§ 50549.2(b), 50551.2(a). For more information on Aged, Blind & Disabled Medi-Cal Program income counting, see page 3.80 of Western Center's **Getting and Keeping Health Coverage for Low-Income Californians: A Guide for Advocates** (March 2016).
[7] Welf. & Inst. Code §§ 11200 et seq., and 14005.7(d). The AFDC-MN income exemptions can be found at 22 CCR §§ 50523, 50523.5, 50454.5, 50525, 50527, 50529, 50535, 50531, 50533, 50544, 50543, 50543.5.
[8] *See* **ACWDL 14-18** at p. 4 (consumers have the right to choose between Medi-Cal with a share of cost or Covered CA premium assistance); **ACWDL 16-18**.
[9] *See* Welf. & Inst. Code § 14005.8(a)(1). For more information, see page 3.104 of Western Center's **Guide for Advocates**.
[10] *See* Welf. & Inst. Code § 14005.25. For more information, see page 3.106 of Western Center's **Guide for Advocates**.
[11] *See* 42 U.S.C. § 1396a(e)(4), Welf. & Inst. Code § 15832(a)(2)(A). For more information, see pages 2.51, 5.181, and 5.182 of Western Center's **Guide for Advocates**.

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