Update 2012-17: CalFresh
Clarification of CalFresh Modified Categorical Eligibility (MCE)-Revised (09/20/2013)

Background

On July 1, 2009, California implemented MCE for households with children under the age of 18 who would otherwise be eligible for CalFresh benefits, except for their exceeding the resource limit. MCE was conferred by providing the household with a TANF/MOE-funded service. The TANF/MOE-funded service for MCE is the “Family Planning – PUB 275” brochure.

On February 1, 2011, MCE was expanded to all Non-Assistance CalFresh (NACF) households.

On 04/24/2013, the California Department of Social Services (CDSS), provided clarifications on the maximum income requirement that Elderly and Disabled Households must meet in order to be considered eligible for MCE.

On 8/23/2013, CDSS provided an additional clarifications to the Traditional and Modified Categorical eligibility on Recertifications, Benefit Issuance and Zero Benefit Cases.

Policy

The United States Department of Agriculture, Food and Nutrition Service (FNS) has provided the state with the following clarifications and guidance to be in compliance with federal regulations.

• Receipt of the PUB 275 exempts all resources in the determination of eligibility for households who meet all other CalFresh eligibility requirements. Receipt of the PUB 275 does not, in itself, confer MCE to a household.
• Households must meet the gross income requirement for the TANF/MOE funded service before MCE can be approved. The maximum gross income that a household can have in order to have MCE conferred through receipt of the PUB 275 is as follows:
  • 200% FPL for Elderly/Disabled households
  • 130% FPL for all other households.

The following are examples of MCE determination:

<table>
<thead>
<tr>
<th>Intake Non-Assistance CalFresh Applications</th>
</tr>
</thead>
</table>

### Example 1

A CalFresh applicant (non-Elderly/Disabled) completes an application packet (or completes an online application). Included in the application packet (or on a linked web-site) is the PUB 275 (Family Planning brochure).

During the intake interview, it is determined that the household has gross income that **does not exceed 130% of the FPL** for its household size. Therefore, because the PUB 275 is provided, it can be considered to be MCE eligible because the gross income did not exceed the maximum allowable for the TANF-funded service.

The individual case record must first document (1) that the household’s gross income did not exceed the limit for the TANF-funded service (PUB 275), (2) the PUB 275 was provided to the household and (3) that MCE was conferred.

### Example 2

A CalFresh applicant (non-Elderly/Disabled) completes an application packet (or completes an online application). Included in the application is the PUB 275.

During the intake interview, it is determined that the household has gross income that **exceeds 130% of the FPL** for its household size. Therefore, even though the household has received the PUB 275, it cannot be considered to be MCE eligible because the gross income exceeds the maximum allowable for the TANF-funded service. The income requirement (130% of FPL) for the TANF-funded service must be satisfied before MCE can be conferred.

The individual case record must first document that the household’s gross income exceeded the limit for the TANF-funded service (PUB 275) and that MCE/BBCE was not conferred, even if the PUB 275 was provided to the household. As a result of the household not being entitled to MCE/BBCE, the CalFresh application would be denied because the household’s gross income exceeded the CalFresh gross income limit.
**Continuing Cases**

**Example 3**

It is discovered that a continuing CalFresh case (that previously received or had on-line access to the PUB 275) has gross income exceeding the income requirement for MCE (130% or 200% of the FPL). The household is no longer considered eligible for the TANF-funded service, and is no longer MCE eligible. The individual case record must first document that the household’s gross income exceeded the limit for the TANF-funded service (PUB 275) and that MCE status no longer exists, even if the PUB 275 was provided to the household.

**For Change-Reporting Households**, a notice of action must be sent within 10 days of the date the change was reported and the case must be terminated no later than the end of the month for which the timely notice was issued.

**Example:**

A household reported an increase in earned income on October 12. A notice of action is sent to the household on October 20 stating the household would be terminated on October 31 because their gross income for the household was over the threshold and their MCE status was removed. The individual case record must first document that the household’s gross income exceeded the limit for the TANF-funded service (PUB 275) and that MCE status no longer exists, even if the PUB 275 was provided to the household.

**For Semi-Annual Reporting HH (SAR)**, a notice of action must be sent within 10 days of the date the change was reported and the case must be terminated no later than the end of the month for which the timely notice was issued. It is critical that the case record reflects that MCE eligibility no longer exists, and that the household’s CalFresh eligibility has ended, in that chronological order.

A SAR household’s payment period is January through June. The household reports an increase in income on February 7 which makes the household ineligible for MCE because the gross income for the household has been exceeded for its size. The household must be sent a notice of action stating the case will be terminated as of February 28/29 because their gross income for the household was over the threshold and their MCE status was removed. The case record must first be documented that the household’s gross income exceeded the limit for the TANF-funded service (PUB 275) and that MCE status no longer exists, even if the PUB 275 was provided to the household.

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**Elderly and Disabled Households (E/D HHs)**

Elderly/disabled household must meet the 200% FPL gross income requirement in order to be considered MCE eligible. E/D HHs not meeting the 200% FPL gross income requirement, are subject to regular CalFresh eligibility rules which include resource eligibility.
**Example 1** An elderly/disabled household has $4000 in countable resources and has a gross income **under 200% FPL** for its size. The PUB 275 is provided and the HH is MCE eligible. Since MCE is conferred, the resources are not considered for CF eligibility, even if the resources exceed the limit of $3,250. The household is CalFresh eligible.

**Example 2:** An elderly/disabled household has $2,500 in countable resources and has a gross income **exceeding the 200% FPL**. Since the household’s gross is over 200% FPL, the HH is **not** considered to be MCE eligible. However, since this HH is not subject to the gross income test, under CalFresh regulations, the fact that the HH’s income is over 200% FPL does not make the HH ineligible for CF. The eligibility must be reviewed as a regular Elderly/Disabled HH. Since the household’s resources are under the limit, the household is eligible for CalFresh, if otherwise eligible.

**Example 3:** An elderly/disabled household has $5,000 in countable resources and has a gross income **exceeding the 200% FPL**. The household is **not** considered to be eligible for MCE because the income is over the 200% FPL. Since the resources are also over the resource limit, the household is not eligible for CalFresh.

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**Resource Limits**

The maximum allowable nonexempt property limit for liquid and nonliquid resources combined, is as follows:

<table>
<thead>
<tr>
<th>Household Type</th>
<th>Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Households with an elderly/disabled member</td>
<td>$3250</td>
</tr>
<tr>
<td>All other households</td>
<td>$2000</td>
</tr>
</tbody>
</table>

The CalFresh handbook chapter 15 has been revised with Resource information.

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**Minimum Allotment**

Households **conferred with MCE** status and with **NET** income exceeding the limits are entitled to receive the minimum benefits allotment as follows:

<table>
<thead>
<tr>
<th>HH Size</th>
<th>Benefit Amount</th>
</tr>
</thead>
</table>
| 1-2     | The Minimum Allotment of $16.00  
(Same is true for regular CE households)                                        |
|         | **NOTE:** Effective November 1, 2013, as a result of the ARRA sunset, the minimum benefit allotment decreases to $15.00. |
| 3 or more | The allotment amount indicated in the “Table of Benefits Issuance” of the Chart Book. |

Minimum benefits for households of 3 or more, are determined by the households total NET income and the household size. [Refer to “Benefit Issuance Table,” page 2-3]
Zero Benefit Cases

CalFresh applications for MCE conferred households of three or more members which are entitled to no benefits in the initial month must be denied because the state of California opted not to certify the zero benefit cases.

Note:

This provision does not apply to cases where zero benefit level is due to the initial month proration.

Benefit Issuance

No issuance of less than $10.00 must be made in the month of application for all households, regardless of the size of the household and the amount shown in the Table of Benefit Issuance, including households whose benefit is prorated and results in a CF allotment of less than $10.00.

Recertification (RC)

Household’s categorical eligibility (traditional or modified) is required to be re-established at RC. Workers must document in the Maintain Case Comments window, the determination of MCE.

Examples

The Following are Examples of MCE households with net income exceeding the limit.

Example 1: MCE Households exceeding NET Income (One or Two Persons).

A household of one or two persons completes an application. Included in the application packet is the PUB 275. During the Intake/RRR interview, or when processing a SAR7, it is determined that the household has gross income that does not exceed the gross income requirement for MCE (130% or 200% of the FPL). Therefore, because the household has received the PUB 275, it can be considered to be MCE eligible as the gross income does not exceed the maximum allowable for the TANF-funded service.

During the determination of the household’s benefit allotment, it is determined that the household’s net income exceeds the maximum amount allowable for its household size. Households of one or two persons that have been conferred MCE status will be entitled to the minimum CalFresh benefit ($16) even though the household’s net income exceeds the maximum amount allowable for their household size. The same is true for Traditional CE households. The individual case record must first document the household’s gross income did not exceed the limit for the TANF-funded service (PUB 275) and that MCE was conferred and the PUB 275 was provided to the household.

Example 2: MCE Households exceeding NET income (Three or More Persons)

Same scenario as example 1, but the household consists of three or more persons.
The household will be entitled to the allotment amount indicated in the tables of benefit issuance by household size even if the household’s net income exceeds the maximum amount allowable. The individual case record must first document the household’s gross income did not exceed the limit for the TANF-funded service (PUB 275) and that MCE was conferred and that the PUB 275 was provided to the household. However, if according to the Benefit Issuance Table this household is entitled to a zero benefit amount in the initial month, this case must be denied due to excess income limit.

**Data Systems**  
The following CalWIN manual determinations are necessary accordingly.

<table>
<thead>
<tr>
<th>BENDS</th>
<th>CalWIN is being programmed to be aligned with regulation. Until then, BENDS 2013-06 must be followed as appropriate.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Indicator</td>
<td>The Special Indicator “Modified CE NAFS” must continue to be selected for all MCE cases.</td>
</tr>
<tr>
<td><strong>NOTE:</strong></td>
<td>The Special Indicator must be removed when MCE eligibility ends and the household continues to be eligible for CF. (This will occur in Elderly/Disabled households).</td>
</tr>
<tr>
<td>Gross Income Determination</td>
<td>CalWIN does not make a determination of gross income on elderly and disabled households. A manual computation of gross income must be done in order to determine that household meets the income requirement for MCE.</td>
</tr>
<tr>
<td>Notice of Action (NOA)</td>
<td>Denial NOAs must be generated manually for non MCE- Elderly/Disabled households not eligible due exceeding resource limit.</td>
</tr>
</tbody>
</table>

**Implementation**  
The information in this Update is effective immediately and must be implemented as follows:

- **Intake:** Review MCE eligibility at application
- **Continuing:** Review MCE eligibility at every RRR, SAR7 and when households voluntarily reports changes.

**Documentation**  
Case narration on MCE determination is essential.

The individual case record must be documented in the following chronological order:
1. The household meets / does not meet the MCE gross income requirement. (130% FPL or 200% FPL for E/D Households)

2. The PUB 275 was provided to the household and,

3. MCE determination results (Conferred or Not Conferred).

Other Programs

Information in this Update only applies to CalFresh program.

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