43. Special Treatment Programs

43.1 General

The Medi-Cal Special Treatment Programs (MSTP) provide health care benefits to persons who are in need of:

• Dialysis, or
• Parenteral hyperalimentation (also known as total parenteral nutrition or TPN)

There are two subprograms with different eligibility requirements and benefits:

• Medi-Cal Special Treatment Program — ONLY recipients, and
• Medi-Cal Special Treatment Program — SUPPLEMENT recipients.

The MSTP - ONLY and MSTP - SUPPLEMENT programs provide medical cost relief for dialysis, TPN, and related services. Under the regular Medi-Cal program, the beneficiary must pay or obligate all their net non-exempt income in excess of the Maintenance Need to meet their share of cost. Under this program, the beneficiary is only required to pay a percentage of the cost of dialysis or TPN services after any other health coverage payment is subtracted from the cost of those services.

There is no retroactive eligibility for these programs.

43.2 Referrals to VMC

Because there are very few of these special cases, they are to be referred to VMC, attention to the SSPM, AFTER a determination of eligibility for regular Medi-Cal has been completed AND the applicant:

• Is otherwise eligible for Medi-Cal as MN/MI except for EXCESS PROPERTY, or
• Is EMPLOYED and has been determined eligible for Medi-Cal with a SHARE OF COST, or
• Is in need of TPN, but has NO LINKAGE. (Is not linked to AFDC-MN or MI.)

Note:
Persons applying for MSTP for dialysis coverage must have linkage.

All eligibility must be cleared by the referring EW. However, the case must remain in pending status until the VMC EW determines eligibility for these programs. The VMC EW will issue the appropriate Notice of Action (NOA) after eligibility for these programs has been determined.

43.3 Definitions

This section defines certain terms used in these programs.

43.3.1 Medi-Cal Special Treatment Program — ONLY Beneficiary

A person who receives Medi-Cal benefits ONLY for a Special Treatment. S/he is not eligible for any other benefits from Medi-Cal Program.

43.3.2 Medi-Cal Special Treatment Program — SUPPLEMENT Beneficiary

A person who is eligible for ALL Medi-Cal benefits with a share of cost (SOC), and who also receives supplemental benefits under the Special Treatment Program.

The MSTP -SUPPLEMENT covers certain dialysis/TPN services until the “regular” Medi-Cal SOC is met. At that time, all medical services, including dialysis and TPN, are covered under the “regular” Medi-Cal program.

43.3.3 Dialysis

A mechanical procedure which substitutes for the normal function of the kidneys. It becomes necessary when a person’s kidneys fail to perform. Types of dialysis include:
1. “Full Care Dialysis” which is provided in a dialysis clinic or a hospital outpatient clinic. Treatment is fully managed by staff. The patient does not manage his/her own care.

2. “Self-Care Dialysis” which takes place in a “self-care dialysis unit” of a dialysis clinic or hospital outpatient clinic. Treatment is managed by the patient.

3. Home Dialysis which takes place in the home using a home dialysis unit. The dialysis clinic or outpatient hospital clinic usually supervises the patient’s home care and will provide needed supportive services (e.g. home dialysis aides).

43.3.4 Parenteral Hyperalimentation

AKA: Total Parenteral Nutrition, TPN, or “Tube Feeding”. TPN is a process whereby nutrient replacement is administered to a person through a catheter placed in the chest. The procedure is used for persons who are unable to eat or digest food.

43.3.5 Annual Net Worth

A formula which combines the net market value of all nonexempt property and the anticipated gross income in the next 12 month period.

43.3.6 Percentage Obligation

The portion of medical expenses which the beneficiary is responsible for paying. It is based on the Annual Net Worth.
43.4 Eligibility Requirements

Applicants/Beneficiaries must meet ALL of the following conditions:

<table>
<thead>
<tr>
<th>MSTP - ONLY (Dialysis or TPN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. In need of dialysis or TPN and related services.</td>
</tr>
<tr>
<td>2. NOT eligible for regular Medi-Cal due to excess property.</td>
</tr>
<tr>
<td>3. NOT currently eligible for Medicare if under age 65 (applies to Dialysis only).</td>
</tr>
<tr>
<td>[Refer to “Medicare Application Requirements,” page 43-5.]</td>
</tr>
<tr>
<td>4. Meets standard Medi-Cal requirements for citizenship or legal immigration status, cooperation, and residency.</td>
</tr>
<tr>
<td>5. Dialysis: Medi-Cal linkage requirements apply.</td>
</tr>
<tr>
<td>TPN: Medi-Cal linkage requirements do NOT apply.</td>
</tr>
</tbody>
</table>

NOTE: OBRA immigrants are NOT eligible for the Medi-Cal Special Treatment Programs.

<table>
<thead>
<tr>
<th>MSTP - SUPPLEMENT (Dialysis or TPN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. In need of dialysis or TPN and related services.</td>
</tr>
<tr>
<td>2. Receives home dialysis or self-care dialysis.</td>
</tr>
<tr>
<td>3. Employed or self-employed AND has gross monthly earnings which exceed the Maintenance Need for one person.</td>
</tr>
<tr>
<td>4. Eligible under the “regular” Medi-Cal MN or MI program with a share of cost</td>
</tr>
<tr>
<td>5. Meets standard Medi-Cal requirements for citizenship or legal immigration status, cooperation, and residency.</td>
</tr>
</tbody>
</table>

NOTE: OBRA immigrants are NOT eligible for the Medi-Cal Special Treatment Programs.

43.4.1 Reporting Responsibilities

All MSTP clients must report any change in status that could affect their eligibility or their percentage obligation. These include, but are not limited to:

- Loss of employment,
Special Treatment Programs

- Increase/decrease in earnings,
- Change in marital status,
- Change in Other Health Coverage (OHC), or
- Change in property.

Note:
If a beneficiary loses MSTP-ONLY eligibility because he/she becomes eligible for regular Medi-Cal, eligibility for MSTP-SUPPLEMENT must be explored.

If a beneficiary loses MSTP-SUPPLEMENT eligibility due to excess property, eligibility for MSTP-ONLY must be explored.

43.4.2 Medicare Application Requirements

MSTP for Dialysis Coverage

Applicants for Dialysis coverage under MSTP-ONLY or MSTP-SUPPLEMENT must apply for Medicare within 10 DAYS of signing the SAWS 1.

1. Verification or a current Social Security statement of Medicare status must be provided before MSTP for dialysis coverage is approved.

2. Failure to provide verification, without good cause, will result in the denial of the application.

3. To qualify for MSTP-ONLY, a person under 65 must NOT be eligible for Medicare.

4. Medicare eligibility does not affect the MSTP eligibility of persons over 65.

MSTP for TPN Coverage

Applicants for TPN coverage under MSTP-ONLY or MSTP-SUPPLEMENT must apply for Medicare within 60 DAYS of signing the SAWS 1.

1. Verification of the application for Medicare is NOT required prior to approval.

2. If receipt of Title II Disability benefits is verified, the applicant is NOT required to apply for Medicare because Medicare eligibility will begin automatically with the 25th month of receipt. Flag the case for when the 25th month will occur.
Special Treatment Programs

3. Medicare eligibility does not affect MSTP eligibility for TPN services.

Follow-Up on Medicare Applications

Social Security usually notifies a client of the outcome of his/her Medicare application within three months of the date of application. Once notified, the client must report the outcome of the application within 10 days to his/her EW.

1. If notification is NOT received by the end of the third month, the EW must:
   • Ask the client to follow-up with Social Security, OR
   • Inquire directly to Social Security regarding the beneficiary’s Medicare status via the “Referral To/From Social Security” (SC 169).

2. If the client is NOT eligible for Medicare, but he/she is employed or is the spouse/dependent child of an employed person, the EW must:
   • Ask the client to provide a “Quarters of Coverage” statement from Social Security.
   • Use the information to estimate when the client will become eligible for Medicare. [Refer to “Eligibility for the Medicare Dialysis Program,” page 43-6.]
   • Enter a case alert case for the estimated date of Medicare eligibility.
   • Reevaluate MSTP eligibility in the month the beneficiary is expected to become eligible for Medicare.

3. If the client is eligible for Medicare, the EW must discontinue MSTP - ONLY for dialysis coverage, if the beneficiary is under 65.

Eligibility for the Medicare Dialysis Program

To be eligible for Medicare Dialysis program, a person must be suffering from chronic kidney failure, AND be:

• Fully insured under Social Security (has 40 calendar quarters of covered employment), OR
• Currently insured under Social Security (has 6 out of the past 13 calendar quarters of covered employment), OR
• The spouse, dependent child, former spouse, widow, etc. of an insured individual.

There is a three month waiting period between the onset of chronic kidney failure and the beginning of Medicare coverage. The entire waiting period is waived if the individual enters self-care or home dialysis training during the waiting period.

Things to Remember

1. A Dialysis-Only beneficiary who is under 65 loses Dialysis eligibility once Medicare eligibility is established.

2. Dialysis-Supplement eligibility does NOT end when Medicare eligibility is established. However, Medicare covers most of the dialysis costs from that point.

3. Medicare eligibility does not affect eligibility for MSTP for TPN services.

43.5 Aid Codes

The following aid types are used for MSTP-Only and MSTP-Supplement.

<table>
<thead>
<tr>
<th>MSTP Program</th>
<th>Aid Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dialysis</td>
<td>71</td>
</tr>
<tr>
<td>TPN</td>
<td>73</td>
</tr>
</tbody>
</table>

43.6 Annual Net Worth [50825]

Many persons who need one of the Special Treatment services would not normally qualify for Medi-Cal because they own large amounts of non-exempt property.

Because of the high cost of special treatment services, the Medi-Cal program has developed a different method of calculating property reserves for this program. This requires special treatment beneficiaries to pay only a small percentage of the bill for these services. The percentage obligation is based on the Annual Net Worth.
43.6.1 Determination of Annual Net Worth

Annual Net Worth can be determined by completing Part III of the “Medi-Cal Special Treatment Programs - Percentage Obligation Computation” (MC 176 D). The Annual Worth is a combination of:

- The Net Market Value of all nonexempt property, and
- The gross income expected to be received in a 12-month period.

Whose Property/Income to Include

The property and income of the following people must be included in the property and income determination:

- The beneficiary, AND
- The beneficiary’s spouse, AND
- The beneficiary’s parents, if the beneficiary is under 21, unmarried, and living with his/her parents.

Excluded/Exempt Property

Excluded and exempt property includes:

1. One automobile, if used for the transportation needs of the beneficiary or any member of the family.

2. The first $40,000 of the net market value (assessed value less encumbrances) of the home of any member stated above.

Note:

The principal residence is NOT exempt.

3. The first $1,000 paid for burial trusts and owned by any member stated above.

4. Wedding and engagement rings, heirlooms, clothing, household furnishings and equipment owned by any members stated above.

5. Equipment, inventory, licenses and materials owned by any member stated above which are necessary for employment, for self-support, or for an approved plan of rehabilitation or self-care necessary for employment, including motor vehicles.
43.7 Determination of Percentage Obligation [50827]

1. The percentage obligation is based on the Annual Net Worth (ANW). [Refer to “Determination of Annual Net Worth,” page 43-8.]

<table>
<thead>
<tr>
<th>NET WORTH</th>
<th>PERCENTAGE OBLIGATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less Than $5,000</td>
<td>None</td>
</tr>
<tr>
<td>$5,000 - $250,000</td>
<td>MSTP-Only = 2% for each $5,000 of ANW</td>
</tr>
<tr>
<td></td>
<td>MSTP-Supplement = 1% for each $5,000 of ANW</td>
</tr>
<tr>
<td>More Than $250,000</td>
<td>Not Eligible for MSTP.</td>
</tr>
</tbody>
</table>

2. The percentage obligation is applied after all other sources of payment have been exhausted. If the patient has Medicare, private health insurance, or any other non-Medi-Cal coverage, that coverage must be billed first. The patient’s percentage obligation applies to the balance remaining after payment by the other coverage.

43.7.1 Example: MSTP - Only

A Family’s Net Worth is $78,000. To determine the Total Percentage Obligation:

1. Divide $78,000 by $5,000 = 15.6
2. Round 15.6 DOWN to 15.
3. Multiply 15 x percentage obligation (15 x 2% = 30%).

Eligibility for the MSTP-Only program is being evaluated, therefore, a percentage obligation of 2% is required. The patient’s ANW is $78,000. There are 15 sets of $5,000 in the ANW. 15 x 2% equals 30% (Total Percentage Obligation)

The patient must pay 30% of each dialysis/TPN bill, after any insurance payments are received. Medi-Cal will pay the rest.
Example:
If the total medical bill is $100 and Medicare covers $80, the patient’s percentage obligation is applied only to the remaining $20. The provider subtracts what the beneficiary owes from the $20 and bills Medi-Cal for the rest.

43.8 Share-of-Cost MSTP-Supplement Program

Costs which are obligated by the beneficiary under the MSTP-Supplement Program are applied to the MFBU’s SOC, permitting the beneficiary’s entire family to be certified as eligible when the SOC is met.

Example:
A family of four applies for Medi-Cal and the MSTP-Supplement Program and is approved with a $100 SOC. The percentage obligation is 1%. The medical bill for dialysis from VMC for the month of May is $1,000.

<table>
<thead>
<tr>
<th>TOTAL BILL</th>
<th>$1,000.00 for self-care dialysis clinic</th>
</tr>
</thead>
<tbody>
<tr>
<td>- 800.00</td>
<td>Medicare pays (80%)</td>
</tr>
<tr>
<td>200.00</td>
<td></td>
</tr>
<tr>
<td>- 80.00</td>
<td>Blue Cross pays</td>
</tr>
<tr>
<td>120.00</td>
<td></td>
</tr>
<tr>
<td>- 1.20</td>
<td>1% obligation (120 x 1%)</td>
</tr>
<tr>
<td>118.80</td>
<td></td>
</tr>
<tr>
<td>- 98.80</td>
<td>remainder of SOC</td>
</tr>
<tr>
<td>$21.00</td>
<td>VMC bills Medi-Cal</td>
</tr>
</tbody>
</table>

The other family members can receive Medi-Cal benefits when the SOC is met. The dialysis patient also receives Medi-Cal benefits, including full-care dialysis.
43.9 MC 176-D Instructions for Completion

Determination of the Annual Net Worth (ANW) is done at each:

• New Application
• Restoration
• Reapplication
• Redetermination
• Change in net worth affecting the percentage obligation.

43.9.1 Part I: Identification

The following information is entered in Part I of the MC 176 D:

• Name and Address,
• Case Name,
• MN/MI Medi-Cal ID Number and/or MSTP Medi-Cal ID Number,
• Date of Birth,
• Sex,
• Other Health Coverage code,
• Social Security Number,
• HIC or RR Number,
• Date of Eligibility,
• Redetermination Date (12 months from the beginning date of eligibility),
• Percentage Obligation,
• Program requested: Dialysis, TPN, Supplement.

43.9.2 Part II: Eligibility Requirements - Summary

No entries are required. Part II summarizes the eligibility criteria for the MSTP programs. Review program criteria to determine which MSTP program the client is eligible for.

43.9.3 Part III: Annual Net Worth Computations

Annual net worth is based on family income and property. Complete Section A (Real Property), Section B (Personal Property) and Section C (Income).
Percentage Obligation Determination — Part III, Section D

MSTP beneficiaries with $5,000 or less of annual net worth have a “zero” percentage obligation.

All other MSTP - Only beneficiaries have a two (2) percent obligation rate for each full $5,000 of annual net worth, including the first $5,000.

All other MSTP - Supplement beneficiaries have a one (1) percent obligation rate for each $5,000 of annual net worth, including the first $5,000.

43.10 Establishing a MEDS Record

When eligibility has been established, the EW shall:

1. Complete an SC 1296 requesting MTO on-line action to:
   • Establish a MEDS record using the appropriate aid code (71 or 73),
   • Complete an EW 20 (Add) transaction to enter the percentage obligation, and
   • Issue a Medi-Cal BIC, if not previously issued.

2. If the annual determination is done by using the MC 176-D, scan a copy into IDM.

43.11 Status Reports

Completion of the Midyear status reports (MC 176S) is dependent on whether the client meets the exemption criteria or not. [Refer to “Exempt Beneficiaries,” page 18-1.] Recipients who fail to submit a timely or complete an MSR must be discontinued.
43.12 Annual Redetermination

An annual redetermination is required.

43.13 Notice of Action

The Notice of Action for this program is the MC 239-F. It is available in CalWIN.

43.14 TB Program

43.14.1 Background

Legislation contained in the Omnibus Budget Reconciliation Act of 1993 (OBRA '93), Section 13603, established as a federal option the Tuberculosis (TB) program for persons infected with tuberculosis.

California adopted the program under State law Chapter 147, Statutes of 1994 (Assembly Bill 2377) effective October 1, 1994.

43.14.2 Program Benefits

The TB program is a Medi-Cal special treatment program that provides limited coverage for outpatient TB-related services. Eligible persons receive Medi-Cal coverage for TB services at no share-of-cost. The TB program:

- Provides benefits to TB-infected persons who are:
  - Otherwise ineligible for Medi-Cal (for example, no other linkage), or
  - Currently receiving full-scope Medi-Cal with a share-of-cost.
- Provides increased Medi-Cal funds to TB clinics and other providers.
Persons who are Medi-Cal eligible with no share-of-cost are not eligible for the TB program, as Medi-Cal already covers TB-related care for these clients.

43.14.3 Covered Services

Some of the services covered under the Medi-Cal TB program include:

• Prescription drugs,
• Physician services,
• Outpatient hospital services,
• Laboratory, X-ray and clinic services,
• Federally Qualified Health Center services,
• Case management services, and
• Services to monitor usage of prescribed drugs.

43.14.4 Aid Code

Adults and children eligible for the TB program are identified on MEDS as Aid Code 7H. TB eligibility information appears on the MEDS Special Program 1 (INQ1) screen.

43.14.5 Effective Date

The effective date of the TB program is October 1, 1994. Three-month retroactive coverage applies to the TB program, but not for months prior to October 1994.

43.14.6 Who Is Eligible

General

Persons eligible for the TB program must:

• Be infected with TB. (No other linkage is needed if applying for TB services only.)
• Be a United States citizen or noncitizen with legal permanent residence.
• NOT be eligible for Medi-Cal under any of the following programs with no share-of-cost:
  • Public Assistance (for example, CalWORKs or SSI)
  • Other Public Assistance (for example, TMC, IHSS or Pickle)
  • 200% Income Disregard, 100%, 133%, or Asset Waiver Provision
Special Treatment Programs

- ABD-MN
- AFDC-MN or MI.

- Meet certain TB program income and resources limits. Income and resource eligibility is determined using SSI/SSP standards and regulations, not Medi-Cal standards.

- Meet all other Medi-Cal eligibility conditions (i.e., cooperation, verification, status reporting, etc.).

**Important:**

TB-infected persons who have no other Medi-Cal linkage may be eligible for the TB program.

**Dually Eligible**

As the TB program has separate income and property requirements, some TB applicants may also be eligible for or currently receiving benefits under another Medi-Cal program. Therefore, some clients may be dually eligible.

For example, a TB-infected individual may be receiving AFDC-MN with a share-of-cost. This person may also be eligible for the TB Program to cover TB outpatient care at no share-of-cost.

TB-infected persons in the following Medi-Cal programs may also be eligible for the TB program:

- AFDC-MN with a share-of-cost
- ABD-MN with a share-of-cost
- QMB, SLMB, or QWDI
- Medi-Cal Dialysis or Parenteral Hyperalimentation (TPN).

**Reminder:**

Persons eligible for or receiving no share-of-cost full-scope benefits do not qualify for the TB program. TB-related care is already a covered service for these clients. This includes women and infants receiving no share-of-cost Medi-Cal under the Federal Poverty Level programs.

43.14.7 **Role of TB Providers**

The TB clinics have an important role in identifying patients who may be eligible for the TB program. They will assist their patients in applying for the program.
Most of the applications for the TB program are expected to come from the TB and VMC ambulatory care clinics.

Clinic activities include:

- Screening for potential TB program eligibility,
- Explaining the benefits of the program,
- Initiating an application for their patients (by completing an SC 41 and the “Medi-Cal Tuberculosis Program Application” (MC 274TB),
- Giving applicants the TB eligibility forms for completion, and
- Assisting patients to complete the Medi-Cal eligibility forms, when necessary (MC 210, MC 13, MC 210A). MC 219 must be provided to the client.

43.15 TB Eligibility Criteria

43.15.1 General

To be eligible for the TB program, the following eligibility criteria must be met. TB income and property determinations follow SSI rules and standards, and therefore differ from regular Medi-Cal rules.

43.15.2 Income Limit

Eligible persons must have net nonexempt income which does not exceed the TB program income limit, also referred to as the “TB income standard”. The TB income standard is the same one used for a disabled individual under the SSI/SSP program.

[Refer to Chart Book, “Tuberculosis (TB) Program Income and Resource Limits,” page 5-24.]

43.15.3 Resource Limit

Eligible persons cannot exceed the TB property limit. The program property limit is the same amount that disabled persons may have under the SSI/SSP program.
43.15.4 Citizen/Alien Status

Persons eligible for the TB program must be either a U.S. citizen or a noncitizen with legal permanent residence.

An MC 13 must be completed for each TB applicant who is not a U.S. citizen.

43.15.5 Undocumented Persons

Undocumented persons, foreign visitors here on a temporary visa, or any other person who would be eligible for only restricted Medi-Cal benefits are not eligible for the TB program.

Note:

Undocumented non-citizens can receive TB-related care through our county health clinics, even though they are ineligible for the TB program.

43.15.6 Certification of TB Infection

To be eligible for the TB program, an applicant must be TB-infected. This means that the applicant must:

- Require preventive therapy for tuberculosis infection, or
- Require treatment for active tuberculosis.

The determination of whether an individual is TB-infected shall be made only by a Medi-Cal physician. The "Medi-Cal Tuberculosis Program Referral" (MC 274TB, Part B), which is part of the TB application form, must be completed by the physician to certify TB infection.

43.15.7 Other Requirements

TB applicants and recipients must meet all other Medi-Cal program requirements, including:

- Completing all appropriate Medi-Cal forms (MC 210, MC 13, etc.). MC 219 must be sent to the client.
- Providing any necessary verifications. (SSN, SAVE and IEVS are required.)
- Completing an annual redetermination.
• Reporting any changes within 10 days.
• Maintaining California residency.
• Identifying other health coverage and completing the DHS 6155.
• Completing medical support requirements when applicable.

43.15.8 TB Child

A TB child is defined as a TB-infected applicant/beneficiary who is:

• Unmarried, and
• Under age 18, and
• Living with his/her parent(s).

For purposes of TB eligibility determination, a TB child is subject to the deeming of parental income and resources.

Note:
All persons 18 or over, including an 18-21 year old who is a full time student and tax dependent of their parents, is treated as an adult for TB Medi-Cal purposes.

43.15.9 “Ineligible Spouse/Child”

The spouse who is living with the TB applicant/beneficiary, but who is not applying for the TB program is referred to as an “ineligible spouse”.

A minor child who is living with the TB applicant/beneficiary, but who is not applying for the TB program, and is:

• Unmarried and under age 18, or
• Unmarried, between the ages of 18-21 AND a full-time student,

is referred to as an “ineligible child.”

These terms apply when determining if the applicant meets TB income and property requirements, and there is a spouse or minor child in the home who is not applying for the TB program.
**43.15.10 Married Person**

A married person is evaluated as an “individual” when determining TB income and resource eligibility. This rule applies whether one or both spouses apply for TB Medi-Cal.

- The income of a married individual is income received in his/her own name.
- The property of a married individual is his/her “separate property” and one-half of the community property.

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**43.16 TB Application Process**

**43.16.1 Introduction**

Most TB applicants will be patients referred from the TB and VMC Ambulatory Care clinics. Some TB patients will be referred by private physicians and community health clinics. Applicants may also initiate an application on their own at any one of the district offices.

**43.16.2 TB Application Packet**

The client must complete the following forms when applying for the TB program:

- “Identification and Intake Record” (SC 41).
- “Medi-Cal Tuberculosis Program Application” (MC 274TB).
- “Statement of Facts-Medi-Cal” (MC 210) and any applicable supplements.
- The “Important Information for Persons Requesting Medi-Cal” (MC 219) must be provided but completion is not required.
- “Statement of Citizenship, Alienage, and Immigration Status” (MC 13) for noncitizens. (If TB Medi-Cal only is required, check the other Box and write in “TB” in the space next to the Box.)
- “Supplement to Statement of Facts for Retroactive Medi-Cal” (MC 210A), if retroactive coverage is requested.
43.16.3 TB Application (MC 274TB)

The TB application form is the “Medi-Cal Tuberculosis Program Application” (MC 274TB). It is a three part form consisting of:

• Part A — Application. This is the actual TB application form. It must be completed for each TB applicant. A SAWS 1 cannot be used in lieu of the MC 274TB, Part A.

Note:
The MC 274TB, Part A is used ONLY for the TB program. It cannot be used for other Medi-Cal or public assistance programs.

• Part B — Referral. This form is the physician's certification that the client is TB-infected. One form must be completed for each TB applicant. No other forms or statements are acceptable. The MC 274TB, Part B certification must be completed by a Medi-Cal physician.

Certification by use of a physician's stamp is acceptable on the MC 274TB, Part B. Other clinic staff members using the physician stamp must countersign with their own initials.

• Part C — Authorization for Clinic Assistance. This form is signed by the applicant and a TB clinic staff member when the client wishes the TB clinic to assist in the application process.

The completion of this form enables the clinic to assist their patients with the TB application.

43.16.4 TB Applications Initiated by Clinics

The majority of the TB program applications are initiated by the TB and VMC Ambulatory Care clinics. The clinics screen their patients for potential TB program eligibility, and initiate a TB program application when appropriate.

The VMC Medi-Cal Units will process TB applications initiated by the TB and VMC clinics. In most other situations, the Unit will also process TB applications and respond to inquiries received at other district offices. The chart on the following pages describes the specific responsibilities when processing TB applications.
Specialized procedures have been developed between the TB clinics and the Medi-Cal Units to complete the TB application and eligibility determination process.

43.16.5 Homeless Applicant

TB-infected applicants who are homeless and are patients of the TB clinic at 976 Lenzen Ave., San Jose, CA 95126, may use the clinic address as their mailing address, or designate another mailing address.

When unable to contact a homeless client, EWs are encouraged to complete the eligibility determination through contact with the TB clinic. Some homeless clients may continue to receive treatment at the clinic, and hence may be reached at the next clinic appointment.

43.16.6 Persons in LTC

Persons in Long Term Care (LTC) who are TB-infected do not receive benefits from the TB Program, as coverage is limited to TB-related outpatient services.

Persons in LTC who are eligible for regular full-scope benefits will have their TB care covered under the regular Medi-Cal program.

43.16.7 Plastic BIC

Persons eligible for the TB Program receive a Medi-Cal Benefits Identification Card (BIC).

Medi-Cal providers are alerted through the eligibility verification system that the TB program (Aid Code 7H) covers only outpatient TB-related services. The message to the provider says “OUTPATIENT TB-RELATED SERVICES ONLY AT NO SHARE OF COST”.

43.16.8 TB NOAs

EWs are required to send a NOA when approving, denying or discontinuing clients. A 10-day NOA is required when a recipient is discontinued from the TB program.
43.16.9 Retroactive Benefits

There is three-month retroactive eligibility for the TB program. The applicant completes the “Supplement to Statement of Facts for Retroactive Medi-Cal” (MC 210A) for retroactive TB coverage.

43.17TB Property Determination and Examples

43.17.1 TB Property Limit

The EW must complete a separate property determination for each TB applicant. If the applicant’s nonexempt property is less than or equal to the TB property limit, then the applicant is property eligible.

The TB property limit is $2,000.00

Each person, including a child applying for the TB program is evaluated as an individual, regardless of their marital status.

- Count each individual’s non-exempt “separate property”.
- Count one-half of the non-exempt “community property” for each spouse.
- Evaluate the resources of the parent(s) for potential deeming to the TB child. (Property may be deemed from parent to child, but is NEVER deemed from spouse to spouse.)

Exempt and nonexempt property is determined according to regular Medi-Cal rules.

Note:
When determining a child's property eligibility and there are two parents in the home, allow the parents a $3,000.00 deduction from their property before it is deemed to the TB child.

43.17.2 MC 278TB/ MC 279TB

Usage of the “Tuberculosis (TB) Program Property Worksheet - Adult” (MC 278TB) or “Tuberculosis (TB) Program Property Worksheet - Child” (MC 279TB) is optional. CalWIN makes the TB eligibility determination based on the information entered for the individual.
43.17.3 Single Person

Each unmarried person, including a child, applying for the TB program is evaluated separately. EWs shall:

- Use the regular Medi-Cal property limit for one ($2000).
- The property limit remains the same ($2000), even when there are children in the home.
- Count only the nonexempt property of the TB applicant.

43.17.4 Married Couple

When the applicant is married, whether one or both spouses are applying for the TB program, each spouse is evaluated as an individual. Follow these rules:

- Use the regular Medi-Cal property limit for one ($2000).
- The property limit remains the same ($2000 for each spouse), even when there are children in the home.
- Count the TB applicant’s nonexempt “separate property” and one-half of the community property.
- Do not count the property of other family members in the home.

43.17.5 Child, Under 18

When the TB applicant is a child under 18 years old:

- Use the regular Medi-Cal property limit for one ($2000).
- Count the child’s own net nonexempt property.
- Evaluate the resources of the parent(s) for potential deeming to the TB child.
- DO NOT count the property of other family members (i.e. siblings).

43.17.6 Parental Deeming

When the applicant is a child, EWs must determine if the resources of a parent(s) in the home must be “deemed” or allocated to the TB child as countable property.

When evaluating property of a parent(s) in the home for purposes of deeming to the TB applicant child:

- Compute the total amount of non-exempt property belonging to a married or unmarried parent(s) in the home, EXCEPT:
(1) Do not include any property from a parent eligible for the TB program.

(2) Do not count the property from the parent(s) if one or both are public assistance (PA) or other PA.

(3) Do not include property from the stepparent in the home.

43.17.7 MC 279TB, Instructions, Child

Complete the following steps to compute the amount of property deemed to a TB child from the parent(s):

<table>
<thead>
<tr>
<th>Step</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>FIRST determine the TB eligibility of the parent(s) also applying for the TB program.</td>
</tr>
<tr>
<td>2</td>
<td>Complete one MC 279TB for each child.</td>
</tr>
<tr>
<td>3</td>
<td>Count the ineligible parent’s net nonexempt property.</td>
</tr>
<tr>
<td></td>
<td><strong>If:</strong></td>
</tr>
<tr>
<td></td>
<td>There is only one ineligible parent living in the home,</td>
</tr>
<tr>
<td></td>
<td>Subtract the Medi-Cal property limit for one person ($2000) from the ineligible parent’s net nonexempt property.</td>
</tr>
<tr>
<td></td>
<td>Both parents in the home are ineligible for the TB program,</td>
</tr>
<tr>
<td></td>
<td>Subtract the property limit for two persons ($3000) from the ineligible parents’ net nonexempt property.</td>
</tr>
<tr>
<td></td>
<td>The ineligible parent is PA or Other PA,</td>
</tr>
<tr>
<td></td>
<td>Do not deem any of the PA or Other PA parent’s property to the TB child.</td>
</tr>
<tr>
<td>4</td>
<td>Divide the remainder among all the TB applicant children. This is the amount of parental property which is deemed to the TB child.</td>
</tr>
<tr>
<td>5</td>
<td>If it is later determined that one of the TB applicant children is ineligible, redivide the amount of property deemed from the parent(s) to include only those children in the home who are TB eligible.</td>
</tr>
<tr>
<td>6</td>
<td>Combine the TB child’s share of the parent’s property with the child’s own net nonexempt property. The total amount cannot exceed the TB property limit for one person ($2000), to be TB property eligible.</td>
</tr>
</tbody>
</table>
43.18TB Income Determination & Budgeting Examples

43.18.1 TB Income Standards

To be eligible for the TB program, each applicant must pass the TB program financial eligibility tests. His/her net nonexempt income cannot exceed the “TB Income Standard”.

The TB Income Standard is the same eligibility income standard for a disabled individual under the SSI/SSP program, and is based upon a computation using the federal benefit rate (FBR), which changes each January.

Each person applying for the TB program is evaluated as an individual, regardless of their marital status. Count only any income received in their own name.

43.18.2 FBR Rates/SSI Standard Allocation

EWs will need the FBR Rates when completing income determinations on TB applicants.

43.18.3 Financial Eligibility

EWs must complete a financial eligibility test on each TB applicant. Use the TB income worksheets:

- “Tuberculosis (TB) Program Financial Eligibility Worksheet - Eligible Child with Ineligible Parent or Parent(s)” (MC 280TB), or
- “Tuberculosis (TB) Program Income Eligibility Worksheet (Individual or Couple, Applicant With an Ineligible Spouse” (MC 282TB),

to determine if the applicant's net nonexempt income is less than or equal to the TB income standard.

Financial eligibility tests must be completed for TB eligibility at:

- Intake — During the initial interview.
- Continuing — Whenever there is a change in the TB person's income.
Use ACTUAL amounts when determining monthly gross income. DO NOT use the 4.33 or 2.167 conversion factors when income is received weekly or biweekly.

### 43.18.4 Deemed Income Rules

When the TB applicant has an ineligible spouse in the home there will be no deeming from the ineligible spouse to the eligible spouse.

When the applicant is a TB-infected child with an ineligible parent(s) in the home, EWs must determine if there is income “deemed” to the TB applicant from the ineligible parent.

Follow these rules when evaluating deemed income:

- NEVER ALLOCATE INCOME FROM THE TB APPLICANT to meet the needs of an ineligible spouse or ineligible child in the home.

- Do not count income from a spouse or parent who is TB eligible.

- Do not count income from an ineligible spouse in the home.

- An adult TB applicant, whether they are married or not, is treated as an individual. Count only the income of the applicant. (Do not count income from the spouse in the home.)

- Do not deem income from the ineligible spouse to the TB applicant, if the ineligible spouse’s total income (after allocating to ineligible children) is less than the “standard SSI allocation”.

- Do not count income from an ineligible parent in the home if the applicant does not meet the definition of a “TB child” (for example, an 18 year old TB applicant living with his/her parent is an adult).

- Allocate from the gross unearned and earned income of the ineligible spouse to meet the needs of ineligible children in the home before deeming income to the TB applicant.

- Allocate from the gross unearned and earned income of the ineligible parent to meet the needs of ineligible children in the home before deeming income to the TB child.
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• Before income is deemed to the TB child, ineligible parents are allowed a
deduction (the individual FBR if there is one ineligible parent in the home; or the
couple FBR if there are two ineligible parents in the home) to meet their own
needs.

• Any allocation to ineligible children is reduced by the amount of the child’s own
income.

Note:
Each ineligible child is allowed a student deduction for earned income of up to
$400 per month, but not to exceed $1620 per year, if the ineligible child is
regularly attending a school, college, university, or a course of vocational
training to prepare him for gainful employment.

• The amount of allocation to an ineligible spouse or child is called the “standard
SSI allocation”, which is the couple Federal Benefit Rate (FBR) minus the
individual FBR.

43.18.5 Child's Income

To determine the net nonexempt income of the TB applicant who is a child:

• Count the child's own income.

• Count the income deemed from the ineligible parent(s) in the home. (Do not
count the income of a stepparent.)

Do not count:

• Income from a parent who is TB eligible.

• Income from a parent(s) if one or both is eligible for public assistance (PA) or
other PA.

• Income of a stepparent in the home.
Follow these steps to complete an income determination for the applicant who is a single adult or who is married:

<table>
<thead>
<tr>
<th>Step</th>
<th>Action</th>
</tr>
</thead>
</table>
| 1.   | **Determine TB income eligibility for each applicant.**  
Use the MC 282TB to calculate income eligibility for an individual as a married couple. Income is not deemed from a spouse who is TB eligible or from an ineligible spouse. |
| 2.   | Complete one MC 282TB when the applicant is either a single individual or a married couple. This form will accommodate the two separate income eligibility determination for a married couple and an individual applying for TB program. |
| 3.   | Complete **Part A. Unearned Income.**  
Line 1. Enter the TB applicant's own unearned income in column A.  
Line 2. Subtract the $20.00 General Income Exclusion from column A (TB applicant) and column B (TB spouse) if the spouse is also applying for TB services.  
Line 3. Subtract other applicable ABD/MN unearned income deductions.  
Line 4. Total each individual's unearned income separately. |
| 4.   | Complete **Part B. Earned Income.**  
Line 5. Enter the TB applicant's earned income in column A.  
Line 6. Subtract the unused portion of the $20 income exclusion not offset by unearned income.  
Line 7. The difference is the remaining earned income.  
Line 8. Subtract the $65 work expense exclusion.  
Line 10. Enter the difference which is the Remaining Earned Income.  
Line 11. Enter 1/2 of the remaining earned income from line 10.  
Line 12. The difference is the total countable earned income.  
Line 13. Add the countable unearned income (Part A, Line 4) and countable earned income (Part B, Line 12. This is the total countable income. |
| 5.   | Complete **Part C. TB Eligibility Calculation.**  
Line 1. Enter the current TB income standard for one.  
Line 2. Enter the total countable income from Part B, Line 13.  
If the total countable income on Part C, line 15 is less than or equal to the TB income standard on Part C, line 14, the applicant(s) is income eligible for the TB program. |
Follow these steps to complete an income determination for a TB-infected child:

1. **FIRST** determine the TB eligibility of the parent(s) who is also applying for the TB program.
   - This first step is necessary because income is not deemed from a parent who is TB eligible.

2. Complete an MC 280TB for each child who is a TB applicant.

3. Complete **Part I. Ineligible Parent's Unearned Income**.
   - Line 1. Enter the ineligible parent's unearned income. (Do not include the income of a parent who is PA, other PA or TB eligible, or if the spouse is PA, other PA.)
   - Line 2. Use to determine allocation for ineligible children. (If no ineligible siblings, enter “0” in Line 2.c., “Total allocation”.)
     - Enter child's name. (Do not include children who are PA or TB eligible, or applying for TB.)
     - Enter the standard SSI allocation for each ineligible child.
     - Subtract child's income (exclude up to $400 per month, but no more than $1620 per year, from earned income if the child is a student).
     - Enter the difference. This is the remaining allocation amount for the child.
     - Total the allocations for all siblings.
     - Subtract from the unearned income and enter the difference. This is the remaining unearned income amount. If the allocation amount exceeds the unearned income, enter the unused portion of the allocation in Part II.2.

4. Complete **Part II. Ineligible Parent's Earned Income**.
   - Line 1. Enter the ineligible parent's earned income.
   - Line 2. Enter the amount of allocation for ineligible children that is not offset by unearned income (the negative amount from Part I, line 3). Otherwise, enter zero.
   - Line 3. Subtract any unused allocation amount from the gross earned income.

NOTE: At this point, if there is no remaining income after the allocations to ineligible children, no income is available for deeming to the TB child. In this case, enter “0” on Part III, line 15.
### Step 5
**Complete Part III. Combined Incomes-Ineligible Parents.**

Lines 1-14. Enter any remaining unearned income from Part I, line 3, and any remaining earned income from Part II, line 3.

Subtract the following income deductions:
- $20 general income exclusion
- $65 + 1/2 from any earned income
- A "parental deduction" equal to the individual FBR rate if there is one ineligible parent in the home; or the couple FBR rate if there are two ineligible parents in the home.

Line 15. The amount on this line is the "deemed income" from the ineligible parents.

### Step 6
**Complete Part IV. TB Eligibility Calculation.**

Line 1. Enter the deemed income from Part III, line 15. The deemed income is treated as unearned income to the TB child.

Line 2. Enter the TB child's OASDI (RDSI) income.

Line 3. Enter any other unearned income of TB child.

Line 4. Subtract the $20 any income exclusion.

(Subtract other applicable ABD/MN income deductions.)

Line 5. Countable unearned income (from Part IV, Lines 1, 2, and 3, minus the $20 general income exclusion).

Line 6 Enter the child's countable earned income (gross earned income minus any of the remaining $20 any income exclusion and the $65 + 1/2 earned income deduction).

Line 7. Add the unearned income (Part IV, line 5) and countable earned income (Part IV, line 6) to obtain the total countable income.

Line 8. Enter the current TB income standard for one person.

If the total countable income from Part IV, line 7 is less than or equal to the current TB income standard on Part IV, line 8, the child applicant is income eligible.
43.19TB Continuing Activities

43.19.1 Midyear Status Reports (MSR)

Completion of the Midyear status reports (MC 176S) is dependent on whether the client meets the exemption criteria or not. [Refer to “Exempt Beneficiaries,” page 18-1. Recipients who fail to submit a timely or complete an MSR must be discontinued.

As in other Medi-Cal programs, the TB recipient must report changes within 10 days of occurrence. EWs must take action on any known or reported changes.

43.19.2 Redetermination

Annual redeterminations are required for persons eligible for the TB program.

In addition to the normal redetermination requirements, EWs must obtain a new MC 274TB, Part B, from the TB provider at each RD. To remain eligible for the TB Program, a recipient must continue to be TB-infected.

If the returned MC 274TB, Part B, indicates that the client no longer requires preventive therapy for TB infection, or no longer requires treatment for active TB, the EW must discontinue the client.

A face-to-face interview with the client is not required at RD. Obtain an MC 274TB, Part C, if the client wishes the TB clinic to assist in the RD process.

43.19.3 Active Cases

EWs may have an open eligibility case where a recipient or another family member is TB-infected and potentially eligible for the TB program.

43.19.4 Ineligible Persons

Persons who are ineligible for the TB program (for example, undocumented non-citizens, persons who are over the TB income limit) may receive treatment for TB at the county’s TB clinic, 976 Lenzen Ave., San Jose, CA 95126, or at other county health clinics.
Fees for TB services are determined on a sliding scale based upon family income and size.