

## 23. Pickle and Aged, Blind, and Disabled (ABD) Programs

### 23.1 Pickle Amendment - *Lynch v. Rank*

The 1976 Pickle Amendment to the Social Security Act introduced the Title II Social Security Retirement, Survivors and Disability Insurance (RSDI) income disregard. This amendment requires that zero share-of-cost Medi-Cal benefits be provided to any aged, blind or disabled (ABD) person or couple who meet ALL of the following requirements:

- Currently receiving RSDI benefits,
- Received RSDI and SSI and/or SSP benefits simultaneously in any month after April 1977,

**Note:**

When a person applies for RSDI and SSI/SSP simultaneously, sometimes SSI/SSP is granted first. RSDI will then be granted several months later, retroactive to the date of application. In these instances, the person may be required to reimburse the SSI/SSP program for any benefits received. However, he/she is still considered to have been eligible for and entitled to receive both RSDI and SSI/SSP in the same month. If SSI/SSP benefits are awarded retroactively, Pickle eligibility may be determined from the first date of actual entitlement to SSI/SSP.

- Was discontinued from SSI and/or SSP after April 1977
- Received an RSDI cost of living adjustment (COLA) since being discontinued from SSI and/or SSP, and
- Would be entitled to receive SSI and/or SSP benefits if the RSDI COLAs received after SSI and/or SSP ineligibility are disregarded. If an individual loses his/her SSI/SSP eligibility as a result of an RSDI COLA, the specific RSDI COLA that caused the SSI/SSP discontinuance must be:
  - Counted as a “COLA received since SSI/SSP was discontinued,” and
  - Included in the RSDI COLA disregard computation.

#### 23.1.1 When to Screen

All Aged, Blind, or Disabled (ABD) individuals who are currently receiving RSDI income must be screened for Pickle: at the following times:

- Application

- Redetermination
- Change-in-Circumstance Renewal  
(This includes the start of Medicare eligibility and when a change is reported)
- When an individual is recently discontinued from Supplemental Security Income (SSI) /State Supplementary Payment (SSP) and/or an individual recently received Title II income for the first time
- When an individual who was previously on Pickle is recently determined to have a share of cost (SOC)
- In the month after a Social Security Title II COLA
- Discontinued SSI/ SSP beneficiaries who require a redetermination under Craigv.Bonta.
- Following a break-in-aid
- Inter-County Transfer (ICT)
- Whenever a client requests a Pickle determination.
  - Individuals in Long Term Care (LTC) should not be screened for Pickle unless they leave LTC.

**Note:**

Individuals who refuse to complete the Pickle review may remain eligible for Non-MAGI MC. However, they must be offered Pickle again annually, unless they specifically request no further contact.

### 23.1.2 Pickle Forms

The client must complete the following forms:

- MC Application or Renewal form (when applicable)
- MC 13 - Statement of Citizenship, Alienage and Immigration Status (when applicable)
- DHCS 7044- Statement of Living Arrangements, In-Kind Support and Maintenance, (ISM).
- MC 210B - Supplement to Statement of Facts (PICKLE Eligibility Determination)

Form (MC 219) - The “Important Information for Persons Requesting Medi-Cal” must be provided; however, the client is not required to sign and return the form. It must be documented in **Case Comments** that the MC 219 was provided and the date given.

**Note:**

When determining Pickle eligibility for individuals who are potentially eligible for the IHSS Personal Care Services Program (PCSP), either the IHSS form “Application for Social Services” (SOC 295) or MC application may be used. The MC 210 or the SOC 310 may be used as the Pickle Statement of Facts form, both at initial application and RD

### 23.1.3 Verification of SSI/SSP Termination Date

The date that the client last received and was eligible for SSI and/or SSP must be verified using any of the following:

- The date listed on the monthly Exception Eligibles Report/503 Leads Report
- The “SSI-LAST-RECEIVED” date from the MEDS [INQE] screen or IEVS
- The client's SSI/SSP discontinuance notice from the Social Security Administration
- Any other verification that establishes the date of SSI discontinuance and that the client was covered by the “Craig v Bontá” court order.

An individual may have received an SSI/SSP approval and/or discontinuance NOA, but was never actually eligible to receive the SSI/SSP cash grant and he/she may have been required to repay SSA for the cash received.

**Note:**

If both spouses are potentially eligible, their individual SSI/SSP discontinuance dates must be verified. Their discontinuance dates may be different.

When the SSI/SSP discontinuance date cannot be verified by any of the methods listed above, use the “Referral To/From Social Security” (SCD 169) to request the SSI/SSP discontinuance date from SSA. Do NOT use the State-issued Lynch v Rank letter (Notice Type 52) to verify the date of SSI/SSP discontinuance.

It may be necessary to check further if it appears the applicant may have never actually been eligible to receive SSI/SSP; e.g., an overpayment is currently being recouped from RSDI income. Send an SCD 169 requesting specific information in these instances, as the client is not potentially Pickle eligible unless eligible for SSI/SSP and RSDI at the same time.

**Exception:**

When a person applies for RSDI and SSI/SSP at the same time, sometimes SSI/SSP is granted first. RSDI will then be granted several months later, retroactive to the date of application. In these instances, the person may be required to reimburse the SSI/SSP program for any benefits received. However, he/she is still considered to have been eligible for and entitled to receive both RSDI and SSI/SSP in the same month.

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## 23.2 Pickle Definitions

### 23.2.1 Actual Value (AV)

For determining In-Kind Support and Maintenance (ISM), the current market value (CMV) is divided by the number of people receiving support and maintenance minus any payment made out of an applicant's/client's own funds. If the applicant/client makes no payment, the AV and CMV may be the same amount.

### 23.2.2 Couple

When determining Pickle eligibility, the following are defined as a couple:

- Pickle eligible applicant/client living with an ineligible spouse.
- Pickle eligible applicant/client living with an eligible spouse.
- Ineligible parents of a Pickle eligible child.
- Any two persons who are representing (“holding out”) themselves to the community as a couple.

### 23.2.3 Current Market Value (CMV) or Current Market Rental Value (CMRV)

The amount for which an item would sell or rent on the open market. The CMV may be based on factors such as the assessed or appraised value. The CMRV may be affected by the size and location and the amount of rent paid by other tenants.

To determine the CMRV for ISM purposes, contact the owner of the property. Accept this statement as to the fair market value of the property. If the owner of the property either refuses to place a value or has no knowledge of its value contact a knowledgeable source. For this purpose, examples of knowledgeable sources are rental management agencies, real estate firms, trailer park proprietors, housing authorities, or individuals that rent facilities similar to the shelter occupied by the applicant/client.

### 23.2.4 Dependent Relative

For purposes of determining the principal residence exclusion, the following are considered as dependent relatives: son, daughter, grandson, granddaughter, stepson, stepdaughter, mother, father, in-laws, stepmother, stepfather, half sister, half brother, niece, nephew, grandparents, aunt, uncle, sister, brother, stepbrother, stepsister.

Verify the basis for the dependency (e.g., medical or financial), that the dependent continues to reside in the home and the relationship between the applicant/client by personal contact. Document findings on the CalWIN **Search Case Comments** window.

### 23.2.5 Discounted Amount

The current market value (CMV) of a negotiable contract, note, mortgage, etc.

### 23.2.6 Equity Value (EV)

The assessed actual value (AV) or current market value (CMV) of an item less any legal encumbrances on the item.

### 23.2.7 Excludable Equity Value

Equity value in a resource which may be excluded from resource limits.

### 23.2.8 Home

Any shelter in which the applicant/client (or spouse with whom the applicant/client lives) has an ownership interest, and which is used by the applicant/client (and spouse, if any), as his principal place of residence. [Refer to “Principal Place of Residence,” page 23-8.] The home may be either real or personal property, fixed or mobile, and located on land or water. The home includes all the land that pertains to it and the buildings located on such land. Home property may be separately or jointly owned or ownership may be in the form of a life estate.

### 23.2.9 Household Expenses

The only household expenses to be considered when determining ISM amounts are:

1. Food

**Note:**

Documentary evidence is never required for the food expense. Accept the applicant/client's statement as documentation. Do not consider the value of food stamps as a household expense.

2. Mortgage (including property insurance required by the mortgage holder) or rental payments.

**Note:**

Mortgage/Rental Payment - When there is no mortgage or rental payment, (e.g., a member of the household other than the applicant/client owns the home and it is paid for) or there is no rental payment due to a rent subsidy provided by a government agency, the amount of ISM for this item is zero.

3. Real property taxes (less any tax rebate/credit).

4. Utilities - including: gas, electricity, heating fuel, water, sewer, garbage.

### 23.2.10 Immediate Family

An eligible applicant/client's minor or adult children, step-children, and adopted children; brothers, sisters, adoptive parents, and the spouses of these persons, but does not include members of an ineligible spouse's family. Dependency and living-in-the-same-household are not factors.

### 23.2.11 Independent Living Arrangement

A living arrangement in which an individual:

1. Is living in his/her own household, or
2. Is living in the household of another but is not receiving both food and shelter from someone within the household.

### 23.2.12 Ineligible Spouse

In the Pickle program, an "ineligible spouse" is one who does not meet the financial eligibility tests in the screening process and is, therefore, ineligible as a Pickle person.

### 23.2.13 In-Kind Support and Maintenance (ISM)

ISM is unearned income in the form of free or partially free food or shelter. This includes ISM provided to agricultural or domestic employees.

### 23.2.14 Institutionalization

In determining whether a principal residence can be excluded during an extended absence the following steps must be taken to verify institutional status:

1. Accept the applicant/client's or dependent relative's statement regarding dependency unless there is reason to question.
2. A signed statement, from the applicant, the spouse, or the dependent relative indicating that the dependent relative or spouse resides in the home, must be obtained.

If the applicant/client intends to return to the home, a signed statement from the applicant/client must be obtained. The statement must identify:

- a. The reason for his/her absence from the home.
- b. If he/she intends to return.

This statement is accepted without challenge unless the statement is self-contradictory. If so, obtain clarification from secondary sources such as a physician, close relative or other knowledgeable person.

### 23.2.15 Items of Unusual Value

Items which have a significant resale value over an extended period of time. May include, but not limited to china, silver, glassware, art works, Oriental and similarly valued carpets, antiques, heirlooms, musical instruments, hobby collections, furs. CMV of over \$500 establishes that the item is of unusual value. Equity value of these items is used in the resource determination.

### 23.2.16 Life Estate and Remainder Interest

A life estate conveys upon an applicant/client or individuals for his/her lifetime (irrevocable) certain rights in property. It's duration is generally measured by the lifetime of the owner of the life estate (life estate holder). The life estate holder has the right of property and the right to sell his/her life estate interest. However, the written contract establishing the life estate may limit some of these rights. He/she does not have title to the property if he/she does not have the right to sell the property.

Where the owner conveys property to another person for life (life estate holder) and to a second person (the remainder man) upon the death of the life estate holder, both a life estate interest and a remainder interest have been created.

### **23.2.17 Liquid Resources**

Resources which are in cash or payable in cash on demand. The most common types are savings accounts, checking accounts, stocks, bonds, and mutual funds, promissory notes and mortgages. Liquid resources, except cash, are valued according to their equity value.

### **23.2.18 Nonliquid Resources**

Anything not countable as a liquid resource including real and personal property. Nonliquid resources are evaluated according to their equity value.

### **23.2.19 Non-Medical Out of Home Care (NMOHC)**

A protective living arrangement outside of the recipient's home where he/she receives room and board, as well as personal non-medical care and supervision related to his/her individual needs.

### **23.2.20 Parent**

A natural parent, an adoptive parent, or the spouse of a natural or adoptive parent.

### **23.2.21 Presumed Maximum Value (PMV)**

An amount equivalent to one-third of the applicable Federal Benefit Rate (FBR) plus \$20 (any income exclusion). The PMV rules apply to in-kind support and maintenance (ISM) which is countable as unearned income. The PMV never applies to earned income. Use of the PMV in determining an applicant's/client's countable income is rebuttable by documenting that the actual value of the ISM RECEIVED IS LESS THAN THE PMV. The lesser of these two amounts is always used, but never an amount greater than the PMV, regardless of the number of sources of such income or the variety of living arrangements in any given month.

### **23.2.22 Principal Place of Residence**

Also [[Refer to "Home," page 23-5](#)] and [["Institutionalization," page 23-7](#).]

Where an applicant/client has established his/her domicile. That is, the dwelling the applicant/client considers to be his or her fixed, established, or principal home, and to which, whenever absent, he/she intends to return. However, if the applicant/client leaves such dwelling and enters long-term care and his/her spouse or dependent relative still resides there the applicant/client's intent to return is irrelevant in determining principal place of residence. [[Refer to "Dependent Relative," page 23-5](#).]

Consider the following when determining the Principal Place of Residence:

1. A home owned by an applicant/client (or spouse living with him/her) is excluded if the home is the applicant/client's principal place of residence.
2. Only one home at a time may be excluded as the principal place of residence.
3. Absences from the home do not necessarily affect the determination of the principal place of residence. When the applicant/client is away from the home it continues to be his/her principal place of residence if:
  - a. The applicant/client intends to return to the home.
  - b. The applicant/client is in LTC and his/her spouse or dependent relative continues to reside in the home.

Effective the first day of the month following the month in which it is determined that the home is no longer the applicant/client's principal place of residence, the individual's equity in the home is a countable resource.

If there are multiple residences, verify the principal residence by voter registration, address for receipt of benefits or payments or mailing address for tax purposes.

When the applicant/client is living away from the home, intent to return must be confirmed unless absence is based on institutionalization and his/her spouse or dependent relative is living in the home. If no spouse or dependent relative resides in the home intent to return must be verified. [[Refer to "Institutionalization," page 23-7.](#)]

Statements of intent to return or allegations of dependency are acceptable from authorized representatives in situations where the applicant/client is incapable of providing such information.

### **23.2.23 Property (Real or Personal), Essential to Self-Support**

Property used in a trade or business and nonbusiness property which produces income either in cash or in-kind. Property in current use, or that will again be used within one year of its most recent use, for income producing purposes. Business property includes the necessary capital and operating assets of a business, (e.g., real property, buildings, inventory, equipment, machinery, livestock and necessary motor vehicles used in the trade or business). Income from this property is counted as earned income.

Nonbusiness, income producing property means land or nonliquid property which provides rental or other income, but is not used as part of a trade or business. This includes small apartment houses or other structures producing rental income, land which produces rents or other land use fees, (e.g., notes or mortgages, royalties, mineral rights) and similar types of real and personal property. Income from this property is counted as unearned income.

Non-home property previously referred to as other real property that is used in a business or non-business self-support activity is excluded when the applicant's (or spouse's) equity does not

exceed \$6000 and the activity produces a net annual return of at least six percent of the excludable equity value. Equity value for this purpose is the CMV minus any legal debts against the property.

A less than reasonable (six percent of the excludable equity value) net return is acceptable when all of the following conditions are met:

1. The property is used in a business or nonbusiness income-producing operation; and
2. Unexpected circumstances (e.g., a fire, street repair in front of business, etc.) cause a temporary reduction in the net rate of return; and
3. The annual net rate of return is reasonable in relation to the value of the property; and
4. The applicant expects the property to again produce a reasonable rate of return within 18 months of the end of the taxable year in which the unusual incident occurred. If at the end of the 18-month period the property is not producing a reasonable net return, the property becomes a countable resource.

### **23.2.24 Rebutting the PMV**

The opportunity for the applicant/client to prove that the ISM he/she receives has a lesser value than the PMV.

### **23.2.25 Recreational Vehicle (RV)**

Usually campers, motor-homes, trailers, boats, etc. This resource is treated as household goods and personal effects unless used as a principal residence or as the household's only mode of transportation. It may also be excluded if used for self-support.

### **23.2.26 Rent-Free Shelter**

Situations where no rent is being paid and there is no legal obligation for the applicant/client to pay. Rent-free shelter never exists when an applicant/client has ownership interest or has made an agreement to pay rent (rental liability). The maximum value of rent-free shelter is presumed to be one-third the applicable monthly FBR plus \$20 (any income exclusion). Where the presumed value is rebutted, the CMV is divided among the number of household residents.

### **23.2.27 Resources**

Those assets, including real and personal property that an applicant/client or couple owns. Resources include all liquid assets which are held singly, or jointly which can be accessed by the applicant (e.g., bank accounts, savings accounts, etc.) and all non-liquid assets which are real or personal property (e.g., automobile, land equipment, etc.).

An item becomes a resource if retained after the month of receipt. In order to be considered as a resource, property or an interest in real or personal property must have a cash value that is available to the applicant/client upon disposition. In general, an applicant/client with legal title to property has the right to control and dispose of it. If property cannot be disposed of, it is not a resource.

Since resource determinations for Pickle eligibles are made as of 12:01 a.m. on the first day of each calendar month, resource increases during a month do not affect eligibility for that month although they may cause ineligibility in the following month. Conversely, if a person is ineligible, due to excess resources, at 12:01 a.m. on the first day of the month that a person remains ineligible for the entire month.

### **23.2.28 Sharing**

When determining ISM, sharing exists when an applicant/client contributes within \$5.00 of his/her pro rata share or an eligible couple contributes within \$5.00 of household operating expenses of their combined pro rata shares. A finding of sharing means that no ISM is being received from anyone else in the household. A pro rata share is determined by dividing the average household expenses by the number of household members. [\[Refer to "Household Expenses," page 23-5\]](#)

### **23.2.29 Successful Rebuttal**

Evidence obtained that supports a finding that the current market value (CMV) or the actual value (AV) of ISM is less than the PMV. If the PMV is successfully rebutted, the CMV or the AV, whichever is less, is the amount of ISM to be charged.

### **23.2.30 Value of the One-Third Reduction (VTR)**

A method of evaluating ISM. The value assigned, by law, for the ISM which an applicant/client receives while living in the household of another throughout the month. When VTR applies, no other ISM is chargeable. The VTR is equal to one-third the FBR (one-sixth the couple FBR for one member of an eligible couple). The VTR may not be rebutted.

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## **23.3 Treatment of Income for Pickle**

SSI Methodology is used when determining Pickle eligibility.

1. Always use the individual's gross RSDI benefit amount when completing a Pickle budget.
2. There is no income deduction given for a health insurance premium.

- The amount of income must not be averaged. Use the actual income received during the month in which the Pickle eligibility is being determined. **Example:** Mr. Jones is paid \$200 weekly on Fridays. In the month his Pickle eligibility was evaluated, there were five Fridays. Enter his income as \$1,000. Do not use the 4.33 multiplier.



**Note:**

Income received quarterly, twice a year, or annually is to be counted in the month of receipt and not averaged on an annual basis, except for net earnings from self-employment.

**Earned Income**

The treatment of income for Pickle is similar to the treatment of income for Non-MAGI MC.

**Table 23-1: Treatment of Income**

Type of Income	Treatment	Required Verification
Child support payment received directly by or for the Pickle child.	Counted, however, one-third of the total is not counted.	Court records, canceled checks or D.A. records.
ISM provided to an individual or couple (includes farm laborer and domestics*) *Determine living arrangement prior to counting ISM.	Unearned In-Kind Support and Maintenance (ISM) values from chart.	Required only if in-kind value is rebutted. Receipts for actual shelter costs and statement/receipts for food.
Money received for providing foster care to a "Pickle" ineligible child	Counted if not a formal placement. (See Excluded Income if formal placement.)	Statement from placement agency or Notice of Action indicating placement and amount of payment.
Foster care funds received for a "Pickle" ineligible child.	Excluded if formal placement. See Unearned Income, if informal placement.	Statement from placement agency or Notice of Action indicating placement and amount of payment.
IHSS Payments	Excluded if paid to: <ul style="list-style-type: none"> <li>• A Pickle eligible individual, or</li> <li>• A Pickle ineligible spouse, parent, or child.</li> </ul>	Statement from agency providing payments.

## 23.4 Manual Pickle Eligibility Determination Process

Pickle eligibility is determined in CalWIN, however, the Pickle eligibility determination can be done manually if needed following the process below:

**Table 23-2: Pickle Eligibility Determination Process**

Step	Action	
1.	Screen for potential Pickle eligibility using the “Pickle Screening and Title II Disregard Computation Worksheet” (SCD 1363). <ul style="list-style-type: none"> <li>Part I Screening Process</li> <li>Part II Disregard Computation</li> </ul>	
2.	SCD 1363 Part I Screening Process	
	<b>If...</b>	<b>Then...</b>
	The answer to questions 1, 2, and/or 3 is NO,	The individual is not eligible for Pickle. The EW must: <ul style="list-style-type: none"> <li>Indicate the reason for ineligibility in <b>Maintain Case Comments</b>.</li> <li>Send a Pickle denial notice.</li> <li>Evaluate for other Non-MAGI eligibility.</li> </ul>
	The answer to 1, 2, and 3 are YES but 4 is NO,	There is potential Pickle eligibility after the next RSDI COLA. The EW must deny Pickle, but review for potential Pickle eligibility after each annual RSDI COLA. <a href="#">[Refer to Chapter 23, Section 23.9 "Pickle Tickler System," page-30]</a>  <b>Exception:</b> If the answer to 3 is YES because the SSI/SSP discontinued due to an RSDI COLA increase, then the answer to question 4 is YES and the individual may be considered potentially PICKLE eligible.
	The answer to ALL questions 1 through 4 is YES,	The applicant is a potential Pickle person, and the EW must: <ul style="list-style-type: none"> <li>Verify and document the date the client was last eligible for and received SSI/SSP. <a href="#">[Refer to “Verification of SSI/SSP Termination Date,” page 23-3].</a></li> <li>Complete the disregard computation and the financial eligibility process.</li> </ul>

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**Table 23-2: Pickle Eligibility Determination Process**

Step	Action
3.	<p>SCD 1363 Part II Disregard Computation</p> <p>Multiply the RSDI Income by the pickle multiplier from the year the SSI/SSP was discontinued and round down to the lowest full dollar. [Refer to Chart Book, "<a href="#">Pickle Disregard Computation Chart</a>," section 5.22].</p> <p><b>Note:</b> For a couple, each spouse may have a different Pickle multiplier if their date of discontinuance from SSI/SSP is different.</p>
4.	<p>CalWIN determines the financial eligibility for Pickle, however, the following forms can also be used:</p> <ul style="list-style-type: none"> <li>• "Pickle Needs Test" (DHCS 7075)</li> <li>• "Financial Eligibility Worksheet (DHCS 7021)</li> <li>• "Statement of Living Arrangements, In-Kind and Maintenance (DHCS 7044)</li> </ul> <p><b>Note:</b></p> <p>The Pickle financial eligibility test must be completed for Pickle eligibility at intake whenever there is a change in the Pickle individual's income. When a change in income is the result of an RSDI COLA, the Pickle budget must be updated at the time of the regularly scheduled redetermination.</p>
5.	<p>CalWIN determines the resource eligibility for Pickle, however the following form can also be used:</p> <ul style="list-style-type: none"> <li>• "Pickle Resource Worksheet" (DHCS 7037)</li> </ul> <p>SSI/SSP resource limits are used, which may be different than the Medi-Cal resource limits. If the individual or couple has excess resources:</p> <ul style="list-style-type: none"> <li>• Deny/discontinue Pickle eligibility and send a timely 10-day NOA.</li> <li>• Determine (or continue) eligibility for Non-MAGI MC.</li> </ul>
6.	<p>Record potential Pickle eligibility or ineligibility in the MEDS Pickle Tickler System. [Refer to Chapter 23, Section 23.9 "Pickle Tickler System," page-30]</p>

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### Screening an ABD Couple

When screening an ABD couple, each person must be screened separately. One or both individuals may qualify as potential Pickle eligibles separately or together.

**Table 68: Screening an ABD Couple**

If...	Then...
Both individuals pass the screening process,	They are potentially eligible as a Pickle couple. Combine their income and disregard amounts when computing the <a href="#">VTR - Value of One Third Reduction</a> .
Both individuals pass the screening process but are ineligible after computing the <a href="#">VTR - Value of One Third Reduction</a> for a couple,	Complete the <a href="#">VTR - Value of One Third Reduction</a> for each individual separately using his/her own income and disregard amount.

**Table 68: Screening an ABD Couple**

If...	Then...
If one spouse does not pass but the other does,	The spouse that did not pass is termed an “ineligible spouse”.

### 23.4.1 VTR - Value of One Third Reduction

#### Definition

VTR, value of one third reduction, is computed by taking one-third reduction of the current Federal Benefit Rate (FBR). This calculation is reflected in the SSI/SSP payment level titled “Living in the Household of Another.”

#### When to Use VTR

VTR applies when the Pickle client and/or spouse:

- Lives in another person's household for one full calendar month, and
- Receives food and shelter from the person in whose household he/she lives.
- Lives with a person other than a spouse, child, or an ineligible person whose income may be deemed to the individual.



**Note:**

Living in another person's household means that the Pickle person does not own or rent the property in which he/she resides.

#### Do NOT apply VTR if the Pickle client:

- Lives alone, or
- Lives with a minor child or a responsible relative, or
- Is separately consuming or purchasing food.

#### SSI/SSP Payment Levels

If the VTR applies, do not calculate any other ISM. Instead, compute the Pickle budget using the SSI/SSP payment level for persons “Living in the Household of Another.” [\[Refer to “Prior SSI/SSP Payment Standards,” page 6-32\]](#)

## 23.4.2 PMV - Presumed Maximum Value

### Definition

Instead of determining the actual dollar amount of any food or shelter received by the Pickle applicant/client, it is presumed to be worth a maximum value. This maximum value is one-third reduction of the applicable FBR plus the \$20 any income deduction. This value is counted as unearned income to the recipient.

The PMV amounts to be counted as unearned income when the client receives ISM change when there is a COLA. The PMV never applies to earned income.

### When to Apply the PMV

The PMV may apply when the applicant/client receives partial or total support from someone who is not a legally responsible relative, and the applicant/client:

- Has ownership interest in or rents his/her place of residence, or
- Is sharing food or shelter, or
- Does not receive both food and shelter from someone else, or
- Lives in a board and care facility, and someone else pays all or part of the monthly charges.

## 23.4.3 The DHCS 7044, Statement of Living Arrangement

The DHCS 7044 must be completed by the Pickle applicant/client when any of the following situations are declared:

1. Free or partially free housing, utilities, or food received from someone who has no legal responsibility to provide these items.
2. The client lives in a dwelling owned by his/her parent, stepparent, or adult child.
3. The client shares housing with anyone other than a spouse, a minor child, or a responsible relative.

## 23.4.4 Rebutting the PMV

The applicant/client has the right to prove that the actual value of the ISM received is less than the PMV.

1. The lesser of actual value or PMV must be counted as unearned income.
2. The applicant/client must be advised of his/her right to rebut the PMV.

3. When the applicant/client intends to rebut the PMV, the EW must allow him/her ten days to provide proof of the actual value of ISM.

### 23.4.5 Examples of VTR and PMV:

1. Pickle applicant lives in a duplex, her parents own the duplex, they live elsewhere.
  - a. If the Pickle client does not pay or owe rent and her parents provide all food, then this is a VTR case.
  - b. If she has no rental liability and she buys her own food then this is a PMV case.
  - c. If she has a rental liability and buys her own food then neither VTR nor PMV apply.
2. Pickle client, age 25, lives in mother's home. Mother provides free food and shelter.
  - Use VTR rules.

### 23.4.6 Sharing

When determining ISM, sharing exists when an applicant/client contributes within \$5.00 of his/her pro rata share of household operating expenses or an eligible couple contributes within \$5.00 of their combined pro rata shares.

1. A pro rata share is determined by dividing the average household expenses by the number of household members.
2. if "sharing" is established, no ISM is being received from anyone else in the household.



**Note:**

ISM may still apply when the individual is receiving support from someone outside of the household.

### 23.4.7 ISM Values

The VTR and PMV amounts are found in the Chart Book.

[Refer to "Presumed Maximum Value (PMV)," page 5-26]

[Refer to "Value of One-Third Reduction (VTR)," page 5-26]

The VTR is the payment level to be used in situations 1 and 2 below. The PMV is the unearned income amount to be added in other situations. The following chart provides the method that must be used for determining Pickle eligibility for individuals and couples in various living arrangements.

**Table 23-3: VTR for Various Living Arrangements**

Household Situation (Living Arrangement)	Policy
1. Living in household of another throughout a month and receiving both food and shelter from someone in the household.	VTR applies. Use the SSI/SSP payment level for a person "Living in the Household of Another."
2. Living in household of another who is providing both food and shelter and also receiving ISM from a third party.	VTR applies. Use the SSI/SSP payment level for a person "Living in the Household of Another." Do not count any additional ISM.
3. Living with a responsible relative in the "Household of Another" who is not a responsible relative but is supplying both food AND shelter	Add VTR to the deemed income from the responsible relative and add to other unearned income.
4. Living with a responsible relative in the "Household of Another" who is not a responsible relative but is providing food OR shelter.	Add PMV to the deemed income from the responsible relative and add to other unearned income.
5. Living in own household or household of another (ownership or rental liability) and receiving ISM from someone outside the household.	Add Presumed Maximum Value (PMV) to other unearned income.
6. Living in noninstitutional care* situation or group home and receiving ISM from someone outside the household, e.g. board and care.	Add Presumed Maximum Value (PMV) to other unearned income.
7. Living in household of another and sharing partial or total household expenses.	If pro rata share is contributed we use the SSI/SSP payment level for a person in an "Independent Living Arrangement." If pro rata share is not contributed add PMV to other unearned income.
8. One member of an eligible couple lives in the household of another and receives both food and shelter from the householder while the second member lives in his/her home or a non medical institution.	1/6 of the FBR for a couple for the person living in his/her own household. (VTR) not rebuttable. 1/6 of the FBR for a couple for the person living in the household of another. (VTR) not rebuttable.
9. If the noninstitutionalized spouse lives in any other situation.	1/6 of the FBR for a couple plus \$10.00.
10. Paying less than Current Market Rental Value (CMRV) for shelter.	Add PMV to other unearned income unless criteria for earned/unearned income is met.
*All non medical institutions including those for education or vocational training.	

### 23.4.8 Excluded Types of ISM

The following ISM is not counted for the Pickle person.

1. ISM specifically excluded by federal law, e.g., HUD
2. ISM which meets the criteria for infrequent or irregular unearned income
3. ISM which has no current market value
4. ISM received under a governmental medical or social service program
5. ISM which is assistance based on need from a state or political subdivision
6. ISM provided by other members of a public assistance household, i.e., CalWORKs household
7. ISM from a responsible relative (e.g., spouse, parent)
8. Temporary shelter provided while waiting for completion of repairs or for replacement of an exempt principal residence
9. ISM which is excluded under an SSA approved plan for self support
10. ISM resulting from payments made under the terms of a credit life insurance or credit disability insurance policy
11. The receipt of the use of land without a dwelling does not constitute ISM. Similarly, third party payments of property tax, rent or mortgage on land alone are not counted as ISM
12. One-third of the amount of child support received as ISM is excluded from income. The remaining two-thirds is subject to the PMV
13. Exclude ISM food and/or shelter provided homeless individuals by non-profit community organizations supported by any state or local assistance agency (i.e. subsidized meal program, CalFresh). ISM of "no value" is excluded. "Food of no value" includes discarded or surplus food. "Shelter of no value" means the individual is sleeping in an abandoned building or in an automobile.

**Reminder:**

Food/Shelter not otherwise excluded even if provided to homeless persons is PMV (i.e. food provided free for a week from a relative is PMV).

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## 23.5 Resource Limits

A Pickle individual or couple must be within the MC resource limit on the first of the month; if a person is not eligible on the first, he/she is not eligible for the entire month. [\[Refer to Chart Book, \[Refer to "Property Limits," page 5-5\].\]](#)

### 23.5.1 Determining Value of a Resource

Equity value, the current market value less encumbrances, must be used when determining the value of a resource.

### 23.5.2 Resource Limits for Couples

#### **Both spouses potentially Pickle eligible:**

1. Use the resource limit for two individuals, and
2. Count the community and separate resources of both individuals.

#### **Ineligible spouse, income deemed:**

1. Use the resource limit for two individuals, and
2. Count the community and separate resources of both individuals.

#### **Ineligible spouse, income not deemed:**

1. Count the separate property of the potentially Pickle eligible spouse, and
2. Count all of the couple's community property, and
3. Use the resource limit for one person.
4. Do not count the separate property of the ineligible spouse. It is the applicant's responsibility to prove separate property.

### 23.5.3 SSI Treatment of Resources

SSI resource rules and regulations are used when establishing Pickle eligibility.

**Table 23-4: SSI Treatment of Resources**

Resource	Treatment	Required Verification
<p>Automobile NOTE: Does not include RVs.</p>	<p>Treat vehicles as follows:</p> <ol style="list-style-type: none"> <li>1. One vehicle must be excluded regardless of its use or value.</li> <li>2. A second vehicle must be excluded if CMV is \$4,500 or less. Any amount in excess of \$4,500 must be included as a resource.</li> <li>3. A third or other vehicle must be included as a resource using equity value.</li> </ol> <p><b>Note:</b> A vehicle may be exempt if determined to be Property Essential to Self-Support.</p>	<p>Determine value using low or wholesale Blue Book amounts.</p>
<p>Burial Contracts, if issued by a funeral director/mortuary.</p>	<p>Exclude up to \$1,800 if irrevocable</p>	<p>Verify same as Medi-Cal. View copy of contract.</p>
<p>Burial Trusts [Refer to “For determining In-Kind Support and Maintenance (ISM), the current market value (CMV) is divided by the number of people receiving support and maintenance minus any payment made out of an applicant’s/client’s own funds. If the applicant/client makes no payment, the AV and CMV may be the same amount.” page 23-4]</p>	<p>Exclude up to \$1,800 if irrevocable. NOTE: A burial trust does not include a contract with a funeral director or mortuary.</p>	<p>Verify same as Medi-Cal. View copy of trust agreement.</p>

**Table 23-4: SSI Treatment of Resources**

Resource	Treatment	Required Verification
Separately Identifiable Funds for Burial	<p>If not specified as irrevocable, exclude up to \$1,500. If funds are commingled with other resources the burial fund exclusion does not apply.</p> <p>If funds are used for another purpose, the amount used must be counted as liquid resource in the month following the month in which the funds were expended.</p> <p><b>Note:</b></p> <p>\$1,500 limit is reduced by the amount(s) applicant/client has in:</p> <ul style="list-style-type: none"> <li>• Face value of life insurance if CSV is excluded, and/or</li> <li>• Amount of any irrevocable burial trust/contract that would cause the total burial funds to exceed \$1,800.</li> </ul>	<p>Existing or Newly Acquired Accounts: The funds must be clearly designated as set aside for burial. If not designated on account, but are separately identifiable and client states funds are intended for burial, obtain signed statement. Funds may be excluded the first day of the month in which statement is signed if designation on account is completed within 30 days of the statement.</p>
Burial Insurance	Exclude if can be used exclusively to pay burial expenses. If policy has no CSV, count the same as life insurance.	Verify same as Medi-Cal View Policy.
Burial Plots, Vaults, Crypts	Excluded if for immediate family member.	Applicant/client statement.
Cash, Checking, Savings, Credit Union Accounts	<p>Counted. (SSA &amp; SSI Lump Sums not counted for six months.)</p> <p>If applicant or responsible relative has unrestricted access to the funds in a joint checking account, all of the funds in the account are presumed to be the resources of the applicant. This presumption may be rebutted.</p>	Applicant's/client's statement if total countable resources are \$1,000 or less and not more than \$500 of that amount is liquid resource. Otherwise, verify same as Medi-Cal.
Contract of Sale, Notes, Mortgages, Trust Deeds, and Loans	Counted, if negotiable. Use amount of outstanding principal balance or the discounted amount.	View document(s). Negotiability and value must be verified by a bank, real estate broker, or other financial institution.
Home (Principal Residence)	<p>The dwelling plus any appertaining buildings and land used as a home by the applicant/client and his/her spouse or the parents with whom an eligible child is living does not count as a resource.</p> <ul style="list-style-type: none"> <li>• PR remains exempt so long as the applicant/client intends to return home.</li> <li>• Only one PR may be exempt at any time.</li> </ul>	<p>None if applicant/client resides in PR. If questionable that land appertains to PR, verify with tax statement, assessor's office, deed, title, etc.</p>

Table 23-4: SSI Treatment of Resources

Resource	Treatment	Required Verification
(Proceeds from the sale of an excluded principal residence.)	Excluded if used or obligated to be used to purchase another excluded home within the last day of the third full month following the month of receipt. If the home is not replaced within this time period the proceeds are counted as a resource beginning the month following the month of receipt. This exclusion does not apply to interest earned on the proceeds of the sale.	Applicant's/client's statement and copy of contract of sale. Statement from real estate broker or officer in lending institution.
Household Goods and Personal Effects (i.e., furniture, appliances, electronic equipment, clothing, jewelry)	Excluded regardless of value. <b>Note:</b> Items acquired or held due to their value or as an investment are not considered household goods or personal effects for purposes of this exclusion.	N/A
Income Tax Refund	Counted as a resource the first day of the month following the month of receipt. <b>Note:</b> Excluded as income in the month of receipt.	Copy of tax return.
Items of unusual value: e.g., china, silver, antiques, heirlooms, etc.	Excluded	N/A
Keough, IRA, Pension Accounts, Time Deposits	Counted. Deduct penalty for early withdrawal. If verified that funds cannot under any circumstances be withdrawn, the funds are excluded until maturity.	Examine time deposit certificate or statement from financial institution.
Keough, IRA, Pension Accounts of a Pickle Ineligible Parent	Exclude from potentially eligible Pickle child.	None.
Life Insurance	Exclude if total face value (FV) of all insurance policies on any person do not exceed \$1,500 (do not count term insurance). If total FV is over \$1,500, count all cash surrender value(CSV) of all policies.	Verify same as Medi-Cal.
(Proceeds of a Life Insurance Policy and Other Death Benefits.)	Exclude if applicant/client is both the client and the owner of the policy and the policy has previously been excluded as a resource. Counted if applicant/client is both the client and the owner of the policy and the CSV of the policy has not previously been excluded as resource. <b>Note:</b> If applicant/client is not the owner of the policy, the proceeds are treated as unearned income.	Verify same as Medi-Cal.

**Table 23-4: SSI Treatment of Resources**

Resource	Treatment	Required Verification
Life Estate	Counted unless PR. Value determined by Life Estate and Remainder Interest Tables. If power to dispose of property is retained or life estate is revocable use CMV.	View life estate document. If joint ownership, divide CMV by number of owners.
Livestock and Poultry	Exempt if for personal use.	Applicant/client statement.
Loans which Require Repayment	Counted, if retained more than 30 days from date of receipt. Exempt the first 30 days.	Verify same as Medi-Cal.
Major Disaster Assistance	If excluded from income, also exclude nine months from date of receipt as a resource. Possible nine month extension.	Must not be commingled with other resources. If person is applicant, allow 30 days to establish separately identifiable account for these funds. Accept applicant's/ client's statement re: source of funds.
Nonrecurring Lump Sum	Counted. SSI/SSP and RSDI retro active payments are excluded for six months following the month of receipt.	Applicant's/client' statement.
Property (Real or Personal Essential to Self-Support)	<p>Excluded if all of the following criteria are met:</p> <ol style="list-style-type: none"> <li>Used in a trade or business or is otherwise producing income: and</li> <li>Equity value does not exceed \$6,000; and</li> <li>The activity is producing a net annual return of 6% of the excludable equity value.</li> </ol> <p>Exception: \$6,000/six percent limits do not apply to property that represents governmental authority to engage in an income producing activity (i.e., commercial fishing permit, liquor license).</p>	<p>CMV must be verified by:</p> <ol style="list-style-type: none"> <li>Most recent tax assessment.</li> <li>Signed, dated estimate from a knowledgeable source. Legal description or address of property must be included.</li> </ol> <p>Income tax return; Schedule C, E, F, or SE, or Form 1065.</p>
Recreational Items and Vehicles (boats, campers, motor homes, trailers, etc).	Count as household goods and personal effects, unless used as principal residence or as the only mode of transportation.	Applicants/client's statement and records.
Retirement Funds	Counted, if available for lump sum withdrawal (i.e., not as monthly payment).	Statement from retirement fund or financial institution.
Royalties and Mineral Rights.	Excluded if equity value is \$6,000 or less and is producing a net annual return of six percent of excludable equity value or if they cannot be sold.	Tax assessed value from brokerage firm, holding company, etc.
Stocks, Bonds, Mutual Funds	Counted. Use the closing price on the date eligibility determination is being completed.	Verify same as Medi-Cal.

**Table 23-4: SSI Treatment of Resources**

Resource	Treatment	Required Verification
Trust Funds (Includes Court Ordered Trusts)	Excluded if access to principal is restricted (e.g., only the trustee or court, etc. has access) even if providing income. Interest is counted as unearned income unless it is reinvested in the trust.	Review trust document. Petitioning the court to break the trust is not required.
U.S. Savings Bonds	Counted on the earliest date that it can be cashed.	Verify same as Medi-Cal.

## 23.6 Pickle Eligible Child

iA Needs Test is not required for the potentially Pickle eligible child. When determining Pickle eligibility for a child compute the RSDI disregard computation for the child's RSDI COLA only; there is no disregard allowed for the parent's RSDI COLA. CalWIN will determine Pickle eligibility for a child, however, the "Pickle Eligibles Financial Eligibility Worksheet-Eligible Child with Ineligible Parent(s)" (DHCS 7019) can be used to manually verify Pickle eligibility for children.



**Important:**

Do not use the DHCS 7021 or DHCS 7075.

**Table 23-5: Form DHCS 7019**

Step	Action
1	<p>Complete Part I. Ineligible Parents Unearned Income</p> <p>Line 1. Enter the ineligible parent's unearned income.</p> <p>Line 2. (If no ineligible siblings, enter zero in I-2c.)</p> <ul style="list-style-type: none"> <li>• Enter the first name of any ineligible child(ren) in the box provided.</li> <li>• On line 2a, enter the allocations for any ineligible child(ren) not on public assistance.</li> <li>• On line 2b, enter any income for each of the children, excluding \$1,620 per year of student income.</li> <li>• Subtract line 2b from 2a.</li> <li>• Enter the remainder for each child, and total the allocations for all siblings on line 2c.</li> </ul> <p>Line 3. Subtract line I-2c from I-1 (unearned income) and enter the difference. This is the remaining unearned income amount unless the allocation amount (line I-2c) exceeds line I-1 (unearned income). In the latter case, the negative figure on line I-3 is carried over to line II-2 (unused portion of allocation).</p>
2	<p>Complete Part II. Ineligible Parent's Earned Income</p> <ul style="list-style-type: none"> <li>• Enter the parent's earned income.</li> <li>• Enter the amount of any allocation for ineligible children that is not offset by unearned income (line I-3 minus line I-1). If line I-1 is greater than line I-3, enter zero in line II-2.</li> <li>• Subtract the allocation amount on line II-2 from line II-1 (gross earned income) and enter the difference.</li> <li>• Add lines I-3 and II-3.</li> </ul> <p>NOTE: If, at this point (after the allocation for ineligible children), there is no income remaining either earned or unearned, there is no income available for deeming to the eligible child(ren). In this case, proceed to Part IV. If there is earned and/or unearned income remaining, complete both Parts III and IV.</p>

Table 23-5: Form DHCS 7019

Step	Action
3	<p>Complete Part III. Combined Incomes - Parent's Allocation</p> <ul style="list-style-type: none"> <li>• Enter the remaining unearned income from Part I, line 3 to Part III, line 1.</li> <li>• Enter the remaining earned income from Part II, line 3 to Part III, line 4.</li> <li>• Follow the instructions on each line.</li> </ul> <p>The entry from Part III, line 15, is carried over to Part IV, line 1.</p>
4	<p>Complete Part IV. Pickle Eligibility Calculation</p> <ul style="list-style-type: none"> <li>• Enter the deemed income from the last line in Part III. The deemed income is treated as unearned income.</li> <li>• Enter the applicant's OASDI income.</li> <li>• Enter any Title II cost-of-living increases that the applicant has received since being discontinued from SSI/SSP. (Use disregard Computation Worksheet.)</li> <li>• Subtract line III-3 from III-2 and enter difference.</li> <li>• Enter any other unearned income of applicant.</li> <li>• Enter the \$20 any income exclusion.</li> <li>• Add together the amounts in lines IV-1, IV-4, and IV-5; and then subtract the \$20 any income exclusion (line IV-6) to obtain the total countable unearned income amount.</li> <li>• Enter the applicant's countable earned income (i.e., earned income after exclusions including the \$65 work expense exclusion and 1/2 the remainder).</li> <li>• Add the amounts in lines IV-7 and IV-8 to obtain the total countable income.</li> <li>• Enter the current SSI/SSP payment level.</li> </ul> <p>NOTE: If parent(s) have Title II income, their cost-of-living increases are not subtracted. Also, there is no allocation to a parent who is receiving public assistance.</p>

### 23.6.1 Resource Eligibility

The amount of resources deemed to a Pickle eligible child is determined by CalWIN based on resources entered by the EW. CalWIN will allow all applicable resource exclusions for the parents and apply the remaining countable resources to the potentially eligible child.



**Note:**

There is no increase in the resource limit for Pickle ineligible children.

## 23.7 COBRA - Widow Pickle

Certain disabled widow(er)s were discontinued from SSI/SSP because of a change in computation factors that occurred in 1983, which resulted in an increase in their RSDI, widow(er)s Social Security benefits. In some cases, the increase in their RSDI benefits was enough to raise their incomes above the SSI payment level, thus their SSI check and Medi-Cal were discontinued. There are very few persons eligible for Widow Pickle benefits. Eligible persons are in Aid Code 36.

**Important:**

Widow Pickle applications must have been filed between July 1, 1986 and July 1, 1988. Applications filed after July 1, 1988 are not eligible for consideration.

### 23.7.1 Widow Pickle Screening Test

To be eligible for Widow(er) Pickle benefits, a person must meet all of the following criteria:

- Was under age 60 when he/she first began receiving RSDI, Social Security benefits; and
- Is now receiving RSDI and has received it continuously since December, 1983; and
- Received Social Security Disabled Widow(er)s benefits in January, 1984; and
- At any time, received both SSI/SSP and RSDI in the same month; and
- No longer receives SSI/SSP due to the 1983 increases in Widow(er)s benefits.

Once the initial screening test (above) is passed, compute Pickle eligibility:

- Title II Disregard Computation
- Needs Test
- Financial Eligibility Test
- Pickle Resource Determination.

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## 23.8 Disabled Widow(er)s

### 23.8.1 Background

Certain widow(er)s, age 50 through 64, whose SSI payments have been discontinued due to entitlement to, or an increase in, RSDI widow(er)s benefits are potentially eligible for Pickle MC. Eligibility continues under these provisions until they become eligible for Part A of Medicare.

The term “widows” collectively refers to widows, widowers and surviving divorced spouses.

The term “disabled widows” collectively refers to disabled widows, disabled widowers and disabled divorced surviving spouses who are eligible for the Disabled Widow(er)s (DW) program.

## 23.8.2 DHCS Actions

Disabled Widow(er)s are listed on the monthly Exception Eligibles report as one of the SB 87 categories under the *Craig v. Bontá* court order.

## 23.8.3 DHCS 7089, Screening Worksheet

EWs must use the “Screening Worksheet - Disabled Widow(er) Checklist” (DHCS 7089) to screen for Disabled Widow(er) program benefits.

## 23.8.4 Criteria

To be eligible for Disabled Widow(er) Pickle benefits, an individual must meet all of the following criteria:

- Is between age 50 and 64, and
- Is eligible for and currently receiving any of the following widow(er)s benefits under Title II (RSDI) Section 202:
  - Old-age/retirement insurance benefits
  - Wife's insurance benefits
  - Husband's insurance benefits
  - Child's insurance benefits
  - Widow's insurance benefits
  - Widower's insurance benefits
  - Mother's and father's insurance benefits
- Is not entitled to Medicare Part A (hospital insurance), and
- Has become ineligible for SSI/SSP benefits because of the receipt of the above Title II benefits.

## 23.8.5 Verification Requirements

Individuals who apply under Disabled Widow(er)s provision must have evidence of their current Title II (RSDI) benefit amount.

The EW must:

1. Determine if the widow(er) is currently receiving Title II (RSDI) for disability.

**Note:**

Use an SCD 169 or SCD 1955 to request the information from SSA, if necessary

2. Verify current Title II benefits being received by the individual for reasons other than disability (for example, widow[er]s benefit amount), or
3. Obtain an award letter which clearly distinguishes the reason that the Title II benefit is being paid.

### 23.8.6 Budgeting

Once the screening test (above) is passed, CalWIN will compute Pickle eligibility as follows:

- Amount to be disregarded:
  - If the widow(er) is receiving Title II benefits for any reason other than disability, disregard the entire Title II amount and the widow(er)s benefit.
  - When the individual currently receives Title II as a disabled person, disregard only the widow(er)s portion of the benefit award.
- Use the SSI/SSP payment standard which is in effect for the month eligibility is being determined.
- Send an approval or denial NOA if the person passed the screening test.



**Note:**

Individuals who are eligible under these provisions are identified with Aid Code 36.

### 23.8.7 Annual Redetermination (RD)

At annual redetermination (RD), EWs must:

- Verify receipt of Title II widows insurance benefits,
- Verify any other income, and
- Determine that the individual would be SSI/SSP eligible if all Title II Section 202 benefits are disregarded.

### 23.8.8 Ineligibility

Once Medicare begins, the recipient is no longer eligible as a disabled widow.

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## 23.9 Pickle Tickler System

The *Lynch v Rank* court order requires that all potential Pickle eligible persons be recorded in the Pickle Tickler system in order to allow for future notification and review of Pickle eligibility. The state-wide automated MEDS system was implemented in order to:

- Establish a permanent means of identifying and tracking the status of potential Pickle eligibles via a Pickle Tickler code on the MEDS database.
- Provide EWs with an annual listing of individuals whose cases must be reviewed for Pickle eligibility at the time of the RSDI COLA.
- Enable EWs to update or correct potential Pickle status in the Pickle Tickler system on an ongoing basis.
- EWs must ensure potential Pickle eligibility is recorded on MEDS. A manual online transaction may be required to record or change potential Pickle status on MEDS if necessary. [\[Refer to “MEDS Coding Requirements,” page 23-30\].](#)

### 23.9.1 MEDS Coding Requirements

#### Individuals Discontinued from SSI/SSP after 1/1/87

Individuals whose SSI/SSP was discontinued after 1/1/87 will automatically be coded as potentially Pickle eligible (Code P1) on MEDS by DHCS.

#### Individuals Discontinued from SSI/SSP after 7/1/03

Individuals whose SSI/SSP was discontinued after 7/1/03 will automatically be transferred to one of the Craig Aid Codes 1E, 2E or 6E. A code of “C” will be placed in the Pickle Type on the MEDS record to identify this population.

### 23.9.2 Recording Potential Pickle Eligibles on MEDS

If an SCD 1296 is necessary to record potential Pickle status, the EW must:

1. Complete case identifying information.
2. Check the “Other” box and write in the comments section, “Record potential Pickle eligibility code “P” and Pickle status code “1.””
3. Enter the effective date that potential Pickle eligibility was discovered.

4. Attach a screen print of the CalWIN **Inquire on Case Information** window [Case Members] tab.
5. Once the MTO completes the transaction and returns the SCD 1296, it must be scanned into IDM.
6. Document on the **Maintain Case Comments** window, that potential Pickle eligibility has been recorded on-line.

### Correcting Potential Pickle Eligibility on MEDS

Complete the SCD 1296 as stated above to update the Pickle status code in the following situations:

- Individual has requested no further contact. (Code 2)
- Loss of contact, whereabouts unknown. (Code 3)
- Not Pickle eligible, or, previous information was incorrect or erroneous. (Code 7)
- Deceased. (Code 9)



#### Note:

This change does not need to be recorded on MEDS when the entire case is discontinued due to death, using discontinuance code 001.

### 23.9.3 Pickle Tickler Process

Each January, at the time of the RSDI COLA, DHCS sends a Pickle Tickler notice to potential Pickle eligibles who:

- Currently receive RSDI benefits,
- Have been discontinued from SSI/SSP in the last 3 years (for any reason), and
- Were determined ineligible during the Pickle screening process.

Any individual who has a Pickle Tickler Code “1,” on MEDS, “Recipient is a potential Pickle eligible,” will receive a “*Lynch v Rank* Tickler Notice” (Notice Type 52) from DHCS for three consecutive years.

The notice advises clients to contact their local county welfare department if they wish to apply for zero SOC MC benefits under the Pickle amendment.

#### Pickle Tickler Report

In January of each year EWs will receive a listing of individuals who received the notice and who must be reviewed for Pickle eligibility.

- The listing contains potential Pickle eligibles for the last 3 years.
- EWs are required to determine if individuals included on the Pickle Tickler reports are Pickle eligible by the month following the COLA, and send a NOA, whether the person is Pickle eligible or ineligible.

EWs must change the Pickle Tickler Code on MEDS if it is determined that an individual should not be included on the listing (i.e., deceased, client requests no further contact, not potential Pickle, erroneous information). [\[Refer to “Pickle Tickler System,” page 23-30\]](#)

## Approvals

When the client is determined to be Pickle eligible, send an approval notice by the end of the month following the COLA.

## Ineligibility

Should the client be determined ineligible for Pickle at this time, evaluate for Non-MAGI MC.



### Reminder:

A denial NOA is required for individuals on the Pickle listing that are found ineligible.

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## 23.10 Disabled Adult Child (DAC)

Disabled Adult children (DAC) are potentially eligible for zero SOC MC if their SSI/SSP was denied or discontinued due to an increase in their RSDI. Craig v Bontá EWs at the Medi-Cal Benefits Assistance (MBA) office receive a monthly referral listing of DAC individuals from Social Security. There is no need for EWs to send DAC cases to MBA.



### Note:

For cases with DAC and non-DAC household members, the assigned EW will exclude the DAC individual and approve/deny the rest of the household members as usual. The DAC individual will be set up on their own case when they show up on the monthly listing as mentioned above.

### 23.10.1 DAC Screening Test

To be Pickle eligible, a DAC must meet all of the following criteria:

- Be at least 18 years old,

- Have previously received SSI/SSP on the basis of blindness or a disability which began before reaching 22 years old, and
- Currently be receiving RSDI benefits based on blindness or disability, and
- Have been discontinued from SSI/SSP as a result of becoming entitled on or after July 1, 1987 to RSDI child's benefits (paid on the basis of a disability which began before 22 years old) or because of an increase in those child disability benefits.

**Note:**

Individuals who are discontinued from SSI/SSP due to admission to a LTC facility are not eligible under these DAC provision. A regular MC determination is required in these cases. DACs are listed in the monthly Craig v Bontá Exception Eligibles Report, reviewed by MBA.

If the initial screening test is passed, determine Pickle eligibility as described below.

The amount of RSDI benefits to be budgeted must never be greater than the amount that the person was receiving at the time his/her SSI/SSP was discontinued.

**Note:**

For anyone discontinued after January 1987, the Disregard Computation is not necessary since the actual RSDI amount at the time of the SSI/SSP discontinuance should be the current amount received. If the person was discontinued prior to January 1987, a disregard computation is needed.

## 23.10.2 Budgeting

A Pickle Screening (SCD 1363) is not required for DACs.

When determining a Pickle financial eligibility computation for DACs, CalWIN will:

- Disregard the entire RSDI amount received as child's benefits.
- Disregard any subsequent cost-of-living increases
- Include all income from any other sources

**Note:**

In most cases, none of the DAC's current RSDI benefits will be budgeted. This is a special limited category of Pickle MC.

### 23.10.3 Aid Codes

Individuals who are found eligible under these provisions are identified as follows:

- Blind- Aid Code 6A
- Disabled - Aid Code 6C

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## 23.11 Aged and Disabled Federal Poverty Level (A&D FPL) Program

The Aged and Disabled Federal Poverty Level (A&D FPL) program provides zero SOC MC benefits to aged and disabled individuals who have a SOC under regular Non-MAGI MC budgeting rules. To qualify under this program, the net non-exempt income must be at or below 138% of the FPL after all applicable income deductions and disregards are applied. Eligibility is determined using Medically Needy income and property rules. The A&D FPL Program does not require a separate application. The notice of action advises that eligibility under the A&D FPL Program was evaluated and they do not qualify.



### Important:

Applicants must be screened for the *Pickle* program prior to the A&D FPL program.

### 23.11.1 Eligibility Criteria

- Qualified individuals and couples must be 65 and over or determined disabled/ presumptively disabled and not in LTC.
- Disabled individuals are not subject to an age limitation. Disabled children must also be evaluated for this program.
- Individuals who receive RSDI disability benefits, DO NOT need an additional disability referral to Disability Determination Service Division (DDSD).

### 23.11.2 Referral of Blind Applicants

Individuals who are blind as determined by SSI/SSP or DDSD may not be considered disabled by Title II regulations. As a result, individuals who were determined blind by SSI/SSP or DDSD and are applying for the A&D FPL program must be referred to DDSD to be evaluated for disability BEFORE benefits under the A&D FPL program can be approved.

## DDSD Referral

When making a disability referral to DDSD on a blind individual, a FULL disability packet must be submitted. In item 10 on the “Disability Determination and Transmittal” (MC 221), the EW must note: “Referral is for the A&D FPL program. Applicant is currently blind and needs to be evaluated for disability”.

If no comment is provided in Item 10, DDSD may return the referral without an evaluation.

[Refer to DDSD Chapter 27]

### 23.11.3 Scope of Benefits and Aid Codes

A&D FPL program Aid Codes are determined according to an individual’s immigration status.

Aid Code	Description
1H	Full-scope FPL Aged Individuals; eligible U.S. Citizens, U.S. Nationals or immigrants with Satisfactory Immigration Status (SIS).
6H	Full-scope FPL Disabled Individuals. Eligible U.S. Citizens, U.S. Nationals or immigrants with SIS.
1U	Restricted FPL Aged Individuals. Eligible immigrants without SIS.
6U	Restricted FPL Disabled Individuals. Eligible immigrants without SIS.

### 23.11.4 Eligibility Determination for Individuals and Couples

CalWIN evaluates the individual’s or couple’s eligibility for the A&D FPL program. If a manual determination is necessary, complete the “Aged & Disabled Federal Poverty Level Program Financial Eligibility Worksheet” (\*\*Awaiting DHCS form number for 12/1/20 A&D FPL expansion).

- IHSS deductions are not allowed as a medical expense deductions.
- The maintenance need level for the number of ineligible family members (i.e., children and/or spouse who are ineligible for the A&D FPL) is allowed as a deduction.

The following rules apply when only one spouse qualifies for the A&D FPL (i.e., the other spouse is neither aged nor disabled, OR the other spouse does not want MC, OR does not want A&D FPL so the spouse who has greater medical needs can qualify for program):

- Count both of their income
- Allow a Maintenance Need for the ineligible family member (i.e., children and/or spouse who are ineligible for the A&D FPL) as a deduction, and
- Use 138% FPL for one.



**Example:**

A case consists of a married couple with no children. The wife is disabled and receives \$900 of RSDI and her husband has unearned income of \$685. Her husband is neither disabled nor aged.

**Table 23-6: A&D FPL Example**

Couple's Income	Computation
Wife's Income (RSDI)	\$900
Husband's Unearned Income	\$685
Total Income	\$1,585
Less Income Deduction	-\$20
Subtotal	\$1,565
Medicare Part B premium disregard (Effective 12/1/20)	\$144.60
Subtotal	\$1420.4
Less MN Deduction for the IE A&D FPL Spouse	-\$600
Subtotal	\$820.4
138% FPL for an Individual (FPL effective 1/1/20)	\$1468

**Results:** The total countable income is less than the 138 percent FPL for 2020 and the wife is eligible for the A&D FPL program.



**Example:**

An aged, single individual applies for Medi-Cal on December 1st, 2020. The individual receives \$1500 a month in unearned income and pays a monthly premium of \$144.60 for Medicare Part B. The individual's income is counted as follows for the A&D FPL program.

Individuals Income	Computation
Unearned Income	\$1,500
Less Income Deduction	-\$20
Medicare Part B premium disregard (Effective 12/1/20)	-\$144.60
Subtotal	\$1,335.40
138% FPL for an Individual (FPL effective 1/1/20)	\$1468

**Results:** The total countable income is below the 138 percent FPL for 2020 and the individual qualifies for the A&D FPL program. Two months later, the state begins payment of the individual’s Medicare Part B premium. While the individual is no longer paying for their Medicare Part B premium, they have still incurred the expense and thus retain the incurred Medicare Part B premium disregard. The disregard remains active during their eligibility for the A&D FPL program.



**Example:**

An aged, single individual in the A&D FPL program reports an increase of income. The change in circumstances results in a redetermination of eligibility. The individual was receiving \$1500 a month in unearned income but now receives \$1700. The individual’s income is counted as follows for the A&D FPL program.

Individuals Income	Computation
Unearned Income	\$1,700
Less Income Deduction	-\$20
Medicare Part B premium disregard (Effective 12/1/20)	-\$144.60
Subtotal	\$1,535.40
138% FPL for an Individual (FPL effective 1/1/20)	\$1468

**Results:** The individual no longer qualifies for the A&D FPL program due to an increase in income. The individual will be evaluated for the Medically Needy program and may have a share of cost. The incurred Medicare Part B premium disregard no longer applies, as it is only applicable to the A&D FPL program. The individual will be able to deduct the Medicare Part B premium from the Medically Needy budget once the individual resumes paying for their Medicare Part B premium.



**Example:**

A disabled, single individual is approved for the 250 percent Working Disabled Program in December 2019. The individual receives \$1500 a month in unearned income and the state pays for the individual’s Medicare Part B premium. During the December 2020 MC redetermination, the county evaluates eligibility pursuant to the MC hierarchy. The individual will be assessed for all MC programs until found eligible. The individual’s income is counted as follows for the A&D FPL program.

Individuals Income	Computation
Unearned	\$1,500
Less Income Deduction	-\$20
Total Unearned Income	\$1,480
Earned Income	\$35

Individuals Income	Computation
\$65 Earned Income Deduction	-\$65
1/2 Earned Income Deduction	-\$0
Medicare Part B premium disregard (effective 12/1/20)	-\$144.60
Subtotal	\$1,335.4
138% FPL for an Individual (FPL effective 1/1/20)	\$1468

**Results:** The total countable income is less than the 138 percent FPL for 2020 and individual now qualifies for the ABD FPL program.

### 23.11.5 Eligibility For Couples that Fail the First Income Test

Couples whose income exceeds the A&D FPL program limit must be screened and a second budget completed. In this second computation, each spouse is screened individually.

#### Second Budget

On the second budget, one spouse is screened for the A&D FPL program and the other spouse is considered an ineligible (IE) A&D FPL spouse. The couple can decide which spouse will benefit the most (the spouse who has greater medical needs). A Maintenance Need allocation of \$600 is allowed for the needs of the IE A&D FPL spouse. However, only one individual from the couple can be eligible for the program following these instructions.

The EW must enter a Y value in the **Chooses not to be Evaluated for A&D FPL** field for the spouse (who does not want or prefers that the other spouse with higher medical needs be on A&D FPL) in order for CalWIN to determine eligibility for the selected spouse.

- Both Spouse's income will be counted
- The A&D FPL income disregard for an individual is used
- The 138%FPL for one individual is used.

#### Switching Status

Couples where both spouses are aged/disabled have the option of switching status between either spouse when both do not qualify together as a couple. There must be a lapse of at least one month of eligibility before an eligible spouse can switch status with the other spouse. The couple must notify the EW prior to MEDS cutoff for eligibility to take effect on the first of the following month. If not, eligibility would occur in the future-future month.



**Example:**

The following is an example of an aged couple. Both are applying for the A&D FPL program but did not pass the first income test; however, one of them passed the second test (still applying as a couple). The husband receives \$1,160 from his pension and his wife \$1,150 from Social Security Retirement.

A&D FPL First Income Test:

**Table 23-7: A&D FPL Examples**

Aged Couple's Income	Computation
Husband's Income (Pension)	\$1,160
Wife's Income (SSA)	\$1,150
Total Income	\$2,310
Less Income Deduction	-\$20
Subtotal	\$2,290
Less Medicare Part B premium disregards	-\$289.2
Subtotal	\$2,000.8
138% FPL for a Couple (effective 1/1/20)	\$1,983
Not eligible for A&D FPL as a couple	

A&D FPL Second Income Test:

**Table 23-8: A&D FPL Examples**

Aged Couple's Income (Second Test)	Computation
Husband's Income (SSA)	\$1,160
Wife's Income (SSA)	\$1,150
Total Income	\$2,310
Less Income Deduction	-\$20
Subtotal	\$2,290
Less Medicare Part B premium disregards	-\$289.20
Subtotal	\$2,000.80
Less MN Deduction for IE A&D FPL Spouse	-\$600
Subtotal	\$1,400.8
138% FPL for an Individual (FPL effective 1/1/20)	\$1468

Results:The total countable income is less than the 138 percent FPL for 2020 and 1 Spouse is eligible for the A&D FPL program. MC eligibility for the ineligible A&D FPL spouse must be explored under another MC program.

## January COLA

The Social Security Cost-of-Living Allowance (COLA) increase in January must be disregarded each year until the effective FPL increases are issued in April.



### Note:

The COLA increase in Social Security benefits which is received in January is to be disregarded for ALL FEDERAL POVERTY LEVEL PROGRAMS from January through March, if applying the increase will make the individual/couple ineligible for those programs.

## 23.11.6 MFBU Requirements

If A&D FPL qualified individuals have other family members applying for MC, ALL of the income of the ineligible A&D FPL family member is used. The A&D FPL family member is considered a part of the MFBU for purposes of determining the maintenance need level.

## 23.11.7 Notices of Action (NOA) Requirements

### Approval of Benefits

An approval must be issued when an aged or disabled individual is eligible for A&D FPL.

### Discontinuance of Benefits

A proper 10-day NOA is required when discontinuing individuals from the A&D FPL program due either of the following reasons:

- Increased income
- An individual is no longer disabled.

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## 23.12 Federal Poverty Level for the Blind (FPLB) Program

As a result of the 2.3 percent reduction of the payment standards for SSI/SSP effective July 1, 2009, the State created a new Federal Poverty Level for the Blind (FPLB) Program. This new program is effective July 1, 2009.

### 23.12.1 Eligibility Criteria

The FPLB Program follows the eligibility criteria for the A&D FPL program, except that linkage is based on blindness.

The FPLB Program is available for the following individuals:

- Individuals who meet the Title XVI (SSI determination) criteria for blindness, or
- Individuals who meet the definition of blindness:
  - Central visual acuity of no more than 20/200 with best possible correction, or
  - Tunnel vision with a limited visual field of 20 degrees or less, or
- Individuals who allege blindness as a disability and who are waiting for a disability evaluation.



#### Note:

Individuals who are determined not to be disabled, must remain in this Program. Individuals who are determined to be disabled, must be evaluated for the A&D FPL Program instead.

### 23.12.2 Verification

Verification of blindness must be obtained prior to approving FPLB.

- The individual does not need to allege total blindness.
- A DDS referral is not needed.
- If a person alleges total blindness, process as presumptive blindness and send a DDS referral.

### 23.12.3 Manual Eligibility

CalWIN is not programmed to evaluate for the FPLB Program. EWs must complete the “Aged & Disabled Federal Poverty Level Program Financial Eligibility Worksheet” (\*\*Awaiting DHCS form number for

12/1/20 A&D FPL expansion) to determine eligibility and complete a Bottom Line Override (BLO) if the individual is determined eligible. CalWIN will not grant the correct aid code, 2H.

### **23.12.4 Medically Needy**

Medically Needy individuals in Aid Code 27 must be reviewed for eligibility in the FPLB Program.

### **23.12.5 Notice of Action**

Until the State creates a specific approval notice of action (NOA), use the “Approval for the Aged and Disabled Federal Poverty Level Program” (MC 239 A&D) NOA.

### **23.12.6 Retroactive Benefits**

Any DDSD disability determination based upon blindness would have retroactive effect only if the change would be positive for all family members living in the home. The effective date of the positive retroactive change would go back to the most recent:

- 1) The onset date of disability for a MC recipient, or
- 2) July 1, 2009.