

28. *Sneede v Kizer*

The income and property of an adult can be used only to determine eligibility and SOC for him/herself, his/her spouse, and his/her natural or adopted children. Therefore, the property and income of individuals who are not financially responsible for one another cannot be combined when it will result in either a denial for excess property or a SOC

A *Sneede* case is one in which the MFBU has either excess property or a SOC, was not eligible for MAGI (or requested a Non-MAGI evaluation) and includes at least one of the following *Sneede* class members:

- A stepparent, or
- An unmarried couple with at least one mutual child, or
- A child with his/her own nonexempt property and/or income, or
- A caretaker relative, other than a parent, who chooses to be in the same MFBU with the child(ren) for whom care is provided.



Note:

When an MFBU meets the criteria of a *Sneede* case, the family does not have the choice to not apply *Sneede* procedures, however they can choose to exclude a child with his/her own income or property.

Examples

Child with separate income

The MFBU includes a mother who receives \$740 per month Social Security disability benefits, and her child, who receives \$370 per month Social Security based on his mother's disability. Together, they have a SOC. This is a *Sneede* case because the child's Social Security is considered to be his own separate income.

Stepparent case

A mother, her son, a stepfather, and their mutual child are applying for MC. The mother has medical expenses and the stepfather is employed. Mom has UIB and the MFBU has a SOC. *Sneede* rules apply. The stepfather is responsible for himself, his wife and their mutual child, but not for his stepson.

Nonparent Caretaker Relative

Two children live with their 55 year old grandmother. The grandma has no spouse nor children of her own living in the home. She is not disabled, and chooses to be in the MFBU. The grandma is employed

part time and she receives \$400 per month child support from the absent father of the grandchildren. Since the MFBU has a SOC, *Sneede* rules apply. Each person's income must be separated:

- Grandmother with her earnings.
- Child 1, with only his/her share of child support.
- Child 2, with only his/her share of child support.

The grandmother has no financial responsibility for her grandchildren. The siblings are not combined, even though they receive equal amounts of support, as they are not financially responsible for each other. If there were no SOC, then all of their income would be combined in one MFBU.

Separate Determinations

Sneede property and income determinations are two separate and independent determinations.

When a *Sneede* class member meets property limits but has a SOC, *Sneede* procedures must be applied, but only to the SOC determination.

When a *Sneede* class member would have no SOC but is ineligible due to excess property, *Sneede* procedures are applied only to the property determination.

When a *Sneede* class member has both excess property and a SOC under existing MC regulations, *Sneede* procedures are applied first to the property determination and then if eligibility is established, *Sneede* is applied to the SOC determination.

Denial or Discontinuance of Sneede

Just as the *Sneede* decision limits financial responsibility to spouse-for-spouse and parent-for-child, denial/discontinuance actions for noncooperation are limited to the noncooperative individual and those for whom he/she is responsible. Those members of the MFBU who are not the responsibility of the noncooperative individual may not be denied or discontinued.

28.0.1 *Sneede* Screening in CalWIN

If an MFBU has a SOC and includes children, the appropriate relationship identifiers and person-specific income will automatically identify cases which meet *Sneede* income criteria and CalWIN will apply *Sneede* budgeting rules.

If an MFBU meets any of the screening criteria:

- The 100/133/200% Programs are applied after a *Sneede* budget is completed.
- Adjustments for unpaid medical bills (*Hunt v Kizer*) are applied after the *Sneede* budget is completed, if a SOC still remains.

Sneede property determinations are completed by CalWIN. The property determination can be manually determined, if necessary, by completing the “Sneede V. Kizer Property Screening Questions” (MC 175 P).

The responsible relative determination is completed by CalWIN, but can be manually determined, if necessary, by completing the “*Sneede v Kizer* Responsible Relative Determination” (MC 175 2).

Only one responsible relative determination is needed for each *Sneede* case, or for a *Sneede* property determination.

28.0.2 Income and Property Allocations

Net nonexempt property and income can only be allocated equally in one direction to eligible, ineligible, and excluded family members. The net nonexempt property of a spouse or parent must be equally divided within the MFBU among one’s self, spouse, and/or natural/adoptive child(ren)



Note:

The allocation is not reduced by the amount of the spouse’s or child’s own property.

The net nonexempt income of a spouse or parent (less a \$600 income deduction for his/her needs) must be equally divided within the MFBU among one’s spouse and/or natural/adoptive child(ren).

Allocations Not Allowed

The following rules explain when property and income allocations cannot be allowed.

- A child’s own separate property/income cannot be allocated to his/her parent(s) or siblings.
- If parents are unmarried, they cannot allocate property/income to each other.
- There is never an allocation from anyone other than a spouse or a natural/adoptive parent.

Example: A non-parent caretaker relative is in the MFBU. If *Sneede* applies, the caretaker relative’s property/income is never allocated to the child(ren), as s/he is not financially responsible for them.

- Never allocate to an unborn.
- A parent may not allocate income to him/herself but is allowed a \$600 income deduction for his/her needs prior to equally allocating income to his/her spouse and/or child(ren).

Allocation Example

An MFBU of 5 with a SOC includes a father, mother, their mutual child, their unborn, and the mother's separate child.

Father's income (less a \$600 income deduction for his needs) is divided by 2, and equally allocated to the mother, and their mutual child.

- The mother's income (less a \$600 income deduction for her needs) is divided by 3 and equally allocated to her husband, their mutual child, and to her separate child.
- The unborn does not receive an allocation from either parent. However, the unborn will later be included in the Mini Budget Unit which includes the mother.

28.0.3 Treatment of Children

The following chart summarizes the treatment of children in a *Sneede* case.

Table 72:

<i>Sneede</i> Children	Receive Income/Property Allocation from Parent(s)	Included in Maintenance Need and Property Limit	Link Other Family Members in MFBU
Unborns	No	*Yes, include in mother's MBU	Yes
Eligible Children	Yes	Yes	Yes
Ineligible Children	Yes	Yes, if in the same MBU	No
Excluded Children	Yes	No	No
*An unborn may be included in its father's MFBU/MBU if the mother receives SSI/SSP or CalWORKs.			

28.0.4 Mini Budget Unit Determination

Mini Budget Units (MBUs) are separate sub-units within a family, which are derived from the initial MFBU in order to prevent the incorrect allocation of property and income of individuals who are not financially responsible for each other.

- MBUs are based on family relationships (relative responsibility), and whether a child has his/her own separate nonexempt property or income.
- A single family may have several MBUs.

- An MBU determination is not the same as a responsible relative determination.
- Each family member in an MFBU can only be included in one MBU.
- Ineligible family members are included in MBUs.
- Unborns are always included in their mother's (including a minor mother's) MBU.

Exception: If the pregnant mother is not in the MFBU because she is receiving PA (for example, CalWORKs, SSI), the unborn is included in the father's MFBU/MBU.

- Excluded children are NOT included in any MBU.
- Married couples, and their mutual child(ren) with no countable income/property of their own, are together in one MBU.
- Stepchildren are never included in an MBU with their stepparent.
- Each child with nonexempt income/property of his/her own is in a separate MBU.
- Separate child(ren) (with no income or property) of a parent who receives PA who is not in the MFBU are in a separate MBU with full maintenance need.

Property/Income MBUs are Separate

If a *Sneeदे* case has both excess property and a SOC, the MBU composition for property may not be the same as the MBU composition for income. For example, a child may have separate income (child support), but no separate property, or a stepparent may or may not have both property and income.

28.0.5 Minor Mothers

If *Sneeदे* applies to senior parent(s) case:

- The minor mother is included as an eligible person in her parent(s)' MBU if she has no income/property of her own.
- The minor mother will be in her own separate MBU if she has separate nonexempt income/property.

If *Sneeदे* applies to the minor mother's child(ren)s' case:

- The minor mother is an ineligible person in her child(ren)s' MBU, if the child(ren) have no countable separate property/income.
- A separate MBU will be established for each child with separate nonexempt property/income.

- If all of the minor mother's children have their own nonexempt income or property, separate MBUs will be established for the minor mother and for each child.

28.0.6 Non-Parent Caretaker Relative Households

A caretaker relative who lives with his/her spouse and/or children can choose to be in the same MFBU with the child for whom he/she is caring unless he/she requests otherwise and has his/her own linkage (ABD). The caretaker can also be in the same MFBU as his/her spouse and or children. The caretaker who is also a spouse or parent may be in two separate MFBU's.

MBU Determinations

If the caretaker relative chooses to be in the same MFBU with the child(ren) and there is excess property or a SOC:

- The caretaker relative is in a separate MBU.
- All child(ren) with no countable income or property of their own will be in a separate MBU.
- Each child with his/her own nonexempt separate property/income will have a separate MBU.



Example:

Two children reside with their aunt. One child receives \$350 per month Social Security (RSDI) due to his deceased father. The other child has no income. Their aunt is age 57 and is employed part time. She has no spouse nor children of her own living in the home and she requests Medi-Cal. Together, the MFBU has a SOC, so *Sneed* procedures must be applied.

MBU "A"	MBU "B"	MBU "C"
Aunt	Nephew with RSDI	Nephew with no income

- If only the child(ren) are in the MFBU and there is excess property or a SOC:
 - One MBU will be established for all children with no countable property/income.
 - A separate MBU will be established for each child with his/her own nonexempt separate property/income.

28.0.7 MC 175-4

CalWIN determines the MBUs for *Sneed* cases, however, the MC 175-4 may be used to complete "Mini Budget Units" determinations manually. The MC 175-4 is used for both *Sneed* property and income determinations.

If both excess property and a SOC exist, two separate MC 175-4 forms need to be completed.

Table 73: Two MC 175-4 Needed

Step	Action
1	List each person by name or person number in only one MBU according to the rules contained in this section.
2	Designate the primary MBU. The primary MBU includes the parent(s) and any mutual child(ren) with no countable income/property.
3	Enter each person's share of net non-exempt income or property.
4	Total the income or property for each MBU.
5	Enter the <i>Sneede</i> Maintenance Need Level or Property Limit, either: <ul style="list-style-type: none"> • The full standard limits, or • The prorated income or property limit if the MBU contains only child(ren).
6	If an MBU has excess property, check to see if linkage still exists for other family members. Determine eligibility for the appropriate Federal Poverty Level (FPL) Property Waiver Program for children under 19.
7	If an MBU has a SOC, determine eligibility for the appropriate Federal Poverty Level Programs (100/133/200%) for children under 19.
8	Establish "Mini Budget Units" as applicable.

28.1 Maintenance Need Income Levels and Property Limits

CalWIN will allow each MBU to have either the full or prorated Maintenance Need or property limit depending upon:

- Who is included in the MBU, and
- The number of individuals in each MBU.

CalWIN will determine the correct Maintenance Need for the MBU depending on the relationship identifiers and the person specific income.

28.1.1 Full Amount

The following MBUs receive the full Maintenance Need or property limit:

- Any MBU that includes an adult.

Note: An ineligible minor parent is considered to be an adult in her child(ren)'s MBU.

- Each MBU in a non-parent caretaker relative household.

- An MBU which consists only of the separate child(ren) of a parent who is receiving CalWORKs or SSI/SSP, even though the child(ren) have no income or property of their own.

28.1.2 Prorated Amount

An MBU which includes only children receives a prorated Maintenance Need or property limit based on:

- The number of children in the MBU, and
- Whether one or both of the child(ren)s' parents are in the home.

28.1.3 Formula

CalWIN will determine the property limit for each MBU, however, the Chart Book can be used to manually determine the correct prorated Maintenance Need or property limit for each MBU. [Refer to “Sneede Maintenance Need Income Levels (MNIL) and Property Limits,” page 5-42]

The prorated amounts were computed as follows:

Table 74: Prorated Maintenance Need or Property Limit

Step	Procedure
1	Determine the full Maintenance Need or property limit for: <ul style="list-style-type: none"> • The total number of children in the MBU, PLUS • The number of natural/adoptive parents in the home, one or two.
2	Divide by the total number of persons in Step 1.
3	Multiply the result in Step 2 by the number of eligible and ineligible children in the MBU.
4	Round up the result in Step 3 to the nearest dollar.



Example:

An MBU consists of 2 children. Both of their parents are in the home.

1. Full Maintenance Need for 4 = \$1,100

2. \$1,100 divided by 4 = \$275

3. Multiply \$275 by 2, which is the number of children in the MBU = \$550

Prorated Maintenance Need for an MBU of 2 children with 2 parents in the home = \$550

28.1.4 Prorated Maintenance Need Income Levels and Property Limits

Use the Chart Book to determine the Prorated Maintenance Need Income Levels and Property Limits for MBUs Which Contain Only Child(ren). [Refer to “Sneede Maintenance Need Income Levels (MNIL) and Property Limits,” page 5-42]



Note:

The child(ren) must be living with natural/adoptive parent(s).

If the child resides with another caretaker relative, allow the full Maintenance Need and property limit for each MBU.

Do not count an SSI/SSP parent when determining the number of parents for a child's MBU Maintenance Need level.

28.2 Property Determination

After *Sneede* procedures are applied, some family members may be property eligible, while others are ineligible due to excess property.

- If one or more MBUs are ineligible due to excess property, determine if linkage still exists for other family members.
- Do not reallocate property once an MBU is determined to be ineligible for excess property.

28.2.1 Property Allocations

Follow these rules when allocating net nonexempt property:

Married Couple With Only Mutual Children

- Combine the couple's total property.
- Allocate equal portions to each spouse and each mutual child.

Stepparent Household

- Each spouse owns:
 - His/her separate property, and
 - One half of their community property.

- The property of each spouse is then equally allocated to:
 - Self.
 - Spouse.
 - Natural/adoptive children.

Unmarried Couple With Mutual Children

- An unmarried couple has no community property.
- Each parent's separate property is equally allocated to:
 - Self, and
 - His/her children.

28.2.2 When Only One Property Exemption Applies

Whenever property regulations specify that only one item can be exempt (e.g., a car), and the MFBU owns more than one, the client may choose which to exempt.

- Under *Sneede*, it may not be to the MFBU's advantage to exempt the item of greatest value, depending on ownership, who the property will be allocated to, and which child(ren) have their own separate nonexempt property.
- If a different exemption would allow certain individuals to be eligible, the client will have to determine which to choose.
- If the client doesn't choose, the EW must exempt the item of greatest value.

28.2.3 Exemptions for Unmarried Couples

Each unmarried partner receives a full set of property exemptions because unmarried persons have no financial responsibility for each other.

- For example, each person can exempt one motor vehicle and the first \$6000 of utilized other real property.
- Each unmarried partner is allowed one principal residence exemption.
- An unmarried parent may give his/her property exemptions to his/her separate or mutual child if the parent doesn't want or need the exemption.
- A mutual child is not allowed two sets of exemptions.

28.2.4 Exemption for Single/Married Parent(s)

A single parent or a married couple is allowed only one set of exemptions.

28.2.5 Exemptions for Other Caretaker Relative

A nonparent caretaker relative in the same MFBU with the child(ren) for whom care is provided is allowed one set of exemptions.



Note:

The caretaker relative cannot give this exemption to the child(ren), as no financial responsibility exists.

The children (all together) are allowed only one set of exemptions.

28.2.6 Changing Exemptions

Usually, a request to change exemptions is effective the month following the month of request. However, if an MFBU or MBU becomes property ineligible and requests a change of exemptions within 10 days of the mailing date of the NOA, the change may then be effective the first month in which the adverse action occurred.

28.2.7 Jointly Held Assets

Determining ownership of jointly held assets within and outside of the MFBU can be critical to certain *Sneede* property determinations.

Presume equal ownership of property which is owned jointly with other members of the MFBU.

If the client who holds legal title to the property (either solely or jointly) claims that the property belongs to someone else (either within or outside of the MFBU):

- The client must provide evidence which clearly substantiates his/her claim.
- Signed affidavits alone are NOT sufficient evidence.
- When the joint owners are in the same MFBU, it is not necessary to transfer legal title to the actual owner.

Example 1:

A child has a bank account which the parents established for the child's future education. The parents are listed on the account with the child; there is no trust document to govern use and access to the funds. Since all three members of the MFBU have access to the bank account, presume equal ownership of the funds and divide it equally among the three of them unless the client can provide proof of other ownership percentages.

Example 2:

The MFBU includes a father and his teenage son. On the application they list the son as the sole owner of a second car. However the car registration lists only the father's name. The father states that his son paid for the car with his own money, but for insurance purposes the car is only registered in the father's name. They present a bill of sale which shows that the son purchased the car; and, a bank statement which shows the withdrawal from the son's savings account. The verification clearly establishes that the son is the actual owner. The EW will copy all proof and document the case to show that the son's sole ownership of the car is established.



Note:

There is no need to actually transfer this car to the son's name, as he has established it is his own property. To do so would be disadvantageous to the MFBU. This only applies to property owned within the MFBU.

28.2.8 Examples of Manual *Sneede* Property Determinations

Example 1

Unmarried parents, Bob Sharon, are applying for Medi-Cal for themselves, their mutual child, Randy, and Sharon's separate son, Tom. Together, the family has excess property:

Bob and Sharon's joint checking account	\$1,800
Bob's separate savings account	1,700
Sharon's separate savings account	300
Cash on hand, \$25 (Sharon), \$50 (Bob)	75
Sharon's '91 Toyota	150
'96 Ford (\$3,000) jointly owned, exempted	<u>0</u>
 TOTAL	 \$4,025
Property Limit (4)	-3,300
Excess Property	\$725

MBU "A"	MBU "B"	MBU "C"	MBU "D"
Sharon • 600 • 300 • 25 • 150	Bob • 600 • 850	Randy • 600 • 850	Tom

Example 2

A married couple, Richard and Paula, apply for Medi-Cal. They have two mutual children, Jennifer and Michael. Paula has a separate child, Kathy, age 18. Paula currently needs Medi-Cal and is linked through the absent parent deprivation of her daughter. Richard, the PWE, is employed full time and has no linkage. Together, they exceed the property limit:

Joint checking account	\$900
Joint savings account	1,600
Cash on hand	100
'88 Chevy (parent's)	3,500
'89 Dodge (Kathy's) \$4,200 (exempted)	0

Kathy's checking account	<u>200</u>
TOTAL	\$6,300
Property Limit (5)	<u>-3,450</u>
Excess Property	\$2,850

Kathy's car was paid for by her father. By exempting the vehicle of highest value (Kathy's), Kathy is the only one eligible when *Sneede* procedures are applied. However, if the parent's car is exempted, the Lewis' are property eligible, but Kathy is not. And, there would still be no linkage for Paula, as an ineligible or excluded child cannot establish linkage. The family must then decide which children are to receive Medi-Cal and whether or not to spenddown.

28.3 Income Determination

When *Sneede* procedures are applied, the MFBU is divided into MBUs. Some family members may then have no SOC, while others have a SOC. Or, each MBU may have a different SOC.

- Ownership of income must be verified for a *Sneede* case.
- Income is the “name on the check rule”.
- Allocate only net nonexempt income.
- Applicable income deductions are applied to the child's own gross income before it is added to the net nonexempt income allocated from his/her parents.

28.3.1 Support Payments

Child support payments are treated as the child's separate income.

- Obtain court order whenever possible.
- When there is no court order or when the amount being paid is different from the court-ordered amount, the client must attempt to get a written statement from the absent parent which clarifies for whom the payments are intended and how much.
- If not provided, accept the client's sworn statement about how the payments are to be allocated; or, if the client doesn't know, equally prorate the support payments.

**Note:**

When a parent receives back child support for an adult (a child who is now over 18 years), the income is counted as other unearned income of the parent because it is considered a reimbursement for money spent in the past. The child support deduction is allowed from the other unearned income.

28.3.2 Unearned Income In-Kind

The following rules apply for unearned income in-kind in a *Sneede* budget:

- Unearned income in-kind which is provided by a member of the MFBU is exempt.

Example: An MFBU which includes mother, father, their mutual child and mother's separate child has a SOC. Mother wants Medi-Cal. *Sneede* rules apply, as this is a stepparent household. Father has earnings and pays all household expenses. No one else has income.

Mother's separate child is in his own MBU. Income in-kind from the stepfather is not counted, as the stepfather is a member of the MFBU. If the whole MFBU received income in-kind, for example, free rent, from someone else, then it would be counted.

- Unearned income in-kind received by the entire MFBU is equally prorated among the members of the MFBU.

Example: Unmarried parents and their mutual child receive free rent from a relative. Income in-kind for 3 is \$225. Each person's separate prorated share is \$75. The child's share of income in-kind is considered his separate income.

- Unearned Income in-kind which is only received by certain members of the MFBU is income only to the persons who receive it. [\[Refer to "Stepparent Case Income Determination," page XX.\]](#)

Example: Unmarried parents and their mutual child reside with the mother's aunt. The aunt provides free housing for her niece and the baby. The child's father pays \$100/month rent for himself only. Income in-kind for 2 is counted, \$206. Mother and baby each receive half, \$103.

- Unearned income in-kind received by a parent is not allocated to that parent's child(ren).

Note: The parent's prorated share of in-kind income is subtracted out (on the MC 175-3I) before the parental allocation is totaled.

Example: The MFBU consists of a married couple and their 2 mutual children. The family receives free rent and utilities. Income in-kind for 4 is \$277. Each person's share is \$69.25. The parents' share is not allocated to their children.

28.3.3 Earned Income In-Kind

Earned income in-kind is treated as earnings to the wage earner.



Example:

John is married and has two children. In addition to other income, he manages an apartment complex and receives free rent. In-kind housing for 4 individuals is considered to be his earnings. It is then equally allocated to those individuals in the MFBU for whom he is responsible.

28.3.4 \$50 Child/ Spousal Support Deduction

Only one \$50 child/spousal support deduction is allowed per MFBU. Therefore, the \$50 deduction must be prorated equally among the individuals for whom support payments are intended.



Example:

A working mother receives child support for her 3 children. Since child support is considered to be the child's separate income and the MFBU has a SOC, this is a *Sneede* case. Each child receives a \$16.66 child support deduction.

28.3.5 Dependent Care Deduction

The child care deduction, or the cost for care of an incapacitated person, must be deducted from the earned income of the person who pays it. The expense must be for a person who is in the MFBU in order for it to be an allowable deduction.

28.3.6 Other Health Coverage Premium

The Other Health Coverage Premium must only be deducted from the income of the family member who actually pays it.

28.3.7 ABD-MN Deductions

Married Couple

When one or both spouses is ABD, or is the parent of a blind/disabled child, they each receive full ABD-MN income deductions.

Unmarried Couple

Unmarried individuals are not financially responsible for one another. Each unmarried person who is ABD-MN, or who is the parent of a blind or disabled child, receives full ABD-MN income deductions.

Blind/Disabled Child

A blind or disabled child always receives full ABD-MN income deductions.

28.3.8 Public Assistance

There are additional budgeting considerations under *Sneed* when one of the following individuals is a responsible relative in a family which is applying for Medi-Cal (and there is a SOC):

- SSI/SSP recipient
- IHSS recipient
- A person in long-term care
- A person in board and care

Any income which is not being used to determine the PA, or LTC/BD & Care, recipient's eligibility, is income available to the other family members.

The income is equally prorated among the individuals that the individual is responsible for.

CalWIN will equally prorate the income, however, this can be done manually by taking the steps below:

- First complete the "Allocation/Special Deduction Worksheet" (MC 176 W), section II. or III., as appropriate.
- Then complete the MC 175-6, "Responsible Relative Determination and Computation for SSI/SSP or IHSS Recipient, or LTC and Board and Care Person", in addition to all other *Sneed* income determination forms.

28.4 Federal Poverty Level and Property Waiver Programs (100%/133%/ 200% Income Disregard)

If an MBU has a share of cost after a *Sneed* income determination is completed, then eligibility for the special Federal Poverty Level Programs must be completed whenever the MBU includes:

- A pregnant individual, or
- A child under age 6, or
- A child age 6-18.

The process used to determine 100%/133%/200% Income Disregard eligibility for *Sneede* households is different because the income of individuals who are not financially responsible cannot be used.

The determination is done by CalWIN, however, the MC 175-5, "*Sneede v Kizer* Federal Poverty Level Programs..." worksheet can be used to manually compute the budget.

28.4.1 Family Size

The "family size" for the Federal Poverty Level (FPL) equals the total number of individuals in the MFBU.

28.4.2 Income

Only the income of the poverty level person and his/her spouse or parent(s) is compared to the FPL level according to household size.

Use the full net nonexempt income (not the allocated amounts) of:

- The pregnant woman or the child, and
- His/her responsible relatives.



Note:

Add back the health insurance premium if already deducted and do not allow ABD-MN deductions.

28.4.3 Property

If there is excess property, only the property of the poverty level person and his/her spouse or parent(s) is used. If the MBU has excess property of property information is not provided/verified, children under 19 must be evaluated under Property Waiver Program rules.

28.5 Share of Cost Considerations/NOAs

28.5.1 Multiple Shares of Cost

Under *Sneede*, it is possible that a case can have multiple Shares of Cost for a single month.

- Some MBUs may have zero SOC, while others have a SOC.
- Each MBU may have a different SOC.

The system will show that each person in the individual “MBU” has met his/her SOC.



Example:

Parents are not MC eligible until the SOC in their own MBU is met, and they are not required to wait until their child with income (in his own separate MBU) meets his SOC.

If *Sneede* procedures result in a higher SOC for some individuals, the family does not have the option of remaining together in one MFBU.

28.5.2 Responsible Relative's Medical Expenses

Parent(s) are included in the MBUs as responsible relatives (RR) of their eligible children who are in a separate MBU. Their medical expenses may be used to meet the children’s SOC.

Medical expenses of a responsible relative can be split up and used to meet:

- The SOC in his/her own MBU, or
- The SOC in his/her child's MBU, or
- The SOC in both.

However, a medical expense, or portion of a medical expense, cannot be used more than once.

28.5.3 Children's Medical Expenses

A child's medical expenses can only be applied to the SOC of the MBU which includes the child. His/her medical expenses cannot be applied to the parent(s)' SOC unless the parent(s) are in the same MBU as the child.

28.5.4 Required Informing

When *Sneede* is applied and at least one MBU has a SOC, the client must be informed of the option to apply medical expenses:

- When the initial SOC is determined, and
- At redetermination.

28.5.5 Example of Medical Expenses

The MFBU has a SOC and includes a married couple and the wife's separate child. Her husband has no linkage. The wife and her child need Medi-Cal. Each MBU has a SOC.

MBU “A”

MBU “B”

Wife (Aid Code 37)	Child (Aid Code 37)
Husband (I.E.)	Mother (RR)

In this example, mother may apply her medical expenses to MBU A, MBU B, or a portion of her medical expenses to both MBUs. Her child's medical expenses can only be used to meet the child's SOC. The stepfather's medical expenses, if any, can be applied to his wife's SOC.

28.5.6 *Hunt v Kizer*

If an MFBU with a *Sneede* class member has a SOC, old unpaid medical expenses must be deducted after *Sneede* procedures are applied to the case. Then, if any of the MBUs have a SOC, the old unpaid medical bills may be used to reduce the SOC.

A responsible relative's (RR) old unpaid medical bills can be applied to:

- His/her own MBU,
- His/her child(ren)'s MBU,
- Or to both.



Reminder:

A medical expense (or portion of a medical expense) can only be used once to reduce a SOC.



Note:

A caretaker relative's old unpaid medical expenses can only be applied to his/her own SOC, as there is no financial responsibility for the children.

28.5.7 Adjusting the SOC

When income or other changes are reported which affect an MBU's SOC, adjustments are to be made based on whether or not the change is reported timely, within 10 calendar days following the date that the change occurred. [Refer to “Change in the Share of Cost (SOC),” page XX for information on when and how to do a SOC adjustment.]

If a SOC is retroactively reduced and an MBU requests a future SOC adjustment, the reduction may be applied to the future SOC of the MBUs as follows:

Situation 1

Change in income reduces the entire MFBU's SOC to zero:

When an MFBU no longer has a SOC, discontinue the *Sneede* MBUs and establish a regular MFBU.

Apply the reduction to the future SOC of any MBU which contains a member of the MFBU, even if the MBU compositions are no longer the same.

Situation 2

Change in income reduces an MBU's SOC, but *Sneed* procedures still apply because the MFBU has a SOC:

Apply the SOC adjustment to any MBU which includes a member of the original MBU for which the SOC is being adjusted.

28.5.8 *Sneed* NOAs

Sneed approval notices of action will be generated for each MBU based on relationships and person specific income entered.

Issue only one notice of action when denying or discontinuing the entire family.

28.6 *Sneed* Budget Examples

28.6.1 Stepparent Household with Pregnant Woman

A married couple, Donald and Alice, are applying for Medi-Cal. Alice is pregnant, and she has a separate child, Nancy, age 4. Together they have a SOC:

Donald (\$2,300 gross earnings - \$90 WRE) =	\$2,210.00
Alice (UIB \$183 x 2.167) =	396.56
Nancy (child support \$175 - \$50) =	<u>125.00</u>
Total	\$2,731.56
rounded	\$2,732.00
– Maintenance Need (4)	<u>1,100.00</u>
SOC	\$1,632.00

28.6.2 Unmarried couple, mutual child, separate children, and excluded child

Robert and Lois, an unmarried couple are applying for Medi-Cal. They have a mutual child, Bonnie, age 2. Lois also has a separate child, Janet, age 4, who receives \$150/month child support. Robert has a son, Stanley, age 17, who is not in school and is employed part time. Robert chooses to exclude Stanley, and he does not want to provide verification of Stanley's income. The MFBU has a SOC, so *Sneede* rules apply.

Robert, \$330 UIB every 2 weeks
 Lois, \$1,250 monthly gross earnings
 Janet, \$150/month child support



Note:

This example illustrates why, when applicable, separate Income Disregard Program determinations must be completed for each person.

28.6.3 Other Caretaker Relative in MFBU

Cheryl (age 10) and Cindy (age 12) are residing with their grandmother, Wanda, age 59. Wanda is applying for Medi-Cal for the children and wishes to be included in the MFBU. Wanda is employed part time and receive \$900 gross per month, but has no medical coverage. She also receives a \$260 gross monthly retirement pension. The absent father contributes \$400 per month child support. Wanda has no spouse, nor children of her own in the home.

Together they have a SOC, so *Sneede* rules apply.

\$810.00	net earnings (\$900 - \$90 WRE)
260.00	pension
<u>350.00</u>	net child support (\$400 - \$50)
\$1,420.00	Net Nonexempt Income
<u>-934.00</u>	Maintenance Need
\$486.00	SOC

28.7 Income and Property Allocations, General

28.7.1 General Allocation Rule

Net nonexempt property and income can only be allocated in one direction.

28.7.2 Property Allocation Rule

The net nonexempt property of a spouse or parent must be equally divided within the MFBU among one's:

- Self
- Spouse
- Natural/adoptive child(ren)



Note:

The allocation is not reduced by the amount of the spouse's or child's own property.

28.7.3 Income Allocation Rule

The net nonexempt income of a spouse or parent (less a \$600 income deduction for his/her needs) must be equally divided within the MFBU among one's:

- Spouse
- Natural/adoptive child(ren)



Note:

The income allocation from a parent to themselves was eliminated by the *Gamma v Belshe* court decision in 11/95. (Each parent is allowed a \$600.00 income deduction for his/her needs prior to equally allocating income to their spouse and/or children.)

28.7.4 Property and Income

Eligible, ineligible, and excluded family members receive an equal allocation of property/income.

28.7.5 Allocations Not Allowed

The following rules explain when property and income allocations cannot be allowed.

- A child’s own separate property/income cannot be allocated to his/her parent(s) or siblings.
- If parents are unmarried, they cannot allocate property/income to each other.
- There is never an allocation from anyone other than a spouse or a natural/adoptive parent.



Example:

A non-parent caretaker relative is in the MFBU. If *Sneede* applies, the caretaker relative’s property/income is never allocated to the child(ren), as s/he is not financially responsible for them.

- Never allocate to an unborn.
- A parent may not allocate income to him/herself as revised by *Gamma v. Belshe* in 11/95, but is allowed a \$600 income deduction for his/her needs prior to equally allocating income to his/her spouse and/or child(ren).

28.7.6 Allocation Example

An MFBU of 5 with a share of cost includes the following persons:

Father, mother, their mutual child, their unborn, and mother’s separate child.

Parent/Spouse	Father	Mother
Others for Whom Each Parent/Spouse is Responsible	Spouse (Mom)	Spouse (Dad)
	Mutual Child	Mutual Child
	2 persons	Separate Child 3 persons

- Father’s income (less a \$600 income deduction for his needs) is divided by 2, and equally allocated to mother, and their mutual child.
- Mother’s income (less a \$600 income deduction for her needs) is divided by 3 and equally allocated to her husband, their mutual child, and to her separate child.
- The unborn does not receive an allocation from either parent. However, the unborn will later be included in the Mini Budget Unit which includes the mother.

28.7.7 Property/Income are Separate

Sneede property and income allocations are independent of each other.

- Apply property allocation rules only when the MFBU has excess property.
- Apply income allocation rules only when an MFBU has a share of cost.
- Do not apply allocations to both property and income unless the MFBU first has excess property, and then has a share of cost.

28.7.8 Treatment of Children

The following chart summarizes the treatment of children in a *Sneede* case.

Table 28-1: Treatment of Children

<i>Sneede</i> Children	Receive Income/Property Allocation from Parent(s)	Included in Maintenance Need and Property Limit	Link Other Family Members in MFBU
Unborns	No	*Yes, include in mother's MBU	Yes
Eligible Children	Yes	Yes	Yes
Ineligible Children	Yes	Yes, if in the same MBU	No
Excluded Children	Yes	No	No
*An unborn may be included in its father's MFBU/MBU if the mother is PA/Other PA; for example, she is receiving AFDC or SSI.			