

## 31. Transitional Medi-Cal/Four-Month Continuing

Due to current CalWIN and CalHEERS system limitations to automatically place eligible clients on consumer protection programs when they are discontinued from Modified Adjusted Gross Income Medi-Cal (MAGI MC), Eligibility Workers (EWs) must complete the workaround in Systems Announcement 335 to grant the appropriate TMC aid code.

Previously, EWs were instructed to leave individuals on Soft Pause in place of TMC. If a client reports an increase in earnings (or a decrease in income disregards) and are currently on Soft Pause as a TMC workaround, follow the table below:

If...	And...	Then...
The EW who placed the individual on Soft Pause documented use of Soft Pause as a TMC workaround including when the TMC period began and ended,	The individual is still in the middle of the documented TMC period,	Leave the individual on Soft Pause until the end of the documented TMC period.
	The documented TMC period has ended,	The EW must not allow an additional TMC period. Evaluate for any other eligibility.
The EW who placed the individual on Soft Pause did not document the reason or when the TMC period began and ended,		The EW must allow a TMC period using the workaround in the Systems Announcement.

### 31.1 Overview

TMC is a consumer protection program. This program is for individuals who become ineligible for CalWORKs (CW), parent/caretaker relative MAGI MC, and child MAGI MC aid codes due to increased earnings or a decrease in income disregards. TMC may provide up to 12 months of zero share of cost (SOC) MC coverage.

- CW aid codes: 30, 33, 35, 3E, 3G, 3H, 3L, 3M, 3P, 3R, 3U.
- Parent/Caretaker Relative MAGI MC aid codes: M3, M4.
- Children MAGI MC aid codes: M5, M6, P5, P6, P7, P8, P9, P0, T1, T2, T3, T4, T5, T6, T7, T8, T9.

When an individual is discontinued from CW due to increased earnings or a decrease in income disregards, he/she must **first** be evaluated for MAGI MC and then CEC before a TMC evaluation can be completed. If there is no tax filing household information available, the EW must contact the client to collect this information.

*For the purposes of this chapter only, the acronym PCMC will be used to identify the parent/caretaker relative and children MAGI MC coverage group who would be potentially eligible for TMC if they were discontinued due to increased earnings or a decrease in income disregards from their respective programs.*

### 31.1.1 Who Qualifies for TMC

#### Qualifying Criteria

Families are eligible to receive Initial TMC (aid code 39/3T) benefits for a period of up to 6 months following the month in which they became ineligible for CW/PCMC if they were:

- Eligible for and received a federal cash grant or PCMC in at least 3 of the 6 calendar months immediately before the month that ineligibility was determined. (The months do not need to be consecutive.)

AND

- Discontinued from a federal cash grant or PCMC because of increased earned income from employment of a parent/caretaker relative of a child who is in or added to the CW AU, including parents of an SSI child.



#### Note:

In the case of a two-parent household, TMC eligibility may be due to the earnings of either parent.

If the EW becomes aware within 30 days of the CW discontinuance that the family could have been determined ineligible for cash aid for the above reasons, TMC must be established effective the first of the month following the date of CW ineligibility. This applies to any reason for discontinuance, as long as the family proves that the discontinuance could have been based on the qualifying reasons for TMC.



#### Example:

A CW family fails to return a SAR 7. The case is discontinued and automatically converts to aid code 38. The EW determines that the family would have been eligible for TMC because the parent returned to work. Therefore, establish TMC and reevaluate from the month they initially received aid code 38.

#### Non-Qualifying CalWORKs Discontinuance Reasons

TMC is **not** available to individuals who are discontinued from CW for the following reasons. This includes, but is not limited to:

- Marriage or the reuniting of spouses.
- The increased earnings or a decrease in income disregards of a child in the AU.
- An increase in a stepparent contribution.
- The return of an unmarried absent parent to the home which ends deprivation.
- The stepparent's ability to meet the needs of the parent.
- The increased earnings or a decrease in income disregards of a parent who was:
  - Receiving SSI, or
  - A caretaker stepparent.



**Note:**

Discontinuance from CW solely due to the receipt of State Disability Insurance (SDI) does **not** make individuals eligible for TMC. The TMC regulations **do not** consider receipt of SDI as an “increase in hours or earnings from employment,” therefore, there is no eligibility for TMC.

**Definitions/Who Qualifies for TMC**

The following CW definitions apply when determining who is eligible for TMC:

Terminology	Definition
Client	<p>An individual is considered to be a CW/PCMC client if he/she:</p> <ul style="list-style-type: none"> <li>• Received CW/PCMC (including zero basic grant, under \$10).</li> <li>• Is eligible for but not receiving CW/PCMC because of an administrative reason, such as:                             <ul style="list-style-type: none"> <li>• A determination is pending for the amount of the cash grant, or</li> <li>• An overpayment is being adjusted, or</li> <li>• A change of the client's representative payee.</li> </ul> </li> </ul> <p><b>Note:</b></p> <p>Individuals sanctioned by CW for failure to participate in CalWORKs Employment Services (CWES) activities or failure to pursue child/spousal support are eligible for TMC, and if otherwise eligible, considered clients of CW. Sanctioned individuals should first be evaluated for MAGI MC before TMC.</p> <ul style="list-style-type: none"> <li>• Received a PCMC aid code.</li> </ul>

Terminology	Definition
Family	<p>“Family” for purposes of establishing TMC means:</p> <ul style="list-style-type: none"> <li>• All the members of a family unit in which the caretaker relative was eligible for and received CW/PCMC in 3 of the last 6 months,</li> </ul> <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> <li>• Individuals who were members of the CW/PCMC family unit during the month the family was determined to be ineligible.</li> <li>• Family members who enter the home during the Initial or Additional 6-month TMC period.</li> </ul>
Caretaker Relative	<p>For TMC purposes, a caretaker relative is the individual in the home responsible for the care and control of a dependent child, and must be one of the following:</p> <ul style="list-style-type: none"> <li>• The father, mother, brother, sister, half-brother, half-sister, uncle, aunt, first cousin, nephew, niece or any such individual of a previous generation with the prefixes grand, great, great-great.</li> <li>• The stepfather, stepmother, stepbrother or stepsister.</li> <li>• The spouse of a individual specified above, even after the marriage has been terminated by death or dissolution.</li> </ul>
Child	<p>A child, for purposes of establishing TMC is under 18 years old, or is an 18-year-old who meets the CW age requirements and is in school or a vocational program and expected to graduate before 19 years old.</p> <ul style="list-style-type: none"> <li>• Individuals who do not meet the CW definition of a child are not eligible for TMC unless they met the definition of a child when Initial TMC was approved.</li> <li>• If a child should become an adult during the TMC period, he/she may remain on TMC unless he/she is the youngest child in the home. In that case, the entire family is discontinued from TMC, and must be evaluated for other MC programs.</li> </ul>

### 31.1.2 Ineligible Individuals

The following individuals are **NOT** eligible for TMC:

- A Supplemental Security Income (SSI) client.
- An In-Home Supportive Services (IHSS) client.
- Parents or mutual children with no linkage or the father of an unborn with no other children.
- Individuals who were discontinued from CW due to loss of deprivation when a parent/spouse with earnings returns home.
- Individuals discontinued from CW or PCMC due to the change in the treatment of state disability insurance payments from unearned to earned income, since this is not considered actual earnings from employment.

- Individuals who were convicted of fraud at any time during the last 6 months in which the family received cash-linked MC.
- Individuals who do not meet the CW definition of a child (over 18 years old and not enrolled in school and expected to graduate by 19 years old).

**Note:**

They would remain eligible for TMC if they were a child before entering TMC unless they are the youngest child in the home. In that case, the entire TMC family must be discontinued.

- Individuals who were not eligible for CW and whose income and resources were not counted when determining other family members who were receiving CW (such as a non-needy caretaker relative).
- Individuals who receive assistance under RCA/ECA (aid codes 01 or 08).

### 31.1.3 Adding an Individual to Existing TMC

In addition to the individuals who were included in the CW or PCMC family unit at the time the family lost eligibility, family members who enter the home during the initial 6-month period or additional 6-month period may be eligible for TMC.

These individuals include:

- Newborn or adopted children.
- Individuals who would have been eligible for CW or PCMC if they had been in the home in the month the family was determined to be ineligible (i.e. absent parent returns home).
- Individuals under CW sanction for failure to cooperate with work requirements or child/spousal support, whose income but not needs were included in the CW AU.
- Other CW sanctioned or ineligible individuals (such as undocumented, fleeing felons, or whose 48-month time limit has expired) whose income, but not needs, were included in the CW AU.
- Individuals in the family who were terminated from SSI due to increased earnings or a decrease in income disregards from other family members on CW or PCMC.
- Optional TMC members.

**Reminder:**

Any earned income of the above added individuals must be counted when calculating the family's earned income if he/she wants to receive TMC. Individuals added to the TMC case only receive TMC for the remainder of the family's TMC period. Adding a new individual with earnings during the TMC period may cause the family to have earned income over 185% FPL which may cause the family to be ineligible for Additional TMC.

**Note:**

For Non-MAGI MC cases, TMC clients are included as "ineligible individuals" in the MFBU when determining the SOC for other family members.

### 31.1.4 Individuals Leaving the Home

TMC continues for families even if the parents or spouses separate or divorce or children leave the home in either the Initial or Additional TMC period; however, the remaining TMC family must continue to reside in California and must include a child.

**Reminder:**

The family size is reduced when determining the average earned income during the additional 6-month TMC period since the individual who left is no longer included in the MFBU. If the individual who left the home had earned income, then it should no longer be counted in the budget. If the family size changed during the previous 3-month period, use the current family size.

### 31.1.5 Non-MAGI MC MFBU Composition

Individuals receiving TMC are ineligible members of the MFBU of those individuals who are **not** eligible for TMC when determining MC eligibility for those family members. However, their non-covered MC healthcare costs could be used to reduce other family members' or responsible relatives' SOC.

#### Optional TMC Members

An individual who is not receiving or requesting MC benefits (i.e. absent parent returns home during the TMC period) is NOT required to be included, and his/her income is NOT counted, and is NOT considered in the family size for the 185% FPL determination. However, if optional members choose to be included during the TMC period, he/she must be added; he/she cannot later be excluded.

**Reminder:**

An absent parent must be added into CalWIN, whether or not he/she is requesting aid. After the TMC period, the income **MUST** be counted.

### 31.1.6 MAGI MC Tax Filing Household

[Refer to “MAGI MC Tax Household,” page 14-1]

### 31.1.7 Return to CalWORKs

If a family returns to CW or PCMC during any of the TMC periods and is then terminated due to another reason which does not meet the TMC criteria:

- The family is eligible for the remainder of the original TMC period if they are otherwise eligible.
- The months of zero SOC MC which they received when they returned to CW or PCMC are counted as if TMC were received in those months for purposes of determining the remaining months of the original TMC period.
- They are evaluated for a new Initial TMC period if they meet the requirements of TMC when terminated.

**Example:**

A family was discontinued from CW due to increased earnings or a decrease in income disregards of the caretaker relative. They received TMC for 3 months. The caretaker relative became unemployed and the family was again eligible for CW. After two months, they found another job and were again discontinued from CW.

The family is **not** eligible for a *new* Initial 6-month TMC period because they did **not** receive CW in 3 out of the previous 6 months. They are eligible for the 6th month of their Initial TMC period. After the 6th month of Initial TMC, they are potentially eligible to receive an additional 6 months of TMC.

**Example:**

A family was discontinued from CW due to increased earnings or a decrease in income disregards of the caretaker relative. They received TMC for 4 months. The caretaker relative became unemployed and the family was again eligible for CW. After two months, they found another job and were again discontinued from CW.

The family is **not** eligible for a *new* Initial TMC period because they did **not** receive CW in 3 out of the previous 6 months. Since 6 months of the Initial TMC period has passed, they are potentially eligible to receive an additional 6 months of TMC.

### 31.1.8 EW Procedures

EWs must follow these procedures when determining eligibility for TMC:

Step	Action
1	Determine if the discontinuance of CW/PCMC is due to increased hours of employment or increased employment related earnings of the parent/caretaker relative.  <b>REMINDER:</b> TMC is not available due to marriage or the reuniting of separated spouses/unmarried parents.
2	Review the case information to determine if the family was eligible for and received CW or PCMC in 3 out of the last 6 months. The 3 months do <b>not</b> have to be consecutive.
3	Set up the initial 6 months of TMC on aid code 39/3T if both steps (1 & 2) above apply.
4	The TMC Approval NOA will be automatically generated by CalWIN when TMC is approved.
5	The case may be transferred no earlier than the first working day of the 2nd month following the month of CW/PCMC discontinuance. <b>Example:</b> CW is discontinued timely on 7/31. If there's no CalFresh (CF), transfer the case to BSC no earlier than the 1st working day of September. <ul style="list-style-type: none"><li>• This is to allow for the possibility of a restoration of CW benefits, should there be an erroneous CW discontinuance, e.g., the client reports an expected increase in hours, yet remains working less than 100 hours per month.</li><li>• If CW was erroneously received before the actual discontinuance, the TMC case may be transferred within the first month following the CW discontinuance. Complete any appropriate overpayment referrals.</li><li>• If only one month of Initial TMC (aid code 39/3T) eligibility remains, the EW must determine eligibility or ineligibility for Additional TMC (aid code 59/5T) <b>before</b> transferring the case.</li></ul>

### 31.1.9 TMC Informing Flyer

The "Request for Transitional Medi-Cal (TMC) or Four Month Continuing Medi-Cal" (MC 325) form contains information about the TMC program and a section for clients to provide information on increased earnings or a decrease in income disregards or child support and request TMC benefits. The MC 325 must be provided to:

- CW and PCMC applicants when MC eligibility is approved,
- CW clients discontinued for failure to complete an annual redetermination (RD) or submit a complete SAR 7, and

- PCMC discontinued for increased income.

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## 31.2 Initial Six Months of TMC

Individuals who are eligible for Initial TMC will receive zero SOC MC for up to 6 months immediately following the last month of CW/PCMC discontinuance. The first 6-month period has **no** eligibility requirements other than the family must continue to have a child living in the home and the family must reside in California.

- No application is required.
- There must be no break in aid.
- Property is not considered as a condition of eligibility.
- No 185% FPL test when setting up Initial TMC. The 185% FPL test is for determining eligibility for Additional TMC.
- RDs are **not** required during this period (unless there is a requirement for another program, i.e. CF).

### Establishing Initial TMC Months

Reevaluate for a TMC aid code for any month the family received zero SOC MC under aid code 38 or a CW overpayment from the month the family became ineligible for CW.



#### Note:

Because past months cannot be reevaluated for MAGI, TMC can only be evaluated for future months.



#### Example:

The family has failed to report that a parent/caretaker relative became employed in April. The EW would have discontinued CW effective April 30th had the information been reported timely; instead, the CW grant was discontinued June 30th. The Initial TMC period should have been May to October. Because the CW grant was erroneously received in May and June, the EW must rerun EDBC and reevaluate for May and June in order to establish the Initial TMC period correctly.

### 31.3 Additional Six Months of TMC

Individuals who are eligible for the entire 6-month Initial TMC period may be eligible for up to 6 additional months of zero SOC MC immediately following Initial TMC if:

- There is an eligible child residing in the home.
- The family meets the TMC reporting requirements.
- The parent/caretaker relative has earnings in one or more of the last 3 months of Initial TMC, unless the unemployment results from:
  - Involuntary loss of employment
  - Illness
  - Other good cause.
- The family's average net non-exempt earned income does not exceed 185% FPL based on the family size.

There is no property limit for Additional TMC. A separate approval NOA is **not** required for Additional TMC (59/5T).

If the family did **not** receive the Initial TMC for the entire 6-month period, then the family is **not** eligible for Additional TMC.



#### Example:

The only child left the home in the 3rd month of the Initial TMC period. The family was terminated from TMC. In the 5th month, the child returned to the home. The family is eligible to receive the remaining two months (5th and 6th months) of the Initial TMC. However, the family is not eligible for Additional TMC because they did not receive the entire 6 months (i.e., no eligibility in the 4th month) of Initial TMC.



#### Exception:

The family moved to another state in the first month of the Initial TMC period. Although the family continues to **meet all the Initial TMC eligibility requirements**, TMC must be discontinued because they are no longer California residents. The family returned to California in the 3rd month of the Initial TMC period. They may receive the remainder of the Initial TMC

6-month period and Additional TMC (if otherwise eligible) since the family continued to be eligible for TMC even though they did not actually receive the entire 6 months of Initial TMC.

Additional TMC must be discontinued as soon as a timely discontinuance NOA can be issued if none of the above criteria is met. Individuals who are ineligible for Additional TMC must have their eligibility determined for other MC and/or healthcare coverage programs. An EW will have to determine if there is potential Non-MAGI MC eligibility and mail a Non-MAGI MC Screening Packet. [\[Refer to “Non-MAGI MC Screening Packet,” page 8-34\]](#)

## 31.4 TMC Status Report

This section covers status report (MC 176 TMC) requirements for both Initial TMC (39/3T) and Additional TMC (59/5T).

TMC Program	Status Report
Initial TMC (aid code 39/3T)	<ul style="list-style-type: none"> <li>• Individuals receiving Initial TMC (aid code 39/3T) must submit a quarterly status report by the 21st day of the 4th month.</li> <li>• The MC 176 TMC covers the previous 3-month period, including any month(s) that the family erroneously received CW.</li> <li>• The MC 176 TMC does <b>not</b> meet CF reporting requirements.</li> <li>• The MC 176 TMC submitted in Month 4 of Initial TMC is used to determine eligibility for Additional TMC (59/5T).                             <ul style="list-style-type: none"> <li>• Additional TMC can be established if a complete and correct MC 176 TMC is received before the last day of Initial TMC eligibility, and the family’s net non-exempt earned income <b>does not</b> exceed 185% FPL.</li> </ul> </li> </ul> <p><b>Example 1:</b> CW discontinued timely</p> <p>CW is discontinued timely on 7/31 and aid code 39/3T is established 8/1. The first quarterly status report will be generated in October and is due no later than 11/21. The report months are August, September and October.</p> <p><b>Example 2:</b> Establishing Initial TMC period</p> <p>The EW learns from the SAR 7 submitted 8/10 that the parent became fully employed 7/9. The family is ineligible for CW in July and August. Establish Initial TMC (aid code 39/3T) as of 7/1. The first status report will be sent at the end of September and is due 10/21. The report months are July, August and September. <a href="#">[Refer to Chapter 31, “Establishing Initial TMC Months,” page-9]</a></p>

TMC Program	Status Report
Additional TMC (aid code 59/5T)	<ul style="list-style-type: none"> <li>• Once Additional TMC eligibility has been established, status reports (MC 176 TMC) are due by the 21st day of:               <ul style="list-style-type: none"> <li>• The first month of Additional TMC (month 7 of ongoing TMC eligibility), and</li> <li>• The 4th month of Additional TMC (month 10 of ongoing TMC eligibility).</li> </ul> </li> <li>• Additional TMC can be continued if:               <ul style="list-style-type: none"> <li>• A complete and correct status report is received before the effective date of discontinuance.</li> <li>• The family is otherwise eligible (e.g., income is at or below 185% FPL).</li> <li>• The Additional TMC period has not expired. (Aid code 59/5T can only be received for a maximum of 6 months.)</li> <li>• The EW determines that the family has good cause for failure to meet the reporting requirements. (Apply as applicable.)</li> </ul> </li> </ul>

### 31.4.1 Good Cause Determinations

A client may have good cause for not meeting the reporting requirements during either the Initial or Additional 6-month TMC period. Good cause exists only when the client cannot reasonably be expected to fulfill his/her reporting responsibilities due to factors beyond his/her control. The burden of proof is on the client.

The following criteria must be met when determining if good cause exists.

- A good cause determination must only be granted if the request is made by the parent, caretaker relative, or an authorized representative.
- The client must make a clear written or verbal request for an opportunity to give an explanation for not meeting the reporting requirements.
- Or, instead of a request, the EW must determine that one of the following reasons for good cause exists:
  - The client has a mental or physical condition which prevents or interferes with timely and/or complete reporting.
  - The delay in reporting or failure to report is due to county error.
  - The EW establishes that there are other extenuating circumstances.



#### Reminder:

The good cause determination must be documented on the **Search Case Comments** window.

### 31.4.2 Incomplete TMC Status Reports

When a TMC status report is incomplete and additional information is needed to determine ongoing TMC eligibility:

- Follow ex parte process.
- Follow the specific TMC program reporting requirements.
  - The *Initial TMC (39/3T)* status report is due by the 21st day of the 4th month, but TMC benefits **cannot** be stopped until the end of the 6th month, even when the status report is **not** received or **not** complete.
  - The *Additional TMC (59/5T)* status reports are due by the 21st day of the 1st and 4th months. If the TMC status report is not received, the EW must **not** terminate benefits until a timely and adequate discontinuance NOA can be provided to the client.

### 31.4.3 Status Report Verification Requirements

Status reports must include all information and the following verifications for EACH of the 3 months included in the report period.

- Gross income of all family members, including:
  - The earned income of all family members living in the home who were members of the AU during the month the family became ineligible for CW/PCMC,
  - Earnings of family members who are not eligible for TMC and are receiving MC under another program such as MAGI MC or Non-MAGI MC (except Public Assistance (PA) (i.e. SSI/SSP) or Other PA),
  - Any parent(s) who returns to the home and is added during the TMC period, and
  - Any non-exempt earnings of children.
- The actual amount of child care paid by the parent/caretaker relative and not reimbursed. (Do not allow child care which will be reimbursed by another source.)
- The other health coverage premium, in order to be allowed as an earnings deduction.

### 31.4.4 Non-Exempt Earned Income

The family's average non-exempt earned income is used to determine eligibility for Additional TMC (aid code 59/5T).

- Exempt earned income is **not** counted when calculating the family's earnings.
  - Exempt student income
  - Earnings of a child under 14 years old
  - The Earned Income Tax Credit
  - Irregular/Infrequent income
  - Earnings of an optional TMC member. [[Refer to Chapter 31, Section 31.1.5 "Non-MAGI MC MFBU Composition," page-6\]](#)]
- Unearned income is **not** counted in determining eligibility for Additional TMC.

### 31.4.5 Determining Average Net Non-Exempt Earned Income

Family earnings must remain at or below 185% FPL to be eligible for additional TMC. The family's average net non-exempt earned income is determined as follows:

- The average monthly gross earnings for the previous 3-month period *after* deduction of any monthly child care expenses necessary for employment are compared to 185% FPL for the current family size, even if some family members are not eligible for TMC and are receiving MC under MAGI MC or Non-MAGI MC (except PA or Other PA).

**Note:**

EWs must enter one line of income for each month requested on the report. CalWIN will determine the average of the three month period.

- Family earnings include those of a child as well as the parent(s) or parent and stepparent. Sneed rules apply.
- Earnings disregards are **not** allowed when calculating net non-exempt earnings for Additional TMC (e.g., the \$90 work related expense deduction).
- Deduct the actual out-of-pocket, child care expenses (not reimbursed) paid by the parent/caretaker relative in order to remain employed. (There is no child care expense limit for Additional TMC.)
- An individual who is not receiving MC benefits ("[Optional TMC Members," page 31-6](#)) and does not wish to be added to the TMC case. For example, an absent parent returning home during the TMC period of his family is not required to be included and his/her income is not counted, nor is he/she considered in the family size.

### TMC Status Report Worksheet

The "TMC Status Report Worksheet" (SCD 1638) may be used for a manual calculation. The following illustrates the process used for manual calculations:

- The "Report Period" includes the 3 months covered by the status report.

- The “Month Affected” is either:
  - The 1st month of Additional TMC (aid code 59/5T), or
  - The month following the month that the status report is due.
- The number in the family includes:
  - Individuals receiving TMC, and
  - Ineligible members of the case.
- Enter 185% FPL used for MC programs. [[Refer to Chapter 5, Section 5.1 "Federal Poverty Level Programs Monthly Income Comparison Chart," page-1](#)]

**Does this family include at least one eligible child?**

- If yes, continue.
- If no, discontinue TMC with a 10-day NOA.

**Was the parent/caretaker relative unemployed during one or more months of the report period?**

- If yes, determine if there was good cause. Good cause exists if the unemployment results from:
  - Involuntary loss of employment
  - Illness
  - Other good cause (as determined by the EW).
- If no, continue.

**Compute the family's earned income:**

To determine the family's average net non-exempt earned income:

- Include the non-exempt earnings of adults and child(ren) in the case.
- Include the gross earnings of any other family members who are now in the home and who are not receiving TMC.
- *Subtract* any health insurance premiums which are actually being paid by the family.
  - Verify the premium amount.
- *Subtract* from the gross earnings, the actual amount of child care paid by the parent/caretaker relative and not reimbursed.

**Important:**

Do not allow child care which will be reimbursed by another source.

- *Divide* the quarterly total by 3.
- After calculating the adjusted monthly income, round it to the nearest dollar before comparing to the FPL income standard. (Use the usual MC rounding rules; if the decimal number is 0.49 or less, round down, and if the decimal number is 0.50 or larger, round up).
- If the family's average net non-exempt earned income is less than or equal to 185% FPL for the case, establish or continue Additional TMC (aid code 59/5T).

**Note:**

Due to federal requirements, eligibility for Additional TMC is based on the average earnings that the family received in the first 3 months of Initial TMC even though there is a time lag and the income may fluctuate.

- If the average net non-exempt income of the household is over 185% FPL:
  - Discontinue Initial TMC (39/3T) at the end of the 6th month, or
  - Discontinue Additional TMC (59/5T) as soon as a timely and adequate NOA can be issued.
  - Evaluate eligibility under another MC and/or healthcare coverage program.

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## 31.5 Termination of TMC

- Initial TMC must **not** be terminated during the initial six months, except in the following situations:
  - Client becomes eligible for a more advantageous program.
  - Loss of California residency.
  - Whereabouts unknown (i.e., mail returned with no forwarding address).
  - Client requests discontinuance in writing.
  - There is no longer an eligible child in the home. The family must be discontinued at the end of the month in which the last child resided in the home. **An adequate and timely (10-day) NOA is required.**

- Additional TMC can be terminated at any time if any of the reasons above exist, and/or if a status report (MC 176 TMC) is not received.

## 31.6 Redetermination Due to Loss of TMC Eligibility

Complete an ex parte process to determine if the tax household information is available. If the information is available, then [\[Refer to Chapter 31, "Processing the Redetermination Packet," page-17\]](#). If the information is **not** available, then mail the following forms to the client:

- “Request for Tax Household Information” (SCD 2350) if the tax filer information cannot be collected over the phone.
- The “Important Information for Persons Requesting Medi-Cal” (MC 219).

Additional forms must be sent as appropriate such as:

- “Statement of Citizenship, Alienage, and Immigration Status” (MC 13)



**Reminder:**

Completion of an MC 13 is not required for U.S. citizens/nationals. An MC 13 must be sent only if there is a change in citizenship/immigration status.



**Note:**

Other health coverage may be available through the employer and the client may qualify for the Health Insurance Premium Payment Program (HIPP). [\[Refer to “Health Insurance Premium Payment \(HIPP\) Program,” page 13-22\]](#)

### Processing the Redetermination Packet

The chart below identifies different situations that may occur and provides actions that an EW must take to redetermine a client’s continued eligibility for MC.

If the...	Then...
Client does <b>not</b> provide the information on the SCD 2350 within 30 calendar days,	<ul style="list-style-type: none"> <li>• For Initial TMC, discontinue the case at the end of the initial 6-month period with a 10-day NOA.</li> <li>• For Additional TMC, discontinue the case as soon as a 10-day NOA can be issued.</li> </ul>

If the...	Then...
SCD 2350 is incomplete within the 30-day timeframe,	<ul style="list-style-type: none"> <li>• Attempt to contact the client by phone or by sending an MC 355.</li> <li>• Allow an additional 30 calendar days for the client to provide the requested information/verification.</li> <li>• For Initial TMC, discontinue the case at the end of the initial 6-month period with a 10-day NOA.</li> <li>• For Additional TMC, discontinue the case as soon as a 10-day NOA can be issued.</li> </ul>
Requested information is received AFTER the case is discontinued, but within 90 days from the discontinuance date,	The EW must evaluate continued MC eligibility using the information received and rescind the discontinuance action if eligibility exists.
Information is available or the client provides the information, and the client is determined to be eligible for MAGI MC,	Transfer the individuals to the appropriate aid code(s), and send the appropriate NOA to inform the client of the new MC program.
Client is NOT eligible for MAGI MC,	<ul style="list-style-type: none"> <li>• If linkage exists, send the Non-MAGI MC Screening Packet. <a href="#">[Refer to "MAGI MC Ineligibility," page 8-32]</a></li> <li>• If linkage does <b>not</b> exist, approve other healthcare coverage programs.</li> </ul>
Client provides information and is determined to be eligible for MC with a SOC,	<ul style="list-style-type: none"> <li>• A 10-day NOA is required.</li> <li>• If there is no time for a 10-day NOA, allow aid code 38 for one month and then transfer to SOC MC.</li> </ul> <p><b>Note:</b> Aid code 38 for one month is not appropriate if the client provides information early enough to send a 10-day SOC NOA.</p> <ul style="list-style-type: none"> <li>• Refer children to the Healthy Kids program as appropriate.</li> </ul>

## 31.7 Change in Circumstance During TMC Period

If a change in circumstance (CIC) RD results in consumer protection program eligibility (Continuous Eligibility for Children (CEC), Transitional MC (TMC), Continuous Eligibility for Pregnant Woman (CE)), the RD due date is not reset; the client will be placed in the appropriate consumer protection program (CPP). At the end of the client's consumer protection period, the entire case must be reevaluated for eligibility resulting in a determination and prompting the RD due date to be reset to a year from that determination. The RD due date is reset by the EW in the Collect Case Summary Detail screen in CalWIN to a year from the date of the eligibility redetermination.

When a CIC results in the reset of the RD due date, the client must be notified if there is a change in MC eligibility and/or level of benefits.

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## 31.8 Aid Code after TMC Discontinuance

Individuals being terminated from TMC will automatically convert to aid code 38 at MEDS Renewal in the last month of TMC unless:

- MC has been approved under another program before MEDS Renewal, or
- Ineligibility for MC has been determined. (The discontinuance must be received by MEDS before Renewal in order to prevent automatic conversion to aid code 38 by MEDS.)

**Note:**

Individuals who were eligible for restricted TMC will be discontinued; they are not eligible for aid code 38 because they are not entitled to full-scope benefits.

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## 31.9 Questions and Answers

**Question 1:** Is the family eligible for TMC if they lose CW or PCMC due to approval or increase of State Disability Insurance (SDI) or Temporary Worker's Compensation?

**Answer 1:** No. Only an increase in earnings from employment can make the family eligible for TMC.

**Question 2:** For Additional TMC (59/5T), do we include family members who are not receiving TMC but are receiving MC in another program in the family size for the 185% FPL test?

**Answer 2:** Yes. The family size includes everyone who is a family member in the household if they are receiving TMC or other MC except individuals who are PA/Other PA. Their earned income is counted and they are included in the family size for the 185% FPL test.

**Question 3:** Can an employed parent who returns home be added during the Initial TMC period? Will his/her income count toward the family?

**Answer 3:** Yes. The parent **MUST** be added to the CalWIN case. If he/she chooses to be added, his/her income must be entered but will **not** count during the initial TMC period. Once added, he/she may **not** be excluded until TMC eligibility ends.

**Question 4:** Can an 18-year-old child who returns home, but is not enrolled in school, be added to the TMC case?

**Answer 4:** No, unless he/she was in the home and had met the definition of a child at the time the TMC began.

**Question 5:** If the family has excess property at the time or during the TMC period, is the family still eligible for TMC?

**Answer 5:** Yes. There is no property limit/requirements for the TMC program.

**Question 6:** Is there a limit to the amount of child care expenses which are necessary for the employment of the parents or spouse of a parent?

**Answer 6:** No.

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## 31.10 Four-Month Continuing

The Four-Month Continuing program provides four months of zero SOC MC for individuals who are discontinued from CW, parent/caretaker relative MAGI MC, and child MAGI MC aid codes due to the collection of or increased collection of child/spousal support.

When an individual is discontinued from CW due to the collection of or increased collection of child/spousal support, he/she must first be evaluated for MAGI MC before a Four-Month Continuing evaluation can be completed. If there is no tax filing household information available, the EW must contact the client to collect this information.

Four-Month Continuing eligibility may also exist when the increase in child/spousal support alone is not enough to terminate the family from CW, but the increase, when combined with another circumstance, would be enough to cause ineligibility.



### Example:

A CW family receives \$325 in countable child support. In the next month, the countable support increases to \$650 and at the same time one of the older children leaves the home. The family becomes ineligible for CW. The Four-Month Continuing benefits is granted because the increase in child support collection was not enough in of itself (wholly) to cause ineligibility, but when combined (in part) with one of the children leaving the home, the family lost eligibility for CW.

### 31.10.1 Qualifying Criteria

Individuals discontinued from CW are eligible for four (4) consecutive months of zero SOC MC benefits if both:

- The discontinuance is due in whole, or in part, to the receipt/collection of the increased receipt/collection of child/spousal support, AND
- Clients received CW/PCMC, or were eligible to receive CW/PCMC in at least 3 of the 6 months immediately before the month they became ineligible for CW/PCMC. (The months do not need to be consecutive.)

### 31.10.2 Period of Eligibility

The beginning date of Four-Month Continuing eligibility is the month immediately following the month in which the family became ineligible for CW/PCMC regardless of the actual date of discontinuance.

After discontinuing CW/PCMC, establish MC benefits under aid code 54/5W depending on how many months of Four-Month Continuing eligibility are remaining. The appropriate termination date must be sent to MEDS.

An RD due date must correspond with the 3rd month of aid code 54/5W eligibility. Before the end of the fourth month, the continuing EW must redetermine ongoing MC eligibility following the ex parte process.



#### Example:

Mrs. Lyon and her two children have been receiving CW for the last two years. The District Attorney's Office has finally had Mr. Lyon's paycheck garnished, and the amount they will collect, plus Mrs. Lyon's other income, will make the family ineligible for CW. She reports this timely and her CW is discontinued 3/31. The family will be on Four-Month Continuing MC (aid code 54) from 4/1 through 7/31. The ex parte process must be completed in June.

[Refer to Chapter 31, Section 31.6 "CEC after TMC," page-16] for required ex parte timeframes and needed actions.

Individuals are established on aid code 54/5W and are:

- Eligible for zero SOC MC for four consecutive months regardless of whether other eligibility requirements are met.
- Not required to submit status reports, or complete RDs.



#### Note:

Reevaluate for Four-Month Continuing (54/5W) for any month the family received zero SOC MC under aid code 38 or a CW overpayment from the month the family became ineligible for CW.

### 31.10.3 Eligibility Conditions

Once determined eligible, there are no other program requirements except that the family must continue to have an eligible child and reside in California.

- Families who leave California, but then return before the expiration of their four months, may receive the remainder of the months.
- Families who were terminated from a cash program similar to CW in another state are **not** entitled to Four-Month Continuing benefits in California.



**Note:**

Individuals receiving Four-Month Continuing MC are ineligible members of the case when determining MC eligibility for other family members. However, their uncovered medical expenses could be used to reduce other family member's SOC.

### 31.10.4 Ineligibility for Four-Month Continuing

Ineligibility for the Four-Month Continuing program exists:

- If there is no longer a child in the home under 18 years old (or 18 years old, enrolled in school and expected to graduate before their 19th birthday); the parent(s) is also ineligible.
- If individuals are receiving assistance under RCA/ECA (aid codes 01 and 08).



**Note:**

Eligibility for MC must be determined for family members ineligible for the Four-Month Continuing program.

### 31.10.5 Inter County Transfer (ICT)

When a family receiving MC benefits under the Four-Month Continuing program moves to another county, an ICT must be initiated by the Sending county to the Receiving county. The Sending county is responsible for case changes and benefit issuance until the last day of the final month in which eligibility exists for the family under the Four-Month Continuing program.

If a client becomes ineligible during the transfer period, the Sending county is responsible for the issuance of any notices to the client. The Receiving county is responsible for determining new MC eligibility under other programs when the Four-Month Continuing eligibility period ends. The Sending county may transfer the responsibility of the case to the Receiving county *before* the Four-Month Continuing eligibility period ends if both counties mutually agree.