

|->

Title 22@ Social Security

|->

Division 3@ Health Care Services

|->

Subdivision 1@ California Medical Assistance Program

|->

Chapter 2@ Determination of Medi-Cal Eligibility and Share of Cost

|->

Article 9@ PROPERTY

|->

Section 50416@ Utilization Requirements

50416 Utilization Requirements

(a)

Other real property, as specified in Section 50427(b), shall be utilized in order to be exempt unless the net market value, when added to the net market value of other nonexempt property, falls within the limits set forth in Section 50420.

(b)

The property is utilized if any of the following requirements are met: (1) The beneficiary is receiving net yearly income from the property of at least six percent of the net market value of the property. (A) For property not limited to seasonal use, this requirement is met if the net monthly income from the property is one-twelfth of six percent of the net market value of the property. (B) For property limited to seasonal use, this requirement is met if the net yearly income is six percent of the net market value of the property. Property limited to seasonal use includes, but is not limited to: 1. Farmland. 2. Summer cabins. (C) For purpose of determining net yearly income from property limited to seasonal use, the year is considered to begin in the first month of the year in which income normally begins. Income from all months of the year shall be considered in determining net yearly income of the property, regardless of the eligibility status of the beneficiary in those months. (2) The property has been sold, or the sale is in escrow and there is a bona fide attempt to close the sale.

(1)

The beneficiary is receiving net yearly income from the property of at least six percent of the net market value of the property. (A) For property not limited to seasonal use, this requirement is met if the net monthly income from the property is one-twelfth of six percent of the net market value of the property. (B) For property limited to seasonal use, this requirement is met if the net yearly income is six percent of the net market value of the property. Property limited to seasonal use includes, but is not limited to: 1. Farmland. 2. Summer cabins. (C) For purpose of determining net yearly income from property limited to seasonal use, the year is considered to begin in the first month of the year in which income normally begins. Income from all months of the year shall be considered in determining net yearly income of the property, regardless of the eligibility status of the beneficiary in those months.

(A)

For property not limited to seasonal use, this requirement is met if the net monthly income from the property is one-twelfth of six percent of the net market value of the property.

(B)

For property limited to seasonal use, this requirement is met if the net yearly income is six percent of the net market value of the property. Property limited to seasonal use includes, but is not limited to: 1. Farmland. 2. Summer cabins.

1.

Farmland.

2.

Summer cabins.

(C)

For purpose of determining net yearly income from property limited to seasonal use, the year is considered to begin in the first month of the year in which income normally begins. Income from all months of the year shall be considered in determining net yearly income of the

property, regardless of the eligibility status of the beneficiary in those months.

(2)

The property has been sold, or the sale is in escrow and there is a bona fide attempt to close the sale.

(c)

The applicant or beneficiary shall be allowed six months to meet utilization requirements. The six month period shall be known as the utilization period, and shall begin on the first of the month following issuance of a notice of action informing the applicant or beneficiary that the property is not yielding sufficient income, as required in (b). The utilization period shall be stayed during periods of ineligibility in accordance with (1).

(d)

The utilization period may be extended for a maximum of one year for good cause, as specified in Section 50417.

(e)

The utilization period shall be extended for as long as the property is listed for sale, provided all of the following conditions are met: (1) The county department determines that utilization requirements can only be met by sale of the property. This determination shall be made using evidence provided by the applicant or beneficiary, which may be, but is not limited to, either of the following: (A) A written statement from a qualified real estate appraiser which gives the appraisal value of the property and its income potential. (B) A certificate of condemnation. (2) The property is listed for sale with a licensed real estate broker at the market value, as determined in accordance with Section 50412(a). (3) The beneficiary provides the following evidence every six months, and at any other time it is requested by the county department: (A) A statement from the real estate agency

that no bona fide offer has been rejected. (B) Copies of any offers that have been submitted and the reasons for rejection. (C) Evidence of the efforts being made to advertise the property for sale.

(1)

The county department determines that utilization requirements can only be met by sale of the property. This determination shall be made using evidence provided by the applicant or beneficiary, which may be, but is not limited to, either of the following: (A) A written statement from a qualified real estate appraiser which gives the appraisal value of the property and its income potential. (B) A certificate of condemnation.

(A)

A written statement from a qualified real estate appraiser which gives the appraisal value of the property and its income potential.

(B)

A certificate of condemnation.

(2)

The property is listed for sale with a licensed real estate broker at the market value, as determined in accordance with Section 50412(a).

(3)

The beneficiary provides the following evidence every six months, and at any other time it is requested by the county department: (A) A statement from the real estate agency that no bona fide offer has been rejected. (B) Copies of any offers that have been submitted and the reasons for rejection. (C) Evidence of the efforts being made to advertise the property for sale.

(A)

A statement from the real estate agency that no bona fide offer has been rejected.

(B)

Copies of any offers that have been submitted and the reasons for rejection.

(c)

Evidence of the efforts being made to advertise the property for sale.

(f)

If the applicant or beneficiary utilizes the property by sale, the property shall be sold for at least market value, unless the property was sold under either of the following situations, and the applicant or beneficiary submits evidence that there was a bona fide attempt to sell at market value. (1) The property was listed with a licensed real estate broker for at least three months and the final sale price was similar to comparable sales in the area. (2) There was an inability to sell the property for the market value and the county department determines that the final sale price was reasonable.

(1)

The property was listed with a licensed real estate broker for at least three months and the final sale price was similar to comparable sales in the area.

(2)

There was an inability to sell the property for the market value and the county department determines that the final sale price was reasonable.

(g)

An existing environmental impact report involving a property shall be considered by the county department in determining the utilization potential of the property.

(h)

A life estate interest in real property shall be utilized in accordance with this section.

(i)

The applicant or beneficiary may arrange for a reassessment of the property

during the utilization period. The assessment shall affect utilization as follows: (1) The reassessment value shall be used in determining utilization requirements. (2) The reassessment shall not affect the beginning date or the length of the utilization period.

(1)

The reassessment value shall be used in determining utilization requirements.

(2)

The reassessment shall not affect the beginning date or the length of the utilization period.

(j)

The entire net market value of property not utilized in accordance with this section shall be included in the property reserve on the first of the month following the last month of the utilization period.

(k)

A utilization period shall begin whenever:(1) An applicant, with other real property that is not being utilized, becomes eligible except as specified in (1). (2) The other real property of a beneficiary, that has been utilized, is no longer utilized. (3) The net market value of other real property, when added to the net market value of other nonexempt property, no longer falls within the limits set forth in Section 50420.

(1)

An applicant, with other real property that is not being utilized, becomes eligible except as specified in (1).

(2)

The other real property of a beneficiary, that has been utilized, is no longer utilized.

(3)

The net market value of other real property, when added to the net market value of other nonexempt property, no longer falls within the limits set forth in Section 50420.

(I)

When a utilization period has begun and the beneficiary becomes ineligible for Medi-Cal prior to its expiration, the remainder of the utilization period shall be applied if eligibility is subsequently reestablished and the property is not utilized at that time. However, if the beneficiary can verify that the property was utilized at any time during the period of ineligibility, a new utilization period shall begin.