The steps numbered below correspond to the steps listed on the blank worksheet. The Aged, Blind & Disabled Federal Poverty Level (ABD FPL) Medi-Cal program follows SSI income rules but follows Medi-Cal Medically Needy rules when determining eligibility.

To be eligible for the ABD FPL program, as under the Federal Poverty Level programs for children and pregnant women, you cannot exceed the allowable income limits set by the state. You cannot “spend down” excess income on medical expenses to qualify as you can under the medically needy programs. However, there are exclusions and deductions, for instance, you can deduct any health plan premiums, such as a dental, health or vision policy.

If there are children in the home, go to worksheet 3 for an adult with an ineligible spouse and/or children.

**Step 1:**

Enter your unearned income before any deductions for health insurance premiums or tax withholding. Unearned income includes interest, pensions, annuities, state disability insurance and unemployment benefits.

TIP: If you receive Social Security benefits from which Medicare premiums are deducted, the Medi-Cal program counts the amount of Social Security benefits *before* any Medicare premium deduction.

However, if you are eligible for:
- The ABD FPL program or
- Any other Medi-Cal program without a share of cost or
- If you qualify for Medi-Cal with a share of cost but you meet your share of cost for that month
Then Medi-Cal will pay your Medicare premium directly that month.

**Step 2:**
Deduct the $20 unearned income deduction.

**Step 3:**

Enter the balance, if any. The balance is the total countable unearned income.

**Step 4:**

Do you have any earned income? If so, enter your gross earned income before any deductions. Gross income *does not* include earned income put into a cafeteria plan through work for child care or medical expenses, because that income is not subject to Social Security taxes. Earned income includes any income on which Social Security taxes are paid or are payable, honoraria, and book royalties.

TIP: If you are self-employed, your gross earned income means your adjusted gross income – that is, your gross income receipts less IRS allowable deductions.

**Step 5:**

Deduct the balance (any amount left over) of the $20 any income deduction. Look at Step 2 and see if any part of the $20 deduction was unused.

**Step 6:**

Deduct the $65 earned income work incentive deduction.

**Step 7:**

Deduct any Impairment Related Work Expenses or IRWEs from the applicant’s earnings. You are eligible to take this deduction if you are under age 65. If you are age 65 or older, you can take this deduction if you qualified for Medi-Cal or other benefits on the basis of disability before you were 65.

TIP: IRWEs are out-of-pocket expenses you have both because you work and you have a disability. Examples include attendant care for help before, after and during work; transportation when you cannot use or reliably use public transportation because of your disability. IRWEs also include out-of-pocket medical expenses needed to work even if you would have the same expenses if you were not working.
Step 8:
Enter the subtotal after deducting the unused portion of the $20 any income deduction if any (Step 5), the $65 earned income deduction (Step 6), and any IRWE deductions from the gross earned income (Step 7).

Step 9:
Deduct 50% of the subtotal entered at Step 8. This is an additional work incentive deduction.

Step 10:
Enter the balance after deducting the amount in Step 9 from the amount in Step 8. This is your total countable earned income. The amounts in Steps 9 and 10 should be the same.

TIP: For example, if your combined earned income is $1000 per month and you have an IRWE that costs you $50 per month (Note: in this example, you have $0 unearned income), then your math for Step 4 through Step 10 looks like this:
Step 4: $1000
Step 5: $1000 - $20 (any income deduction) = $980
Step 6: $980 - $65 (earned income deduction) = $915
Step 7: $915 - $50 (IRWE) = $865
Step 8: $865
Step 9: $865 / 2 = $432.50
Step 10: $432.50 (total countable income)

Step 11:
Add together your total countable unearned income and your total countable earned income.

Step 12:
Deduct any health insurance premium payments that you pay for. Do not deduct Medicare Part B premiums.

TIP: Additional information may be found on the Department of Health Care Services (DHCS) All-County Letter (ACL) 01-18; MC 176 Aged/Disabled FPL group spreadsheet (10-17-00)
**Step 13:**

The remainder is the individual’s countable income.

**TIP:** Authorities used for this publication include:

Welfare & Institutions Code § 14005.40; DHS ACLs Nos. 00-57, 00-68, 01-18, 02-38.

**Blank A&D FPL Worksheet for an Individual**

<table>
<thead>
<tr>
<th>Step 1.</th>
<th>Total unearned income before any Medicare or other deductions.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 2.</td>
<td><strong>Less</strong> $20 any income deduction. - 20.00</td>
</tr>
<tr>
<td>Step 3.</td>
<td>Total countable unearned income.</td>
</tr>
<tr>
<td>Step 5.</td>
<td><strong>Less</strong> balance of the $20 any income deduction from step (2) above, if any.</td>
</tr>
<tr>
<td>Step 6.</td>
<td><strong>Less</strong> $65 earned income deduction. - 65.00</td>
</tr>
<tr>
<td>Step 7.</td>
<td><strong>Less</strong> any Impairment Related Work Expenses.</td>
</tr>
<tr>
<td>Step 8.</td>
<td>Subtotal.</td>
</tr>
<tr>
<td>Step 9.</td>
<td><strong>Less</strong> 50% of the subtotal in Step (8) as an additional work incentive deduction.</td>
</tr>
<tr>
<td>Step 10.</td>
<td>Total Countable Earned Income.</td>
</tr>
<tr>
<td>Step 11.</td>
<td>Add together the total countable unearned income (Step 3) and total countable earned income (Step 10) for total countable income.</td>
</tr>
<tr>
<td>Step 12.</td>
<td>Deduct any health insurance premium payments other than Medicare premiums. -</td>
</tr>
<tr>
<td>Step 13.</td>
<td>Income counted for determining eligibility under the ABD FPL program.</td>
</tr>
</tbody>
</table>

Is the amount in Step 13 equal to or less than $1,294 in 2020? That amount is
100% of the FPL ($1,064 in 2020) plus $230. If yes, then you qualify for Medi-Cal with no share of cost.