TABLE OF CONTENTS

INCOME

INCOME

Description: Income is any payment received by the A/R from any source. Income may be recurring, a one time payment, earned or unearned.

Policy: All income is reviewed to determine if it is available (See **OTHER ELIGIBILITY REQUIREMENTS** OWNERSHIP AND AVAILABILITY) and countable. Certain types of income are disregarded by statute or regulation.

References:

SSL Sect.	366.2
Dept. Reg.	360-4.3 360-2.3
ADMs	93 ADM-29 91 ADM-27

Interpretation: Income is considered in the month it is received. Disregards are subtracted from gross countable monthly income. Disregards are established by statute or regulation (see the appropriate category). Any remaining net monthly income is compared to the appropriate income level. (See **INCOME** INCOME LEVELS) Income in excess of the level is considered available to meet the cost of medical care. (See **INCOME** EXCESS) Any amounts retained beyond the month of receipt are considered resources. (See **RESOURCES** RESOURCES)

Lump sum payments (benefit awards, bonuses, year end profit sharing, retroactive pay increases, severance pay, etc.) and windfall payments (inheritances, court settlements, lottery winnings, gifts, etc.) may be considered either income or a resource depending on the category of the A/R and the type of payment. (See **INCOME** LUMP SUM PAYMENTS)

NOTE: Mandatory deductions/payments (taxes, FICA, New York State Disability, etc.) are generally not disregarded.

Verification/ Documentation: All income and its availability is verified and documented in the case record. When information cannot be verified, the attempts to verify are documented.

INCOME

EARNED

Description: Earned income is income received as a result of work activity. This includes wages, salaries, tips, commissions and income received from self-employment.

Policy: Gross earned income is determined and a decision made as to its availability. All applicable disregards are deducted. The remaining amount of earned income is added to any other income to determine the available net income.

NOTE: Mandatory deductions/payments (taxes, FICA, New York State Disability, etc.) are generally not disregarded.

The earned income of any child under age 21 who is attending school and who is employed may or may not be disregarded depending on his/her status. For further information regarding student disregards see Income Disregards under the specific categorical methodology.

References: SSL Sect. 366.2(a)

Dept. Reg. 360-4.3
360-4.6

INCOME

EARNED

Interpretation: Gross earned income is determined based upon wage verification from the employer. In determining the effect of earnings on prospective income, a number of factors are considered in addition to the current wage verification. Some of these factors may include permanence of employment or position, permanent increase or reduction in hours worked, permanent change in rate of pay and seasonal variations or additional seasonal employment. Although income tax records are not required, in many cases where much of the income does not appear on the wage verification, it is valuable to see the income tax records of the A/R. This is also valuable when it is suspected that the A/R might have an additional source of income (a second job, an employed spouse, etc.). In these instances, it is often necessary to request income tax records, in addition to verification of wages, salary, etc. which can be obtained from pay stubs or from the employer.

Irregular earnings or income from casual employment may be extremely difficult to verify when the A/R declares that this is the method by which s/he supports him/herself. It is necessary to obtain as clear a picture of his/her income as possible. Determining the type of work, frequency of employment and prevailing wages is necessary if verification from employers is not available. In this manner, a reasonable figure consistent with the maintenance picture can be obtained from any other available source, including the A/R, to be used in determining eligibility for Medicaid.

Disposition: When the gross earned income is determined, disregards are deducted to result in the available net income. This, in addition to any other income, is then compared to the appropriate income level in determining eligibility for Medicaid.

The following types of earned income are considered in this section:

- Wages and Salaries
- Tips
- Commissions, Bonuses and Similar Payments
- Self-Employment or Small Business Income
- Income from Roomers (Lodgers) and Boarders

INCOME
EARNED

WAGES, SALARIES AND CONTRACTUAL INCOME

Description: Wages are cash payments, for labor or services. Wages are paid on an hourly, daily, or piecework basis. For example: a factory worker may be paid $5.00 an hour; a different factory worker may be paid $.03 for every bolt s/he tightens; a farmer may pay a worker by the day during harvest; or an A/R may clean a house for an agreed upon wage, regardless of how long it takes.

Salaries are fixed cash compensation, paid regularly, for labor or services. Salaries are generally paid weekly, biweekly, or monthly. Salaries do not vary with the amount of labor or services produced. However, a salaried employee's income may vary occasionally due to overtime pay, bonuses, commissions, etc. (See **INCOME** <u>LUMP SUM</u>)

Contractual income is income paid on a contractual basis. The income is intended to cover a specific period of time. This includes, but is not limited to school employees. For all categories, except SSI-related, the income is averaged over the months covered by the contract, regardless of whether the employee chooses to receive/be paid the income in fewer or more months than the contract covers. For example: a school aide is employed under a yearly contract, but only receives a paycheck for the months of September through June. The pay for September through June should be added and divided by 12 to determine the A/R's monthly income.

For SSI-related A/Rs contractual income is budgeted as received.

Policy: All income is reviewed to determine if it is available (See **OTHER ELIGIBILITY REQUIREMENTS** <u>OWNERSHIP AND AVAILABILITY</u>) and countable. Income is generally considered in the month it is received. See above for a description of when to consider contractual income.

References: Dept Reg. 360-2.3

ADM 93 ADM-29

Interpretation: Wages and salaries are verified. State computer matches are reviewed to determine the source of income. When determining eligibility for a retroactive period, the actual income received by the A/R is budgeted.

INCOME
EARNED

WAGES, SALARIES AND CONTRACTUAL INCOME

When determining eligibility for a prospective period, the local district estimates the A/R's future income. When the A/R's income is constant or salaried, one (1) pay stub within the past four (4) weeks is acceptable as an overall representation of income. If the A/R's income varies, the A/R's wages for the four (4) weeks immediately preceding the application are averaged. If the A/R received an exceptionally high or low payment during this period, that payment may be disregarded. When the A/R cannot supply documentation, the social services district can accept other forms of information, which it determines will verify the wages earned.

When the A/R is paid a salary for labor or services provided over a period greater than one month, the salary is broken down to determine monthly income.

When to Verify: When the A/R indicates that s/he is employed.

When the A/R indicates that s/he was employed in the recent past.

When the Resource File Integration (RFI) reports indicate that the A/R has income.

If the A/R indicates that he/she lost or changed jobs in the last three months and provides his/her former employer’s name, even if this information still appears on the RFI system, the LDSS must accept the information on the application and not require additional documentation (e.g. Employment Verification form, LDSS-3707) from the former employer to prove loss of employment.

Documentation: Sufficient to establish an audit trail:

- The pay stubs; pay checks; or a written statement from the employer;
- In the event the A/R does not have pay stubs or receive pay checks, Attachment IV to 10 OHIP/ADM-05 is used, “Verification of Employment” and is sent to the A/R for him/her to give to his/her employer to complete;
- The A/R's income tax return, W-2 form, or records of bank deposits may be used; or
- When an A/R indicates that he/she is paid in cash because he/she is paid “off the books” and his/her employer refuses to provide a statement of wages, the Self-Declaration of Income form (10 OHIP/ADM-05 Attachment V) must be filled out by the A/R.

INCOME
EARNED

TIPS

Description: Tips are a gratuity paid to persons engaged in personal service, based upon a percentage of the price of goods or services, exceptional service or preferred attention.

Policy: Tips received by the A/R and members of his/her household are considered in determining eligibility for Medicaid.

References: SSL Sect. 366.2(a)

Dept. Reg. 360-4.3

Interpretation: Tips given to people working in personal service occupations are often a significant part of their income. Wages and salaries paid to such persons are often quite low because tips are expected to provide a large portion of their income. Tips may vary seasonally or by the quality and type of service rendered. Some occupations for which tips may constitute a substantial portion of earnings are:

Waiters and waitresses
Taxi drivers
Bellhops
Bus persons
Bartenders
Porters
Shoe shiners
Delivery persons
Barbers and beauticians
Chambermaids
Checkroom, locker room and washroom attendants
Masseurs and masseuses
Caddies
Vending stand operators
Entertainers who play in restaurants, bars or nightclubs
Parking attendants

Since the list is not all inclusive, income from tips is considered for any A/R who is engaged in a personal service occupation.

INCOME
EARNED

TIPS

In determining the amount of gross earned income an A/R receives from tips, a reasonable estimate of tips may be obtained if such factors as the number of persons served and the kind of establishment are kept in mind. For example, a person working in the dining room of a major hotel would generally receive larger tips than a person working in a small coffee shop.

When to Verify Status: (a) When the A/R declares income from tips on the application;

(b) When the A/R is employed in one of the occupations listed above or another personal service occupation,

Verification: While there is no standardized method for verifying tips, the following techniques have proven useful:

(a) Seeing the A/R's income tax return;

(b) Obtaining a statement from the employer with an estimate of the A/R's tips earned.

INCOME
EARNED

COMMISSIONS, BONUSES AND SIMILAR PAYMENTS

Policy: Commissions, bonuses or other amounts paid on the basis of superior performances, sales made or goals accomplished are considered earned income and the amount paid is verified.

References:

SSL Sect.	366.2(a)
Dept. Reg.	360-4.3
ADM	92 ADM-32

Interpretation: The situations in which commissions, bonuses, royalties and other similar payments are made vary considerably. The A/R may be paid under a commission only, salary plus commission, guaranteed minimum commission or draw against future commissions. The commissions may be a percentage of sales price or a flat amount per unit sold.

Royalties are payments such as remuneration to the holder of a patent or copyright for the use of an invention or the duplication of a writing, or to the owner of a mine for the extraction of a product such as oil, gas or minerals.

In the event that the A/R has incurred expenses in generating the commissions or royalties such as promotional literature, samples or costs for transporting customers, the expenses are verified and deducted from the amount of the commissions to obtain the gross earned income.

Some employed persons are paid bonuses based upon individual or group achievement, production, sales goals, or employer profits. These may be paid annually or more frequently. When commissions, bonuses, royalties or similar payments are paid less frequently than monthly, a decision as to how to treat such payments is based on the category of the A/R.

INCOME
EARNED

COMMISSIONS, BONUSES AND SIMILAR PAYMENTS

For all categories, royalty payments are treated as earned income in the month received and as a resource thereafter. For SSI related A/Rs, the district must determine whether the royalty will be considered infrequent or irregular income and apply the appropriate policy. (See **INCOME** SSI-RELATED DISREGARDS)

When to Verify Status:

(a) When the A/R declares in the application that s/he is a salesperson, route person, or employed in another occupation related to selling goods and services;

(b) When the A/R indicates in the application that s/he has recently been employed as a salesperson (s/he may have residual commissions which are due to be paid to him/her, especially in the field of contract sales);

(c) When the A/R indicates that s/he receives commissions or bonuses as part of the conditions of employment or is employed by a business which is known to pay bonuses.

(d) When the A/R indicates that s/he is a writer or has produced another product from which a royalty may be provided as payment.

INCOME
EARNED

COMMISSIONS, BONUSES AND SIMILAR PAYMENTS

Verification:

(a) Seeing a statement from the employer stating the criteria for payment of commissions bonuses or royalties and the anticipated earnings;

(b) Seeing the income tax return for the previous year;

(c) Seeing wage statements; and

(d) If applicable, seeing statements of expenses.

Documentation: Sufficient to establish an audit trail:

(a) Employer's statement verifying the amount and pay period of salary, if any, and the amount of past commissions , royalties or bonuses; and

(b) Name of the supplier, date, amount and item of business expenses; or.

(c) Copies of the A/R's income tax return for the previous year.

INCOME
EARNED

SELF-EMPLOYMENT OR SMALL BUSINESS INCOME

Description: Self-employment, small business or farm income is income that results from work activity on the part of the A/R, in which s/he is self-directing and receives compensation directly from the customer.

Policy: After allowable business expenses have been deducted, the remaining income is considered available earned income of the A/R and is subject to the appropriate budgeting methodology based on the category of the A/R.

References:

SSL Sect.	366.2(b)
Dept. Reg.	360-4.3(c)
GIS	09 MA/025 01 MA/024

Interpretation: When an individual is self-employed or owns or operates a small business in which s/he is employed, certain costs related to the business or self-employment (e.g. the cost of materials, supplies, and labor) are deducted from the gross income for the purpose of determining eligibility for Medicaid.

Following are some of the items of business expenditures which are generally deductible from gross business income:

- Rental of quarters, equipment, or furniture;
- Salaries and fringe benefits of employees;
- Cost of goods for re-sale;
- Business taxes, licenses and permits;
- Cost of tools, supplies and raw materials;
- Insurance for the business;
- Lights, heat, water, sewage and telephone charges;
- Advertising and travel;
- Taxes and carrying charges on any property used in the business.

NOTE: For SSI-related A/Rs, depreciation costs for buildings, equipment and materials necessary for and directly related to the operation of the business are also deducted from gross income. Depletion, amortization and 179 expenses, which are types of depreciation, may also be deducted for the SSI-related.

INCOME
EARNED

SELF-EMPLOYMENT OR SMALL BUSINESS INCOME

Following are some of the items of business expenditures, which are **not** deductible from gross business income:

- Payments on the principal for real property used wholly or partially in the business;

- Any expenses which are not directly related to the operation of the business, (for example, personal expenses such as lunch or transportation for work).

Income and expenses are generally considered on an annual basis. The difference between income and expenses is then divided by 12 to establish the A/R's monthly earned income. The primary source for verifying the A/R's income and expenses is his/her income tax records.

How to Estimate Net Earnings from Self-Employment:

If the A/R has been conducting the same trade or business/farm for several years; has had net earnings which have been fairly constant from year to year; and anticipates no change or gives no satisfactory explanation why net earnings would be substantially lower than in the past, take the net profit from the past year as an estimate for the current year. Divide yearly net profit by 12 to determine monthly income.

If an A/R is engaged in a new trade or business/farm, give the A/R the Financial Status (Farm or Business) Form (DOH-4469) to complete. Divide net profit by 3 to project monthly income for the next year.

NOTE: When using the three-month business record, a loss in one month may be used to offset a profit in another month. If an A/R owns more than one business, and tax returns are not available, a DOH-4469 must be completed for each business. A loss in one business does not offset a gain in another.

INCOME
EARNED

SELF-EMPLOYMENT OR SMALL BUSINESS INCOME

Procedure to Determine Net Profit

Income Tax Return

Business Organization	Documentation
Single Owner Business/Farm	tax return including Schedule C or C-EZ or Schedule F (farm) **or** Financial Status Form (farm or business) DOH-4469
Partnership	tax return including Schedule E or F (farm) or Form 1065 and Schedule K-1 and W-2 if applicable **or** partnership agreement **or** Form 1065, Partnership Return **or** Schedule K-1 (1065) **or** Financial Status Form (farm or business) DOH-4469
S-corporation	Tax return (Form 1120S) **and** Schedule K-1 **and** W-2 if applicable, **or** Financial Status Form (farm or business) DOH-4469

Take net profit from appropriate lines of schedules, and:

For LIF, Medically Needy (ADC-Related) and S/CC A/Rs, add back any depreciation, depletion, amortization or 179 expenses, deducted; **or**

For SSI-related A/Rs, because depreciation, depletion, amortization, 179 expenses are allowed, use net profit as gross income.

NOTE: One-half of self-employment tax as listed under Adjustments to Income on Form 1040, is an allowable deduction for all categories.

INCOME
EARNED

SELF-EMPLOYMENT OR SMALL BUSINESS INCOME

Do not allow personal expenses and entertainment, personal transportation, purchase of capital equipment to expand a business*,or payment on the principal of loans or mortgages. Depreciation, depletion, amortization and 179 expenses may be allowed for SSI-related A/Rs.

***NOTE:** The repair or replacement of existing capital equipment is allowed.

Assume that all deductions taken on tax returns or business records are allowed by the IRS, unless there is conclusive evidence to the contrary.

If the **annualized** self-employment income indicates a loss (negative dollar amount), use zero income.

EXCEPTION: Within a single type of business, use zero income only when the tax return or business record indicates a cumulative loss, for example: an A/R has three rental properties; two show a net profit and one shows a net loss; use the loss to off-set the profits, and do not reduce the loss to zero unless the cumulative bottom line for the three properties is a negative dollar amount.

If tax returns are not available because the A/R indicates:

- that the business is new, and no federal tax return has yet been filed; or,
- that last year’s tax return is not representative of the current year’s earnings; or,
- that s/he does not file a tax return for the business,

then the Financial Status Form (DOH-4469) can be used to document the self-employment income.

INCOME
EARNED

SELF-EMPLOYMENT OR SMALL BUSINESS INCOME

Inasmuch as, the DOH-4469 reflects a three-month financial snapshot of a business, it is appropriate to allow a loss in one month to offset a profit in another month. When using an annualized business record such as a tax return a business loss is brought to zero, and cannot be used to reduce income from another source.

A/Rs are not required to supply actual bills and receipts to substantiate the income and expenses recorded on the Financial Status form (DOH-4469). The applicant's certification on the bottom of the form, that the information is true and correct, is sufficient.

Documentation: Sufficient to establish an audit trail.

Disposition: When the gross business income is determined and the business expenses are determined and deducted, the resulting amount is earned income.

NOTE: The A/R's income is evaluated against the maintenance picture of the A/R. (See **OTHER ELIGIBILITY REQUIREMENTS** FINANCIAL MAINTENANCE)

INCOME
EARNED

INCOME FROM ROOMERS (LODGERS) AND BOARDERS

Description: Income from roomers (lodgers) and boarders is payment received by the A/R for meals and/or lodging from other individuals residing in the home who are not members of the A/R's Medicaid household.

Roomers (lodgers) rent a room or rooms and receive no meals as part of the rent. Boarders rent a room or rooms and receive meals as part of the rent.

Policy: The treatment of income from roomers and boarders varies depending on the category of the A/R. For all categories of assistance, if the A/R can document that actual expenses incurred in providing the room or board exceed the specified roomer/boarder deduction, the actual expenses are disregarded and any money received in excess of this documented amount is considered available income.

When an SSI-related A/R provides room and/or board as a business rather than as a convenience for relatives or friends, the income is considered to be earned income. Motels, hotels, rooming houses and boarding houses are considered businesses. If the SSI-related A/R does not provide room or board as a business, the income is treated as unearned income. For LIF, S/CC and ADC-related categories of assistance, roomer/boarder income is always treated as earned income.

References:

SSL Sect.	366
Dept. Reg.	352.31(a)(3) 360-4.3 360-4.6(a)(1)(xviii)

Interpretation: To determine countable roomer/boarder income, the following roomer/boarder disregard is to be applied based on the category of the A/R.

$15 for S/CC and LIF - roomers (meals not included)

$60 for S/CC and LIF - boarders (meals included)

$90 for ADC-related and SSI-related roomers or boarders (meals may or may not be included)

INCOME
EARNED

INCOME FROM ROOMERS (LODGERS) AND BOARDERS

For all categories of assistance, if the individual can document that the actual expenses paid in providing room or board are greater then the allowable roomer/boarder disregard, the actual expenses are deducted.

In determining if the actual expenses paid in providing room and/or board exceed the monthly roomer/boarder deduction, the following expenses are deductible:

- property, school, water and sewer taxes;
- utilities;
- interest payments on mortgages;
- cost of essential repairs;
- food (if included in rent)

A person providing room/board as part of a business, may deduct allowable business expenses paid the same taxable year to the extent the expenses are attributable to the rented portion of the property.

The allowable expenses incurred in providing room and board are prorated based on the number of rooms designated for rent compared to the number of rooms (other than bathrooms) in the house.

If income received for room or board is less than the allowable expenses of providing room or board, the excess expenses are deducted from the next month's roomer/boarder income.

When to Verify:

(a) When the A/R declares in the application that s/he has income from roomers or boarders;

(b) When the A/R declares in the application that persons live with him/her who are not applying for assistance and who contribute to the support of the household;

(c) When the case record indicates that the A/R received income from roomers and/or boarders, but does not currently declare that s/he is receiving it.

INCOME
EARNED

INCOME FROM ROOMERS (LODGERS) AND BOARDERS

Verification:

(a) Seeing a statement from the roomer and/or boarder as to the amount and frequency of his/her payment;

(b) Seeing any business records that the A/R may have maintained; and/or

(c) Seeing records of actual expenses if greater than the categorical standard disregard;

Documentation: Sufficient to establish an audit trail:

(a) Name of the roomer or boarder, plus the amount and frequency of payment; and/or

(b) Copies of actual expense listing, if the costs are greater than categorical disregard.

INCOME

UNEARNED

Description: Unearned income is income which is paid because of a legal or moral obligation rather than for current services performed. It includes pensions, government benefits, dividends, interest, insurance compensation and other types of payments.

Policy: The available net amount of unearned income, in addition to any other countable income, is compared to the appropriate income level.

References: SSL Sect. 366.2

Dept. Reg. 360-4.3

Interpretation: The following types of unearned income are described in detail in this section:

Unemployment Insurance Benefits;
NYS Disability Benefits and Workers' Compensation
Social Security, Railroad Retirement, Veterans' Benefits;
Dividends and interest;
Private pensions/Retirement Funds;
Union benefits;
Support payments (voluntary and court-ordered);
Contributions from relatives and friends;
Income from rental of property;
Military Dependency allotments; and
Reverse Mortgages.

Unearned income is verified as to the amount, type and frequency, and the information is documented in the case record.

Disposition: When the gross unearned income has been determined, disregards are deducted to result in available net unearned income. This, in addition to any other countable income, is then compared to the appropriate income level in determining eligibility for Medicaid.

INCOME
UNEARNED

UNEMPLOYMENT INSURANCE BENEFITS (UIB)

Description: Unemployment Insurance Benefits (UIB) are benefits to offset the loss of earned income for certain workers who have lost their jobs through no fault of their own. The program is administered by the New York State Department of Labor. The claimant applies by making a toll-free phone call or through an on-line process at the NYSDOL website. Benefits are paid by check. The amount of benefits is based upon income earned while employed.

Policy: UIB is countable unearned income.

NOTE: The American Recovery and Reinvestment Act (ARRA) of 2009 "Stimulus Bill", Public Law 111-5 Section 2002 authorized additional unemployment insurance benefits (UIB) of $25 per week effective the period March 1, 2009 through the week ending December 12, 2010. The additional payment of $25 per week must be disregarded when determining retroactive, initial, and on-going eligibility for all Medicaid A/Rs receiving UIB.

Reference:

INFs	88 INF-84
GISs	10 MA/024 09 MA/018 09 MA/012

When to Verify:

(a) When the A/R indicates in the application that s/he has applied for, or is receiving UIB;

(b) When the A/R indicates in the application that s/he has recently been employed, but is now unemployed;

(c) When the case record indicates that the A/R has been in receipt of UIB, but does not declare in the application that s/he is currently in receipt of UIB.

Verification: Benefits may be verified by:

(a) The Resource File Integration (RFI) WMS subsystem;
(b) Seeing the benefit check;
(c) Seeing the UIB claim award letter sent to the A/R detailing the status and amount of the claim;
(d) Seeing a current on-line printout of UIB that the A/R can access with their unique password; or

INCOME
UNEARNED

UNEMPLOYMENT INSURANCE BENEFITS (U.I.B.)

(e) If none of the above is available and cannot readily be obtained by the A/R or additional information is needed, clear through the NYS Department of Labor (DOL) Unemployment Insurance On-line System. This system can be accessed through the county's TTSS coordinator.

Documentation: Sufficient to establish an audit trail:

(a) Screen print of the RFI WMS subsystem, filed in the case record;

(b) Date, number and amount of check;

(c) Date of initial filing and benefit amount;

(d) Returned clearance from the NYS UIB-MIS filed in the case record.

Related Form: LDSS-3861 (UIB Current Inquiry) and LDSS-3936 (UIB Investigative Inquiry).

INCOME
UNEARNED

NEW YORK STATE DISABILITY INSURANCE BENEFITS, WORKERS' COMPENSATION AND SICK PAY

Description:

(1) **New York State Disability Insurance Benefits (DIB)** are cash benefits to offset the loss of earned income for certain workers who are unable to work because of a non-job-related injury, disease, or condition. There are also cash benefits to offset the loss of Unemployment Insurance Benefit (UIB) for persons who are unemployed and are unable to accept employment because of illness or injury.

For employed persons and those unemployed less than four weeks, application is made to the employer. Medical verification is required. When the person is eligible, the employer's insurance carrier pays benefits bi-weekly by check.

For persons unemployed more than four weeks, application is made to the local office of the State Department of Labor. Medical verification is required. If eligible, benefits are paid bi-weekly by state check.

(2) **Workers' Compensation** can be a cash benefit to offset the loss of earned income for certain workers who are unable to work because of a job-related injury or disease. It can also be a payment made directly to a medical provider for the cost of care required to treat a work related injury. Payments made directly to medical providers are not considered unearned income. Rather they are similar to third party health insurance payments. If the injury or disease results in death, the benefits may be paid to the surviving dependents of the worker. Benefits include all necessary medical care arising from the job-related injury or illness. A claim for Workers' Compensation is made with the employer. Medical verification is required.

Benefits are paid by either the employer or in most cases his/her insurance carrier on a bi-weekly basis or as a lump sum. Benefits may be either temporary or permanent, and either partial or total, dependent on the severity and prognosis of the injury or disease. Only the cash benefit to offset loss of earned income is considered unearned income.

INCOME
UNEARNED

NEW YORK STATE DISABILITY INSURANCE BENEFITS, WORKERS' COMPENSATION AND SICK PAY

(3) **Sick Pay as Unearned Income** are any payments made due to sickness and/or accident disability more than six months after the A/R stopped working because of that sickness or disability, is unearned income. Sick pay received during the first six months is earned income (See **INCOME** EARNED).

Policy: NYS DIB, Workers' Compensation and sick pay are countable income.

When to Verify: When the A/R indicates in the application that s/he has applied for or is receiving DIB and/or Workers' Compensation Benefits;

When the A/R indicates in the application that s/he has recently been employed or has recently received UIB and indicates in the application that s/he is ill or injured;

When the case record indicates that the A/R was in receipt of DIB, Workers' Compensation and/or sick pay, but the A/R does not declare that s/he is currently receiving DIB, Workers' Compensation and/or sick pay.

Verification: Benefits may be verified by:

Seeing the benefit check;
Seeing a letter from the insurance carrier or the Workers' Compensation Board denying or terminating benefits;
Clearing in writing through the usual local district procedure.

Documentation: Sufficient to establish an audit trail:

Date, number and amount of check, and name and address of payer (insurance or state fund);

Date and sender of letter, and disposition;

Returned clearance filed in case record.

NOTE: Workers' Compensation and New York State DIB and sick pay do not establish incapacity or SSI-related disability status for Medicaid purposes. A separate determination of incapacity or disability is done for A/Rs. (See **CATEGORICAL FACTORS** INCAPACITY)

INCOME
UNEARNED

SOCIAL SECURITY (RETIREMENT, SURVIVORS' AND DISABILITY INSURANCE), RAILROAD RETIREMENT AND VETERANS' BENEFITS

Description:

1) **Retirement, Survivors' and Disability Insurance (RSDI)**, commonly referred to as Social Security, is a federally administered program which provides cash benefits to offset the loss of earned income for retired, certified disabled workers and/or the dependents of the retired, disabled or deceased income earner.

2) **Railroad Retirement** cash benefits are paid to retired or certified disabled railroad workers and/or to the surviving dependents of retired, disabled or deceased railroad workers.

3) **Veterans' benefits** are cash benefits paid to retired or disabled veterans and their dependents, or to surviving dependents of veterans.

References: ADM 93 ADM-31

Interpretation:

1) **RSDI** - Application for these benefits is made at a Social Security Administration district office. Verification of age, medical disability if under age 65, relationship and/or earnings may be required. Recipients may be eligible for Medicare Parts A and B.

When an individual is in RSDI claim status, s/he is identified by a Social Security Number with a benefit identification code suffix which describes his/her status. The following is a list of commonly used suffixes and the status which they describe:

Suffix Code	Status
A	Primary Claimant
B(1-9), (A-Y)	Husband or wife of Primary Claimant
C(1-9), (A-K)	Child, includes minor child, disabled child, and student child
D(1-9), (A-Z)	Widow, widower, or surviving divorced spouse
E(1-9), (A-M)	Widowed parent or surviving divorced parent
F(1-8)	Parent, stepparent, adopting parents, second alleged parent
J(1-4)	Primary Prouty Benefit (Special over age 72)

INCOME
UNEARNED

SOCIAL SECURITY (RETIREMENT, SURVIVORS' AND DISABILITY INSURANCE), RAILROAD RETIREMENT AND VETERANS' BENEFITS

Suffix Code	Status
K(1-9) or KA-M	Wife's Prouty Benefit (Special over age 72)
W(1-9)	Disabled widow, disabled widower or surviving disabled divorced spouse

(2) **Railroad Retirement Benefits** - When the eligible employee is alive, all benefits, including dependents' benefits, are paid to him/her. Survivors' benefits are paid directly to the surviving dependents. Benefits are paid monthly. Beneficiaries are also potentially eligible for Medicare Parts A and B.

(3) **Veterans' Benefits** - The veteran may be retired, or partially or totally disabled by either a service connected or non-service connected disability.

Dependents or surviving dependents of veterans may also be entitled to benefits. In addition to cash benefits, eligible veterans and their dependents may receive educational benefits, medical and/or dental care. When a veterans' benefit paid to the A/R includes a dependent's benefit, only the portion of the benefit designated by the Veterans' Administration to the A/R is considered in determining the A/R's eligibility. If the dependent is not applying, his/her portion is disregarded.

NOTE: Even if a veteran is not eligible for cash VA payment, s/he may be eligible for medical care through the VA. (See **OTHER ELIGIBILITY REQUIREMENTS** VETERANS' AFFAIRS REFERRAL) Availability of these medical benefits does not affect eligibility for Medicaid.

When to Verify:

(a) When there is an indication either in the application or by a benefit suffix as listed above, that an A/R, a member of the applying household or a legally responsible relative is in benefit status for RSDI;

(b) When the A/R indicates in the application that s/he is 62 years of age or older;

(c) When the A/R declares on the application that s/he is widowed and 60 years of age or older and/or is caring for minor children;

INCOME
UNEARNED

SOCIAL SECURITY (RETIREMENT, SURVIVORS' AND DISABILITY INSURANCE), RAILROAD RETIREMENT AND VETERANS' BENEFITS

(d) When the A/R declares on the application that s/he is blind or disabled and the disability is permanent or is expected to last a year;

(e) When the A/R declares on the application that a spouse or the parent of a minor child under age 18 (or under age 19 if the child is still a student in secondary school) is deceased, retired or disabled;

(f) When the case record indicates that the A/R received RSDI, but the A/R does not indicate that s/he is currently in benefit status;

(g) When the A/R declares on the application that s/he or other family members are receiving Medicare;

(h) When the A/R declares on the application that s/he is receiving Railroad Retirement benefits;

(i) When the A/R declares on the application that s/he has been an employee of the railroad or is the dependent or surviving dependent of someone who has;

(j) When the case record shows that the A/R received Railroad Retirement benefits, but the A/R does not declare that s/he is currently receiving such benefits;

(k) When the A/R declares on the application that s/he is a veteran, the spouse of a veteran or the spouse of a deceased veteran or the child of a veteran;

(l) When the case record indicates that the A/R received veterans' benefits, but the A/R does not currently declare that s/he is receiving them.

Verification: Benefits from RSDI, Railroad Retirement, or the Veterans' Administration may be verified by:

(a) Seeing the Notice of Award or award letter;

(b) Seeing the current benefit check;

(c) Obtaining information on the type and date of discharge and armed forces serial number;

INCOME
UNEARNED

SOCIAL SECURITY (RETIREMENT, SURVIVORS' AND DISABILITY INSURANCE), RAILROAD RETIREMENT AND VETERANS' BENEFITS

(d) Obtaining necessary information on RSDI benefits from the Beneficiary Data Exchange (Bendex) which is available in each local district.

Documentation: Sufficient to establish an audit trail

(a) Date of award letter, amount of award and to whom paid;

(b) Date, amount and number of current benefit check;

(c) Returned clearance filed in case record.

NOTE: When an A/R is receiving a benefit, it is determined if a portion of the benefit or the entire benefit is intended for the support of a dependent.

INCOME
UNEARNED

DIVIDENDS AND INTEREST

Description: Dividends and interest are returns on capital investments such as stocks, bonds, or savings accounts.

Policy: Dividends and interest are considered unearned income**.** Interest or dividend income from certain resources is exempt for SSI-related A/Rs under community budgeting,

NOTE: Certain trust funds, which are unavailable as a resource may pay interest or dividends and, therefore, are carefully reviewed. Trust instruments are often very complicated documents. They may need to be reviewed by an attorney to determine the availability of the trust principal and any dividends or interest they may pay. (See **RESOURCES** TRUST FUNDS for treatment of trusts as resources.)

References:

ADMs	11 OHIP/ADM-1
GISs	05 MA/01 04 MA/027

Interpretation: Except for interest or dividend income derived from certain resources for SSI-related A/Rs under community budgeting, income from dividends and interest is included with all other sources of income in the eligibility determination process. Dividends and interest often vary from month to month depending on deposits, withdrawals, or company profits. Since dividends and interest credited to an individual account are generally not reflected until the end of the quarter, local districts project the amount of monthly dividends or interest based on the most current information available. If dividends or interest are credited/paid quarterly, one third of the quarterly interest or dividend is counted as income each month. Interest or dividends credited on other than a monthly or quarterly basis generally are annualized and divided by twelve to determine a monthly amount.

NOTE: Account service fees or penalties for early withdrawal do not reduce the amount of dividend or interest income.

The following describes when dividends or interest are considered countable unearned income for categories other than SSI-related:

INCOME
UNEARNED

DIVIDENDS AND INTEREST

Series H/HH U.S. Savings Bonds - Series H/HH bonds pay interest semi-annually by check or electronic funds transfer. Count interest on these bonds as unearned income in the month available to the individual, either when the check is received or when the interest is electronically transferred to the individual's account.

NOTE: Series E/EE U.S. Savings Bonds - Interest on series E/EE U.S. Savings Bonds is only available to the individual upon expiration of the minimum retention period. When series E/EE bonds are redeemed, the interest is to be counted as an increase in the value of the resource (it is not income).

Zero Coupon Bonds - Owners of zero coupon bonds do not receive interest payments, even though the accruing interest may be taxed by the Internal Revenue Service (IRS). Interest accrues on zero coupon bonds and is paid when the bond matures. The accrued interest is to be considered countable unearned income in the month the bond matures. It is not prorated. The equity value of the zero coupon bond is a countable resource.

Dividend Reinvestment - When an individual chooses to reinvest rather than receive interest or dividends on stocks, bonds or mutual funds, the reinvested interest or dividends is counted as unearned income in the month credited to the A/R's account and available for use, and is an available resource the following month.

Capital Gains - Capital gains on property (e.g., stocks or real estate) are an increase in the value of the resource. A capital gain distribution outside of a trust is considered unearned income in the month received. A capital gain distribution within a trust is considered a part of the trust principal, unless specified otherwise in the trust. (See **RESOURCES** TRUST FUNDS) Capital gains distributions are generally made at the end of the year. Taxes or transaction fees are not deducted in determining the value of capital gains.

Life Insurance Policy - The dividends paid on a life insurance policy are not income. If the life insurance policy pays interest on dividends, the interest is income. (See **RESOURCES** LIFE INSURANCE)

INCOME
UNEARNED

DIVIDENDS AND INTEREST

Promissory Note or Other Loan Agreement - A promissory note held by the A/R pays interest or pays principal and interest in the same payment. The interest is unearned income.

Interest or dividend income derived from most resources is disregarded for SSI-related A/Rs.

Although most interest/dividends are treated as excludable income, there are some exceptions when interest and dividends are counted. Interest/dividend income is still countable for SSI-related A/Rs if generated by the following resources:

Retroactive SSI and Retirement, Survivors and Disability (RSDI) payments for nine months following the month of receipt;

Unspent State or local government relocation payments (but not federal or federally assisted funds) for nine months following the month of receipt;

Unspent tax refunds related to an earned income tax credit (EITC), paid either as a refund from the Internal Revenue Service or as an advance from an employer, or child tax credit (CTC) for the period beginning with the second calendar month following the month of receipt through the ninth month.

Excluded funds (i.e., from an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 which is exempt from taxation under Section 501(a)) from gifts to children under 18 years of age with life threatening conditions, if the funds are an in-kind gift of any amount that is not converted to cash, or if cash gifts, up to $2,000 in any year; and

Unspent State victims' crime compensation payments for nine months following the month of receipt.

INCOME
UNEARNED

DIVIDENDS AND INTEREST

NOTE: The SSI-related interest/dividend income exclusion only applies to community budgeting, not to chronic care budgeting, regardless of whether the resources are above or below the appropriate resource level.

Although some life insurance policies pay dividends, these dividends are generally treated as a resource.

Periodic payments received by an SSI-related A/R from an annuity and/or IRA continue to be treated as countable unearned income. Capital gain distributions (e.g. from mutual funds) noted on Internal Revenue Form 1099-DIV, Dividends and Distributions, whether paid as cash or reinvested, are to be treated as unearned income. (See GIS 04MA/027, page 2)

When to Verify:

(a) When the A/R declares in the application that s/he receives dividends or interest.

(b) When the A/R declares in the application that s/he has bank accounts, stocks/bonds, trust funds, or life insurance.

(c) When the case record indicates that the A/R received income from dividends or interest, but the A/R does not now declare that it is being received.

(d) When the A/R declares membership in a credit union.

(e) When the Resource File Integration (RFI) report indicates that the A/R has income.

(f) If the A/R voluntarily reports a change in interest income.

Verification:

Income from dividends and interest can frequently be verified by seeing bankbooks, benefit check stubs, correspondence, etc. If the A/R is not able to obtain these records, they are cleared through the usual local district procedure with stockbrokers, life insurance companies, banks, mutual fund companies, etc. The local district obtains the consent of the A/R before it can obtain such information.

INCOME
UNEARNED

DIVIDENDS AND INTEREST

Documentation:

All Medicaid recipients who do not have a resource test may, at renewal attest to the amount of interest income generated by resources.

Districts must continue to review RFI reports to identify resources belonging to individuals who do not have a resource test to determine when a resource identified by RFI is significant enough to generate interest that would/could affect the individual's eligibility. In such instances, the district must request documentation of the interest income and re-calculate eligibility as appropriate.

Districts are encouraged to minimize the scope of the investigation into resources.

Documentation must be sufficient to establish an audit trail:

- Include such facts as type of resource from which income is obtained, amount and frequency of payment and the name and address of person(s) or institution(s) making the payment and the type of documentation seen;

- In all cases, a returned clearance filed in the case record is adequate documentation if it includes the appropriate facts.

INCOME
UNEARNED

RETIREMENT FUNDS

Description:

Retirement funds are annuities or work-related plans for providing income when employment ends (e.g., pension, disability, or other retirement plans administered by an employer or union). Other examples are funds held in an individual retirement account (IRA) and plans for self-employed individuals (e.g., Keogh plans). Also, depending on the requirements established by the employer, some profit sharing plans may qualify as retirement funds.

Medicaid A/Rs who are eligible for periodic retirement benefits must apply for those benefits to be eligible for Medicaid. Periodic retirement benefits are payments made to an individual at some regular interval (e.g., monthly, quarterly, annually), which result from entitlement under a retirement fund. An individual commonly selects a payment plan, and, generally, only an initial filing for benefits is needed.

An individual is eligible for periodic payments if he/she is authorized to receive distributions on a regularly scheduled basis without having a penalty assessed. An individual is not entitled to periodic payments if he/she is not permitted to take regularly scheduled withdrawals penalty free. Ordinary taxes are not considered a penalty. Once periodic payments are received, the periodic payments are unearned income, and the fund is not a countable resource.

An A/R, who ordinarily might not be eligible for benefits, may be able to access his/her retirement fund sooner, without incurring a penalty under certain circumstances. The circumstances can vary, depending on the type of account and rules for the specific retirement fund. Examples of possible situations: when an A/R may be able to receive periodic benefits without incurring a penalty, when the A/R is found to be disabled (a finding of disability), or when the withdrawal of distributions are considered as part of a series of substantially equal periodic payments. If an A/R can receive distributions from a retirement fund on a regularly scheduled basis without having a penalty assessed, the individual would be considered to be eligible for periodic payments. The A/R would be required to file for maximized periodic payments as a condition of Medicaid eligibility.

INCOME
UNEARNED

RETIREMENT FUNDS

If the individual has a choice between periodic payments and a lump sum, the individual must choose the periodic payments. The individual must apply for the maximum payment amount that could be made available over the individual's lifetime. By federal law, if the Medicaid A/R has a living spouse, the maximum income payment option that is available will usually be less than the maximum income payment option available to a single individual. This provision applies to all Medicaid A/Rs.

NOTE: An individual who has met the minimum benefit duration requirement of a New York State Partnership for Long-Term Care (NYSPLTC) policy is not required to maximize income from a retirement fund. If, however, the amount of any interest earned since the purchase of the policy, which would have been added to the value of the retirement fund, is available to be withdrawn, a qualified NYSPLTC participant is required to pursue or cooperate in the pursuit of the amount of the income payments. This requirement applies to a qualified NYSPLTC participant who is subject to chronic care budgeting. It does not apply under community budgeting. Non-applying spouses/parents are not required to apply for periodic payments or to maximize income from a retirement fund.

References: GIS 98 MA/024

When to Verify: When the A/R indicates s/he receives a pension or retirement benefit.

When the A/R has left his/her employment and is retired or disabled.

When the record indicates that the A/R received a pension or retirement benefit in the past.

When the Resource File Integration (RFI) report indicates that the A/R has income.

When the A/R indicates that s/he has group health insurance.

When the A/R's bank records indicate recurring electronic deposits.

INCOME
UNEARNED

RETIREMENT FUNDS

Verification: Benefits from pensions may be verified by:

(a) Seeing the benefit check;

(b) Seeing a benefit award letter;

(c) If neither of the above are available or cannot readily be obtained, clear through the usual local district procedure.

Documentation: Sufficient to establish an audit trail:

(a) Date, amount and number of benefit check and name of payor;

(b) Date, amount of benefit and name of organization paying pension.

NOTE: An A/R with low income and large recurring medical bills may not be required to pay income tax or may pay income tax at a reduced rate. A/Rs may elect to change or revoke the amount of federal income tax withheld from their pensions. The A/R may complete the appropriate IRS form and file it with the IRS.

INCOME
UNEARNED

UNION BENEFITS (OTHER THAN PENSIONS)

Description: Union benefits are payments received by the A/R from labor organizations during strikes, lockouts, periods of unemployment or periods of disability. Many unions have strike funds, layoff funds or health and welfare funds that pay benefits to members when they are not working. These vary considerably in amount and availability by such factors as the type of union, the number of members out of work and the reason for the unemployment.

Policy: Union benefits are countable unearned income.

When to Verify:

(a) When the A/R declares in the application that s/he is in receipt of union benefits;

(b) When the A/R declares in the application that s/he was recently employed and declares in the application that s/he is a past or present union member;

(c) When the case record indicates that the A/R received union benefits, but the A/R does not now declare that s/he is receiving them.

(d) When the Resource File Integration (RFI) report indicates that the A/R has income.

Verification: Union benefits may be verified by:

(a) Seeing the benefit check;

(b) Seeing a statement of benefits or correspondence from the union relating to benefits;

(c) If neither of the above are available or cannot readily be obtained, clear through the usual local district procedure.

Documentation: Sufficient to establish an audit trail:

(a) Date and amount of check, name and address of union;

(b) Date and type of correspondence, amount of benefit;

(c) Returned clearance filed in the case record.

INCOME
UNEARNED

SUPPORT PAYMENTS (VOLUNTARY AND COURT-ORDERED)

Description: Support payments are payments made to the A/R by a legally responsible relative or a divorced spouse. (See **OTHER ELIGIBILITY REQUIRMENTS** LEGALLY RESPONSIBLE RELATIVES (LRRS)) Support payments may be either court-ordered or voluntary. Voluntary payments of support in some cases are formalized by agreements in writing, but in other cases are highly informal and may vary in amount. Court-ordered support payments are an amount specified by a court order.

Policy: Support payments (voluntary and court-ordered) are countable unearned income. If an applicant is receiving voluntary support payments, s/he is referred to the Child Support Enforcement Unit (CSEU), unless the applicant is otherwise exempt.

The first $100 of court-ordered support received is disregarded from the A/R's income.

References:

SSL Sect.	366.3
Dept. Reg.	360-3.2 360-4.3 360-4.6 360-7.4
ADMs	93 ADM-21 92 ADM-40 91 ADM-40 84 ADM-43 79 ADM-82

Interpretation: To what extent support payments are considered in determining eligibility for Medicaid depends on the category of the A/R (see categorical disregards). If the amount being received in support is less than the court-ordered amount, a referral is made to the Child Support Enforcement Unit (CSEU), unless the applicant is pregnant or one of the other exceptions exists.

When determining eligibility for a retrospective period, budget the actual support payments received.

When determining eligibility for a prospective period, an average anticipated weekly support amount is established. Generally, the A/R's support for the four weeks preceding the determination is averaged. If the A/R received exceptionally high or low support payments for any of the four weeks, those weeks are not used in calculating the average.

INCOME
UNEARNED

SUPPORT PAYMENTS (VOLUNTARY AND COURT-ORDERED

When to Verify:

(a) When the A/R declares in the application that s/he is receiving support payments;

(b) When the A/R declares in the application that s/he has a spouse living elsewhere;

(c) When the A/R declares in the application that the parents of minor children are living elsewhere;

(d) When the case record indicates that the A/R received support payments, but the A/R does not now declare that s/he is receiving them;

(e) When the Resource File Integration (RFI) report indicates that the A/R has income.

Verification:

If a support agreement is in existence, the terms of the agreement are verified as well as the effective date. If drawn up by an attorney, the name of the attorney is included. If the support is court-ordered, the amount ordered is verified as well as the amount actually being paid.

The amount received or ordered may be verified by:

(a) Seeing the court order for either paternity, support or alimony; or if this is not readily available or cannot easily be obtained, communicating in writing with the appropriate court or probation office to obtain the necessary information;

(b) Seeing a support payment check;

(c) Seeing a statement from the person making the payments or his/her records;

(d) Seeing the attorney's records;

INCOME
UNEARNED

SUPPORT PAYMENTS (VOLUNTARY AND COURT-ORDERED)

Documentation: Sufficient to establish an audit trail:

(a) Copy of court order, if available;

(b) Name of court ordering the support, name of the person who is ordered to pay, date and amount of the order, docket number, name of person for whom the support is intended;

(c) If a written agreement exists, document the terms, names, dates and amounts as well as the attorney's name if any;

(d) Amounts and dates of payment and the source of the information, such as payment checks, statement of the person making the payment, etc.;

(e) Returned clearance filed in the case record;

(f) Written or phone verification from Support/Collection unit.

INCOME
UNEARNED

CONTRIBUTIONS FROM NON-LEGALLY RESPONSIBLE RELATIVES AND FRIENDS

Description: Cash contributions from relatives and friends who are not legally responsible, when such contributions are not in return for work performed, are considered unearned income. (See **INCOME** INKIND INCOME for a discussion of in-kind income and **INCOME** EARNED for a discussion of earned income.)

Policy: Cash contributions may be countable unearned income when such contributions are not in return for work performed. (See **INCOME** SSI-RELATED DISREGARDS for SSI-related income disregards)

References: Dept. Reg. 352.16(a)

Interpretation: Since payments of this type are based only on the relative or friend's willingness or ability to pay, they frequently are irregular. A local district decision is required as to whether and in what amount they are to be considered. While benefits are verified and documented, this should not be pursued to the point where it jeopardizes continued receipt of the contribution. The obligation is not a legal one and the person who is paying may not be willing to put the information in writing. In these instances, the circumstances and the basis for making the decision, as well as any statement are recorded in the case record.

When to Verify:

(a) When the A/R declares in the application that s/he receives income from friends or non-legally responsible relatives;

(b) When the case record indicates that the A/R received contributions from friends or non-legally responsible relatives, but the A/R does not declare that it is now being received;

(c) When the maintenance picture is unclear, that is, when expenses seem to exceed the income that the A/R claims to be available.

Verification:

(a) Seeing the payment check;

(b) Seeing a signed statement from the person providing the income;

INCOME
UNEARNED

CONTRIBUTIONS FROM NON-LEGALLY RESPONSIBLE RELATIVES AND FRIENDS

(c) When these are not available or cannot readily be obtained, clear through the usual local district procedure.

Documentation: Sufficient to establish an audit trail:

(a) Amount, date of check, frequency and regularity and person paying (name and address);

(b) Date of statement, amount, frequency and regularity, name, address and relationship of person paying;

(c) Returned clearance filed in the case record.

INCOME
UNEARNED

RENTAL INCOME

Description: Rent is a payment that an individual receives for the use of real or personal property, such as land, housing or machinery. Net rental income is gross rent less the ordinary and necessary expenses paid in the same taxable year.

Policy: For SSI-related A/Rs, net rental income is unearned income unless it is earned income from self-employment (e.g., someone who is in the business of renting properties).

For S/CC, LIF and ADC-related A/Rs, net rental income is earned income.

References: SSL Sect. 366

Dept. Reg. 360-4.3 (d)

Interpretation: For SSI-related A/Rs: income received from non-business rental property is considered unearned income after allowable expenses have been deducted.

For LIF, S/CC and ADC-related A/Rs: income received from non-business rental property is considered earned income after allowable expenses have been deducted. (See **RESOURCES** REAL PROPERTY and REAL PROPERTY INCOME-PRODUCING)

Ordinary and necessary expenses are those necessary for the production or collection of rental income. Examples of deductible expenses are:

(1) Property, school, water and sewer taxes;

(2) The cost of utilities if they are included in the rent;

(3) The cost of fire, windstorm, flood, theft and liability insurance;

(4) Interest payments on mortgages for such property;

(5) The cost of essential repairs on such property (i.e., minor correction to an existing structure);

(6) Wages paid to employees for maintaining the property;

INCOME
UNEARNED

RENTAL INCOME

(7) Advertising for tenants;

(8) Any other expenses essential to maintaining the property (lawn care/snow removal).

Examples of non-deductible expenses:

(1) Payments on the principal of mortgages;

(2) Improvements to the property (i.e., an expense for an addition or increase in the value of the property);

(3) Any other expenses which are **not** directly related to maintaining the property.

NOTE: Depreciation or depletion of property is not a deductible expense from rental income.

Expenses are deducted when paid, not when incurred.

When the rental property is also the A/R's homestead (i.e., two-family residence), the allowable expenses is prorated based on the number of units designated for rent compared to the total number of units.

Rental deposits are not income to the landlord while subject to return to the tenant. Rental deposits used to pay rental expenses become income to the landlord at the point of use.

When to Verify:

(a) When the A/R declares in the application that part of his/her own home is rented out;

(b) When the A/R declares in the application that s/he receives income from rent;

(c) When the A/R declares in the application that s/he owns property other than a homestead;

INCOME
UNEARNED

RENTAL INCOME

(d) When the case record indicates that the A/R received income from rent, but s/he does not now declare that s/he is receiving it.

Verification: Income from rental property may be verified in a number of ways:

(a) seeing a lease or other rental agreement;

(b) Seeing documents in the A/R's possession, including copies of bills, receipts for payments received, ledgers and income tax records may be seen;

Expenses for rental property may be verified by seeing bills or receipts for interest, taxes, insurance, utilities or repairs or by statements from the individuals or organization which received those payments. Any of the above may be cleared in writing through the usual local district procedure if the A/R is unable to provide verification.

Documentation: Sufficient to establish an audit trail:

(a) Name of tenants, amount and frequency of payment and document seen;

(b) Type, amount and frequency of expense and document seen;

(c) A copy of the returned clearance filed in case record.

Disposition: Rental income is determined. Business expenses are deducted to determine net rental income. This net amount is then budgeted according to the category of the A/R.

INCOME
UNEARNED

MILITARY DEPENDENCY ALLOTMENT

Description: Military dependency allotments are payments received by the A/R for support while a legally responsible relative (or sometimes another relative) is on active service with the armed forces. Military dependency allotments are received monthly as a government check.

Policy: Military dependency allotments are countable unearned income.

References: Dept. Reg. 360-4.3

Interpretation: Persons in active military service can make allotments of military pay and allowances to spouses, former spouses, other dependents, and relatives who are not designated legally as dependents. When these allotments are received by an A/R, they are counted as unearned income.

NOTE: Third party insurance benefits are available to dependents of active military personnel (CHAMPUS) and are used for medical expenses before Medicaid is used. (See **RESOURCES** <u>THIRD PARTY RESOURCES)</u>

When to Verify:

(a) When the A/R declares in the application that a military dependency allotment is being received;

(b) When the A/R declares in the application that a spouse and/or parent who is living elsewhere is in the military service;

(c) When the case record indicates that the A/R received military payments, but does s/he not currently declare that s/he is receiving them.

Verification:

(a) Seeing the benefit check;

(b) Seeing correspondence about the allotment;

(c) If the above are not available or cannot readily be obtained, clear through the usual local district procedure.

INCOME
UNEARNED

MILITARY DEPENDENCY ALLOTMENT

Documentation: Sufficient to establish an audit trail:

(a) Date and amount of check;

(b) Date and type of correspondence, amount of allotment, armed forces serial number, any other file or reference numbers;

(c) Returned clearance filed in the case record.

INCOME
UNEARNED

REVERSE MORTGAGES

Description: A homeowner can convert home equity into cash without moving out of the home through a variety of home equity conversion plans. The home is either sold or mortgaged, but remains occupied by the homeowner until a future date or the death of the homeowner.

Under a reverse mortgage (RM), the homeowner borrows up to a fixed percentage of the appraised value of the home, for a set period of time, usually five to ten years. The funds borrowed are generally paid to the homeowner monthly. Repayment of the loan and any accrued interest is not due until the end of the loan term, the death of the borrower, or the sale of the property. A reverse annuity mortgage (RAM) is an RM in which the funds borrowed are paid to the homeowner through the purchase of an annuity.

Policy: For LIF, S/CC and ADC-related A/Rs, both RMs and RAMs are disregarded as income and resources.

For SSI-related A/Rs, an RM is generally disregarded as income and countable as a resource if retained beyond the month received. However, if the RM is a RAM, the annuity payments are unearned income in the month received and a resource thereafter.

References: SSL Sect. 366.1
366.2

Documentation: Sufficient to establish an audit trail:

(a) Reverse Mortgage Agreement - date, amount, terms, name of lender;

(b) Reverse Mortgage Annuity - date, amount, terms, name of lender.

INCOME
UNEARNED

IN-KIND INCOME

Description: In-kind income is received in goods or services rather than in cash. It can either be earned or unearned.

Policy: The value of goods and services is considered in determining eligibility for Medicaid only when they are provided by a legally responsible relative living outside the household or in return for services rendered.

NOTE: Clothing received by an SSI-related A/R from a legally responsible relative is not countable as in-kind income. If the clothing is received from an employer instead of cash, the value of the clothing is counted as in-kind earned income.

When persons other than legally responsible relatives provide goods or services to the A/R and the A/R has not provided any services in return for these goods or services, the in-kind income is not considered in determining eligibility for Medicaid.

References:

SSL Sect.	366.2
Dept. Reg.	352.17 360-4.3 (e)
ADMs	84 ADM-21
GIS	05 MA/029

Interpretation: To evaluate if in-kind income is countable, local districts determine the relationship of the A/R to the person providing the goods or services and whether or not the A/R performs any services to earn the in-kind income.

In-kind income might include free lodging, meals, groceries or farm produce. In-kind income may be received by itself or together with income in cash as in the case of certain employed persons (e.g., dishwasher who receives wages and meals in compensation for his/her services).

The value of in-kind income is based upon the fair market value of the goods or maintenance received by the A/R. The fair market value is the dollar amount that an individual would receive if the goods or maintenance were sold on the open market in the A/R's local area.

INCOME
UNEARNED

IN-KIND INCOME

The fair market value of in-kind income, other than shelter, may also be determined by obtaining a statement from the person providing the in-kind income. The statement should specify the dollar value of the goods or maintenance provided.

In-kind income that is provided by persons other than legally responsible relatives for whom the A/R has not rendered a service is not considered in determining eligibility for Medicaid. This type of in-kind income includes donations from relatives (who are not legally responsible, as well as from friends or charitable and civic organizations. See **INCOME** UNEARNED CONTRIBUTIONS FROM NON-LEGALLY RESPONSIBLE RELATIVES AND FRIENDS for monetary donations.)

In instances where the A/R is a member of a communal organization *or* religious order which provides in-kind goods and services (e.g., meals, housing, personal items, clothing, etc.), the value of such in-kind goods and services is counted in the determination of eligibility.

In the absence of a clearly established fair market value for the goods and services provided (e.g., goods are purchased in bulk, members live in dormitory settings, etc.), the value of the goods and services provided is determined by reference to the local district-specific schedule for shelter, utilities, day care, food stamps, etc. This comparison provides a reasonable basis for evaluating the value of the goods and services without the necessity of determining the fair market value of such goods and services in each instance. The value of in-kind income for shelter cannot exceed the maximum Public Assistance allowance for shelter, based on the living arrangements of the A/R.

When to Verify:

(a) When the A/R declares in the application that food, shelter, or other needs are provided by another person or organization;

(b) When the A/R declares in the application that s/he shares housing arrangements or lives with another person;

INCOME
UNEARNED

IN-KIND INCOME

(c) When the A/R declares in the application that s/he lives in the employer's house or the employer pays rent for the A/R's living accommodations;

(d) When the A/R declares that his/her landlord and employer are the same;

(e) When the A/R is employed where meals are prepared and served; or

(f) When the A/R declares his/her occupation to be any occupation in which accommodations and/or meals are likely to be provided (building superintendent, tenant farmer, farm laborer, live-in domestic worker).

Verification:

(a) Seeing pay envelopes, check stubs, or wage statements;

(b) Obtaining employer's statement as to what is provided as part of the compensation for the job and the dollar value of such compensation;

(c) Obtaining a dated statement from the person or group providing in-kind income specifying his/her relationship, if any, to the A/R, what compensation is provided and whether or not the A/R performs any services in return for the compensation;

(d) Seeing a copy of a court order that included in-kind support; or

(e) Seeing a statement from the legally responsible relative specifying what goods or services are provided and the frequency with which they are provided.

Documentation: Sufficient to establish an audit trail:

(a) Name and address of employer, person, or organization providing the in-kind income, and a statement as to what is provided, the relationship, if any, to the A/R and the terms and frequency of the arrangement;

INCOME
UNEARNED

IN-KIND INCOME

(b) The basis of the local district's decision as to the amount to be budgeted as income to the A/R for the goods and services provided by the employer or the legally responsible relative ; or

(c) Name of court, docket number, date of order, terms, and name of the legally responsible relative when such in-kind income is ordered by the court.

INCOME
UNEARNED

LUMP SUM PAYMENTS

Description: Lump sum payments are deferred or delayed payments. They include, but are not limited to benefit awards, bonuses, year-end profit sharing, severance pay, and retroactive pay increases.

Policy: All lump sum payments are reviewed to determine if they are available and countable. (See **OTHER ELIGIBILITY REQUIREMENTS** OWNERSHIP AND AVAILABILTY) Lump sum payments as a result of employment, such as bonuses, retroactive pay increases and severance pay are considered earned income. Lump sum payments such as benefit awards from railroad retirement or Social Security are unearned income.

Essential expenses incurred when attaining a payment are deducted from that payment. Essential expenses are deducted from the first and any subsequent payments until the expenses are met. When an A/R receives a retroactive payment from a benefit program, other than SSI, legal fees connected with the claim are deducted.

Countable lump sum payments are considered income in the month received. To determine if a lump sum payment is disregarded as income consult the disregards section. (See **INCOME** LIF DISREGARDS, **INCOME** ADC-RELATED DISREGARDS, and **INCOME** S/CC DISREGARDS)

Certain lump sum payments are exempt or excluded as a resource in the month received. To determine if a lump sum is disregarded or excluded as a resource in the month of receipt, consult the resource disregards section. (See **RESOURCES** SSI-RELATED RESOURCE DISREGARDS)

References: SSL Sect. 366.2

ADMs OMM/ADM 97-2
92 ADM-11

INCOME
UNEARNED

LUMP SUM PAYMENTS

Interpretation: After allowable deductions, countable lump sum payments are considered income in the month received. The lump sum is combined with any other countable income. Allowable disregards are subtracted. The remaining income is compared to the appropriate income level. (See **REFERENCE** MEDICALLY NEEDY INCOME AND FEDERAL POVERTY LEVELS) Any excess income is considered available to meet the cost of medical care and services.

When to Verify: When the A/R indicates that s/he recently received a benefit award, bonus, year-end profit share, retroactive pay increase, or other lump sum.

When the A/R indicates that s/he is anticipating a lump sum payment.

When the record indicates that the A/R has applied for a benefit and may be eligible for a retroactive payment.

When the Resource File Integration (RFI) report indicates that the A/R has income.

Verification/
Documentation: Sufficient to establish an audit trail:

- Lump sum payments are verified. State computer matches are reviewed to determine the source of income.
- The amount, date and source of all lump sums are documented. The preferred forms of verification/documentation are checks, check stubs, award letters, or other written statements from the payer of the lump sum.

INCOME
UNEARNED

WINDFALLS

Description: Windfall payments are one-time only payments. They include, but are not limited to, lottery winnings, gifts and court settlements.

Policy: Treatment of windfall payments, in the month of receipt, varies depending on the category of the A/R. When determining eligibility for LIF and ADC-related A/Rs, windfall payments are generally considered countable resources in the month received. When determining eligibility for SSI-related and S/CC A/Rs, windfall payments are considered countable income in the month received.

Essential expenses incurred when attaining a payment are deducted from that payment. Essential expenses are deducted from the first and any subsequent payments until the expenses are met. From a payment received for damages in connection with an accident: legal, medical, and other expenses connected with the accident are allowable deductions.

When any or all of a windfall payment is retained beyond the month of receipt, it is considered a resource, regardless of the A/R's category.

References: SSL Sect. 366.2.

ADMs OMM/ADM 97-2
92 ADM-11

Disposition: For LIF and ADC-related A/Rs, in the month of receipt and thereafter (if the windfall or part of it is retained), the amount of the windfall payment is a resource. (See **RESOURCES** <u>EXCESS RESOURCES</u> for rules regarding the treatment of excess resources.)

For SSI-related and S/CC A/Rs, windfall payments are considered income in the month of receipt. The windfall is combined with any other countable income. Allowable disregards are subtracted. The remaining income is compared to the appropriate income level.

When an SSI-related or S/CC A/R retains any or all of a windfall payment beyond the month of receipt, it is considered a resource. For SSI-related A/Rs, the windfall together with other countable resources is compared to the appropriate resource level.

INCOME
UNEARNED

INDIVIDUAL SUPPORT SERVICES DISREGARD

Description: The Individual Support Services (ISS) program under the Office for People with Developmental Disabilities (OPWDD) assists people remaining in or being placed into the community to help meet their needs. ISS provides assistance to help individuals achieve or maintain self-sufficiency, including reduction or prevention of dependency, and to prevent or reduce inappropriate institutional care.

Policy: ISS payments are disregarded in determining eligibility for Medicaid for all categories.

References: INF 95 INF-23

INCOME

INCOME LEVELS

Description: Income levels are the amount of income a person or household can retain and still be eligible for Medicaid.

Policy: In determining eligibility for Medicaid, an A/R's net available income is compared to the appropriate Medicaid level or standard. An A/R's income may be compared to more than one income level or standard.

References:

SSL Sect.	366 369-ee
Dept. Reg.	352 360-4.3 360-4.6 360-4.7(b)
GISs	08 MA/022 05 MA/013 04 MA/031

Interpretation: Generally, the amount of the income level or standard increases as the size of the household increases. Persons who are ADC-related, SSI-related, under age 21, pregnant, stepparents, and/or fathers of unborns with no children of their own in the household are allowed the Medically Needy income level, or the Medicaid Standard (and MBL Living Arrangement Chart as appropriate) whichever is most beneficial. In some instances (pregnant women and some children), the federal poverty levels are used.

Persons who are SCC-related and LIF are allowed the Medicaid Standard.

Pregnant women and children under age 19 are allowed the Medicaid expanded levels (federal poverty levels). Family Health Plus, Medicaid Buy-In Program for Working People with Disabilities, Medicare Savings Program and Family Planning Benefit Program A/Rs are allowed the applicable percentage of the federal poverty level.

Disposition: Net available income is compared to the appropriate income level to determine eligibility for Medicaid. For some persons, income in excess of the level is available to meet the cost of medical care and services as determined according to Department regulations. (See **INCOME** EXCESS)

INCOME

INCOME LEVELS

The following subjects are covered in this section:

- Medically Needy Income Level
- Medicaid Standard
- Federal Poverty Levels (FPL)
  - Medicaid Expanded Levels
  - Medicare Savings Program
  - Family Health Plus (FHPlus)
  - Family Planning Benefit Program (FPBP)
  - Medicaid Buy-In for Working People with Disabilities (MBI-WPD). (See **CATEGORICAL FACTORS** MEDICAID BUY-IN PROGRAM FOR WORKING PEOPLE WITH DISABILITIES (MBI-WPD) for the federal poverty level allowed for MBI-WPD A/Rs)

INCOME

MEDICALLY NEEDY INCOME LEVEL

Policy: The medically needy income level is used to determine eligibility for all categories except S/CC and LIF.

NOTE: See **REFERENCE** MEDICALLY NEEDY INCOME AND FEDERAL POVERTY LEVELS for a chart displaying the Medicaid Levels and Federal Poverty Levels***.***

References:	SSL Sect.	101 101-a 365 366
	Public Law	94-48 94-603 92-603
	Dept. Reg.	360-1.4 (r) 360.7 (d) 360.4.1 (b) 360-4.3 360.4.3 (f) 360-4.6 360-4.7(b) 360-4.8 (a) (c)
	ADMs	06 OMM/ADM-4 05 OMM/ADM-4 05 OMM/ADM-2 04 OMM ADM-5 04 OMM/ADM-2 03 OMM/ADM-4 02 OMM/ADM-7 02 OMM/ADM-1 01 OMM/ADM-1 99 OMM/ADM-3 98 OMM/ADM-28 98 OMM/ADM-6

INCOME

MEDICALLY NEEDY INCOME LEVEL

GISs
08 MA/022
07 MA/005
06 MA/029
06 MA/006
05 MA/047
05 MA/045
05 MA/027
05 MA/013
05 MA/011
04 MA/030
04 MA/031
03 MA/006
03 MA/005
02 MA/029
02 MA/018
02 MA/010
02 MA/008

Interpretation: Determine the A/R's household size and net available monthly income in accordance with the A/R's category. For A/Rs who are ADC-related, SSI-related, under age 21, pregnant, stepparents, and/or fathers of unborns with no children of their own in the household the net available income is compared to the Medically Needy Income level or the Medicaid Standard, (and MBL Living Arrangement Chart as appropriate) whichever is most beneficial.

INCOME

MEDICAID STANDARD

Policy: The Medicaid Standard is used to determine eligibility for Singles Childless Couples (S/CC) and Low Income Family (LIF) categories.

NOTE: See **REFERENCE** MEDICALLY NEEDY INCOME AND FEDERAL POVERTY LEVELS for a chart displaying the Medicaid Levels and Standards and Federal Poverty Levels**.**

References: GIS 08 MA/022

Interpretation: Determine the A/R's household size and net available monthly income in accordance with the A/R's category. For A/Rs who are LIF or S/CC, the net available income is compared to the Medicaid Standard (and MBL Living Arrangement Chart as appropriate).

Medically Needy A/Rs will have their net available monthly income compared to the Medically Needy Income level or the Medicaid Standard (and MBL Living Arrangement Chart as appropriate) whichever is most beneficial.

Effective April 1, 2008, the Medicaid Standard is used to determine Medicaid eligibility for single individuals and childless couples, regardless of their living arrangement, since medical care is now considered an unmet need. Therefore, it is not necessary to determine if there is an unmet need.

When the A/R resides in specified living arrangements, a water allowance and/or a special shelter amount is added to the Medicaid Standard. (See **REFERENCE** MBL LIVING ARRANGEMENT CHART to determine when such items should be added to the Medicaid Standard)

NOTE: A request for documentation of a water bill shall be made when the additional allowance affects eligibility under the LIF and S/CC categories. If documentation of a water bill is not provided, the A/R must be budgeted without the additional allowance.

INCOME
FEDERAL POVERTY LEVELS

MEDICAID EXPANDED INCOME LEVELS

Policy: The expanded income levels represent 100%, 133% and 200% of the federal poverty level (FPL). They are used to determine eligibility as follows:

- pregnant women - 100% or 200% (See **CATEGORICAL FACTORS** PREGNANCY and **OTHER ELIGIBLITY REQUIREMENTS** PRESUMPTIVE ELIGIBILITY PREGNANT WOMEN);
- infants under the age of one (1) - 200%
- children between the age of one (1) and eighteen (18) - 133%

NOTE: See **REFERENCE** MEDICALLY NEEDY INCOME AND FEDERAL POVERTY LEVELS for a chart displaying the Medicaid Levels and Federal Poverty Levels.

References:

SSL Sect.	366.4 (m), (n) and (o)
Dept. Reg.	360-4.1(b) 360-4.7(b) 360-4.8(a)
ADMs	06 OMM/ADM-4 05 OMM/ADM-2 98 OMM/ADM–6 90 ADM-42 90 ADM-9
GISs	11 MA/021 07 MA/005 06 MA/029 06 MA/006 05 MA/045 05 MA/013 05 MA/011 02 MA/008

Interpretation: When determining eligibility under the Medicaid expanded income levels, household size is determined by counting those applying, their legally responsible relatives and any siblings under age 21 residing with them, whether or not the siblings are applying (See **OTHER ELIGIBILITY REQUIREMENTS** HOUSEHOLD COMPOSITION, HOUSEHOLD SIZE FOR POVERTY LEVEL PROGRAMS (PREGNANT WOMEN AND CHILDREN).

INCOME
FEDERAL POVERTY LEVELS

MEDICAID EXPANDED INCOME LEVELS

When the A/R is pregnant and the pregnancy is medically verified, the household size is increased by one, effective the month of conception or three months prior to the month of application, whichever is later.

When determining eligibility for a pregnant woman, appropriate income disregards (See **INCOME** ADC-RELATED DISREGARDS) are subtracted before comparing the remaining income to the Medically Needy Income level, the Medicaid Standard, or 100% of the federal poverty level, whichever is higher/most beneficial. When the A/R's household income is equal to or less than the appropriate level, the pregnant woman and any children under age 19 are fully eligible for Medicaid. If the pregnant woman's income exceeds 100% FPL, compare to 200% FPL. When the A/R's family income is equal to or less than 200% FPL, the pregnant woman is eligible for Medicaid coverage of perinatal services. Perinatal care includes all Medicaid services necessary to promote a healthy birth outcome from the determination of pregnancy through the postpartum period. A pregnant woman whose income exceeds 200% FPL must spend down to the medically needy level to be eligible.

When determining eligibility for an infant under age one, subtract the appropriate income disregards. The household income of the infant is compared to the Medically Needy Income level or the Medicaid Standard (and MBL Living Arrangement Chart, as appropriate) whichever is most beneficial. If ineligible under that level, household income is then compared to 200% of the poverty level. The infant under one is fully eligible for Medicaid if household income is equal to or less than 200% of the poverty level.

When determining Medicaid eligibility for a child from the age of one (1) through 18, the household income of the child, after appropriate disregards, is compared to the Medically Needy Income level or the Medicaid Standard, (and MBL Living Arrangement Chart as appropriate) whichever is most beneficial. If income exceeds the appropriate level, compare to 133% of the poverty level. A child under the age of 19, with household income

INCOME
FEDERAL POVERTY LEVELS

MEDICAID EXPANDED INCOME LEVELS

above 133% of the federal poverty level must spend down to the medically needy income levels to be eligible for Medicaid coverage.

It may be necessary to compare the household income to several levels to determine Medicaid eligibility.

For example:

Household Composition - Pregnant Mother
Child A age 10 months
Child B age 16 years

All members of the household are applying. The mother is employed. After applicable deductions, her income is at 200% of the poverty level for a household of four. The mother is eligible for Medicaid coverage of perinatal services. Child A is eligible for full Medicaid coverage. Child B is not eligible.

NOTE: Pregnant women, infants and children under age 19 cannot spend down to their applicable percentage of the poverty level to achieve eligibility. A pregnant woman with income between 100% and 200% of the federal poverty level is eligible for Medicaid covered ambulatory prenatal services. Ambulatory Prenatal Care includes all outpatient Medicaid services necessary to promote a healthy birth outcome. She must spend down to the medically needy income level to be eligible for full Medicaid coverage. An infant, under one (1) year of age, with household income above 200% of the federal poverty level and children under age 19 with household income above the applicable percentage of the federal poverty level must spend down to the Medically Needy Income level to be eligible for full Medicaid coverage.

INCOME
FEDERAL POVERTY LEVELS

MEDICARE SAVINGS PROGRAM

Policy: Certain A/Rs who receive Medicare may be eligible for Medicaid to pay the Medicare premium, coinsurance and deductible amounts.

References:

SSL Sect.	367-a (3)a
GISs	10 MA/10 08 MA/016 05 MA/013

Interpretation: The A/R may spend down income to become eligible for Medicaid and also eligible for Qualified Medicare Beneficiary (QMB) or Specified Low-Income Medicare Beneficiary (SLIMB) however, the Medicare premium cannot be applied in whole or in part to reduce excess income. At the time of application, the applicant is encouraged to make a choice to apply the Medicare Premium to their spenddown to attain Medicaid eligibility OR to forego Medicaid eligibility for eligibility in the Medicare Savings Program. The advantages and disadvantages of both programs are fully explained. An A/R may switch between spenddown and Medicare Savings Program; however, in the interest of accuracy and administrative efficiency, the A/R is encouraged to select one of the two programs.

Eligibility for the MSPs must be determined even if an applicant does not indicate that he or she is applying for the MSP on the LDSS-2919 or the DOH-4220. If applying for MSP only the DOH-4328 is used.

NOTE: When two spouses reside together in a household, eligibility for MSP will be determined by comparing income to a household of two, regardless of the income or category of the spouses.

There are four groups that are eligible for payment or part-payment of Medicare premiums, coinsurance and deductibles.

NOTE: See **REFERENCE** MEDICALLY NEEDY INCOME AND FEDERAL POVERTY LEVELS for a chart displaying the Medicaid Levels and Federal Poverty Levels.

Qualified Medicare Beneficiaries (QMBs)

The A/R must:

1. be entitled to benefits under Part A of Medicare; and

2. have income equal to or less than 100% of the federal poverty level.

INCOME
FEDERAL POVERTY LEVELS

MEDICARE SAVINGS PROGRAM

Qualified Medicare Beneficiaries (QMBs)

The A/R must:

1. be entitled to benefits under Part A of Medicare; and

2. have income equal to or less than 100% of the federal poverty level.

If the A/R meets the above criteria, s/he is eligible for Medicaid payment of the Medicare Part A and B premiums, coinsurance and deductible amounts.

Specified Low-Income Medicare Beneficiaries (SLIMBs)

The A/R must:

1. have Part A of Medicare; and

2. have income greater than 100% but less than 120% of the federal poverty level.

If the A/R meets the above criteria s/he is eligible for Medicaid payment of the Medicare Part B premiums.

Qualified Disabled and Working Individuals (QDWIs)

The A/R must:

1. have lost Part A benefits because of return to work;

2. be a disabled worker less than 65 years of age;

3. have income equal to or less than 200% of the federal poverty level;

4. have resources not in excess of twice the SSI limit; therefore, resources cannot exceed $4,000 for a household of one or $6,000 for a household of two; and

5. not be otherwise eligible for Medicaid.

INCOME
FEDERAL POVERTY LEVELS

MEDICARE SAVINGS PROGRAM

If the A/R meets the above five criteria s/he is eligible for Medicaid payment of the Medicare Part A premium, not the Medicare Part B premium.

Qualifying Individuals (QI)

The A/R must:

1. have Part A of Medicare;

2. have income greater than or equal to 120% but less than 135% of the federal poverty level.

If the A/R meets the above criteria s/he is eligible for Medicaid payment of the Medicare Part B premiums. The monthly amounts are identified in **REFERENCE** MEDICARE PART A and PART B PREMIUMS. Each state has been given a capped allocation to fund these premium payments.

NOTE: See **REFERENCE** section for a chart displaying the Medicaid Levels and Federal Poverty Levels. The A/R can either be eligible for the Medicare Savings Program or apply his/her income/resources, in excess of the appropriate Medically Needy level (See **REFERENCE** MEDICALLY NEEDY INCOME AND FEDERAL POVERTY LEVELS and MEDICAID RESOURCE LEVELS) to the cost of medical care and services, spending down to become eligible for Medicaid coverage. At the time of application, the applicant is encouraged to make a choice. The advantages and disadvantages of both programs are fully explained. An A/R may switch between spenddown and Medicare Savings Program***;*** however, in the interest of accuracy and administrative efficiency, the A/R is encouraged to select one of the two programs.

INCOME
FEDERAL POVERTY LEVELS

FAMILY HEALTH PLUS (FHPlus)

Policy: The federal poverty level is used to determine eligibility for FHPlus. The gross countable income of parents or persons age 19 and 20 who live with their parents is compared to 150% of the federal poverty level for the appropriate family size. For single individuals and childless couples, both disabled and non-disabled, and for 19 and 20 year-olds not residing with their parents, gross countable income is compared to 100% of the federal poverty level for the family size.

Reference:

SSL 369-ee

ADMs 06 OMM/ADM-4
01 OMM/ADM-6

GISs 07 MA/005
06 MA/029
06 MA/006
05 MA/047
05 MA/045
05 MA/013

NOTE: See **REFERENCE** MEDICALLY NEEDY INCOME AND FEDERAL POVERTY LEVELS for a chart displaying the Medicaid Levels and Federal Poverty Levels and **CATEGORICAL FACTORS** FAMILY HEALTH PLUS (FHPLUS) for discussion of other eligibility criteria for FHPlus***.***

INCOME
FEDERAL POVERTY LEVELS

FAMILY PLANNING BENEFIT PROGRAM (FPBP)

Policy: The federal poverty level is used to determine eligibility for FPBP. The net countable income of applicants who meet the appropriate criteria (See **CATEGORICAL FACTORS** FAMILY PLANNING BENEFIT PROGRAM (FPBP) for a discussion of the categorical requirements) is compared to 200% of the federal poverty level for the appropriate family size.

Reference: SSL Sect. 366(1)(a)(11)

ADM 02 OMM/ADM-7

NOTE: See **REFERENCE** MEDICALLY NEEDY INCOME AND FEDERAL POVERTY LEVELS for a chart displaying the Medicaid Levels and Federal Poverty Levels.

INCOME

BUDGETING

Description: Budgeting is the process that is used to determine the value of an A/R's income. The budgeting of income to determine eligibility for Medicaid varies according to category.

Policy: The budgeting process involves several steps, some of which are common to all budgeting methodologies and some of which include elements that are specific to a particular category.

References:

SSL Sect.	366
Dept. Reg.	360-4
ADM	OMM/ADM 97-2

Interpretation: To determine eligibility for Medicaid, five budgeting methodologies are used:

(1) Low Income Families (LIF) budgeting methodology is used for the following:
- Parents living with their dependent children under age 21;
- Persons under age 21;
- Pregnant women; and
- FNP parents.

(2) When ineligible under LIF criteria, the ADC-related budgeting methodology is used for the following:
- Parents living with their dependent children under age 21;
- Persons under age 21;
- Pregnant women; and
- FNP parents.

NOTE: This budgeting methodology is used for pregnant women and children under age 19 in determining their eligibility under the poverty levels.

(3) The SSI-related budgeting methodology is used for the following: aged (65 or over), certified blind, or certified disabled A/ Rs and for all of the Medicaid A/Rs who are applying for and determined eligible for payment or part payment of the Medicare premiums, coinsurance and deductibles. (See **INCOME** MEDICAID EXPANDED INCOME LEVELS)

INCOME

BUDGETING

(4) The Singles/Childless Couples (S/CC) budgeting methodology is used for A/Rs age 21 and over, but under age 65, who are not living with dependent children under age 21, not pregnant and who are not certified blind or certified disabled.

(5) The chronic care budgeting methodology is used for all individuals in permanent absence status (See **GLOSSARY**).

NOTE: FNP parents can NOT spenddown to obtain full Medicaid coverage.

Frequently, more than one budgeting methodology is used to determine eligibility. For example, a certified disabled person may be given the choice between LIF, ADC-related budgeting and SSI-related budgeting. The remaining family members are only eligible for either LIF or ADC-related budgeting, as appropriate.

(See **INCOME** MEDICARE SAVINGS PROGRAM for the treatment of Medicare beneficiaries (QMBs, SLMBs, etc.))

Disposition: After applying the appropriate methodology to arrive at the net available income, the net available income is compared to the appropriate income/resource level. All other eligibility requirements must be met.

INCOME

LIF DISREGARDS

Description: Disregards of income are not considered in whole or in part in determining eligibility for Medicaid.

Policy: The following types of income are disregarded in the determination of gross monthly income for Medicaid: (See **REFERENCE** INCOME DISREGARDS for chart)

AMERICORPS - Child care allowances and other benefits and services including payments for living expenses provided by Americorps VISTA;

Child care allowances and all other benefits and services except payments for living expenses, provided by Americorps USA and Americorps NCCC;

ASSISTANCE BASED ON NEED - Any regular cash assistance payments based on need received by the A/R and furnished as supplemental income by the federal government, a State or political subdivision;

Support and maintenance assistance based on need and furnished either in-kind by a private non-profit agency or in cash or in-kind by one of the following: a supplier of home heating oil or gas, an entity whose revenues are primarily derived on a rate-of-return basis regulated by a State or Federal governmental entity or a municipal utility providing home energy;

BLOOD PLASMA SETTLEMENTS - Payments received as a result of a federal class action settlement with four manufacturers of blood plasma products on behalf of hemophilia patients who are infected with human immunodeficiency virus (HIV);

BONA FIDE LOAN - A bona fide loan received by the A/R from an institution or person not legally liable for the support of the A/R. The loan must be a written agreement, signed by the A/R and the lender. The written agreement must indicate: the A/R's intent to repay the loan within a specific time; and how the loan is to be repaid, by specific real or personal property, held as collateral, or from future income. The loan remains an exempt resource as long as it retains the characteristics of a bona fide loan. Any interest accrued is considered unearned income in the month received.

INCOME

LIF DISREGARDS

CASH ASSISTANCE INCOME - Any income of a cash assistance recipient in the A/R's household. However, any room/board such cash assistance recipient may pay to a LIF A/R is countable;

CHILD CARE INCOME - Five dollars a day per child for a homemaker providing family day care for children other than his/her own is disregarded from the total amount of childcare payments received;

CHILDCARE SERVICES PAYMENTS - Payments made to the A/R for childcare services or the value of any childcare services provided by the A/R to a recipient of employment-related and JOBS-related childcare services. Transitional child care services, at-risk low income child care services or child care and development block grant services;

CHILDCARE/INCAPACITATED ADULT CARE COSTS- paid by the A/R subject to dollar limitations (See **INCOME** LIF BUDGETING METHODOLOGY CHILD/INCAPACITATED ADULT CARE COST);

Payments received from Child and Adult Care Food Program (CACFP);

CHILD SUPPORT ARREARAGE PAYMENTS- all arrearage payments must be budgeted as income in the month following the month the payment is issued and as a resource thereafter.

DISASTER RELIEF AND EMERGENCY ASSISTANCE - Any federal major disaster and emergency assistance provided under the Disaster Relief Act of 1974 (P.L. 93-288), as amended by the Disaster Relief and Emergency Assistance Amendments of 1988 (P.L. 100-107), and any comparable disaster assistance provided by states, local governments, and disaster assistance organization;

DONATED FOODS - The value of federally donated foods;

EARNED INCOME, PERCENTAGE OF, (See **INCOME** LIF BUDGETING METHODOLOGY EARNED INCOME DISREGARD).

INCOME

LIF DISREGARDS

EARNED INCOME TAX CREDIT PAYMENTS;

FEDERAL ECONOMIC OPPORTUNITY ACT, TITLE III - Any loan made to a family under Title III of the Federal Economic Opportunity Act;

FEDERAL ENERGY ASSISTANCE PAYMENTS

FEDERAL OLDER AMERICANS ACT OF 1965 - Any assistance (other than wages or salaries) to an individual under the Federal Older American Act of 1965. Green Thumb assistance is countable if wages or salaries; other Green Thumb assistance is disregarded.

FEDERAL RELOCATION ASSISTANCE - Any payment received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

FOSTER PARENT PAYMENTS - Payments received for a child boarded out in the home of a recipient by an agency or a relative of the child.

FOOD STAMPS - The value of food stamps.

FREE MEALS - The value of free meals, other than school meals, except when more than one meal a day is furnished or when the A/R receives an allowance for meals away from home.

GARDEN PRODUCE OR LIVESTOCK - The value of produce from a garden or livestock when used exclusively by the A/R and members of his/her household.

GI BILL DEDUCTION - That portion of a military person's pay that is deducted by mandate to help fund the GI Bill.

HOUSING AND URBAN DEVELOPMENT (HUD) COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS.

INCOME TAX REFUNDS - Any income tax refund or federal advance payment received by an A/R is disregarded in the month received and considered an exempt resource in the following month.

INCOME

LIF DISREGARDS

INDIVIDUAL DEVELOPMENT ACCOUNTS - These accounts are trusts which allow recipients to set aside funds, outside of the resource limits, for the purposes of post-secondary education at an eligible educational institution, first home purchases and business capitalization.

Eligible educational institution means:

(a) an institution described in section 481(a)(1) or 1201(a) of the Higher Education Act of 1965 as such sections were in effect on August 26, 1996; or

(b) an area vocational education school as defined in subparagraph (C) or (D) section 521(4) of the Carl D. Perkins Vocational and Applied Technology Education Act as such sections were in effect on August 26,1996.

Post-secondary educational expenses means:

(a) tuition and fees required for the enrollment or attendance of a student of an eligible education institution; or

(b) fees, books, supplies, and equipment required for courses of instruction at an eligible education institution.

Qualified acquisition costs means the cost of acquiring, constructing, or reconstructing a residence. The term includes any usual or reasonable settlement, financing or other closing cost.

Qualified business means any business that does not contravene any law or public policy.

Qualified business capitalization expenses are qualified expenditures for the capitalization of a qualified business pursuant to a qualified plan.

Qualified expenditures are expenditures included in a qualified plan, including capital, plant, equipment, working capital, and inventory expenses.

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INCOME

LIF DISREGARDS

Qualified first-time homebuyer is a taxpayer (and, if married, the taxpayer's spouse) who has no present ownership interest in a principal residence during the 3-year period ending on the date of acquisition of the principal residence.

Date of acquisition means the date of entry into a binding contract to acquire, construct, or reconstruct the principal residence.

Qualified plan means a business plan which:

(a) is approved by a financial institution, or by a nonprofit loan fund having demonstrated fiduciary integrity; and

(b) includes a description of services or goods to be sold, a marketing plan, and projected financial statements; and

(c) may require the individual to obtain the assistance of an experienced entrepreneurial advisor.

Qualified principal residence is a principal residence (within the meaning of Section 1034 of the Internal Revenue Code of 1986), the qualified acquisition costs of which do not exceed 100% of the area purchase price applicable to such residence (determined in accordance with paragraphs (2) and (3) of section 143 (e) of the Internal Revenue Code).

INSURANCE PAYMENTS - Moneys from insurance payments for the purpose of repairing or replacing a disregarded resource, which was lost, damaged or stolen, are disregarded. Any interest received from such payments is also disregarded.

JOB CORPS - Money received by a family based on the enrollment of a child in the Job Corps.

NATIVE AMERICAN PAYMENTS -Seneca Nation Settlement Act payments made by the State and Federal governments, under P.L. 101-503, to the Seneca Nation.

Distribution to Native Americans of funds appropriated in satisfaction of judgments of the Indian Claims Commission or the United States Court of Federal Claims. This includes up to $2,000 per year of income for interests of individual Native Americans in trust or restricted lands, from funds appropriated in satisfaction of the Indian Claims Commission or the United States Court of Federal Claims.

INCOME

LIF DISREGARDS

Alaskan Native Claims Settlement Act (ANCSA) distributions. The following distributions from a native corporation formed pursuant to ANCSA are disregarded as income or resources:

a. cash, to the extent that it does not, in the aggregate, exceed $2,000 per individual per year;

b. stock;

c. a partnership interest;

d. land or an interest in land; and

e. an interest in a settlement trust.

NYS DEPARTMENT OF LABOR PAYMENTS - Payments from Youth Education, Employment and Training Programs (Department of Labor programs).

OVERPAYMENTS - The amount of income that is withheld to recover a previous overpayment is not income if the individual received Medicaid at the time of the overpayment and the overpayment amount was included in determining the individual's Medicaid eligibility.

PERSECUTION PAYMENTS - Benefits received by eligible Japanese-Americans, Aleuts, or Pribilof Islanders under the Civil Liberties Act of 1988, the Wartime Relocation of Civilians Law, and the Aleutian and Pribilof Islands Restitution Act.

Payments made to individuals because of their status as victims of Nazi persecution, including: German Reparation Payments; Austrian Reparation Payments made pursuant to sections 500-506 of the Austrian General Social Insurance Act; and Netherlands Reparation Payments based on Nazi, but not Japanese, persecution.

INCOME

LIF DISREGARDS

PREVENTATIVE HOUSING SERVICE - Payments provided as a preventive housing service under 18 NYCRR 423.4(l).

RADIATION EXPOSURE COMPENSATION TRUST FUND PAYMENTS - Payments for injuries or deaths resulting from exposure to radiation from nuclear testing and uranium mining.

ROOM AND/OR BOARD - The first $60 per month of any income from each boarder and the first $15 per month from each roomer (lodger). If the A/R can document that the actual expenses incurred in providing the room for the roomer, exceeds $15 per month, or that the actual expenses incurred in providing room and board for a boarder exceeds $60 per month, then the actual documented expenses are disregarded.

SSI, SUPPLEMENTAL SECURITY INCOME- Any SSI payments received by the A/R.

STUDENTS - Earned Income - Student earned income as described below:

If the under age 21 A/R is not employed full-time, all earned income is disregarded whether the A/R is a full or part-time student. It is not necessary to verify school attendance, unless there is an indication that the A/R is not attending. The A/R's statement on the application that s/he is a high school student is sufficient.

If the under age 21 A/R is employed full-time, the treatment of earned income depends on whether the A/R is a full or part-time student.

If the under age 21 A/R is a full-time student all earned income is disregarded for a six-month period per calendar year. Thereafter, such income becomes countable.

INCOME

LIF DISREGARDS

If the under age 21 A/R is a part-time student all earned income is countable.

School and Employment Status	Income Disregarded
Full-time student employed full-time	Yes (Income disregarded for up to six months per calendar year)
Full-time student employed part-time	Yes
Part-time student employed full-time	No
Part-time student employed part-time	Yes

NOTE: Summer employment is seasonal and not considered full-time employment.

Graduate Educational Grants or Scholarships - Educational grants, fellowships or scholarships for a graduate student, obtained and used for educational purposes only. This precludes their use for meeting current living expenses. The student must attest to this in writing. The language of the attestation attached to 83 ADM-67 must be used without change.

When an A/R is in receipt of a graduate assistantship, the local district receives verification from the financial aid office involved to determine if the assistantship is considered employment or an educational grant. If the assistantship is a grant, it is treated as outlined in the previous paragraph. When the assistantship is considered employment, the A/R receives any appropriate earned income disregards (See **INCOME** EARNED INCOME DISREGARD)***,*** but additional deductions for educational expenses are not allowed.

School Meals - The value of free school meals***.***

Student Loans - Student loans received by a graduate or undergraduate student.

Undergraduate Educational Grants, Scholarships or Work-Study - Educational grants, scholarships, fellowships or work-study for undergraduate students.

INCOME

LIF DISREGARDS

> **NOTE:** This does not apply to V.A. Educational Grants which are part of the G.I. Bill and which provide a monthly allowance for support while veterans are enrolled in school. Only specific education-related expenses such as tuition, books, school fees, transportation, etc., are exempt for recipients of G.I. Bill educational money. The remainder is considered available unearned income in determining eligibility for Medicaid.

SUPPORT PAYMENTS - The first $100 of current total household support payments, including child support and alimony in any month including support payments collected and paid to the family by the local district.

TRADE READJUSTMENT ALLOWANCE (TRA) - TRA benefits are paid as part of Unemployment Benefits (UIB). When an A/R loses his/her job as the result of import competition, s/he may qualify for a TRA allowance. When an A/R is receiving a TRA allowance, as part of his/her UIB, for transportation and/or books for the purpose of attending training, the TRA benefit is exempt.

U.S. CENSUS - Earnings from census employment.

VIETNAM VETERANS - Agent Orange Settlement Fund – Payments from the Agent Orange Settlement Fund or any other fund established pursuant to the Agent Orange product liability litigation, and payments from court proceedings brought for personal injuries sustained by veterans resulting from exposure to dioxin or phenoxy herbicide in connection with the war in Indochina in the period of January 1, 1962 through May 7, 1975.

Children **-** Monthly allowances paid to certain Vietnam Veterans**'** children with Spina Bifida.

VISTA - Payments received by VISTA volunteers under Part A of Title I of Public Law 93-113 (VISTA) are disregarded as income and resources in determining eligibility and degree of need, provided that all of the VISTA payment is to be counted as income when the Director of the ACTION agency determines that the value of all such payments, adjusted to reflect the number of hours such volunteers are serving, is equivalent to or greater than the minimum wage. (See **REFERENCE** NEW YORK STATE MINIMUM WAGE)

INCOME

LIF DISREGARDS

VOLUNTEER PROGRAM PAYMENTS - Payments received by participants in volunteer programs under Title II of P.L. 93-113 (Domestic Volunteer Services Act of 1973). These include: retired senior volunteer, foster grandparent, senior companion and senior health aid programs. Payments made in the form of stipends, allowances and/or reimbursements for incurred expenses are disregarded when determining Medicaid eligibility.

Payments received by participants in volunteer programs established under Title III of P.L. 93-133. These include the Service Corps of Retired Executives (SCORE) and the Active Corps of Executives (ACE) programs.

WOMEN, INFANTS AND CHILDREN (WIC) - The value of benefits under the WIC program.

WORK EXPENSE - $90 work expense from earned income. (See **INCOME** $90 WORK EXPENSE DISREGARD)

WORKFORCE INVESTMENT ACT (WIA)—formerly known as *JOB TRAINING PARTNERSHIP ACT (JTPA)* - Income (earned or unearned) derived through participation in a program carried out under the JTPA and paid to a dependent minor. Earned income is disregarded for only one six-month period per calendar year. Further discussion of JTPA payments can be found in the Public Assistance Source Book.

Payments for supportive services paid under JTPA to any A/R to defray costs attributable to training such as transportation, meals, childcare, etc.

References:	SSL Sect.	366.2 366.3
	Dept. Reg.	352.22 360-4.6(a)(1) 360-4.6(a)(3)
	ADMs	OMM/ADM 97-2 97 ADM-23 94 ADM-10 92 ADM-43 92 ADM-42 92 ADM-32

INCOME

LIF DISREGARDS

	92 ADM-11 90 ADM-3 84 ADM-21 84 ADM-1 83 ADM-67 81 ADM-38
INFs	95 INF-30 94 INF-7 90 INF-33
LCMs	95 LCM-53 92 LCM-120
GISs	11 MA/004 01 MA/024 98 MA/017 98 MA/016 97 MA/022 95 ES/DC006

Interpretation: The source and amount of income disregards are documented in the case record and a notation is made that this income is not to be considered in determining eligibility for Medicaid.

INCOME

LOW INCOME FAMILIES (LIF) BUDGETING METHODOLOGY

Policy: The following persons who apply for Medicaid are entitled to LIF budgeting:

- Families with a dependent child under age 21;
- Persons under age 21;
- Pregnant women
- FNP parents.

References:

SSL Sect.	366
ADMs	OMM/ADM 97-2 97 ADM-23
GIS	08 MA/022

Interpretation: The financial criteria for LIF generally parallel the criteria of the Family Assistance cash program. However, the LIF methodology may not be more restrictive than the methodology used in the Aid to Dependent Children cash program on July 16, 1996.

Financial eligibility for LIF requires that the A/R's countable income meet certain tests. Three income tests are applied in determining whether an A/R may be eligible for LIF. These tests are:

1. comparison of gross income to 185% of the Medicaid Standard. If an A/R's gross income, after certain disregards, exceeds 185% of the Medicaid Standard, the A/R will not be eligible for LIF. (See **INCOME** LIF DISREGARDS)

2. comparison of gross income to the poverty level. If the A/R's gross income exceeds 100% of the federal poverty level, the A/R will not be eligible under LIF. For certain special housing situations (See 97 ADM-23), the income comparison will parallel calculations used in Public Assistance.

3. comparison to the Medicaid Standard. If an A/R's net income after allowable deductions exceeds the Medicaid Standard (and the MBL Living Arrangement Chart, as appropriate), the A/R will not be eligible under LIF.

NOTE: If a family's countable income exceeds the Medicaid Standard the family may not spend down to the Medicaid Standard. However, eligibility may exist under one of the medically needy or expanded eligibility (poverty level) programs.

INCOME

LOW INCOME FAMILIES (LIF) BUDETING METHODOLGY

This section is comprised of:

- 185% Gross Income Test
- 100% of the Poverty Level Test
- Comparison of net income to the Medicaid Standard

INCOME
LOW INCOME FAMILIES (LIF) BUDGETING METHODOLOGY

185% MAXIMUM INCOME TEST

Description: The maximum income limit allowed for a LIF A/R is 185% of the applicable Medicaid Standard (including additional allowances).

Policy: When using LIF budgeting, an A/R's total income, after subtracting any disregards, must be less than or equal to 185% of the applicable Medicaid Standard.

References:

Dept. Reg.	352.18 360-3.3(a)(1)
ADMs	OMM/ADM 97-2 97 ADM-21 85 ADM-33 83 ADM-38 82 ADM-49 81 ADM-55
GIS	08 MA/022

Interpretation: Families with dependent children under age 21, individuals under age 21, pregnant women and FNP parents cannot have gross income exceeding 185% of the Medicaid Standard. All income disregards (See **INCOME** LOW INCOME FAMILY DISREGARDS) except the $90 work expense, child/incapacitated adult care and the earned income disregard are deducted before determining if the A/R meets the 185% maximum income test. The Public Assistance Source Book for Regulations contains a more detailed description of income excluded from the 185% income limit.

NOTE: Persons in Congregate Care (Levels I, II, and III) are not required to pass the 185% income test.

This income test is performed by multiplying the Medicaid Standard, for the appropriate size household, by 185%. The income of the A/R as described above is then compared to this figure. If the income is less than or equal to 185% of the Standard of Need then the household must pass the next test. If the income exceeds this figure, the household is not eligible for Medicaid under LIF and is further evaluated under medically needy or poverty level budgeting.

INCOME
LOW INCOME FAMILIES (LIF) BUDGETING METHODOLOGY

100% MAXIMUM INCOME TEST

Description: The 100% maximum income test is a test performed after the LIF household passes the 185% income test. Earned and unearned income is compared to 100% of the federal poverty level for a household of the appropriate size.

Policy: The income of the LIF applicant household, after disregards, must be less than or equal to 100% of the federal poverty level.

References: ADMs OMM/ADM 97-2
97 ADM-23

Interpretation: LIF A/Rs cannot have income exceeding 100% of the federal poverty level. All disregards noted under **INCOME** LIF DISREGARDS except the $90 work expense, child/incapacitated adult care and the earned income disregard are deducted before determining if the client meets the 100% test.

NOTE: Persons in Congregate Care (Levels I, II, and III) are not required to pass the 100% income test.

This income test is performed by comparing the income of the LIF household with the federal poverty level for the appropriate household size. (See **REFERENCE** MEDICALLY NEEDY INCOME AND FEDERAL POVERTY LEVELS for the federal poverty levels) If the income exceeds this figure, the household is not eligible for Medicaid under LIF and is further evaluated using medically needy or expanded poverty level budgeting. If the gross income is less than or equal to 100% of the federal poverty level then the budgeting procedures described are followed. (See **INCOME** LOW INCOME FAMILIES (LIF) BUDGETING METHODOLOGY)

INCOME
LIF BUDGETING METHODOLOGY

MEDICAID STANDARD

Policy The A/R cannot have net income equal to or in excess of the Medicaid Standard (and MBL Living Arrangement Chart, as appropriate) to be eligible under LIF. (See **INCOME** LOW INCOME FAMILIES (LIF) BUDGETING METHODOLOGY)

References:

ADMs	OMM/ADM 97-2 97 ADM-23
GIS	08 MA/022

Interpretation: Net income is calculated after disregards have been applied. A/Rs of LIF receive certain deductions from income. (See **INCOME** LIF DISREGARDS)

Disposition: The A/Rs net income is compared to the Medicaid Standard (and MBL Living Arrangement Chart, as appropriate) based on the A/R's household size. If the household's income equals or exceeds the Medicaid Standard (and MBL Living Arrangement Chart, as appropriate) the household is ineligible for LIF and eligibility is determined using Medically Needy or poverty level budgeting.

INCOME
LIF BUDGETING METHODOLOGY

$90 WORK EXPENSE DISREGARD

Policy: In determining eligibility for Medicaid, the first item deducted from the gross monthly earnings is $90 of earned income for those individuals engaged in full-time or part-time employment (including those not employed throughout the month).

NOTE: Whenever an A/R has earned income, the first $90 per month is disregarded even though the A/R may not currently be employed or working.

References:

SSL Sect.		366
Dept. Reg.	3	52.19 360-4.6(a)(3)
ADMs		OMM/ADM 97-2 90 ADM-3 87 ADM-32
GISs		89 MA028 87 MA0028

Interpretation: When determining net earned income using LIF budgeting (See **INCOME** LIF BUDGETING METHODOLOGY DETERMINATION OF ELIGIBILITY) subtract $90 for each person working full-time or part-time. The $90 work expense is given regardless of the amount of the work expenses incurred.

When the A/R earns less than $90 per month, disregard the entire amount.

Although the A/R may have more than one job, only one $90 disregard for work-related expenses is allowed.

INCOME
LIF BUDGETING METHODOLOGY

EARNED INCOME DISREGARD

Description: An earned income disregard will be applied to the earnings of each income earner in families who have earned income. A percentage of earned income will be disregarded from the earnings of each income earner for families who:

1. pass the three tests

   - 185% of Medicaid Standard,
   - 100% of poverty level test (See **INCOME** LOW INCOME FAMILY (LIF) BUDGETING METHODOLOGY: 185% MAXIMUM INCOME TEST and 100% MAXIMUM INCOME TEST),
   - 100% of Medicaid Standard, or

2. pass the 185% Medicaid Standard, the 100% poverty level test and received LIF in one out of the four previous months.

No time limit is applied to the earned income disregard.

The earned income disregard will be adjusted annually to reflect changes in the poverty level guidelines. The annual earned income disregard percentages can be found in **REFERENCE** EARNED INCOME DISREGARD.

Policy: After the $90 work expense is deducted from gross income, the current earned income disregard percentage is applied to the remaining income to determine the amount of the earned income disregard. The earned income disregard is then deducted from gross income.

References:

	SSL Sect.	366
	ADMs	05 ADM-09 OMM/ADM 97-2

INCOME
LIF BUDGETING METHODOLOGY

EARNED INCOME DISREGARD

GISs 08 MA/022
07 MA/012
06 MA/007
05 MA/021
00 MA/008

Interpretation: The earned income disregard is computed as follows:

(a) Subtract the $90 work expense disregard from the gross earned income;

(b) Multiply the remainder by the appropriate percentage; and

(c) Subtract that amount from the net income.

When to Verify: (a) When the A/R or the case record indicates that the A/R is employed and has received Medicaid under LIF budgeting in one of the four previous months;

(b) When the A/R's earned income is equal to or less than the Medicaid Standard, (and MBL Living Arrangement Chart, as appropriate).

INCOME
LIF BUDGETING METHODOLOGY

CHILD /INCAPACITATED ADULT CARE COST

Policy: The actual cost of care up to $175 a month for each dependent child age two or over, or incapacitated adult that the A/R pays for may be deducted from the earned income of the A/R. The actual cost of care, up to $200 a month, may be deducted for each dependent child under age two. The children or adult must reside in the same home as the A/R who is making the payments.

NOTE: Although the adult care deduction was eliminated in statute, Medicaid retains the deduction for the LIF category because it was part of the ADC program on July 16, 1996. LIF budgeting may not be more restrictive than the ADC cash program in effect on July 16, 1996.

References:

SSL Sect. 366

Dept. Reg. 360-4.6(a)(3)(iv)

ADMs 91 ADM-8
90 ADM-3
81 ADM-55

Verify Status: When the A/R indicates that s/he is employed full or part-time and that there are dependent children or an incapacitated adult in the household for whom care is being provided and paid for by the A/R while s/he works. Only one parent is required to be employed to be eligible for this deduction from earned income even if there are two parents in the home.

Verification: Seeing a statement from the caretaker or day care center including the hours of care and the amount charged for such care.

Documentation: Sufficient to establish an audit trail:

Name of caretaker or day care center, children names and ages, amount paid, hours of care and receipts for payment.

INCOME
LIF BUDGETING METHODOLOGY

DETERMINATION OF ELIGIBILITY

Policy: LIF budgeting is used to determine eligibility for persons who meet the following categorical requirements:

- Families with a dependent child under age 21;
- Persons under age 21;
- Pregnant women, or
- FNP parents.

Eligibility is determined by comparing the net available income of the A/R to the Medicaid Standard (and MBL Living Arrangement chart, as appropriate). (See **REFERENCE** MEDICALLY NEEDY INCOME AND FEDERAL POVERTY LEVELS)

References:

SSL Sect.	366
Dept. Reg.	360-4.2 360-4.6(a)(3)
ADMs	OMM/ADM 97-2
INFs	98 OMM/INF-02
GIS	08 MA/022

Interpretation: Eligibility using LIF budgeting is determined as follows:

(1) Determine the gross monthly income of the person or household. (See **OTHER ELIGIBILITY REQUIREMENTS** HOUSEHOLD COMPOSITION for an explanation of household composition) Certain kinds of income are disregarded in whole or in part. (See **INCOME** LOW INCOME FAMILY DISREGARDS)

(2) Compare the gross monthly income to 185% of the Medicaid Standard. (See INCOME LOW INCOME FAMILIES (LIF) BUDGETING METHODOLOGY 185% MAXIMUM INCOME TEST) If gross income exceeds 185% of the Medicaid Standard, the A/R is not eligible for Medicaid using LIF budgeting. If the gross monthly income is equal to or less than 185% of the Medicaid Standard, then

INCOME
LIF BUDGETING METHODOLOGY

DETERMINATION OF ELIGIBILITY

(3) Compare the gross monthly income to 100% of the federal poverty level. If gross income exceeds 100% of the federal poverty level, the A/R is not eligible for Medicaid using LIF budgeting. If the gross monthly income is equal to or less than 100% of the federal poverty level, then

(4) Deduct the $90 work expense disregard;

(5) Deduct child/incapacitated adult care costs paid by the A/R up to the cap;

(6) Determine if the household received Medicaid under LIF budgeting in one of the previous four months. If so, subtract the earned income disregard from the A/R's earned income. (See **INCOME** LIF BUDGETING METHODOLOGY EARNED INCOME DISREGARD)

(7) Compare the resulting net income to the Medicaid Standard.

If the A/R did not receive Medicaid under LIF budgeting in one of the previous four months and the A/R's income is equal to or less than the Medicaid Standard, the earned income disregard is then applied.

If the A/R did not receive Medicaid under LIF budgeting in one of the previous four months and the A/R's income is more than the Medicaid Standard, no earned income disregard is applied. If a family's countable income exceeds the Medicaid Standard, the family may not spend down to the Medicaid Standard. However, eligibility may exist and should be evaluated under one of the Medically Needy or Expanded Eligibility (poverty level) programs, Family Health Plus., or Family Planning Benefit Program.

INCOME

ADC-RELATED DISREGARDS

Description: Disregards of income are not considered in whole or in part in determining eligibility for Medicaid.

Policy: The following types of income are disregarded in the determination of gross monthly income for Medicaid: (See **REFERENCE** INCOME DISREGARDS for chart)

AMERICORPS - Child care allowances and other benefits and services including payments for living expenses provided by Americorps VISTA;

Child care allowances and all other benefits and services except payments for living expenses, provided by Americorps USA and Americorps NCCC;

ASSISTANCE BASED ON NEED - Any regular cash assistance payments based on need received by the A/R and furnished as supplemental income by the federal government, a State or political subdivision;

Support and maintenance assistance based on need and furnished either in-kind by a private non-profit agency or in cash or in-kind by one of the following: a supplier of home heating oil or gas, an entity whose revenues are primarily derived on a rate-of-return basis regulated by a State or Federal governmental entity or a municipal utility providing home energy;

BLOOD PLASMA SETTLEMENTS - Payments received as a result of a federal class action settlement with four manufacturers of blood plasma products on behalf of hemophilia patients who are infected with human immunodeficiency virus (HIV);

BONA FIDE LOAN - A bona fide loan received by the A/R from an institution or person not legally liable for the support of the A/R. The loan must be a written agreement, signed by the A/R and the lender. The written agreement must indicate: the A/R's intent to repay the loan within a specific time; and how the loan is to be repaid, by specific real or personal property, held as collateral, or from future income. The loan remains an exempt resource as long as it retains the characteristics of a bona fide loan. Any interest accrued is considered unearned income in the month received.

INCOME

ADC-RELATED DISREGARDS

CASH ASSISTANCE INCOME - Any income of a cash assistance recipient in the A/R's household. However, any room/board such cash assistance recipient may pay to an ADC-related A/R is countable, after the $90 room and board (See **INCOME** INCOME FROM ROOMERS (LODGERS) AND BOARDERS) and $90 earned income (See **INCOME** ADC-RELATED BUDGETING METHODOLOGY $90 WORK EXPENSE DISREGARD) disregards.

CHILDCARE INCOME- Five dollars a day per child for an A/R who provides family day care for children other than his/her own is disregarded from the total amount of childcare payments received.

CHILDCARE SERVICES PAYMENTS - Payments made to the A/R for childcare services or the value of any childcare services provided by the A/R to a recipient of employment-related and JOBS-related childcare services. Transitional child care services, at-risk low income child care services or child care and development block grant services.

CHILDCARE/INCAPACITATED ADULT CARE COSTS- paid by the A/R subject to dollar limitations (See I**NCOME** ADC-RELATED BUDGETING METHODOLOGY CHILD/INCAPA-CITATED ADULT CARE COST).

Payments received from Child and Adult Care Food Program (CACFP).

CHILD SUPPORT ARREARAGE PAYMENTS- all arrearage payments must be budgeted as income in the month following the month the payment is issued.

DISASTER RELIEF AND EMERGENCY ASSISTANCE - Any federal major disaster and emergency assistance provided under the Disaster Relief Act of 1974 (P.L. 93-288), as amended by the Disaster Relief and Emergency Assistance Amendments of 1988 (P.L. 100-107), and any comparable disaster assistance provided by states, local governments, and disaster assistance organization.

DONATED FOODS - The value of federally donated foods.

EARNED INCOME TAX CREDIT PAYMENTS.

INCOME

ADC-RELATED DISREGARDS

FEDERAL ECONOMIC OPPORTUNITY ACT, TITLE III - Any loan made to a family under Title III of the Federal Economic Opportunity Act.

FEDERAL ENERGY ASSISTANCE PAYMENT.

FEDERAL OLDER AMERICANS ACT OF 1965 - Any assistance (other than wages or salaries) to an individual under the Federal Older Americans Act of 1965. Green Thumb is countable if wages or salaries; other Green Thumb assistance is disregarded.

FEDERAL RELOCATION ASSISTANCE - Any payment received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

FOOD STAMPS - The value of food stamps.

FOSTER PARENT PAYMENTS - Payments received for a child boarded out in the home of a recipient by an agency or a relative of the child.

FREE MEALS - The value of free meals, other than school meals, except when more than one meal a day is furnished or when the A/R receives an allowance for meals away from home.

GARDEN PRODUCE OR LIVESTOCK - The value of produce from a garden or livestock when used exclusively by the A/R and members of his/her household.

GI BILL DEDUCTION - That portion of a military person's pay, which is deducted by mandate to help fund the GI Bill.

HOUSING AND URBAN DEVELOPMENT (HUD) COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS.

HEALTH INSURANCE PREMIUMS.

INCOME TAX REFUNDS - Any income tax refund or federal advance payment received by an A/R is disregarded in the month received and considered an exempt resource in the following month.

INSURANCE PAYMENTS - Moneys from insurance payments for the purpose of repairing or purchasing disregarded resource,

INCOME

ADC-RELATED DISREGARDS

which was lost, damaged or stolen, are disregarded. Any interest received from such payments is also disregarded.

JOB CORPS - Money received by a family based on the enrollment of a child in the Job Corps.

NATIVE AMERICAN PAYMENTS - Seneca Nation Settlement Act payments made by the State and Federal governments, under P.L. 101-503, to the Seneca Nation.

Distribution to Native Americans of funds appropriated in satisfaction of judgments of the Indian Claims Commission or the United States Court of Federal Claims. This includes up to $2,000 per year of income for interests of individual Native Americans in trust or restricted lands, from funds appropriated in satisfaction of the Indian Claims Commission or the United States Court of Federal Claims.

Alaskan Native Claims Settlement Act (ANCSA) distributions - The following distributions from a native corporation formed pursuant to ANCSA are exempt as income or resources:

- cash, to the extent that it does not, in the aggregate, exceed $2,000 per individual per year;
- stock;
- a partnership interest;
- land or an interest in land; and
- an interest in a settlement trust.

NYS DEPARTMENT OF LABOR PAYMENTS - Payments from Youth Education, Employment and Training Programs (Department of Labor programs).

INCOME

<u>ADC-RELATED DISREGARDS</u>

OVERPAYMENTS - The amount of income that is withheld to recover a previous overpayment is not income if the individual received Medicaid at the time of the overpayment and the overpayment amount was included in determining the individual's Medicaid eligibility.

PERCENTAGE OF EARNED INCOME, (See **INCOME** <u>ADC-RELATED DISREGARDS $30 and 1/3 EARNED INCOME DISREGARD</u>)*.*

PERSECUTION PAYMENTS - Benefits received by eligible Japanese-Americans, Aleuts, or Pribilof Islanders under the Civil Liberties Act of 1988, the Wartime Relocation of Civilians Law, and the Aleutian and Pribilof Islands Restitution Act.

Payments made to individuals because of their status as victims of Nazi persecution, including: German Reparation Payments; Austrian Reparation Payments made pursuant to sections 500-506 of the Austrian General Social Insurance Act; and Netherlands Reparation Payments based on Nazi, but not Japanese, persecution.

PREVENTATIVE HOUSING SERVICE - Payments provided as a preventive housing service under 18 NYCRR 423.4(l).

RADIATION EXPOSURE COMPENSATION TRUST FUND PAYMENTS - Payments for injuries or deaths resulting from exposure to radiation from nuclear testing and uranium mining.

ROOM AND/OR BOARD - The first $90 per month of any income from each boarder or roomer (lodger). If the A/R can document that the actual expenses incurred in providing the room or room and board exceeds the $90 per month, then actual documented expenses are disregarded.

SUPPLEMENTAL SECURITY INCOME (SSI) - Any SSI payments received by the A/R.

INCOME

ADC-RELATED DISREGARDS

STUDENTS - Earned Income - Student earned income as described below:

If the under the age 21 A/R is not employed full-time, all earned income is disregarded whether the A/R is a full or part-time student*.* It is not necessary to verify high school attendance, unless there is an indication that the A/R is not attending. The A/R's statement on the application that s/he is a high school student is sufficient. Attendance in other educational programs must be verified.

If the under age 21 A/R is employed full-time, the treatment of earned income depends on whether the A/R is a full or part-time student.

If the under age 21 A/R is a full-time student, all earned income is disregarded for a six-month period per calendar year. Thereafter, such income becomes countable.

If the under age 21 A/R is a part-time student, all earned income is countable.

School and Employment Status	Income Disregarded
Full-time student employed full time	Yes (Income disregarded for up to six months per calendar year)
Full time student employed part-time	Yes
Part-time student employed full-time	No
Part-time student employed part-time	Yes

NOTE: Summer employment is seasonal and not considered full-time employment.

INCOME

ADC-RELATED DISREGARDS

Graduate Educational Grants or Scholarships- Educational grants, fellowships or scholarships for a graduate student, obtained and used for educational purposes only. This precludes their use for meeting current living expenses. The student must attest to this in writing. The language of the attestation attached to 83-ADM-67 must be used without change.

When an A/R is in receipt of a graduate assistantship, the local district receives verification from the financial aid office involved to determine if the assistantship is considered employment or an educational grant. If the assistantship is a grant, it is treated as outlined in the previous paragraph. When the assistantship is considered employment, the A/R receives any appropriate earned income disregards (See **INCOME** ADC-RELATED DISREGARDS), but additional deductions for educational expenses are not allowed.

School Meals - The value of free school meals.

Student Loans - Student loans received by a graduate or undergraduate student.

Undergraduate Educational Grants, Scholarships or Work-Study - Educational grants, scholarships, fellowships or work-study for undergraduate students.

NOTE: This does not apply to V.A. Educational Grants which are part of the G.I. Bill and which provide a monthly allowance for support while veterans are enrolled in school. Only specific education-related expenses such as tuition, books, school fees, transportation, etc., are exempt for recipients of G.I. Bill educational money. The remainder is considered available unearned income in determining eligibility for Medicaid.

INCOME

ADC-RELATED DISREGARDS

SUPPORT PAYMENTS - The first $100 of current total household support payments, including child support and alimony, in any month including support payments collected and paid to the family by the local district.

TRADE READJUSTMENT ALLOWANCE (TRA) - TRA benefits are paid as part of Unemployment Benefits (UIB). When an A/R loses his/her job as the result of import competition, s/he may qualify for a TRA allowance. When an A/R is receiving a TRA allowance, as part of his/her UIB, for transportation and/or books for the purpose of attending training, the TRA benefit is exempt.

U.S. CENSUS - Earnings from census employment.

VIETNAM VETERANS - Agent Orange Settlement Fund - Payments from the Agent Orange Settlement Fund or any other fund established pursuant to the Agent Orange product liability litigation, and payments from court proceedings brought for personal injuries sustained by veterans resulting from exposure to dioxin or phenoxy herbicide in connection with the war in Indochina in the period of March 1, 1962 through May 7, 1975.

Children **-** Monthly allowances paid to certain Vietnam Veterans' Children with Spina Bifida.

VISTA - Payments received by VISTA volunteers under Part A of Title I of Public Law 93-113 (VISTA) are disregarded as income and resources in determining eligibility and degree of need, provided that all of the VISTA payment is to be counted as income when the Director of the ACTION agency determines that the value of all such payments, adjusted to reflect the number of hours such volunteers are serving, is equivalent to or greater than the minimum wage. (See **REFERENCE** NEW YORK STATE MINIMUM WAGE)

INCOME

ADC-RELATED DISREGARDS

VOLUNTEER PROGRAM PAYMENTS - Payments received by participants in volunteer programs under Title II of P.L. 93-113 (Domestic Volunteer Services Act of 1973). These include: retired senior volunteer, foster grandparent, senior companion and senior health aid programs. Payments made in the form of stipends, allowances and/or reimbursements for incurred expenses are disregarded when determining Medicaid eligibility.

Payments received by participants in volunteer programs established under Title III of P.L. 93-133. These include the Service Corps of Retired Executives (SCORE) and the Active Corps of Executives (ACE) programs.

WOMEN, INFANTS AND CHILDREN (WIC) - The value of benefits under the WIC program.

WORK EXPENSE - $90 work expense from earned income. (See **INCOME** ADC-RELATED BUDGETING METHODOLOGY $90 WORK EXPENSE DISREGARD)

WORKFORCE INVESTMENT ACT (WIA)—formerly known as JOB TRAINING PARTNERSHIP ACT (JTPA) - Income (earned or unearned) derived through participation in a program carried out under the JTPA and paid to a dependent minor. Earned income is disregarded for only one six-month period per calendar year. Further discussion of JTPA payments can be found in the Public Assistance Source Book.

Payments for supportive services paid under JTPA to any A/R to defray costs attributable to training such as transportation, meals, childcare, etc.

INCOME

ADC-RELATED DISREGARDS

References:	SSL Sect.	366.2 366.3
	Dept. Reg.	352.22 360-4.6(a)(1) 360-4.6(a)(3)
	ADMs	01 OMM/ADM-6 OMM/ADM 97-2 97 ADM-23 94 ADM-10 92 ADM-43 92 ADM-42 92 ADM-32 92 ADM-11 91 ADM-8 90 ADM-3 84 ADM-21 84 ADM-1 83 ADM-67 81 ADM-38
	INFs	95 INF-30 94 INF-7 90 INF-33
	LCMs	95 LCM-53 92 LCM-120
	GISs	11 MA/004 01 MA/024 98 MA/017 98 MA/016 97 MA/022 95 ES/DC006

Interpretation: The kinds of income listed previously are not considered in determining eligibility for Medicaid for the ADC-related category. Only available income is counted in the determination of eligibility. (See **OTHER ELIGIBILITY REQUIREMENTS** OWNERSHIP AND AVAILABILITY for a more detailed discussion of availability of income.)

INCOME

ADC-RELATED DISREGARDS

NOTE: Most ADC-related categorical disregards are used when determining gross countable income for parents or persons age 19 and 20 who are applying for Family Health Plus.

Documentation: The source and amount of income disregards are documented in the case record and a notation is made that this income is not to be considered in determining eligibility for Medicaid.

INCOME

ADC-RELATED BUDGETING

Policy: The following persons who apply for Medicaid are entitled to ADC-related budgeting, if they are ineligible under LIF budgeting:

- Families with a dependent child under age 21;
- Persons under age 21;
- Pregnant women, and
- FNP parents.

References:

SSL Sect.	366
Dept. Reg.	360-4.6
ADMs	OMM/ADM 97-2 91 ADM-8 90 ADM-3 87 ADM-32 84 ADM-39 82 ADM-6 81 ADM-55
GIS	90MA063

Interpretation: There are certain forms of income that are not considered in the calculation of gross monthly income for budgeting purposes.

The following topics are discussed in detail for ADC-related budgeting:

- $90 work expense disregard;
- $30 and 1/3;
- Child care/incapacitated adult care cost; and
- Health insurance premiums.

These disregards are discussed in the order that they are subtracted from the A/R's income. In addition, **INCOME** ADC-RELATED DISREGARDS describes the $100 support payment disregard that is deducted from support income (child support and alimony) only before determining the countable gross income of the A/R.

INCOME
ADC-RELATED BUDGETING METHODOLOGY

$90 WORK EXPENSE DISREGARD

Policy: In determining eligibility for Medicaid, the first item deducted from the gross monthly earnings is $90 of earned income for those individuals engaged in full-time or part-time employment (including those not employed throughout the month).

NOTE: Whenever an A/R has earned income, the first $90 per month is disregarded even though the A/R may not currently be employed or working.

References:

SSL Sect.	366
Dept. Reg.	352.19 360-4.6(a)(3)
ADMs	OMM/ADM 97-2 90 ADM-3 87 ADM-32
GISs	89 MA028 87 MA0028

Interpretation: When determining net earned income using ADC-related budgeting (See **INCOME** ADC-RELATED BUDGETING) subtract $90 for each person working full-time or part-time. The $90 work expense is given regardless of the amount of the work expenses incurred.

When the A/R earns less than $90 per month, disregard the entire amount.

Although the A/R may have more than one job, only one $90 disregard for work-related expenses is allowed.

INCOME
ADC-RELATED BUDGETING METHODOLOGY

$30 AND 1/3 EARNED INCOME DISREGARD

Policy: The $30 and 1/3 Earned Income Disregard (EID) applies when using ADC-related budgeting for employed persons who have received Medicaid under a LIF budget in one out of the four preceding months. The $30 and 1/3 disregard applies when a family with earned income loses LIF eligibility and is not eligible for Transitional Medicaid (TMA).

After the $90 work expense is disregarded, the first $30 plus 1/3 of income remaining is subtracted. Eligible persons are entitled to receive this disregard for four consecutive months. In addition, these persons may receive a $30 disregard per month for a period of eight months following this four month period provided the A/R continues to be employed.

Description: The $30 and 1/3 Earned Income Disregard (EID) is calculated by subtracting the first $30 of earned income and then subtracting 1/3 of the remaining earned income.

References:

SSL Sect.	366
Dept. Reg.	352.2 360-4.6(a)(3)
ADMs	90 ADM-3 85 ADM-33 82 ADM-21 81 ADM-55
INF	98 OMM/INF-02

Interpretation: The $30 and 1/3 or $30 disregard is applicable only to earned income. The income earner(s) in the applying household is entitled to receive the $30 and 1/3 portion of this disregard if they have received Medicaid under a LIF budget in one of the four preceding months. The $30 and 1/3 or $30 disregard is applicable regardless of the reason for the loss of eligibility under the LIF program. Eligible individuals may receive the $30 and 1/3 disregard for four consecutive months.

INCOME
ADC-RELATED BUDGETING METHODOLOGY

$30 AND 1/3 EARNED INCOME DISREGARD

In addition, these persons are entitled to the $30 disregard for eight additional months as long as they continue to be employed. The eight-month period continues to run even if the recipient goes off assistance. If the individual reapplies for Medicaid at any time during the eight-month period, the $30 disregard is deducted from earned income in determining eligibility.

Once the eight-month maximum has been reached, the individual may not receive the $30 and 1/3 or $30 disregard again until s/he has been off Medicaid under LIF budgeting for 12 consecutive months.

See **CATEGORICAL FACTORS** MEDICAID EXTENSIONS/CONTINUATIONS for information about certain groups of people that are eligible for Medicaid as a result of their eligibility remaining in effect from a previous period of time. Because of this automatic eligibility, these persons are not entitled to the $30 and 1/3 disregard.

When to Verify:

(a) When the recipient or the case record indicates that the recipient is employed and has received Medicaid under LIF budgeting in one of the four previous months;

(b) When the A/R indicates that his/her Medicaid case, under LIF budgeting, was closed for a reason other than an increase in income.

INCOME
ADC-RELATED BUDGETING METHODOLOGY

CHILD /INCAPACITATED ADULT CARE COST

Policy: The actual cost of care up to $175 a month for each dependent child age two or over, or incapacitated adult that the A/R pays for may be deducted from the earned income of the A/R. The actual cost of care, up to $200 a month, may be deducted for each dependent child under age two. The child(ren) or adult must reside in the same home as the A/R who is making the payments.

References:

SSL Sect.	366
Dept. Reg.	360-4.6(a)(3)(iv)
ADMs	91 ADM-8 90 ADM-3 81 ADM-55

Verify: When the A/R indicates that s/he is employed full or part-time and that there are dependent children or an incapacitated adult in the household for whom care is being provided and paid for by the A/R while s/he works. Only one parent is required to be employed to be eligible for this deduction from earned income even if there are two parents in the home.

Verification: Seeing a statement from the caretaker or day care center including the hours of care and the amount charged for such care.

Documentation: Sufficient to establish an audit trail:

Name of caretaker or day care center, children's names and ages, amount paid, hours of care and receipts for payment.

INCOME
ADC-RELATED BUDGETING METHODOLOGY

HEALTH INSURANCE PREMIUMS

Description: Health insurance premiums are premiums paid for insurance which covers hospital, medical, dental, drug and/or other charges for medical care and services.

Policy: Health insurance premiums are deducted from income in determining eligibility for Medicaid.

References:

SSL Sect.	366.2(a)(6)
Dept. Reg.	360-4.6(a)(3)(vii)
ADMs	93 ADM-28 91 ADM 53 91 ADM-27 87 ADM-40 83 ADM-44

Interpretation: When using ADC-related budgeting (See **INCOME** <u>ADC-RELATED BUDGETING)</u>, the amount of the work expense disregard, the $30 and 1/3 or $30 disregard, the child or incapacitated adult care and the premium paid for health insurance are disregarded from earned income. When the A/R has no earned income or his/her entire earned income has been disregarded, the amount of the health insurance premium paid is deducted from unearned income.

Health insurance policies, which indemnify the A/R against charges for medical care and services, are considered for this disregard. These include: Medicare Parts A & B, Blue Cross, Blue Shield, Major Medical insurance, dental insurance, prescription drug insurance, long term care insurance, union health fund premiums, and other hospital and medical insurance.

Policies, which indemnify the A/R against loss of income due to illness or disability, may be considered for this disregard. These include: income protection insurance, medical liability insurance and any other insurance which offsets the loss of wages due to illness or hospitalization. A policy, which pays the A/R a certain amount of money for each day s/he is hospitalized, but does not cover specific hospital services, may be eligible for this disregard. The policy must be assignable (See **OTHER ELIGIBILITY REQUIREMENTS** <u>THIRD PARTY RESOURCES ASSIGNMENT AND SUBROGATION</u>) a hospital and be cost effective for its premiums to be considered as a deduction. A policy belonging to a non-applying spouse does not have to be assignable in order to receive the premium disregard.

INCOME
ADC-RELATED BUDGETING METHODOLOGY

HEALTH INSURANCE PREMIUMS

RESOURCES ENROLLMENT IN GROUP HEALTH INSURANCE contains information on the eligibility requirement that A/Rs obtain any health insurance available through their employer. When the health insurance is cost-effective and the A/R is below the income level and SSI-related A/R is below the resource level, the local districts may pay the recipient's premium, unless it is an income protection policy.

When a child is covered under a non-applying or ineligible parent's health insurance policy, the health insurance premium may be paid in full by the local district if the child is otherwise eligible and the premium payment is cost effective. This reimbursement policy does not apply to a non-applying or ineligible parent if the health insurance premium is court-ordered.

When to Verify:

(a) When the A/R declares in the application that s/he or other family members are covered by health insurance;

(b) When the A/R declares in the application that s/he or other family members are covered by Medicare, Part A or B;

(c) When the A/R declares in the application that health insurance premiums are being withheld from his/her pay;

(d) When the A/R or absent parent is employed;

(e) When the A/R is receiving RSDI; and

(f) When the A/R is receiving a pension.

Verification: Health insurance premiums may be verified by:

(a) The health insurance policy;

(b) The health insurance card; or

(c) Seeing the A/R's paycheck stub, pay envelope, or a statement from his/her employer.

Documentation: Sufficient to establish an audit trail:

(a) Amount of premium, frequency, date of pay stub or envelope, policy number and employer's name; or

INCOME
ADC-RELATED BUDGETING METHODOLOGY

HEALTH INSURANCE PREMIUMS

(b) For privately paid policies, amount, date and frequency of payment, insurance company name and policy number; and

(c) Returned clearance filed in case record.

Disposition: When the amount of health insurance premiums paid is indicated, that amount is disregarded to determine net available income. (See **RESOURCES** THIRD PARTY RESOURCES for when the local district may pay the health insurance premium.)

INCOME
ADC-RELATED BUDGETING METHODOLOGY

DETERMINATION OF ELIGIBILITY

Policy: ADC-related budgeting is used to determine eligibility for persons who meet the following categorical requirements and who are ineligible under LIF budgeting:

- Families with dependent children under age 21;
- Persons under age 21;
- Pregnant women; and
- FNP parents.

Eligibility is determined by comparing the net available income of the A/R to the Medically Needy Income level, or the Medicaid Standard (and MBL Living Arrangement Chart, as appropriate) whichever is most beneficial. (See **REFERENCE** MEDICALLY NEEDY INCOME AND FEDERAL POVERTY LEVELS), whichever is higher. For pregnant women and children under specified ages, income may be compared to the federal poverty level. (See **REFERENCE** MEDICALLY NEEDY INCOME AND FEDERAL POVERTY LEVELS)

References:

SSL Sect.	366
Dept. Reg.	360-4.2 360-4.6(a)(3)
ADMS	OMM/ADM 97-2 91 ADM-8 90 ADM-9
INFs	98 OMM/INF-02
GISs	08 MA/022 91MA041 90MA063

Interpretation: ADC-related eligibility is determined as follows:

(1) Determine the A/R's household size by counting those persons who are applying and their legally responsible relatives (See **OTHER ELIGIBILITY REQUIREMENTS** HOUSEHOLD COMPOSITION ADC-RELATED HOUSE-HOLD).

INCOME
ADC-RELATED BUDGETING METHODOLOGY

DETERMINATION OF ELIGIBILITY

(2) Determine the monthly income of the person or household. All income from all sources is reviewed to determine if it is to be included in the eligibility determination. Certain kinds of income are disregarded in whole or in part. Determine the monthly income of the person or household. All income from all sources is reviewed to determine if it is to be included in the eligibility determination. Certain kinds of income are disregarded in whole or in part (See **INCOME** ADC-RELATED DISREGARDS) and not counted as part of the monthly income. The income is converted to a monthly figure.

(3) Deduct the applicable disregards from the A/R's income in the following order to determine the net income:

(a) $90 for work related expenses

(b) The first $30 and 1/3 of the remainder or the first $30 in those cases where it is applicable;

(c) The actual cost of child or dependent care up to $175 a month for each child, age 2 or over, or incapacitated adult, the actual cost of child care, up to $200 a month for each child under age 2;

(d) Health insurance premiums and

(See **INCOME** ADC-RELATED BUDGETING METHODOLOGY: $90 WORK EXPENSE DISREGARD, $30 and 1/3 EARNED INCOME DISREGARD, CHILD/INCAPACITATED ADULT CARE COST, and **INCOME** HEALTH INSURANCE PREMIUMS)

(e) $100 Support Payment Disregard (child support and alimony. (See **INCOME** ADC_RELATED DISREGARDS)

INCOME
ADC-RELATED BUDGETING METHODOLOGY

DETERMINATION OF ELIGIBILITY

(4) The resulting net income is compared to the appropriate income level. If the income is less than or equal to the applicable income level, the person or household is eligible for Medicaid. If the income exceeds the level for pregnant women and children under age 19, household income is compared to the applicable percentage of the federal poverty level (See **INCOME** MEDICALLY NEEDY INCOME AND FEDERAL POVERTY LEVELS to determine if a pregnant woman is fully eligible or eligible for prenatal services only). For pregnant women and children under the age of 19 whose income exceeds the appropriate federal poverty level, income in excess of the Medicaid level or Medicaid Standard is considered available. The resulting net income is compared to the appropriate income level. If the income is less than or equal to the applicable income level, the person or household is eligible for Medicaid. If the income exceeds the level for pregnant women and children under age 19, household income is compared to the applicable percentage of the federal poverty level (See **INCOME** MEDICALLY NEEDY INCOME AND FEDERAL POVERTY LEVELS to determine if a pregnant woman is fully eligible or eligible for prenatal services only). For pregnant women and children under the age of 19 whose income exceeds the appropriate federal poverty level, income in excess of the Medicaid level is considered available to meet the cost of medical care and services. Parents in a household with a deprivation, pregnant women and persons under age 21 may become eligible for Medicaid if the household incurs medical bills which equal or exceed the amount of excess income. Persons who spend down must spend down to the Medicaid level not the Medicaid Standard or poverty level. For a more detailed discussion of excess income see **INCOME** EXCESS SIX-MONTH.

INCOME

ADOPTED CHILDREN

Policy:

Children eligible for Title IV-E adoption assistance are automatically eligible for Medicaid. In addition, a child with a non-IV-E adoption assistance agreement in effect is eligible for Medicaid when a special medical or rehabilitative need makes his/her placement for adoption difficult without Medicaid coverage and s/he was in receipt of, or eligible, for Medicaid during the three months prior to the adoption agreement.

Adopted children not meeting the above criteria must have their eligibility for Medicaid determined.

References:

SSL Sect.	453 (1)(b)
Dept. Reg.	421.24(c) 360-3.3(a)(6)
ADMs	92-ADM-42 92 ADM-23 87 ADM-22 86 ADM-36 85 ADM-33 81 ADM-10

Interpretation:

Children eligible for Title IV-E adoption assistance payments are eligible for Medicaid as soon as the adoption assistance agreement is signed by the respective parties and approved by New York State. The district that entered in to the Title IV-E adoption agreement remains responsible for the child's Medicaid as long as the adoption agreement remains in effect and the child remains a resident of New York State. When a voluntary authorized agency places a child for adoption and the State is paying the subsidy for IV-E and non IV-E special needs eligible children, then the district where the child resides with his/her adoptive parents authorizes the adopted child's Medicaid. If a child enters certain facilities certified by the Office of Mental Health (OMH) or the Office for People with Developmental Disabilities (OPWDD), the State may be responsible for the child's Medicaid coverage while s/he remains in the facility (See **OTHER ELIGIBILITY REQUIREMENTS** STATE AND FEDERAL CHARGES)

INCOME

ADOPTED CHILDREN

When the child moves out of New York State, the state where the child resides is responsible for providing his/her Medicaid. When a child residing in New York State has a Title IV-E adoption agreement in effect, which was initiated by another state, the adoptive parent(s) must complete a Medicaid application, on behalf of the child, in the district where the child resides. The parent(s) documents the child's name, date of birth, Social Security number, Title IV-E eligibility, and any information concerning any available third party health insurance coverage. No further documentation is required because the Title IV-E child is otherwise automatically eligible for Medicaid.

A child with a non-IV-E adoption agreement in effect is eligible for Medicaid when a special medical or rehabilitative need makes his/her placement for adoption difficult without Medicaid coverage and s/he was in receipt of or eligible for Medicaid during the three months prior to the adoption agreement (COBRA).

The cases of all children eligible for Medicaid under Title IV-E are reviewed annually by services. The adoption agreement must continue in effect. The adoptive parent(s) must continue to be legally responsible for the child and continue to support the child.

Prior to the adoption finalization, the child is considered a household of one. Once the adoption is finalized, Medicaid eligibility is determined using the household size of the child, adoptive parent(s) and any other applying siblings. The child's adoption subsidy is counted in the eligibility determination unless the child has been deleted from the household based on Mehler/Vailes. The child's adoption subsidy is counted in the eligibility determination unless the child is not counted in the household. Adoption subsidy children remain Medicaid eligible, regardless of their treatment under Mehler/Vailes.

Adopted children not meeting the IV-E or COBRA criteria are not automatically eligible for Medicaid and must have their eligibility determined.

When a child, with a non-IV-E adoption agreement which provides for Medicaid, moves out of state to a non-reciprocal COBRA state, the New York State Medicaid case remains open. The adoptive parents must seek out providers who are enrolled or willing to enroll in the New York State Medicaid program in the new state of residence.

INCOME

SSI-RELATED DISREGARDS

Description: Disregards of income are not considered in whole or in part in determining eligibility for Medicaid.

Policy: The following types of income are disregarded in the determination of income for Medicaid: (See **REFERENCE** INCOME DISREGARDS for chart)

AMERICORPS - Child care allowances and other benefits and services including payments for living expenses provided by Americorps VISTA.

Child care allowances and all other benefits and services except payments for living expenses, provided by Americorps USA and Americorps NCCC.

ASSISTANCE BASED ON NEED - Any regular cash assistance payments based on need received by the A/R and furnished as supplemental income by the federal government, a State or political subdivision.

Support and maintenance assistance based on need and furnished either in-kind by a private non-profit agency or in cash or in-kind by one of the following: a supplier of home heating oil or gas, an entity whose revenues are primarily derived on a rate-of-return basis regulated by a State or Federal governmental entity or a municipal utility providing home energy.

Money paid by a third party directly to a vendor except for food, clothing and shelter.

BLOOD PLASMA SETTLEMENTS - Payments received as a result of a federal class action settlement with four manufacturers of blood plasma products on behalf of hemophilia patients who are infected with human immunodeficiency virus (HIV).

INCOME

SSI-RELATED DISREGARDS

BONA FIDE LOAN - A bona fide loan received by the A/R from an institution or person not legally liable for the support of the A/R. The loan may be an oral or written agreement, signed by the A/R and the lender. The written agreement must indicate: the A/R's intent to repay the loan within a specific time; and how the loan is to be repaid, by specific real or personal property, held as collateral, or from future income.

BURIAL FUNDS/BURIAL ARRANGEMENT (EXCLUDED) - Interest earned on excluded burial funds and appreciation in the value of an excluded burial arrangement.

CASH ASSISTANCE INCOME - Any income of a cash assistance recipient in the A/R's Medicaid household. However, any room/board received by an SSI-related A/R from a cash assistance recipient, who is living in the A/R's home but is not in the A/R's Medicaid household, is countable room/board income to the SSI-related A/R. Appropriate room/board deductions are allowed to determine countable roomer/boarder income.

CERTIFIED BLIND OR CERTIFIED DISABLED CHILD SUPPORT PAYMENTS - One third of any support payments received by a certified blind or certified disabled child from an absent parent.

CERTIFIED BLIND REASONABLE WORK-RELATED EXPENSES - For persons who are certified blind all remaining reasonable work-related expenses including mandatory retirement deductions after the other disregards. (See **INCOME** <u>SSI-RELATED BUDGETING METHODOLGY BLIND WORK EXPENSES)</u>

CHILD CARE SERVICES PAYMENTS- Payments made by the A/R for child care services or the value of any child care services provided by the A/R to a recipient of employment-related and JOBS-related child care services. Transitional child care services, at-risk low income child care services or child care and development block grant services.

INCOME

SSI-RELATED DISREGARDS

CHILD SUPPORT (including CHILD SUPPORT ARREARAGE) PAYMENTS - For SSI-related children, child support arrearage payments are unearned income to the child in the month the payment is received. One-third of the amount of the child support payment is excluded. If payment is made for several children, a per capita portion of the payment is calculated as unearned income to the SSI-related child.

CRIME VICTIMS' FUND PAYMENTS - Payments received from a fund established by a state to aid victims of crime.

DISASTER RELIEF AND EMERGENCY ASSISTANCE - Any federal major disaster and emergency *assistance* provided under the Disaster Relief Act of 1974 (P.L. 93-288), as amended by the Disaster Relief and Emergency Assistance Amendments of 1988 (P.L. 100-107), and any comparable disaster assistance provided by states, local governments, and disaster assistance organization.

INCOME

SSI-RELATED DISREGARDS

DIVIDEND/INTEREST INCOME – (See **INCOME** INTEREST/DIVIDEND)

DONATED FOODS - The value of federally donated foods.

EARNED INCOME - The first $65 of earned income or the first $65 of a couple's combined earned income and ½ of the remainder after any impairment related work expenses.

EARNED INCOME TAX CREDIT PAYMENTS - Including any federal child tax credit payments and any advance payment of earned income tax credit made by an employer.

EXPENSES OF OBTAINING INCOME - Income does not include that part of a payment that is an essential expense incurred in receiving the payments (legal fees, and other expenses connected with a claim).

FEDERAL ENERGY ASSISTANCE PAYMENTS.

FEDERAL OLDER AMERICANS ACT OF 1965 - Any assistance (other than wages or salaries) provided to an individual under the federal Older Americans Act of 1965. Green Thumb assistance is countable if wages or salaries; other Green Thumb assistance is disregarded.

FEDERAL RELOCATION ASSISTANCE - Any payment received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

FOOD STAMPS - The value of food stamps.

FOSTER CARE - Payments received by foster parents for foster care children.

INCOME

SSI-RELATED DISREGARDS

FREE MEALS - The value of free meals, other than school meals, except when more than one meal a day is furnished or when the A/R receives an allowance for meals away from home.

GI BILL DEDUCTION - That portion of a military person's pay which is deducted by mandate to help fund the GI Bill.

GARDEN PRODUCE OR LIVESTOCK - The value of produce from a garden or livestock when used exclusively by the A/R and members of his/her household.

HEALTH INSURANCE PREMIUMS.

HOSTILE FIRE PAY - Income from hostile fire pay (pursuant to Section 310 of Title 37 US Code) received while in active military service.

HUD COMMUNITY BLOCK GRANTS - Any funds received by an A/R under the Department of Housing and Urban Development community block grants.

INCOME TAX REFUNDS –Any income tax refund or federal advance payment received by an A/R is disregarded as income in the month received.

INFREQUENT OR IRREGULAR INCOME – The first $30 of earned income and the first $*60* of unearned income in a *calendar quarter* if it is received infrequently or irregularly. Income is infrequent if it is received only once in a calendar quarter from a single source. It is irregular if the A/R could not reasonably expect to receive it or budget for it due to its unpredictability. If the amount of infrequent or irregular income in a month exceeds $30 or $60, as applicable, the exclusion still applies. The dollar amount of the exclusion does not increase even if both an individual and spouse have infrequent or irregular income.

INCOME

SSI-RELATED DISREGARDS

IMPAIRMENT-RELATED WORK EXPENSES - For certified disabled Medicaid A/Rs, non-medical, impairment-related work expenses (See **INCOME** SSI-RELATED BUDGETING METHODOLOGY IMPAIRMENT-RELATED WORK EXPENSES)

INTEREST/DIVIDEND INCOME - From most resources is disregarded. (See **INCOME** DIVIDENDS AND INTEREST for a list of resources which generate interest/dividend income that is countable for SSI-related A/Rs.)

INCOME

SSI-RELATED DISREGARDS

NATIVE AMERICAN PAYMENTS - Seneca Nation Settlement Act payments made by the State and Federal governments, under P.L. 101-503, to the Seneca Nation.

Distribution to Native Americans of funds appropriated in satisfaction of judgments of the Indian Claims Commission or the United States Court of Federal Claims. This includes up to $2,000 per year of income for interests of individual Native Americans in trust or restricted lands, from funds appropriated in satisfaction of the Indian Claims Commission or the United States Court of Federal Claims.

Alaskan Native Claims Settlement Act (ANCSA) distributions - The following distributions from a native corporation formed pursuant to ANCSA are exempt as income or resources:

a. cash, to the extent that it does not, in the aggregate, exceed $2,000 per individual per year;
b. stock;
c. a partnership interest;
d. land or an interest in land; and
e. an interest in a settlement trust.

OTHER INCOME - Any other income that a Federal law or regulation requires to be disregarded.

OVERPAYMENTS - The amount of income that is withheld to recover a previous overpayment is not income if the individual received Medicaid at the time of the overpayment and the overpayment amount was included in determining the individual's Medicaid eligibility.

PERSECUTION PAYMENTS - Benefits received by eligible Japanese-Americans, Aleuts, or Pribilof Islanders under the Civil Liberties Act of 1988, the Wartime Relocation of Civilians Law, and the Aleutian and Pribilof Islands Restitution Act.

Payments made to individuals because of their status as victims of Nazi persecution, including: German Reparation Payments; Austrian Reparation Payments made pursuant to sections 500-506 of the Austrian General Social Insurance

INCOME

SSI-RELATED DISREGARDS

Act; and Netherlands Reparation Payments based on Nazi, but not Japanese, persecution.

PLAN TO ACHIEVE SELF-SUPPORT (PASS) - For certified blind or certified disabled persons under 65 years of age and for certified blind or certified disabled persons aged 65 or over who received SSI payments or aid under the State Plan for the certified blind or certified disabled for the month preceding the month of their 65th birthday, any remaining countable income may be set aside for a plan to achieve self-support. The plan must:

a. specify planned savings and/or expenditures to achieve a designated feasible occupational objective and a specific period of time to achieve the objective;

b. provide for identification and segregation of money and goods, if any, being accumulated and saved;

c. be current, in writing and approved by the local commissioner of social services for not more than 18 months, with the possibility of an extension for an additional 18 months. A second extension for an additional 12 months may be allowed in order to fulfill a lengthy educational or training program; and

d. be followed by the individual.

PREVENTATIVE HOUSING SERVICE - Payments provided as a preventive housing service under 18 NYCRR 423.4(l).

RADIATION EXPOSURE COMPENSATION TRUST FUND PAYMENTS - Payments for injuries or deaths resulting from exposure to radiation from nuclear testing and uranium mining.

REDUCED (LIMITED) $90 VETERANS' ADMINISTRATION PENSION.

REFUNDS - Any refund received from a public agency of taxes paid on real estate or food purchases

RELOCATION ASSISTANCE PAYMENTS – interest/dividend income generated from unspent State or local government

INCOME

SSI-RELATED DISREGARDS

relocation assistance payments (not federal or federally assisted funds) for 9 months following the month of receipt.

REPLACEMENT OF ASSISTANCE ALREADY PAID - Replacement of assistance already paid, such as a lost or stolen check.

RETROACTIVE BENEFITS UNDER THE SSI PROGRAM.

ROOM/BOARD (LODGER) INCOME - The first $90 per month of any income from each boarder or roomer (lodger). If the A/R can document that the actual expenses incurred in providing the room or board exceeds the $90 per month, actual documented expenses are disregarded.

STATE OR LOCAL RELOCATION ASSISTANCE PAYMENTS - State or local relocation assistance payments received on or after May 1, 1991. The payments must be comparable to payments under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

STUDENTS' INCOME –
Earned Income – The allowable monthly and annual income effective in January each year can be found in the **REFERENCE** DISREGARDS, SSI-DISREGARDS STUDENT INCOME. The amount is the earned income allowed to be earned by a student under 22 years of age (regardless if s/he is married or the head of a household) who is regularly attending a school, college, university, or a course of vocational or technical training.

Educational-Related Income - Any portion of a grant, scholarship, fellowship or gift used to pay the cost of tuition and other education-related fees at any educational (including technical or vocational) institution. This disregard does not apply to any portion set aside or actually used for food, clothing or shelter.

When an A/R is in receipt of a graduate assistantship, the local district receives verification from the financial aid office involved to determine if the assistantship is considered employment or an educational grant. If the assistantship is a grant, it is treated as outlined in the previous paragraph.

INCOME

SSI-RELATED DISREGARDS

When the assistantship is considered employment, the A/R receives any appropriate earned income disregards (See **INCOME** SSI-RELATED DISREGARDS), but additional deductions for educational expenses are not allowed.

NOTE: This does not apply to V.A. Educational Grants which are part of the G.I. Bill and which provide a monthly allowance for support while veterans are enrolled in school. Only specific education-related expenses such as tuition, books, school fees, transportation, etc., are exempt for recipients of G.I. Bill educational money. The remainder is considered available unearned income in determining eligibility for Medicaid.

School Meals - The value of free school meals.

Student Loans - Student loans received by a graduate or undergraduate student.

SUPPLEMENTAL SECURITY INCOME (SSI) - Any SSI payments received by the A/R.

THIRD PARTY INSURANCE PAYMENTS - Insurance payments paid directly to a third party such as a loan company or a bank to cover loan or installment payments in case of death or disability (example: mortgage insurance).

TITLE III, FEDERAL ECONOMIC OPPORTUNITY ACT - Any loan made to a family under Title III of the Federal Economic Opportunity Act.

UNEARNED INCOME - Only one $20 disregard is permitted per month per couple. A certified blind or a certified disabled child living with parents is entitled to a separate $20 disregard from his/her total unearned income. If an A/R's unearned income is under $20, the balance will be deducted from earned income.

U.S. CENSUS - Earnings from census employment.

INCOME

SSI-RELATED DISREGARDS

VETERANS - Payments to veterans for Aid & Attendance (A&A) or payments for Unusual Medical Expenses (UME).

VIETNAM VETERANS - Agent Orange Settlement Fund - Payments from the Agent Orange Settlement Fund or any other fund established pursuant to the Agent Orange product liability litigation, and payments from court proceedings brought for personal injuries sustained by veterans resulting from exposure to dioxin or phenoxy herbicide in connection with the war in Indochina in the period of January 1, 1962 through May 7, 1975.

Children - Monthly allowances paid to certain Vietnam Veterans' Children with Spina Bifida.

VISTA - Payments received by VISTA volunteers.

VOCATIONAL REHABILITATION ACT - Any payments made under the Vocational Rehabilitation Act.

VOLUNTEER PROGRAM PAYMENTS - Payments received by participants in volunteer programs under Title II of P.L. 93-113 (Domestic Volunteer Services Act of 1973). These include: retired senior volunteer, foster grandparent, senior companion and senior health aide programs. Payments made in the form of stipends, allowances and/or reimbursements for incurred expenses are disregarded when determining Medicaid eligibility.

Payments received by participants in volunteer programs established under Title III of P.L. 93-133. These include the Service Corps of Retired Executives (SCORE) and the Active Corps of Executives (ACE) programs.

WIC PROGRAM - The value of benefits under the WIC program.

References:	SSL Sect.	366.2 366.3
	Dept. Reg.	352.22 360-4.6(a)(1) 360-4.6(a)(2)

INCOME

SSI-RELATED DISREGARDS

ADMs	94 ADM-13 92 ADM-42 92 ADM-32 91 ADM-23 91 ADM-8 83 ADM-17 81 ADM-38
INFs	95 INF-30 90 INF-33
LCM	92 LCM-120
GISs	11 MA/004 06 MA/029 05 MA/001 04 MA/030 04 MA/027 00 MA/012 98 MA/017 98 MA/016 97 MA/022 95 MA/001

Interpretation: The types of income listed previously are not considered in determining eligibility for Medicaid for the SSI-related category. Only available income is counted in the determination of eligibility. **OTHER ELIGIBILITY REQUIREMENTS** OWNERSHIP AND AVAILABILITY discusses availability of income in more detail.

Documentation: The source and amount of income disregards are documented in the case record and a notation is made that this income is not to be considered in determining eligibility for Medicaid.

INCOME

SSI-RELATED BUDGETING METHODOLOGY

Description: New York State has contracted with the Social Security Administration so that eligibility for SSI generally means automatic eligibility for Medicaid. The SSI recipient does not need to file an application for Medicaid.

There is a group of people, however, who do not receive SSI but who meet the categorical requirements of the program. These persons are: aged (65 or over), certified blind, or certified disabled. Generally, these individuals must apply for Medicaid separately and have their eligibility determined by the local social services district where they live. In determining eligibility for these SSI-related persons, the SSI-related budgeting methodology is used. This methodology is patterned after the method used by the Social Security Administration to determine eligibility for SSI.

Policy: SSI-related budgeting is used to determine eligibility for those persons who are aged (65 or over), certified blind or certified disabled and not in receipt of Supplemental Security Income (SSI). (See **CATEGORICAL FACTORS** SSI-RELATED)

SSI-related budgeting is used for Medicaid A/Rs for whom payment or part payment of the Medicare premiums, coinsurance and deductibles is made. (See **INCOME** MEDICARE SAVINGS PROGRAM)

When determining eligibility for the Medicaid Buy-In Program for Working People with Disabilities, SSI-related budgeting, including allocation and deeming is used.

Persons potentially eligible for COBRA continuation of their health insurance when employment ends and those applying for the AIDS Health Insurance Program have their income and resources budgeted in accordance with the SSI-related methodologies.

Disregards of income for SSI-related persons are discussed and listed in **INCOME** SSI-RELATED DISREGARDS and the determination of eligibility for SSI-related persons is described in **INCOME** DETERMINATION OF ELIGIBILITY.

References:

SSL Sect.	366
Dept. Reg.	360-3.3(a)(3) 360-3.3(b)(1) and (2) 360-4.2

INCOME

SSI-RELATED BUDGETING METHODOLOGY

ADMs 04 OMM/ADM-5
03 OMM/ADM-4
93 ADM-28
91 ADM-53
91 ADM-27
83 ADM-17

Interpretation: SSI-related children are budgeted as a household of one, using their own income and any income deemed from their parent(s). SSI-related adults, who are unmarried or not living with a spouse, are budgeted as a household of one.

An SSI-related couple is budgeted as a household of two.

SSI-related adults, who reside with a non-SSI-related spouse, are budgeted as a household of two for income, unless the income of the non-SSI-related spouse (after allocation) is less than the difference between the Medicaid income level for a two-person household and the Medicaid income level for an individual. If it is below that amount, the non-SSI-related spouse and his/her income are not counted and the SSI-related person is budgeted as a household of one.

SSI-related adults who reside with a spouse of any category are always budgeted as a household of two for resources.

Persons in receipt of cash assistance (PA or SSI) are not considered in the household count nor are their income considered when determining income eligibility.

SSI-related budgeting takes the needs and income of other family members into consideration by the process of allocation and deeming. This process is discussed in detail in the sections that follow:

Allocation

Deeming

INCOME
SSI-RELATED BUDGETING METHODOLOGY

ALLOCATION

Description:

Allocation is the budgeting process that sets income aside for the needs of non-SSI-related children under the age of 18 and for the needs of parents (regardless of category) of SSI-related children.

The allocation amount to a non-SSI-related child is the difference between the Medicaid income level for a two-person household and the Medicaid income level for an individual.

NOTE: Although parents are financially responsible for their non-disabled children under the age of 21, allocation to dependent children ceases at age 18.

In determining eligibility for an SSI-related child, the allocation amount to a single parent is the federal benefit rate (FBR) for an individual. The allocation amount to a two-parent household is the FBR for a couple.

When an SSI-related parent and a non-SSI-related parent reside with an SSI-related child and at least one non-SSI-related child, the amount allocated to the parents in determining the SSI-related child's eligibility, is the federal benefit rate (FBR) for a couple living alone, plus the SSI State supplement for an individual living with others.

Policy:

Allocation is the first step in the deeming process (See **INCOME** DEEMING) and the first step in the SSI-related budgeting process. Allocation is used when:

- there is a non-SSI-related adult, his/her SSI-related spouse and a non-SSI-related child living in the same household;
- there is an SSI-related child, a non-SSI-related child, and at least one parent (regardless of category) in the household who is not receiving cash assistance; or
- an SSI-related child is living with one or both parents (regardless of category) and those parents are not receiving cash assistance.

INCOME

ALLOCATION

The allocation amounts, effective January 1st each year, can be found in the **REFERENCE** INCOME ALLOCATION.

Allocation to		How Determined
Non-SSI Child		2005: Difference between Medicaid income standard for one and two 2006 and 2007: Difference between the Federal Benefit Rate (FBR) for one and two
Single parent (regardless of category)		Federal SSI Benefit Rate (FBR) for one
Two parents (regardless of category)		Federal SSI Benefit Rate (FBR) for two
An SSI-related parent and a non-SSI-related parent residing with an SSI-related child and a non-SSI-related child		The Federal SSI Benefit Rate (FBR) for two, living alone, plus the SSI State supplement for one, living with others

Interpretation: Allocation is the first step in the SSI-related budgeting process. Allocation is used in the family situations previously described. Allocation is **not** used when determining eligibility for:

- a single SSI-related person living alone;
- an adult couple one or both of whom may be SSI-related; or
- SSI-related parents living with a non-SSI-related child.

(1) The process of allocating to non-SSI-related children is as follows:

(a) The amount allocated to each non-SSI-related child is the difference between the Medicaid Income standard for one and two;

INCOME

ALLOCATION

(b) This allocation amount is offset on a dollar for dollar basis by any other income the child receives in his/her own right (whether or not the child is applying);

(c) In determining eligibility for an SSI-related adult, the remaining allocation amount, not offset by the non-SSI-related child's own income, is allocated from the unearned income of the non-SSI-related parent after deducting any court-ordered support paid by the non-SSI-related spouse from his/her unearned income. When the non-SSI-related parent does not have sufficient unearned income to meet the allocation, the remaining allocation is made from the non-SSI-related parent's earned income after deducting any court-ordered support paid by the non-SSI-related spouse from his/her earned income.

(d) In determining eligibility for an SSI-related child, the remaining allocation amount not offset by the non-SSI-related child's own income is allocated from the unearned income of the parents after deducting any court-ordered support paid by the parents from his/her unearned income. When the parents do not have sufficient unearned income to meet the allocation, the remaining allocation is made from the parents' earned income after deducting any court-ordered support paid by the parents from his/her earned income.

(2) The process of allocating to parents is as follows:

(a) In determining eligibility for an SSI-related child, after allocating to any non-SSI-related children, as shown above in step (1), the remaining income of the parents, whether earned, unearned or a combination, is computed;

NOTE: If there is no allocation to any non-SSI-related child, subtract any court-ordered support paid by either parent before combining the parents' earned and unearned income.

INCOME

ALLOCATION

(b) After applying the SSI-related disregards a portion of the parents' remaining income is allocated to meet their needs. The amount allocated to the parent(s) is the Medicaid income standard for an individual or couple. (See **REFERENCE** SSI BENEFIT LEVELS)

INCOME
SSI-RELATED BUDGETING METHODOLOGY

DEEMING

Description: The basis for deeming is inherent in the concept that husbands and wives living together have a responsibility to each other and generally share income. Parents living with their children also have a responsibility for their children and generally provide income for their needs.

Policy: Deeming is the budgeting process by which the income of a legally responsible relative (LRR), in the household, is considered available to the SSI-related individual. Deeming is used in the SSI-related budgeting process to determine the amount of support and maintenance furnished by an LRR.

Interpretation: (1) Deeming is used in the following situations:

(a) parent to child. When determining eligibility for an SSI-related child under age 18, a portion of the parent's income is deemed to the child unless the parent receives cash assistance. Deeming is used whether or not the parent is SSI-related;

(b) spouse to spouse. When determining eligibility for an SSI-related person with a non-SSI-related spouse and the non-SSI-related spouse has sufficient income.

(2) Deeming is **not** used when:

(a) determining eligibility for an SSI-related person living alone;

(b) determining eligibility for two SSI-related spouses;

NOTE: Although deeming is not used in the budgeting process for an SSI-related couple, the income of both spouses is considered mutually available.

(c) determining eligibility for an SSI-related child whose parent receives an SSI or PA cash benefit;

(d) determining eligibility for an SSI-related person whose spouse receives an SSI or PA cash grant;

INCOME
SSI-RELATED BUDGETING METHODOLOGY
DEEMING

(e) determining eligibility for an SSI-related child who is between the ages of 18 and 21. When the child is married, income may be deemed from the spouse.

(3) Deeming is performed as follows:

(a) income is allocated to any non-SSI-related children in the household after deducting any court-ordered support paid by the non-SSI-related spouse as described in **INCOME** UNEARNED SUPPORT PAYMENTS.

(b) in determining eligibility for an SSI-related adult, the remaining income of the non-SSI-related spouse is deemed to the SSI-related spouse, provided the income is equal to or greater than the difference between the Medicaid level for two and the Medicaid level for one. If the income of the non-SSI-related spouse is not deemed, because the remaining net income is less than the difference between the Medicaid level for two and the Medicaid level for one, then only the income of the SSI-related spouse is considered in determining eligibility.

Subtract any allowable disregards from the SSI-related spouse's income. Compare the SSI-related spouse's net income to the Medically Needy Income level or Medicaid Standard (and MBL Living Arrangement Chart, as appropriate) whichever is most beneficial. If income is deemed from the non-SSI-related spouse, subject to any allowable disregards from the couple's combined income, compare the remaining net income to the Medically Needy Income level or Medicaid Standard (and MBL Living Arrangement Chart, as appropriate) whichever is most beneficial.

(c) in determining eligibility for an SSI-related child, the parents' remaining net income, after allocating to any non-SSI-related child, is subject to the appropriate disregards as described in **INCOME** SSI-RELATED DISREGARDS, and steps C-2 through C-8. The remaining income is deemed to the SSI-related child. The deemed income is added to any income of the SSI-related child and the eligibility process is continued as described in steps C-9 and C-10. (See **INCOME** DETERMINATION OF ELIGIBILITY for steps)

INCOME
SSI-RELATED BUDGETING METHODOLOGY

HEALTH INSURANCE PREMIUMS

Description: Health insurance premiums are premiums paid for insurance which covers hospital, medical, dental, drug and/or other charges for medical care and services.

Policy: In determining eligibility for SSI-related persons, health insurance premiums are deducted if they are paid by the A/R.

References:

SSL Sect.	366.2(a)(6)
Dept. Reg.	360-4.6(a)(2)(vii)
ADMs	93 ADM-28 91 ADM-54 91 ADM 53 91 ADM-27

Interpretation: Health insurance premiums are deducted from the kind of income from which they are being paid. If it is not possible to determine if the health insurance premiums are paid from earned or unearned income, the deduction is made where it is most advantageous to the client.

Health insurance policies, which indemnify the A/R against charges for medical care and services, are considered for this disregard. These include: Medicare Parts A & B, Blue Cross, Blue Shield, Major Medical insurance, dental insurance, prescription drug insurance, long term care insurance, union health fund premiums, and other hospital and medical insurance.

Policies, which indemnify the A/R against loss of income due to illness or disability, may be considered for this disregard. These include: income protection insurance, medical liability insurance and any other insurance which offsets the loss of wages due to illness or hospitalization. A policy, which pays the A/R a certain amount of money for each day s/he is hospitalized, but does not cover specific hospital services, may be eligible for this disregard. The policy must be assignable (See **RESOURCES** THIRD PARTY RESOURCES ASSIGNMENT AND SUBROGATION) to a hospital and be cost effective for its premiums to be considered as a deduction. A policy belonging to a non-applying spouse does not have to be assignable in order to receive the premium disregard.

INCOME
SSI-RELATED BUDGETING METHODOLOGY

HEALTH INSURANCE PREMIUMS

RESOURCES THIRD PARTY RESOURCES ENROLLMENT IN GROUP HEALTH INSURANCE contains information on the eligibility requirement that A/Rs obtains any health insurance available through their employer. When the health insurance is cost-effective and the A/R is below the income/resource level, the local districts may pay the recipient's premium, unless it is an income protection policy.

When a child is covered under a non-applying or ineligible parent's health insurance policy, the health insurance premium may be paid in full by the local district if the child is otherwise eligible and the premium payment is cost effective. This reimbursement policy does not apply to a non-applying or ineligible parent if the health insurance premium is court-ordered.

When to Verify:

(a) When the A/R declares in the application that s/he or other family members are covered by health insurance;

(b) When the A/R declares in the application that s/he or other family members are covered by Medicare, Part A or B;

(c) When the A/R declares in the application that health insurance premiums are being withheld from his/her pay;

(d) When the A/R or absent parent is employed;

(e) When the A/R is receiving RSDI; and

(f) When the A/R is receiving a pension.

Verifications: Health insurance premiums may be verified by:

(a) The health insurance policy;

(b) The health insurance card; or

(c) Seeing the A/R's paycheck stub, pay envelope, or a statement from his/her employer.

Documentation: Sufficient to establish an audit trail:

(a) Amount of premium, frequency of paycheck stub or envelope, policy number and employer's name;

INCOME
SSI-RELATED BUDGETING METHODOLOGY

HEALTH INSURANCE PREMIUMS

(b) For privately paid policies, amount, date and frequency of payment, insurance company name and policy number; and

(c) Returned clearance filed in case record.

Disposition: When the amount of health insurance premiums paid is indicated, that amount is disregarded to determine net available income.

INCOME
SSI-RELATED BUDGETING METHODOLOGY

IMPAIRMENT-RELATED WORK EXPENSES

Description: Impairment-related work expenses are non-medical expenses directly related to enabling the disabled SSI-related individual to work. The cost of these expenses is paid by the disabled individual and is not reimbursable from another source. (See **INCOME** SSI-RELATED BUDGETING METHODOLOGY BLIND WORK EXPENSES for work expenses of the blind.)

Policy: For SSI-related persons, impairment related work expenses are subtracted from earned income after the $65 deduction, but before the one-half of the remaining income disregard.

NOTE: Medical impairment related work expenses are not deductions in the SSI-related budgeting methodology but rather may be used to reduce excess income after the budget calculations are complete (See **INCOME** EXCESS). Where applicable, medical impairment-related work expenses are combined with other incurred medical bills to reduce excess income available to meet medical costs and services. If there is no excess income, medical impairment-related work expenses may be paid by Medicaid.

References:

Dept. Reg.	360-4.6(a)(2)(v)
ADMs	83 ADM-65 83 ADM-17
Disability Manual	

Interpretation: Examples of non-medical impairment-related work expenses that may be used as a deduction for SSI-related persons are:

- Cost of modifications made to a car in order to permit a handicapped person to drive to work;
- Wheel chair ramps;
- Cost of special foods needed to maintain dietary restrictions while at work;
- Work-related equipment such as one-hand typewriters, page turning devices, telecommunication devices for the deaf, Braille devices, and
- Interpreters for the deaf.

INCOME
SSI-RELATED BUDGETING METHODOLOGY

IMPAIRMENT-RELATED WORK EXPENSES

- specially designed work tools.

- Residential modifications in the form of changes to the exterior of his/her home in order to create a working space to accommodate an impairment (e.g., enlargement of a doorway leading into the office, modification of work space to accommodate problems in dexterity).

NOTE: For a self-employed person, any cost deducted as a business expense cannot be deducted as an impairment-related work expense.

- Costs of a Seeing Eye dog, including food, licenses and veterinarian services.

- Costs of structural or operational modifications to a vehicle required by an individual in order to get to and from work;

- Mileage allowance for an approved vehicle limited to travel related to employment; AND,

- Cost of driver assistance or taxicabs where such special transportation is not generally required by an unimpaired individual in the community.

These kinds of expenses are generally not covered by Medicaid.

An impairment-related work expense is allowed when it is necessary for employment, even though the A/R may use the “item” outside of work and/or his/her family may benefit from it. For example, the expense of special equipment on a car, needed by a paraplegic for transportation to and from work, is

INCOME
SSI-RELATED BUDGETING METHODOLOGY

IMPAIRMENT-RELATED WORK EXPENSES

an allowable impairment related work expense even though s/he uses the car on weekends to transport his/her family. The entire expense of the special equipment may be deducted as an impairment-related work expense.

NOTE: For self-employed A/Rs, if the cost of an item has been deducted in calculating net earnings from self-employment, the expense cannot be deducted as an impairment-related work expense.

NOTE: When determining if an individual is doing Substantial Gainful Activity (SGA), both medical and non-medical impairment-related work expenses are deducted from earned income before applying the SGA test (See **REFERENCE** SUBSTANTIAL GAINFUL INCOME for maximum amount. See DISABILITY MANUAL and **CATEGORICAL FACTORS** SUBSTANTIAL GAINFUL ACTIVITY (SGA) for further information.

Examples of medical impairment-related work expenses that can be deducted when calculating the amount of the A/Rs spenddown: (See **INCOME** EXCESS for more detail on excess income).

- Assistance in traveling to and from work or while at work, assistance with personal functions (e.g., eating, toileting), or with work-related functions (e.g., reading, communicating).

- Assistance at home with personal functions (e.g., dressing, administering medications) in preparation for going to and returning from work. Payments made to a family member for attendant care services may be deducted only if such family member, in order to perform the services, incurs an economic loss by terminating his/her employment or by reducing the number of his/her work hours.

- Medical devices such as wheelchairs, hemodialysis equipment, canes, crutches, inhalators and pacemakers.

- Prosthetic devices such as artificial replacements of arms, legs and other parts of the body.

INCOME
SSI-RELATED BUDGETING METHODOLOGY

IMPAIRMENT-RELATED WORK EXPENSES

- Devices or appliances which are essential for the control of a disabling condition either at home or in the work setting and are verified as medically necessary.

- Drugs or medical services including diagnostic procedures needed to control the individual's impairment. The drugs or services must be prescribed or used to reduce or eliminate symptoms of the impairment or to slow down its progression. The diagnostic procedures must be performed to ascertain how the impairment(s) is progressing or to determine what type of treatment should be provided for the impairment(s).

Some examples of deductible drugs and medical services are:

- Anticonvulsant drugs, antidepressant medication for mental disorders, radiation treatment or chemotherapy, corrective surgery for spinal disorders, and tests to determine the efficacy of medication.

- Expendable medical supplies such as catheters, elastic stockings, face masks and disposable sheets and bags.

- Physical therapy required because of impairment and which is needed in order for the individual to work.

- Payments for transportation costs to attend medical appointments.

When to Verify:

(a) When the A/R indicates that s/he has special equipment in his/her vehicle, home or workplace that assists him/her in performing work;

(b) When the A/R indicates special dietary needs.

Verification: Non-medical impairment-related work expenses may be verified by:

INCOME
SSI-RELATED BUDGETING METHODOLOGY

IMPAIRMENT-RELATED WORK EXPENSES

(a) Seeing a bill or statement from a provider of special equipment;

(b) Seeing a statement from the A/R's physician regarding special dietary needs or special equipment needed to permit the A/R to work.

Documentation: Sufficient to establish an audit trail:

Name of provider or doctor, date, equipment or service provided and cost.

INCOME
SSI-RELATED BUDGETING METHODOLOGY

BLIND WORK EXPENSES

Description: For persons who are certified blind, work expenses include any expenses reasonably attributable to earning of income.

Policy: After applying the $65 plus one-half of the remainder earned income disregard, persons who are certified blind (See **CATEGORICAL FACTORS** BLINDNESS for categorical requirements) are entitled to a work expense disregard.

References: Dept. Reg. 360-4.6(a)(2)(xi)

ADMs 83 ADM-17

Interpretation: Certified blind A/Rs are entitled to a deduction from earned income for work expenses. Work expenses for blind A/Rs include mandatory deductions FICA, taxes, New York State Disability Insurance and lunch, transportation, union dues, uniforms, and other expenses. It includes expenses related to a guide dog, special visual aid equipment and other expenses necessary to maintain employment.

When to Verify: When a certified blind person declares that s/he is employed.

Verification:

(a) Seeing bills or receipts for work-related expenses such as visual aid equipment or food for a guide dog;

(b) Seeing bills or receipts for uniforms or tools;

(c) Seeing a pay stub or employer's statement for deductions such as union dues or laundry fees for uniforms.

Documentation: Sufficient to establish an audit trail:

(a) Name and address of employer, dates of employment, copies of receipts for equipment, dog food or veterinarian services, name and address of the provider of special equipment.

(b) Returned clearance in case record.

INCOME
SSI-RELATED BUDGETING METHODOLOGY

<u>PLAN TO ACHIEVE SELF-SUPPORT (PASS)</u>

Policy: After all other disregards are deducted, the remaining income of certain certified blind or certified disabled individuals (See **CATEGORICAL FACTORS** <u>SSI-RELATED DISABILITY</u>) may be disregarded if such income is needed to fulfill a plan for achieving self-support.

This disregard applies to certified blind or certified disabled individuals under 65 years of age, and to certified blind or certified disabled individuals age 65 or over who received SSI payments or aid under the State Plan for the certified blind or certified disabled for the month preceding the month of their 65th birthday.

References:

SSL Sect.	366.2(b)
Dept. Reg.	360-4.6 (a)(2)(xxiv)
ADMs	83 ADM-17
Disability Manual	

Interpretation: The local social services district assists a certified blind or certified disabled A/R who appears to have the potential to benefit from PASS and who is interested in setting up a self-support. The plan must:

(1) contain specific planned savings and/or expenditures to achieve a designated feasible occupational objective and the period of time for achieving the objective;

(2) provide for the identification and segregation of money and goods, if any, being accumulated and saved;

(3) be current, in writing and be approved by the local commissioner of social services for not more than 18 months with the possibility of an extension for an additional 18 months; a further extension of 12 months may be allowed in order to fulfill a plan for a lengthy education or training program; and

(4) be followed by the individual.

Some examples of goals that an A/R may be striving to meet which are acceptable for self-support plans are:

INCOME
SSI-RELATED BUDGETING METHODOLOGY

PLAN TO ACHIEVE SELF-SUPPORT (PASS)

- saving money for a vehicle specially equipment for handicapped persons;
- accumulating money to start a small business in line with the person's training or background;
- accumulating funds for further education; or
- any other goal which would make the individual more self sufficient and lessen the person's need for assistance.

Disposition: When a PASS meets the above conditions, the stated amounts for meeting the goals are disregarded after all other applicable disregards have been exempted in determining eligibility for Medicaid. Eligibility is re-evaluated prior to the end of the time period of the plan.

An approved PASS has reports written periodically which indicate how the A/R is progressing and to verify that the A/R is acting in accordance with the provision(s) of his/her plan.

A complete description of how to initiate a PASS as well as other requirements is contained in the DISABILITY MANUAL.

INCOME
SSI-RELATED BUDGETING METHODOLOGY

DETERMINATION OF ELIGIBILITY

Policy: Eligibility for persons who are SSI-related is determined by comparing the net available income of the A/R to the Medically Needy Income level or Medicaid Standard (and MBL Living Arrangement Chart as appropriate) whichever is most beneficial. The resources of the A/R are also considered. A discussion of resources is found **RESOURCES**.

References: SSL Sect. 366

ADMs 94 ADM-13
91 ADM-27
83 ADM-17

Interpretation: SSI-related persons who meet the requirements of any other category (LIF, ADC-related, under age 21 or pregnant) have a choice between LIF, ADC-related budgeting or SSI-related budgeting. A/Rs are informed of this choice by the eligibility worker and shown which budgeting method is more advantageous. Once the A/R chooses a particular method of budgeting, the same method is used for resources as well as income.

The SSI-related budgeting methodology (as described in this Guide) is divided into three parts. Part A describes the determination of countable income for SSI-related A/Rs. Part B describes the determination of eligibility for an SSI-related adult when income is allocated to meet the needs of non-SSI-related children in the household. It also includes the budgeting disregards applicable to an SSI-related adult, whether or not allocation or deeming is appropriate. It is important to carefully review **RESOURCES** <u>ALLOCATION</u> and <u>DEEMING</u> to determine if allocation and deeming are necessary in each case. Part C describes the eligibility determination process for an SSI-related child living with at least one parent. It includes the process by which a portion of the parent's income is allocated to any non-SSI-related children in the household as well as the allocation to the parent. It also describes how the parent's income is deemed to the SSI-related child before eligibility is determined for that child.

A. General steps applicable to all SSI-related A/Rs.

Determine the monthly income of the individual or couple. All income from all sources is reviewed to determine if it is

INCOME
SSI-RELATED BUDGETING METHODOLOGY

DETERMINATION OF ELIGIBILITY

counted when determining eligibility. Certain kinds of income are disregarded in whole or in part (See **INCOME** SSI-RELATED DISREGARDS) when determining monthly income.

B. Determining eligibility for an SSI-related adult.

B-1 In determining eligibility for an SSI-related adult, income is first allocated to meet the needs of any non-SSI-related children in the household. Allocation is described **INCOME** ALLOCATION AND DEEMING. If the non-SSI-related adult has no income, no allocation is made to the children.

B-2 Determine whether or not income is deemed from a non-SSI-related spouse. If after allocating to any non-SSI-related children, the non-SSI-related spouse's remaining income is less than the difference between the monthly medically needy income level for two and the monthly medically needy level for an individual (See **INCOME** MEDICALLY NEEDY INCOME LEVEL), no income is deemed to the SSI-related spouse and only the income of the SSI-related spouse is considered in determining his/her eligibility.

If after allocating to any non-SSI-related children, the income of the non-SSI-related spouse equals or exceeds the difference between the monthly medically needy level for two and the medically needy level for a single individual, the non-SSI-related spouse’s income is deemed to the SSI-related spouse. The non-SSI-related spouse's remaining unearned income is combined with the unearned income of the SSI-related spouse and the non-SSI-related spouse's earned income is combined with any earned income of the SSI-related spouse.

B-3 Unearned Income – Deduct the $20 income disregard. If the unearned income is less than $20, the remainder of the disregard is subtracted as the first deduction from earned income; and

Deduct health insurance premiums if paid from unearned income. If the health insurance premium is greater than the amount of unearned income, the reminder is subtracted from earned income.

INCOME
SSI-RELATED BUDGETING METHODOLOGY

DETERMINATION OF ELIGIBILITY

B-4 Earned Income –

- Deduct the balance of the $20 income disregard, if it is not offset by unearned income;
- Deduct $65;
- Deduct any impairment related work expenses (See **INCOME** SSI-RELATED BUDGETING METHODOLOGY IMPAIRMENT-RELATED WORK EXPENSES);
- Deduct one-half of the remaining earned income. (The one-half deduction is rounded up to the nearest dollar);
- Deduct work expenses for certified blind individuals (See **INCOME** SSI-RELATED BUDGETING METHODOLOGY BLIND WORK EXPENSES); and
- Deduct health insurance premiums, if not deducted from unearned income.

B-5 Any remaining earned income is added to the remaining unearned income. Deduct any amount set aside for an approved plan to achieve self-support. (See **INCOME** SSI-RELATED BUDGETING METHODOLOGY PLAN TO ACHIEVE SELF-SUPPORT (PASS))

B-6 The resulting net income is then compared to the Medically Needy Income level or Medicaid Standard (and MBL Living Arrangement Chart as appropriate) whichever is most beneficial. For an SSI-related adult, not married or not living with a spouse, the A/R is budgeted as a household of one. SSI-related couples are budgeted as a household of two. In both instances the income deductions noted in B-1 – B-5 are applied.

NOTE: For purposes of SSI-related budgeting, a certified blind or certified disabled child age 18 or over is budgeted as an SSI-related adult.

C. Determining eligibility for an SSI-related child (under age 18).

C-1 In determining eligibility for an SSI-related child income is first allocated to meet the needs of any non-SSI related children in the household as follows:

INCOME
SSI-RELATED BUDGETING METHODOLOGY

DETERMINATION OF ELIGIBILITY

When the SSI-related child resides with a non-SSI-related child and only one parent, income is first allocated from the parent's unearned income (after subtracting any court ordered support paid out from unearned income). If the unearned income is insufficient, the remaining allocation amount is subtracted from the parent's earned income (after subtracting any court ordered support paid out from earned income).

The amount allocated to the non-SSI-related child is the difference between the monthly medically needy level for two and the monthly medically needy level for a single individual. The allocation amount is first offset on a dollar-for-dollar basis by any income of the child. The allocation amount is then subtracted from the parent's income (first unearned income then earned income). The remaining parental income is used in the deeming process.

When the SSI-related child resides with a non-SSI-related child and either two non-SSI-related parents or two SSI-related parents, the parents' unearned income is combined and the allocation is made first from the combined unearned income (after subtracting any court ordered support paid out from unearned income). If there is not sufficient unearned income, the parents' earned income is combined and the balance of the allocation is made from earned income (after subtracting any court ordered support paid out from earned income). The remaining parental income is used in the deeming process.

When the SSI-related child resides with a non-SSI-related child, a non-SSI-related parent and an SSI-related parent, income is first allocated from the non-SSI-related spouse's unearned income (after subtracting any court ordered support paid out from unearned income). If the unearned income is insufficient, the remaining allocation amount is subtracted from the parent's earned income (after subtracting any court ordered support paid out from earned income). After allocating to the non-SSI-related child, the non-SSI-related spouse's remaining unearned income is

INCOME
SSI-RELATED BUDGETING METHODOLOGY

DETERMINATION OF ELIGIBILITY

combined with the unearned income of the SSI-related spouse and the non-SSI-related spouse's earned income is combined with any earned income of the SSI-related spouse. The deductions listed in steps B-3 – B-5 are then subtracted. The remaining parental income is used in the deeming process starting with the deduction of the parental allocation (See note under C-2 on this page).

C-2 To determine the amount of parental income to deem available to an SSI-related child, when a parent has income remaining after allocating to any non-SSI-related children:

Deduct the $20 income disregard from the remaining unearned income. (See **INCOME** SSI-RELATED DISREGARDS) When the unearned income is insufficient, or there is only earned income, the balance of the $20 income disregard is subtracted first from any earned income.

Deduct any health insurance premiums, if paid from unearned income. If the health insurance premium is greater than the amount of unearned income, the reminder is subtracted from earned income.

Deduct $65 from earned income, then subtract one-half of any remaining earned income. (The one-half deduction is rounded up to the nearest dollar.)

Deduct any health insurance premiums, if paid from earned income or any balance remaining from unearned income.

Add any remaining countable unearned income to any remaining countable earned income and deduct the appropriate parental allocation, the Federal Benefit Rate (FBR). (See **REFERENCE** SSI BENEFIT LEVELS)

- Single parent – FBR for an individual
  Two parent household – FBR for a couple

INCOME
SSI-RELATED BUDGETING METHODOLOGY

DETERMINATION OF ELIGIBILITY

NOTE: In cases where the SSI-related child is residing with a non-SSI-related parent, SSI-related parent and a non-SSI-related child, the parent allocation is the FBR for a couple, plus the state supplement for an individual.

Any income remaining after deducting the parent allocation is deemed available to the SSI-related child. If there is more than one SSI-related child in the household, divide the deemed amount of income evenly.

C-3 Any parental income that is deemed available to the SSI-related child is added to any unearned income of the child, after any disregards. (See **INCOME** SSI-RELATED DISREGARDS)

C-4 Deduct the SSI-related child's $20 income disregard. The child is allowed the $20 income disregard regardless of whether or not s/he has any income of his/her own.

C-5 Deduct any health insurance premiums paid out of the child's unearned income.

C-6 Deduct one-third of any court-ordered support payments received by the SSI-related child from an absent parent.

C-7 If the SSI-related child has earned income, s/he is allowed the appropriate earned income disregards listed in Steps B-4 – B-5.

C-8 The remaining income is then compared to the Medically Needy Income level or Medicaid Standard (and MBL Living Arrangement Chart, as appropriate) whichever is most beneficial.

Disposition: After all appropriate allocation, deeming and the deduction of disregards, the remaining income of the SSI-related individual is compared to the Medically Needy Income level or Medicaid Standard (and MBL Living Arrangement Chart, as appropriate) whichever is most beneficial. Any excess income remaining after applying the appropriate level, is considered available to meet the cost of medical care and services. (See **INCOME** EXCESS)

INCOME

MEDICAID BUY-IN PROGRAM FOR WORKING PEOPLE WITH DISABILITIES (MBI-WPD)

Policy: The federal poverty level is used to determine eligibility for MBI-WPD. The net countable income of the A/R is compared to 250% of the federal poverty level for the appropriate family size of a household for one or two.

SSI-related budgeting, including, disregards, allocation and deeming, is used for determining net available income. (See **INCOME**: SSI-RELATED DISREGARDS, SSI-RELATED BUDGETING METHODOLOGY, INCOME ALLOCATION, DEEMING, HEALTH INSURANCE PREMIUMS, IMPAIRMENT-RELATED WORK EXPENSES, BLIND WORK EXPENSES, PLAN TO ACHIEVE SELF-SUPPORT (PASS), and DETERMINATION OF ELIGIBILITY and **REFERENCE** INCOME ALLOCATION for a discussion of SSI-related budgeting.)

Reference: See **CATEGORICAL FACTORS** and **RESOURCES**: MEDICAID BUY-IN PROGRAM FOR WORKING PEOPLE WITH DISABILITIES, and **OTHER ELIGIBILITY REQUIREMENTS** MEDICAID BUY-IN PROGRAM FOR WORKING PEOPLE WITH DISABILITIES PREMIUM PAYMENTS for a discussion of other eligibility criteria for MBI-WPD.

SSL Sect. 366(1)(a)(12) & (13)

ADMs 04 OMM/ADM-5
03 OMM/ADM-4

NOTE: See **REFERENCE** MEDICALLY NEEDY INCOME AND FEDERAL POVERTY LEVELS for a chart displaying the Medicaid Levels and Federal Poverty Levels.

INCOME

S/CC DISREGARDS

Description: Disregards of income are not considered in whole or in part in determining eligibility for Medicaid.

Policy: The following types of income are disregarded in the determination of gross monthly income for Medicaid: (See **REFERENCE** INCOME DISREGARDS for chart)

AMERICORPS - Child care allowances and other benefits and services including payments for living expenses provided by Americorps VISTA.

Child care allowances and all other benefits and services except payments for living expenses, provided by Americorps USA and Americorps NCCC.

ASSISTANCE BASED ON NEED - Any regular cash assistance payments based on need received by the A/R and furnished as supplemental income by the federal government, a State or political subdivision.

Support and maintenance assistance based on need and furnished either in-kind by a private non-profit agency or in cash or in-kind by one of the following: a supplier of home heating oil or gas, an entity whose revenues are primarily derived on a rate-of-return basis regulated by a State or Federal governmental entity or a municipal utility providing home energy.

BONA FIDE LOAN - A bona fide loan received by the A/R from an institution or person not legally liable for the support of the A/R. The loan must be a written agreement, signed by the A/R and the lender. The written agreement must indicate: the A/R's intent to repay the loan within a specific time; and how the loan is to be repaid, by specific real or personal property, held as collateral, or from future income. The loan remains an exempt resource as long as it retains the characteristics of a bona fide loan. Any interest accrued by the A/R is considered unearned income in the month received.

CASH ASSISTANCE INCOME - Any income of a cash assistance recipient in the A/R's household. However, any room/board such cash assistance recipient may pay to an S/CC A/R is countable, after applicable disregards (i.e., $90-work expense (See **INCOME** S/CC BUDGETING METHODOLOGY $90 WORK EXPENSE

INCOME

S/CC DISREGARDS

DISREGARD) and the $60-boarder or $15-roomer disregard. (See **INCOME** S/CC DISREGARDS)

CHILDCARE INCOME - Five dollars a day per child for a A/R who provides family day care for children other than his/her own is disregarded from the total amount of childcare payments received.

CHILDCARE SERVICES PAYMENTS- Payments made to the A/R for childcare services or the value of any childcare services provided by the A/R to a recipient of employment-related and JOBS-related childcare services. Transitional child care services, at-risk low income child care services or child care and development block grant services.

Payments received from Child and Adult Care Food Program (CACFP).

CHILD SUPPORT ARREARAGE PAYMENTS – Child support arrearage payments received by the A/R are not counted if the child is not a member of the MA case and/or the child is over 21 and/or not residing in the household.

DONATED FOODS - The value of federally donated foods.

EARNED INCOME TAX CREDIT PAYMENTS.

EMERGENCY SAFETY NET PAYMENTS.

FEDERAL ECONOMIC OPPORTUNITY ACT, TITLE III - Any loan made to a family under Title III of the Federal Economic Opportunity Act.

FEDERAL ENERGY ASSISTANCE PAYMENTS.

FEDERAL RELOCATION ASSISTANCE - Any payment received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

FOSTER PARENT PAYMENTS - Payments received for a child boarded out in the home of a recipient by an agency or a relative of the child.

FOOD STAMPS - The value of food stamps.

INCOME

S/CC DISREGARDS

FREE MEALS - The value of free meals, other than school meals, except when more than one meal a day is furnished or when the A/R receives an allowance for meals away from home.

GARDEN PRODUCE OR LIVESTOCK - The value of produce from a garden or livestock when used exclusively by the A/R and members of his/her household.

GI BILL DEDUCTION - That portion of a military person's pay which is deducted by mandate to help fund the GI Bill.

HOUSING AND URBAN DEVELOPMENT (HUD) COMMUNITY BLOCK GRANT FUNDS.

INCOME TAX REFUNDS – Any income tax refund or federal advance payment received by an A/R is disregarded in the month received and considered an exempt resource in the following month.

JOB CORPS - Money received by a family based on the enrollment of a child in the Job Corps.

NATIVE AMERICAN PAYMENTS - Seneca Nation Settlement Act payments made by the State and Federal governments, under P.L. 101-503, to the Seneca Nation.

Distribution to Native Americans of funds appropriated in satisfaction of judgments of the Indian Claims Commission or the United States Court of Federal Claims. This includes up to $2,000 per year of income for interests of individual Native Americans in trust or restricted lands, from funds appropriated in satisfaction of the Indian Claims Commission or the United States Court of Federal Claims.

Alaskan Native Claims Settlement Act (ANCSA) distributions - The following distributions from a native corporation formed pursuant to ANCSA are exempt as income or resources:

a. cash, to the extent that it does not, in the aggregate, exceed $2,000 per individual per year;

b. stock;

INCOME

S/CC DISREGARDS

c. a partnership interest;

d. land or an interest in land; and

e. an interest in a settlement trust.

NYS DEPARTMENT OF LABOR PAYMENTS - Payments from Youth Education, Employment and Training Programs (Department of Labor programs).

OVERPAYMENTS - The amount of income that is withheld to recover a previous overpayment is not income if the individual received Medicaid at the time of the overpayment and the overpayment amount was included in determining the individual's Medicaid eligibility.

PERSECUTION PAYMENTS - Benefits received by eligible Japanese-Americans, Aleuts, or Pribilof Islanders under the Civil Liberties Act of 1988, the Wartime Relocation of Civilians Law, and the Aleutian and Pribilof Islands Restitution Act.

Payments made to individuals because of their status as victims of Nazi persecution, including: German Reparation Payments; Austrian Reparation Payments made pursuant to sections 500-506 of the Austrian General Social Insurance Act; and Netherlands Reparation Payments based on Nazi, but not Japanese, persecution.

PREVENTATIVE HOUSING SERVICE - Payments provided as a preventive housing service under 18 NYCRR 423.4(l).

ROOM AND/OR BOARD - The first $60 per month of any income from each boarder and the first $15 per month from each roomer (lodger). If the A/R can document that the actual expenses incurred in providing the room for the roomer, exceeds $15 per month, or that the actual expenses incurred in providing room and board for a boarder exceeds $60 per month, then the actual documented expenses are disregarded.

INCOME

<u>S/CC DISREGARDS</u>

STUDENTS - **Earned Income** - Student earned income is generally countable.

NOTE: Persons under age 21 are not related to the S/CC category. They are generally categorically related to ADC/LIF categories.

Graduate Educational Grants or Scholarships - Educational grants, fellowships or scholarships for a graduate student, obtained and used for educational purposes only. This precludes their use for meeting current living expenses. The student must attest to this in writing. The language of the attestation attached to 83 ADM-67 must be used without change.

When an A/R is in receipt of a graduate assistantship, the local district receives verification from the financial aid office involved to determine if the assistantship is considered employment or an educational grant. If the assistantship is a grant, it is treated as outlined in the previous paragraph. When the assistantship is considered employment, the A/R receives any appropriate earned income disregards (See **INCOME** <u>S/CC DISREGARDS</u>), but additional deductions for educational expenses are not allowed.

School Meals - The value of free school meals.

Student Loans - Student loans received by a graduate or undergraduate student.

Undergraduate Educational Grants, Scholarships or Work-Study - Educational grants, scholarships, fellowships or work-study for undergraduate students.

NOTE: This does not apply to V.A. Educational Grants which are a part of the G.I. Bill and which provide a monthly allowance for support while veterans are enrolled in school. Only specific education-related expenses such as tuition, books, school fees, transportation, etc., are exempt for recipients of G.I. Bill educational money. The remainder is considered available unearned income in determining eligibility for Medicaid.

INCOME

S/CC DISREGARDS

SUPPORT PAYMENTS - The first $100 of current total household support payments, including child support and alimony**,** in any month including support payments collected and paid to the family by the local district.

SUPPLEMENTAL SECURITY INCOME (SSI) - Any SSI payments received by the A/R.

TRADE READJUSTMENT ALLOWANCE (TRA) - TRA benefits are paid as part of Unemployment Benefits (UIB). When an A/R loses his/her job as the result of import competition, s/he may qualify for a TRA allowance. When an A/R is receiving a TRA allowance, as part of his/her UIB, for transportation and/or books for the purpose of attending training, the TRA benefit is exempt.

U.S. CENSUS - Earnings from census employment.

VIETNAM VETERANS - Agent Orange Settlement Fund - Payments from the Agent Orange Settlement Fund or any other fund established pursuant to the Agent Orange product liability litigation, and payments from court proceedings brought for personal injuries sustained by veterans resulting from exposure to dioxin or phenoxy herbicide in connection with the war in Indochina in the period of January 1, 1962 through May 7, 1975.

Children **-** Monthly allowances paid to certain Vietnam Veterans' Children with Spina Bifida.

VISTA - Payments received by VISTA volunteers under Part A of Title I of Public Law 93-113 (VISTA) are disregarded as income and resources in determining eligibility and degree of need, provided that all of the VISTA payment is to be counted as income when the Director of the ACTION agency determines that the value of all such payments, adjusted to reflect the number of hours such volunteers are serving, is equivalent to or greater than the minimum wage. (See **REFERENCE** NEW YORK STATE MINIMUM WAGE for amount)

INCOME

S/CC DISREGARDS

VOLUNTEER PROGRAM PAYMENTS - Payments received by participants in volunteer programs under Title II of P.L. 93-113 (Domestic Volunteer Services Act of 1973). These include: retired senior volunteer, foster grandparent, senior companion and senior health aid programs. Payments made in the form of stipends, allowances and/or reimbursements for incurred expenses are disregarded when determining Medicaid eligibility.

Payments received by participants in volunteer programs established under Title III of P.L. 93-133. These include the Service Corps of Retired Executives (SCORE) and the Active Corps of Executives (ACE) programs.

WORK EXPENSE - $90 work expense from earned income (See **INCOME** <u>S/CC BUDGETING METHODOLOGY $90 WORK EXPENSE DISREGARD</u>)

WORKFORCE INVESTMENT ACT (WIA)—formerly known as JOB TRAINING PARTNERSHIP ACT (JTPA) - Income (earned or unearned) derived through participation in a program carried out under the JTPA and paid to a dependent minor. Earned income is disregarded for only one six-month period per calendar year. Further discussion of JTPA payments can be found in the <u>Public Assistance Source Book</u>.

Payments for supportive services paid under JTPA to any A/R to defray costs attributable to training such as transportation, meals, childcare, etc.

References:	SSL Sect.	366.2 366.3
	Dept. Reg.	352.22 360-4.6(a)(1) 360-4.6(a)(3)
	ADMs	01 OMM/ADM-6 OMM/ADM 97-2 97 ADM-23 94 ADM-10 92 ADM-43 92 ADM-42 92 ADM-32

INCOME

S/CC DISREGARDS

	92 ADM-11 91 ADM-8 90 ADM-3 84 ADM-21 84 ADM-1 81 ADM-38
INFs	95 INF-30 94 INF-7 90 INF-33
LCMs	95 LCM-53 92 LCM-120
GISs	11 MA/004 98 MA/017 98 MA/016 95 ES/DC006

Interpretation: The kinds of income listed previously are not considered in determining eligibility for Medicaid for the S/CC category. Only available income is counted in the determination of eligibility. (See **OTHER ELIGIBILITY REQUIREMENTS** OWNERSHIP AND AVAILABILITY for a more complete discussion of the availability of income)

Documentation: The source and amount of income disregards are documented in the case record and a notation is made that this income is not to be considered in determining eligibility for Medicaid.

INCOME

SINGLES/CHILDLESS COUPLES (S/CC) BUDGETING METHODOLOGY

Policy: Single individuals or childless couples who are: (1) at least age 21, but not yet 65; (2) not certified blind or certified disabled; (3) not pregnant; and (4) not caretaker relatives of children under age 21 are determined eligible for Medicaid using the S/CC budgeting methodology.

References:

SSL Sect.	366.1(a)
Dept. Reg.	352 360-4.6 370
ADMs	OMM/ADM 97-2 97 ADM-21
GIS	08 MA/022

Interpretation: Eligibility using S/CC budgeting is determined as follows:

(1) determine the monthly income of the person or household as described in **OTHER ELIGIBILITY REQUIREMENTS** HOUSEHOLD COMPOSITION. Certain kinds of income are disregarded in whole or in part (See **INCOME** S/CC DISREGARDS);

(2) compare the monthly income to 185% of the Public Assistance Standard of Need (See **INCOME** S/CC BUDGETING METHODOLOGY 185% MAXIMUM INCOME LIMIT). If the income exceeds 185% of the Medicaid Standard, the A/R is not eligible for Medicaid. If the monthly income is equal to or less than 185% of the Medicaid Standard; then

(3) compare the monthly income to 100% of the federal poverty level. If the income exceeds 100% of the federal poverty level the A/R is not eligible for Medicaid. If the monthly income is equal to or less than 100% of the federal poverty level, then

(4) deduct the $90 work expense disregard;

(5) deduct mandatory items from unearned income;

(6) deduct that part of income from self-employment or a small business as described in **INCOME** EARNED SELF-EMPLOYMENT OR SMALL BUSINESS INCOME of this guide. Depreciation, personal business and entertainment

INCOME

SINGLES/CHILDLESS COUPLES (S/CC) BUDGETING METHODOLOGY

expenses, personal transportation, personal income tax, purchase of capital equipment and payment on the principal of loans are not excluded or disregarded;

(7) deduct the $100 spousal support payment disregard, (See **INCOME** S/CC DISREGARDS);

(8) compare the resulting net income to the Medically Needy Income level or Medicaid Standard (and MBL Living Arrangement Chart as appropriate) whichever is most beneficial.

Disposition: To determine eligibility for Medicaid, using S/CC budgeting methodology, the net income of the A/R, after all appropriate disregards have been deducted, is compared to the Medically Needy Income level or Medicaid Standard (and MBL Living Arrangement Chart as appropriate) whichever is most beneficial. (See **REFERENCE** MBL LIVING ARRANGEMENT CHART and **REFERENCE** MEDICALLY NEEDY INCOME AND FEDERAL POVERTY LEVELS). If the A/R's income equals or exceeds the Medicaid Standard, s/he is ineligible for Medicaid.

INCOME
S/CC BUDGETING METHODOLOGY

185% MAXIMUM INCOME LIMIT

Description: The maximum income limit allowed for an S/CC A/R is 185% of the Medicaid Standard (including additional allowances).

Policy: When using S/CC budgeting, an A/R's total income, after subtracting any disregards, must be less than or equal to 185% of the applicable Medicaid Standard.

References:

Dept. Reg.	352.18
ADMs	OMM/ADM 97-2 97 ADM-21 85 ADM-33 83 ADM-38 82 ADM-49 81 ADM-55
GIS	08 MA/022

Interpretation: Individuals and childless couples who are S/CC cannot have gross income exceeding 185% of the Medicaid Standard. (See **INCOME** MEDICAID STANDARD) All income disregards (See **INCOME** S/CC DISREGARDS) except the $90 work expense are deducted before determining if the A/R meets the 185% maximum income test. The Public Assistance Source Book for Regulations contains a more detailed description of income excluded from the 185% income limit.

NOTE: S/CC persons in Congregate Care (all levels) are not required to pass the 185% income test.

This income test is performed by multiplying the Medicaid Standard, for the appropriate size household, by 185%. The income of the A/R as described above, is then compared to this figure. If the income exceeds this figure, the individual or childless couple is ineligible for Medicaid. If the gross income is less than or equal to 185% of the Medicaid Standard then the budgeting procedures described in **INCOME** SINGLE/CHILDLESS COUPLES (S/CC) BUDGETING METHODOLOGY are followed.

INCOME
SINGLES/CHILDLESS COUPLES BUDGETING METHODOLOGY

100% MAXIMUM INCOME TEST

Description: The 100% maximum income test is a test performed after the S/CC household passes the 185% income test. Earned and unearned income is compared to 100% of the federal poverty level for a household of the appropriate size.

Policy: The income of the S/CC applicant household, after disregards, must be less than or equal to 100% of the federal poverty level.

References: ADMs OMM/ADM 97-2
97 ADM-23

Interpretation: S/CC A/Rs cannot have income exceeding 100% of the federal poverty level. All disregards noted in **INCOME** S/CC DISREGARDS except the $90 work expense, are disregarded before determining if the client meets the 100% test.

NOTE: Persons in Congregate Care (Levels I, II, and III) are not required to pass the 100% income test.

This income test is performed by comparing the income of the S/CC household with the federal poverty level for the appropriate household size (See **REFERENCE** MEDICALLY NEEDY INCOME AND FEDERAL POVERTY LEVELS for the federal poverty levels). If the income exceeds this figure, the household is not eligible for Medicaid under S/CC budgeting. If the gross income is less than or equal to 100% of the federal poverty level then the budgeting procedures described in **INCOME** SINGLES/CHILDLESS COUPLES (S/CC) BUDGETING METHODOLOGY DETERMINATION OF ELIGIBILITY.

INCOME
S/CC BUDGETING METHODOLOGY

$90 WORK EXPENSE DISREGARD

Policy: In determining eligibility for Medicaid, the first item deducted from the monthly earnings is $90 of earned income for those individuals engaged in full-time or part-time employment (including those not employed throughout the month).

NOTE: Whenever an A/R has earned income, the first $90 per month is disregarded even though the A/R may not currently be employed or working.

References:

SSL Sect.	366
Dept. Reg.	352.19
ADMs	OMM/ADM 97-2 90 ADM-3 87 ADM-32
GISs	89 MA028 87 MA0028

Interpretation: When determining net earned income using S/CC budgeting (See **INCOME** SINGLES/CHILDLESS COUPLES (S/CC) BUDGETING METHODOLOGY) subtract $90 for each person working full-time or part-time. The $90 work expense is given regardless of the amount of the work expenses incurred.

When the A/R earns less than $90 per month, disregard the entire amount.

Although the A/R may have more than one job, only one $90 disregard for work-related expenses is allowed.

INCOME
SINGLES/CHILDLESS COUPLES (S/CC) BUDGETING METHODOLOGY

DETERMINATION OF ELIGIBILITY

Policy:

Eligibility for single persons and childless couples who are over the age of 21, but under the age of 65, and who are not certified blind, certified disabled or pregnant is determined by comparing the net available income of the A/R to the Medicaid Standard (and MBL Living Arrangement Chart as appropriate). (See **REFERENCE** MEDICAID STANDARD and MBL LIVING ARRANGEMENT CHART) In order for such a person to be eligible for Medicaid, s/he must meet the eligibility criteria for S/CC. (See **CATEGORICAL FACTORS** SINGLES/CHILDLESS COUPLES (S/CC))

NOTE: Effective April 1, 2008, the Medicaid standard is used to determine Medicaid eligibility for single individuals and childless couples, regardless of their living arrangement, since medical care is now considered an unmet need. Therefore, it is not necessary to determine if there is an unmet need.

References:

SSL Sect.	366
Dept. Reg.	360-3.3(a) (1)
ADMs	OMM/ADM 97-2
GIS	08 MA/022

Interpretation:

Eligibility for S/CC persons is determined as follows:

(1) Determine the A/R's household size by counting those persons who are applying and their legally responsible relatives (See **RESOURCES** PERSONAL NEEDS ALLOWANCE). An S/CC household cannot be larger than two.

(2) Determine the gross monthly income of the person or household. All income from all sources is reviewed to determine if **it is to** be included in the eligibility determination. The income of a non-applying spouse who lives in the same household is counted in the eligibility determination process, unless such spouse refuses to make his/her income available. Certain kinds of income are disregarded in whole or in part. (See **INCOME** S/CC DISREGARDS) The income is converted to a monthly figure.

(3) Compare the monthly income to 185% of the Medicaid Standard as described in **REFERENCE** MEDICAID STANDARD. If the income exceeds 185% of the Medicaid

INCOME
S/CC BUDGETING METHODOLOGY

DETERMINATION OF ELIGIBILITY

Standard, the A/R is ineligible for Medicaid and the determination of eligibility goes no further. If the income is less than or equal to 185% of the Medicaid Standard, the eligibility determination continues.

(4) Compare the monthly income to 100% of the federal poverty level. If the A/R's income exceeds the poverty level, the A/R will not be eligible under S/CC (See 97 ADM-23). In situations requiring special allowances (housing, restaurant, etc.) which bring the Medicaid Standard above the federal poverty level there will be no 100% federal poverty level test.

(5) Deduct the applicable disregards from the monthly income in the following order:

(a) $90 work expense disregard. (See **INCOME** S/CC BUDGETING METHODOLOGY $90 WORK EXPENSE DISREGARD);

(b) where applicable, the first $100 of spousal support payments is disregarded. (See **INCOME** S/CC DISREGARDS)

(6) Compare remaining income to the Medicaid Standard. If the income is less than the Medicaid Standard, the A/R is income eligible for Medicaid. If the income equals or exceeds the Medicaid Standard, the A/R is ineligible for Medicaid.

NOTE: If a family's countable income exceeds the Medicaid Standard, the family may not spend down to the Medicaid Standard. However, eligibility may exist and should be evaluated under one of the Medically Needy or Expanded Eligibility (poverty level) programs or Family Health Plus.

INCOME

FAMILY HEALTH PLUS (FHPlus)

Policy: All adults age 19-64, who apply for Medicaid and appear to be ineligible for reasons of excess income.

References:

SSL Sect.	369-ee
ADM	01 OMM/ADM-6
GIS	07 MA/021

Interpretation: Eligibility for FHPlus is determined as follows.

(1) Determine that the A/R is financially ineligible for Medicaid.

(2) Determine the gross monthly income of the A/R. Certain types of income are not counted when determining gross monthly income for FHPlus. For all applicants, income received from the following is not counted when determining eligibility:

- AMERICORPS/VISTA;
- ASSISTANCE BASED ON NEED;
- BONAFIDE LOANS;
- CASH ASSISTANCE INCOME;
- CHILD AND ADULT CARE FOOD PROGRAM (CACFP);
- CHILD SUPPORT ARREARAGE PAYMENTS;
- DONATED FOODS;
- EARNED INCOME OF FULL-TIME STUDENTS UNDER THE AGE OF 21;
- EARNED INCOME TAX CREDIT;
- FEDERAL ECONOMIC OPPORTUNITY ACT (Title III);
- FEDERAL ENERGY ASSISTANCE PAYMENTS;
- FEDERAL RELOCATION ASSISTANCE;
- FOOD STAMPS;
- FOSTER CARE PAYMENTS;
- FREE MEALS;
- GARDEN PRODUCE OR LIVESTOCK FOR PERSONAL USE;
- GI BILL DEDUCTION;
- GRADUATE/EDUCATIONAL GRANTS (for educational expenses) OR UNDERGRADUATE EDUCATIONAL GRANTS, SCHOLARSHIPS OR WORK STUDY;

INCOME

FAMILY HEALTH PLUS (FHPlus)

- HUD COMMUNITY BLOCK GRANTS;
- INCOME TAX REFUNDS (in month received);
- IN-KIND MAINTENANCE (such as rent, groceries, etc.) not from a legally responsible relative and not for goods or services rendered;
- JOB CORPS;
- JOB TRAINING PARTNERSHIP ACT PAYMENTS (WORKFORCE INVESTMENT ACT (WIA);
- NATIVE AMERICAN PAYMENTS (including Alaskan Native payments);
- NYS DEPARTMENT OF LABOR PAYMENTS: i.e. Youth Education and Employment and Training Programs;
- PERSECUTION PAYMENTS (German/Austrian/Netherlands Reparation payments, and payments to Japanese-Americans, Aleuts or Pribilof Islanders);
- PREVENTATIVE HOUSING SERVICE PAYMENTS;
- SCHOOL MEALS AND STUDENT LOANS;
- SUPPLEMENTAL SECURITY INCOME (SSI);
- VIETNAM VETERANS AGENT ORANGE SETTLEMENT FUND and payments to Children with Spina Bifida;
- VOLUNTEER PROGRAM PAYMENTS UNDER THE VOLUNTEERS SERVICES ACT (foster grandparents, SCORE, ACE);
- WOMENS, INFANT, CHILDREN (WIC)

In addition, for parents living with their children under the age of 21, and persons age 19 and 20, income received from the following is not counted when determining eligibility for FHPlus:

- BLOOD PLASMA SETTLEMENTS;
- DISASTER RELIEF;
- INSURANCE PAYMENTS- Moneys from insurance payments for the purpose of repairing or purchasing disregarded resource, which was lost, damaged or stolen, are disregarded. Any interest received from such payments is also disregarded.;
- RADIATION EXPOSURE COMPENSATION

NOTE: See **INCOME** ADC RELATED DISREGARDS for further definition of each of the above income types.

INCOME

FAMILY HEALTH PLUS (FHPlus)

(3) Determine the gross monthly income of the A/R, as follows:

Compare the gross countable income to the appropriate federal poverty level. The gross countable income of parents or persons age 19 and 20 who live with their parents is compared to 150% of the federal poverty level for the appropriate family size. For single individuals and childless couples, both disabled and non-disabled, and for 19 and 20 year-olds not residing with their parents, gross countable income is compared to 100% of the federal poverty level for the appropriate family size.

Documentation: Documentation of income is the same as for the regular Medicaid program. The source and amount of income is documented in the case record.

INCOME
PERSONS IN MEDICAL FACILITIES

ASSESSMENT/DETERMINATION OF INCOME AVAILABLE FOR THE COST OF CARE

Policy: Either spouse may request an assessment/determination of:

- the community spouse's monthly income allowance;
- any family allowances;
- any contribution requested from the community spouse toward the institutionalized spouse's care; and
- the methods used to determine any allowances.

An assessment may be requested at the beginning or after the commencement of a continuous period of institutionalization. The request may or may not be accompanied by an application for Medicaid.

References:

SSL Sect.	366
Dept. Reg.	360-4.3(f) 360-4.9 360-4.10
ADMs	89 ADM-47
INFs	90 INF-19
GIS	05 MA/002

Interpretation: Income solely in the name of the institutionalized spouse or the community spouse is considered available only to that spouse. When income is in the name of both spouses, or when ownership of the income cannot be established, one half (1/2) is considered available to each spouse. Income in the name of one or both spouses and in the name of another person is considered available to each spouse in proportion to that spouse's interest. When the income is in the name of both spouses and no share is specified, one half (1/2) of the joint share is considered available to each spouse. Income from a trust is considered available to each spouse as directed by the trust. If the trust is not specific, the above guidelines are followed.

INCOME
PERSONS IN MEDICAL FACILITIES

ASSESSMENT/DETERMINATION OF INCOME AVAILABLE FOR THE COST OF CARE

The community spouse is allowed a Minimum Monthly Maintenance Needs Allowance (MMMNA). (See **REFERENCE** MMMNA) This amount may be increased as the result of a fair hearing or court order.

When determining the community spouse's otherwise available monthly income, only the following deductions are allowed from his/her income:

- actual incapacitated adult/child care expenses;
- court-ordered support payments; and
- health insurance premiums.

When the community spouse's otherwise available monthly income is less than the MMMNA, the institutionalized spouse's income may be used to bring the community spouse's income up to the MMMNA. (See **REFERENCE** MMMNA)

When a family member (See **RESOURCES** PERSONAL NEEDS ALLOWANCE) resides with the community spouse and has over 50% of his/her maintenance needs met by either spouse, the family member may be eligible for a family member allowance (FMA) from the institutionalized spouse. When determining the family member's otherwise available monthly income, only the following deductions are allowed:

- actual incapacitated adult/child care expenses;
- court-ordered support payments; and
- health insurance premiums.

If the family member is eligible for a FMA, the institutionalized spouse's income may be made available to the family member. (See **REFERENCE** FAMILY MEMBER ALLOWANCE for current maximum dollar amount)

NOTE: German, Austrian, and Netherlands reparation payments are to be disregarded in determining the otherwise available income of the community spouse and family members.

INCOME
PERSONS IN MEDICAL FACILITIES

ASSESSMENT/DETERMINATION OF INCOME AVAILABLE FOR THE COST OF CARE

No other disregards are allowed when determining the community spouse's or family member's otherwise available income. All types of income are counted, except Public Assistance. When determining income available from self-employment or rental property, the community spouse/family member is allowed SSI-related disregards. (See **REFERENCE** SSI-RELATED DISREGARDS)

When the community spouse's otherwise available monthly income exceeds the MMMNA plus any family member allowance(s), the community spouse is requested to contribute twenty-five percent (25%) of the excess income to the cost of care for the institutionalized spouse.

An institutionalized spouse will not be denied Medicaid because the community spouse refuses or fails to make his/her income available to meet the cost of necessary care or assistance. However, the local social services district may seek to recover the cost of any Medicaid provided for the institutionalized spouse from the community spouse.

An A/R or his/her community spouse may request a fair hearing if either is dissatisfied with the determination of the community spouse monthly income allowance, the family allowance or the amount of monthly income otherwise available to the community spouse. If either spouse establishes that the community spouse needs income above the MMMNA, based upon exceptional circumstances which result in significant financial distress, the local district, pursuant to a fair hearing or court order, substitutes an amount adequate to provide additional necessary income from the income available to the institutionalized spouse. When the MMMNA is increased, based on exceptional needs, the case is closely monitored. If the exceptional need decreases or ceases, the case is re-evaluated, the appropriate adjustment made to the MMMNA and both spouses adequately and timely notified of the change.

INCOME
PERSONS IN MEDICAL FACILITIES

CHRONIC CARE BUDGETING METHODOLOGY FOR INSTITUTIONALIZED SPOUSES

Policy: Chronic care budgeting procedures are used for institutionalized spouses in permanent absence status.

References:

	SSL-Sect.	366 366-ee
	Dept. Reg.	360-4.9 360-4.10
	ADMs	10 OHIP/ADM-01 95 ADM-19 92 ADM-32 89 ADM-47
	GISs	09 MA/027 01 MA/021

Interpretation: An institutionalized spouse as defined in the Glossary is in permanent absence status as of the month of institutionalization or the month s/he begins receiving home and community-based waivered services. Chronic care budgeting begins the first day of the first month following the establishment of permanent absence.

NOTE: Spousal rules and definitions apply to an institutionalized S/CC or ADC-related individual who has a community spouse and is seeking Medicaid coverage. For such individuals, there will be no coverage for nursing home care until the individual has been certified disabled.

An institutionalized spouse's eligibility for Medicaid and the amount of his/her income applied to the cost of his/her medical care are determined by making the appropriate deductions from his/her available monthly income.

The local district may not require that the following income of the A/R be applied toward the cost of care:

BLOOD PLASMA SETTLEMENTS - Payments received as a result of a federal class action settlement with four manufacturers of blood plasma products on behalf of hemophilia patients who are infected with human immunodeficiency virus (HIV).

CASH ASSISTANCE INCOME - SSI benefits paid under Section

INCOME
PERSONS IN MEDICAL FACILITIES

CHRONIC CARE BUDGETING METHODOLOGY FOR INSTITUTIONALIZED SPOUSES

1611(e)(1)(E) of the Social Security Act.

INSURANCE PAYMENTS - Moneys from insurance payments for the purpose of repairing an exempt resource, which was lost, damaged or stolen, are exempt in the month received and for six (6) months following the month of receipt. Any interest received from such payments is also exempt. If the A/R uses the insurance money to purchase a countable resource prior to the expiration of the six months, the value of the countable resource is considered immediately.

MONEY FROM RESIDENTIAL HEALTH CARE FACILITY LEGAL ACTION - Money received as the result of a legal action against a residential health care facility because of improper and/or inadequate treatment.

PERSECUTION PAYMENTS - Benefits received by eligible Japanese-Americans, Aleuts, or Pribilof Islanders under the Civil Liberties Act of 1988, the Wartime Relocation of Civilians Law, and the Aleutian and Pribilof Islands Restitution Act.

Payments made to individuals because of their status as victims of Nazi persecution, including: German Reparation Payments; Austrian Reparation Payments made pursuant to sections 500-506 of the Austrian General Social Insurance Act; and Netherlands Reparation Payments based on Nazi, but not Japanese, persecution.

PLAN TO ACHIEVE SELF SUPPORT - Income necessary to achieve a plan of self support (See **INCOME** PLAN TO ACHIEVE SELF-SUPPORT (PASS) for details);

RADIATION EXPOSURE COMPENSATION TRUST FUND PAYMENTS - Payments for injuries or deaths resulting from exposure to radiation from nuclear testing and uranium mining*;*

VETERANS - Payments to veterans for Aid and Attendance (A&A) or payments for Unusual Medical Expenses (UME).

VIETNAM VETERANS - **Agent Orange Settlement Fund -** Payments from the Agent Orange Settlement Fund or any other fund established pursuant to the Agent Orange product liability litigation, and payments from court proceedings brought for

INCOME
PERSON IN MEDICAL FACILITIES

CHRONIC CARE BUDGETING METHODOLOGY FOR INSTITUTIONALIZED SPOUSES

personal injuries sustained by veterans resulting from exposure to dioxin or phenoxy herbicide in connection with the war in Indochina in the period of January 1, 1962 through May 7, 1975.

Children - Monthly allowances paid to certain Vietnam Veterans' Children with Spina Bifida.

To determine the institutionalized spouse's eligibility for Medicaid and the amount of his/her income to be applied to the cost of care, deductions are made in the following order:

(a) An amount to meet the personal needs (PNA) of the institutionalized spouse.

The first month or partial month of permanent absence, determine the institutionalized spouse's income and subtract SSI-related disregards from income to arrive at the countable monthly income. Subtract the Medically Needy Income level for one or the Medicaid Standard for one, whichever is higher.

The month following the month in which permanent absence is established, subtract the appropriate Personal Needs Allowance (PNA) from the institutionalized spouse's income. The A/R is no longer allowed the SSI-related income disregards.

When the A/R has no earned income and resides in a medical facility as defined by Article 28 of Public Health Law, deduct $50.00 for the PNA.

When the A/R has no earned income and resides in a medical facility regulated by Article 31 of Mental Hygiene Law, deduct $35.00 for the PNA.

When the A/R has no earned income and is receiving home and community-based waiver services or is a non-institutionalized participant in the Program of All Inclusive Care for the Elderly (PACE), deduct the PACE PNA amount (found in **REFERENCE** PACE PNA). (See **GLOSSARY** for a definition of PACE) This amount equals the difference between the Medically Needy Income level for a household of two and the level for one.

INCOME
PERSON IN MEDICAL FACILITIES

CHRONIC CARE BUDGETING METHODOLOGY FOR INSTITUTIONALIZED SPOUSES

When the A/R has earned income, the PNA consists of $50.00, $35.00 or PACE PNA amount (See **REFERENCE** PACE PNA) as applicable, plus the SSI-related earned income disregards listed on **INCOME** SSI-RELATED DISREGARDS. The total PNA amount may not exceed the Medicaid income level or Standard for one.

When a waiver or non-institutionalized PACE participation recipient is not living with his/her spouse and does not make his/her income and resources available to the spouse, the local district uses community budgeting procedures to determine the waiver recipient's Medicaid eligibility.

(b) When the community spouse's otherwise available monthly income is less than the minimum monthly maintenance needs allowance (MMMNA), deduct the amount required to bring the community spouse's otherwise available monthly income up to the MMMNA (See **REFERENCE** MMMNA for the current amount) from the institutionalized A/R's income. (See **GLOSSARY** for the determination of otherwise available income). This deduction is only allowed if the A/R is or will be actually making the income available to his/her community spouse.

INCOME
PERSON IN MEDICAL FACILITIES

CHRONIC CARE BUDGETING METHODOLOGY FOR INSTITUTIONALIZED SPOUSES

(c) When the A/R has a dependent family member(s) (See **GLOSSARY**), deduct a family member allowance for each family member. The family member allowance is deducted for each dependent whether or not the income is actually made available to the family member. The family member allowance is first deducted from any excess income of the community spouse. If the community spouse's income is insufficient to cover a family member allowance then the remainder is deducted from the income of the institutionalized individual.

(d) Deduct any expenses incurred for health insurance, medical care, services or supplies and/or remedial care for the institutionalized spouse, not paid by Medicaid or a third party.

Any remaining available income of the institutionalized spouse and any amount actually contributed from the community spouse is applied to the cost of care on a monthly basis.

A community spouse or family member who is also applying for Medicaid may not refuse to accept his/her monthly income allowance or family member allowance in order to qualify for Medicaid. However, an otherwise eligible community spouse or family member who is under age 21, pregnant, SSI-related or ADC-related and a legally responsible relative of the institutionalized spouse may achieve Medicaid eligibility by contributing any excess income to the cost of the institutionalized spouse's care.

INCOME
PERSONS IN MEDICAL FACILITIES

BUDGETING FOR INSTITUTIONALIZED SPOUSES IN SPECIFIED HOME AND COMMUNITY BASED WAIVERS (HCBS)

Policy: Spousal budgeting procedures used for institutionalized spouses in permanent absence status who are also participants in the Traumatic Brain Injury (TBI), Nursing Home Transition and Diversion (NHTD), and Office for People with Developmental Disabilities (OPWDD) Home and Community Based Service (HCBS) waivers differ from those used in all other permanent absence status situations including other HCBS waivers.

References:

SSL Sect.	366-c (4)
Dept. Reg.	360-4.9 360-4.10
ADMs	08 OLTC-01 95 ADM-19 92 ADM-32 89 ADM-47
GISs	08 MA/024 01 MA/021

Interpretation: An institutionalized spouse as defined in the **GLOSSARY** is in permanent absence status as of the month s/he begins receiving home and community-based waivered services. For participants in the TBI, NHTD, OPWDD HCBS waiver, spousal impoverishment eligibility rules are used to determine the waiver participant's eligibility but post eligibility/chronic care deductions are not applied.

To determine the waiver participant's eligibility for Medicaid and the amount of his/her income to be applied to the cost of care, deductions are made from the waiver A/R's income in the following order:

a) Deduct all applicable SSI-related disregards (See **INCOME** SSI-RELATED DISREGARDS).

INCOME
PERSONS IN MEDICAL FACILITIES

BUDGETING FOR INSTITUTIONALIZED SPOUSES IN SPECIFIED HOME AND COMMUNITY BASED WAIVERS (HCBS)

b) Compare the resulting figure to the Medicaid Income Level for One or the Medicaid Standard and MBL Living Arrangement Chart, as appropriate, whichever is most beneficial. (See **REFERENCE** MEDICALLY NEEDY INCOME AND FEDERAL POVERTY LEVELS for Medicaid Standard and MBL LIVING ARRANGEMENT CHART for Congregate Care Levels)

NOTE: In instances where 2 spouses are participating in the waiver, the resulting income of the two spouses is compared to the appropriate household for two.

c) Income of the non-waiver spouse is not considered available.

d) No income is deducted to bring the non-waiver spouse's income up to the Minimum Monthly Maintenance Needs Allowance (MMMNA).

e) No family member allowance is deducted.

If there is any remaining available income, the waiver participant may spend down. (See **INCOME** EXCESS)

A non-waiver spouse or family member who is also applying for Medicaid must have their eligibility determined as a separate household from the waiver participant.

INCOME
PERSONS IN MEDICAL FACILITIES

CHRONIC CARE BUDGETING METHODOLOGY FOR INDIVIDUALS

Policy: Chronic care budgeting procedures are used for institutionalized individuals in permanent absence status.

References:

SSL- Sect.	366 366-ee
Dept. Reg.	360-1.4(c), (k) and (p) 360-4.9
ADMs	10 OHIP/ADM-01 89 ADM-47
GIS	09 MA/027 08 MA/022

Interpretation: For chronic care budgeting purposes, an institutionalized individual is a person in permanent absence status who does not have a community spouse. (See the **GLOSSARY** for the definition of community spouse and the definition of permanent absence)

NOTE: When both members of a couple are in permanent absence status, they are each budgeted as individuals.

When an A/R enters a medical facility on a permanent basis, the first month or partial month of permanent absence, the A/R and any persons residing in his/her former household are budgeted as a community household. Appropriate disregards are used to determine monthly net income. The monthly income of the A/R and his/her household (if any) is compared to the Medically Needy Income level or Medicaid Standard (and MBL Living Arrangement Chart, as appropriate) whichever is most beneficial.

Unmarried ADC and S/CC-related recipients who are temporarily placed in a nursing home and subsequently become “permanently absent” will be budgeted using community budgeting rules until a disability determination is completed. Any excess income for the ADC-related recipient is the individual’s liability toward his/her nursing home care pending the disability determination.

INCOME
PERSONS IN MEDICAL FACILITIES

CHRONIC CARE BUDGETING METHODOLOGY FOR INDIVIDUALS

NOTE: A person must be a resident of a medical facility as of 12:01 a.m. on the first day of the month for that month to be considered a full month.

Beginning the month following the month in which permanent absence is established, the A/R's income is budgeted using the chronic care budgeting methodology. The following income of the A/R is not applied toward the cost of care:

BLOOD PLASMA SETTLEMENTS - Payments received as a result of a federal class action settlement with four manufacturers of blood plasma products on behalf of hemophilia patients who are infected with human immunodeficiency virus (HIV);

CASH ASSISTANCE INCOME – SSI benefits paid under Section 1611(e)(1)(E) of the Social Security Act.

INCOME
PERSONS IN MEDICAL FACILITIES

CHRONIC CARE BUDGETING METHODOLOGY FOR INDIVIDUALS

MONEY FROM RESIDENTIAL HEALTH CARE FACILITY LEGAL ACTION - Money received as the result of a legal action against a residential health care facility because of improper and/or inadequate treatment;

PERSECUTION PAYMENTS - Benefits received by eligible Japanese-Americans, Aleuts, or Pribilof Islanders under the Civil Liberties Act of 1988, the Wartime Relocation of Civilians Law, and the Aleutian and Pribilof Islands Restitution Act;

Payments made to individuals because of their status as victims of Nazi persecution, including: German Reparation Payments; Austrian Reparation Payments made pursuant to sections 500-506 of the Austrian General Social Insurance Act; and Netherlands Reparation Payments based on Nazi, but not Japanese, persecution;

PLAN TO ACHIEVE SELF SUPPORT – Income necessary to achieve a plan of self support (See **INCOME** PLAN TO ACHIEVE SELF-SUPPORT (PASS) for details);

RADIATION EXPOSURE COMPENSATION TRUST FUND PAYMENTS – Payments for injuries or deaths resulting from exposure to radiation from nuclear testing and uranium mining;

VETERANS – Payments to veterans for Aid and Attendance (A&A) or payments for Unusual Medical Expenses (UME); and

Reduced (limited) $90 Veterans' Administration pension;

VIETNAM VETERANS **– Agent Orange Settlement fund -** Payments from the Agent Orange Settlement Fund or any other fund established pursuant to the Agent Orange product liability litigation, and payments from court proceedings brought for personal injuries sustained by veterans resulting from exposure to dioxin or phenoxy herbicide in connection with the war in Indochina in the period of January 1, 1962 through May 7, 1975;

Children - Monthly allowances paid to certain Vietnam Veteran's Children with Spina Bifida;

INCOME
PERSONS IN MEDICAL FACILITIES

CHRONIC CARE BUDGETING METHODOLOGY FOR INDIVIDUALS

To determine the individual's eligibility for Medicaid and the amount of his/her income to be applied to the cost of care, deductions are made in the following order:

(a) Subtract the appropriate Personal Needs Allowance (PNA) from his/her available income. The A/R is no longer allowed the SSI-related income disregards.

When the A/R has no earned income and resides in a medical facility as defined by Article 28 of Public Health Law, deduct $50 for the PNA.

When the A/R has no earned income and resides in a medical facility regulated by Article 31 of Mental Hygiene Law, deduct $35.00 for the PNA.

When the A/R has earned income the PNA consists of $50.00 or $35.00 as applicable, plus the SSI-related earned income disregards. The total PNA amount may not exceed the Medically Needy Income level or Medicaid Standard for one.

(b) Deduct an amount to cover any third party health insurance premium;

(c) The needs of any children under 21 years of age for whom the A/R is legally responsible, in his/her former family household are then considered. The A/R's income is used to bring such children’s income up to the appropriate Medically Needy Income level or Medicaid Standard, whichever is higher.

NOTE: The maintenance needs of children for whom the A/R is legally responsible, in his/her former family household are considered, regardless of their resources.

(d) Deduct any expenses incurred for medical care, services or supplies and/or remedial care, not paid by Medicaid or a third party.

INCOME
PERSONS IN MEDICAL FACILITIES

CHRONIC CARE BUDGETING METHODOLOGY FOR INDIVIDUALS

Any remaining income is applied to the cost of care on a monthly basis.

When an individual enters a medical facility on a temporary basis and is expected to return to the community, s/he is considered temporarily absent. S/he and any persons residing in his/her household are budgeted as a community case. His/her income is compared to the Medically Needy Income level or the Medicaid Standard (and MBL Living Arrangement Chart, as appropriate) whichever is most beneficial.

INCOME
PERSONS IN MEDICAL FACILITIES

PERSONAL NEEDS ALLOWANCES (PNA) FOR PERSONS TRANSFERRED OR DISCHARGED

Policy: For persons in psychiatric facilities, developmental centers or intermediate care facilities regulated by Article 31 of the Mental Hygiene Law, the Personal Needs Allowance (PNA) is $35.00, rather than the $50 PNA allowed to persons in facilities regulated by Article 28 of Public Health Law. When a recipient transfers between facilities with different Personal Needs Allowance (PNA) levels, s/he is allowed the applicable PNA for the facility in which s/he was residing on the first of the month. The PNA is not pro-rated.

For example:

> Mr. Smith has resided in a facility regulated by Article 31 of the Mental Hygiene Law since November 6, 1998. On March 10, 1999, he is transferred to a nursing home. His PNA for March, 1999 is $35.00. Effective April 1, 1999 his PNA increases to $50.
>
> On June 15, 1999, Mr. Smith returns to the Article 31 facility. His PNA is $50 for June, 1999. Effective July 1, 1999 his PNA decreases to $35.00.

Individuals (other than institutionalized spouses) discharged from a medical facility into the community are entitled to community budgeting as of the calendar month of discharge.

For example:

> Miss Brown is discharged from a nursing home to the community on August 20, 1998. She is entitled to community budgeting for the entire month of August.

Institutionalized spouses discharged from a medical facility into the community are entitled to community budgeting as of the month following the month of discharge. Institutionalized spouses are budgeted as chronic care cases in the month of discharge.

For example:

> Mrs. Jones is discharged from a nursing home to the community on August 20, 1998. She is budgeted as a chronic care case for the month of August. Effective September 1, spousal impoverishment rules no longer apply.

INCOME
PERSONS IN MEDICAL FACILITIES

COMMUNITY SPOUSE AND FAMILY MEMBER ALLOWANCES

Policy: The minimum monthly maintenance needs allowance was established October 1, 1989 at $1,500. It is increased annually by the same percentage as the percentage increase in the federal Consumer Price Index. The amount, effective each January 1st, can be found in the **REFERENCE** INCOME COMMUNITY AND INSTITUTIONALIZED and FAMILY MEMBER ALLOWANCE.

A higher MMMNA amount may be established by court order or fair hearing.

The family allowance for each family member is an amount equal to one-third (1/3) of the amount by which one twelfth (1/12) of the applicable percentage of the annual federal poverty level for a family of two exceeds the amount of the otherwise available monthly income of the family member. The maximum Family Member Allowance (FMA) can be found in the **REFERENCE** FAMILY MEMBER ALLOWANCE.

References:

Dept. Reg.	360-4.10
ADMs	06 OMM/ADM-3 04 OMM/ADM-4 89 ADM-47
GISs	07 MA/001 06 MA/029 05 MA/013 05 MA/002 04 MA/032

INCOME

FAMILY PLANNING BENEFIT PROGRAM (FPBP) BUDGETING METHODOLOGY

Policy:

Depending on the A/R's category, s/he is allowed the budgeting disregards/exemptions for LIF/ADC-related or S/CC.

After appropriate categorical disregards, an FPBP A/R's net income is compared to 200% of the federal poverty level. (For LIF see **INCOME** LIF DISREGARDS and **INCOME** LIF BUDGETING METHODLOGY, for ADC see **INCOME** ADC-RELATED DISREGARDS and I**NCOME** ADC-RELATED METHODOLOGY, for S/CC see **INCOME** S/CC DISREGARDS and **INCOME** S/CC BUDGETING METHODOLOGY)

References:

SSL Sect.	366(1)(a)(11)
ADM	02 OMM/ADM-7

Interpretation:

SSI budgeting methodology is not used in determining eligibility for the FPBP. For example if a certified disabled individual living alone is ineligible for Medicaid, his/her eligibility for FPBP is determined using S/CC income disregards/exemptions.

When a person under the age of 21 who lives with his/her parents does not have his/her parent's financial information, eligibility for the A/R is determined using only the income of the A/R under the age of 21 and, if applicable, the income of the A/R's spouse.

Applicants cannot spend down to 200% of the federal poverty level to qualify for the Family Planning Benefit Program.

INCOME

EXCESS

Description: Excess income or “spenddown” is available net income in excess of an individual’s Medicaid level or standard. When determining Medicaid eligibility for A/Rs who are SSI-related, ADC-related, under age 21 or pregnant, any available monthly income in excess of the Medically Needy Level or Medicaid Standard whichever is higher is considered available to meet the cost of medical care and services.

Policy: When the available income of the A/R is greater than the Medically Needy Level or Medicaid Standard whichever is higher, the excess is considered available to meet the cost of medical care and services. In order to become eligible for Medicaid, ADC-related, SSI-related, under age 21 or pregnant A/R(s) may:

- pay or incur medical expenses equal to or greater than their excess income; or
- pay the amount of the excess income directly to a local district; or
- use a combination of paid or incurred medical bills and pay directly to the local district.

There are two types of **Medicaid Coverage** available under the Excess Income Program:

- **Outpatient Coverage**- Provided to an A/R who meets his/her spenddown on a monthly basis.
- **Inpatient and Outpatient Coverage**- Provided to an A/R who meets a six-month excess.

To meet either the one or six-month excess, the A/R must demonstrate that he/she has either paid or incurred the amount of the excess income toward a medical need (met the excess income). This is done by submitting paid or incurred medical bills or by paying the excess amount to the LDSS.

The amount and type of the medical bill(s) submitted by the A/R determines the length of time for which the Medicaid coverage (either outpatient-only, or inpatient and outpatient coverage) is granted.

In determining an individual’s eligibility, local districts use accounting periods:

- Accounting Period- a period of time from one to six months, over which medical bills are applied to excess income;

INCOME

EXCESS

- First Prospective Period- the first accounting period that includes the month of application;
    - o Medical expenses paid in the retro period that exceed the A/R's excess income may be carried forward into the first prospective period;
- Current Period- an accounting period that occurs after the first prospective period.

There are a variety of factors that affect the ability to apply/use bills in the eligibility determination including: timeframes, paid vs. unpaid bills (viability), the type of bill, the prioritization of the bill and the accounting period.

In addition to other medical bills, not paid by the A/R, bills that are paid by a public program of the State (such as EPIC or ADAP) or its political subdivisions may be used to meet an A/R's excess income liability.

A/Rs who meet their excess income must spend down to the appropriate Medically Needy Income Level or Medicaid Standard whichever is higher. A/Rs are not permitted in any instance to spend down income to the Federal Poverty Levels. This includes applicants applying for coverage under the Medicaid Buy-In Program for Working People with Disabilities (MBI-WPD).

A/Rs with income in excess of the applicable Family Health Plus (FHPlus) standard cannot meet their excess to attain FHPlus eligibility. Applicants who are ADC-related, SSI-related, under age 21 or pregnant who have medical expenses which would allow them to meet their excess to obtain coverage under Medicaid, and who are eligible for FHPlus, complete an application and enrollment form, and are given the choice of participating in either in the Medicaid Spenddown Program or FHPlus. Persons eligible for both Medicaid spenddown and FHPlus are informed of the differences in services provided by each program and all the Medicaid requirements.

References:	SSL Sect.	366(1)(a)(12) & (13) 366 (2)(b) 369-ee
	Dept. Reg.	360-4.8
	ADMs	04 OMM/ADM-5

INCOME

EXCESS

03 OMM/ADM-4
01 OMM/ADM-6
96 ADM-15
91 ADM-11
87 ADM-4

Interpretation: A/Rs who meet their excess income on a monthly basis are eligible for Outpatient Coverage only. A/Rs who meet a six month excess are eligible for both Inpatient and Outpatient coverage. Any A/R with excess income requesting coverage of an inpatient bill must first meet a six month excess.

The use of medical expenses to offset excess income is known as "spenddown". The direct payment of excess income to the local district is known as "Pay-In".

A/Rs who can participate in the Excess Income Program include:

- Individuals who are in a federally participating category (SSI-related, ADC-related or a child under the age of 21) and SSI-related are who also eligible under the appropriate Medicaid Resource Level.

NOTE: SSI-related individuals eligible to participate in the Excess Income Program who also have excess resources may spend down their excess resources (See **RESOURCES** EXCESS RESOURCES). Bills must be applied to excess resources first. Any remaining bills or portions of bills may then be used to reduce excess income.

When the income of a legally responsible relative is counted in the eligibility determination process, medical expenses, which are the legal responsibility of the relative, may also be used to offset any excess income of the applicant. Such expenses may include the medical expenses of the legally responsible relative as well as medical expenses of other family members for whom such relative is legally responsible.

Excess Income or Spenddown is met by:

Showing the LDSS either a paid bill or an incurred bill.

INCOME

EXCESS

Types of bills that can be used to meet the Excess/ Spenddown:

a) Medicare and other health insurance deductibles or other coinsurance charges;

b) Necessary medical and remedial services that are recognized under State law but are not covered by Medicaid, e.g. chiropractic care; and

c) Necessary medical and remedial services that are covered under the Medicaid Program (See **REFERENCE** <u>MEDICAID COVERED SERVICES</u>).

Such expenses include:

- Medical Expenses
- Medical Transportation
- Prescription Drugs
- Surgical Supplies/Medical Equipment/Prosthetic Devices
- Non-Participating Provider Services (Once Medicaid coverage is authorized, the recipient MUST receive services from Medicaid providers in order for the Medicaid payment to be made. Credit or refunds will NOT be provided for covered services rendered to the recipient by non-participating providers.)
- Over-the-counter drugs when ordered by a physician
- Medical expenses paid/incurred by a public program, e.g. ADAP and EPIC
- Copays
- Non-covered services
- Medical expenses for an individual for whom the A/R is legally responsible
- Medical expenses from a legally responsible relative whose income is available to the A/R

When the A/R presents a combination of bills, the local district uses its judgment in selecting the most appropriate alternatives in order to satisfy program requirements.

INCOME

EXCESS

A Prioritization/Hierarchy is applied to bills when evaluating the spenddown:

- Bills not payable by the Medicaid Program such as:
  - Paid bills- Bills paid in the pre-retroactive period (the period prior to the first day of the third month prior to the month of application) cannot be used to grant eligibility.

    Paid expenses are “anchored”/deducted from the income in the accounting period in which it is paid. Exception: An exception is made for expenses incurred and paid in the three-month retroactive period. When no part of the retroactive period is included in the first prospective accounting period, expenses incurred and paid during the retroactive period, which have not been used previously to establish eligibility can be deducted from income in the first prospective accounting period.

    Credit for paid bills may be carried forward for no more than six months, or until there is a break in coverage.
  - Non-covered services
  - Non-participating providers
  - Medical Expenses from a legally responsible relative whose income is available to the A/R
  - Co-pays
- Unpaid medical bills
  - Must be viable (the provider continues to seek payment and has not “written-off” the expense) and not previously used to establish eligibility.
  - Credit can be given in a subsequent accounting period if the individual’s liability is met in an accounting period without deducting all incurred, unpaid expenses and the bill is NOT payable by the Medicaid program.

INCOME

EXCESS

  - o Unpaid bills may be carried forward until there is a break in coverage.

  - o Unpaid bills from both the retroactive and pre-retroactive periods can be used to grant eligibility

- Medical bills payable by Medicaid.

NOTE: An expense paid or incurred by a public program can be used to provide no more than six months of Medicaid coverage at a time.

The following subjects are covered in this section:

- Six-month; and
- Pay-In.

INCOME
EXCESS

SIX-MONTH

Policy: When determining eligibility for acute in-patient care in a medical facility, the excess income for a six-month period is considered available for meeting the cost of medical care and services.

NOTE: If a person meets the definition of an institutionalized spouse, the excess income liability is computed on a monthly basis.

References:

SSL Sect.	366 (2)(b)
Dept. Reg.	360-4.8(c)
ADMs	96 ADM-15 91 ADM-11 90 ADM-46 87 ADM-4

Interpretation: When an A/R has a spenddown, and has or expects to have an acute in-patient care expense, excess income for a period of six months is considered available to meet the cost of such in-patient care. Any outstanding medical bills for which a provider is actively seeking payment may be used to reduce the six-month excess. (See **INCOME** EXCESS for the hierarchy of the application of medical bills)

For purposes of Medicaid coverage for an acute in-patient stay, the six-month consecutive period must include the month of hospitalization; however, it cannot include any month prior to the three-month retroactive period.

Once an A/R incurs a six-month excess liability, the A/R is eligible for Medicaid coverage of both inpatient and outpatient care and services for that period.

For any acute in-patient stay in which the A/R's liability for payment (excess income) for medical care exceeds the Medicaid payment rate for the length of the stay, but is less than the private charges for care, one of the procedures outlined below must be utilized:

I. For acute stays where the Medicaid payment rate is calculated utilizing a MEDICAID PER DIEM RATE:

SIX-MONTH

(1) Determine the average private per diem rate by dividing the total private charges by the length of the stay (date of admission until, but not including, date of discharge);

(2) Calculate the number of hospital days fully covered by the A/R's liability by dividing the average private per diem rate into the patient liability;

(3) Apply the remaining liability, if any, to the next acute day.

(a) If the remaining liability exceeds the Medicaid per diem, no portion of that day will be paid by Medicaid.

Enter the following day in the Service FROM Date field on the Principal Provider Subsystem (PPS), the date of discharge as the Service TO Date, and enter zero in the Net Available Income (NAMI) field.

(b) If the remaining liability is less than the Medicaid per diem rate, Medicaid will pay the difference between the remaining liability and the Medicaid per diem rate.

Enter this day (commonly referred to as a "partial day") in the Service FROM Date field, the date of discharge as the Service TO Date, and enter the remaining liability in the NAMI field on PPS;

(4) Instruct the hospital to bill only for the days covered by Medicaid, and to enter the remaining liability, if any, in the surplus field of the claim form.

II. For hospital stays where the Medicaid payment rate is calculated utilizing DIAGNOSTIC RELATED GROUPS (DRG):

(1) Determine the percentage of the hospital stay covered by the A/R's liability by dividing the liability by the private pay charges;

INCOME
EXCESS
SIX-MONTH

(2) Determine the percentage of the hospital stay to be covered by Medicaid (100% minus the percentage covered by the A/R's liability);

(3) Multiply the DRG case payment amount by the Medicaid percentage to arrive at the Medicaid payment amount;

(4) Subtract the Medicaid payment amount from the DRG case payment amount. Enter this amount as the Net Available Monthly Income (NAMI) in the Principal Provider Subsystem (PPS). Please note: the amount entered in the PPS will be different from the client's actual liability. Local districts must ensure that the case record, client notices, and the notice to the hospital reflect the actual liability;

(5) Enter the actual dates of service in the Principal Provider Subsystem (PPS);

(6) Instruct the hospital to enter the adjusted client liability as the surplus on the claim form, and complete the rest of the claim form according to normal procedures.

90 ADM-46 contains a more detailed description of "Watkins" cases using the Medicaid per diem rate, or Diagnostic Related Groups (DRG) case payment amount and includes some case examples.

When to Verify: When an SSI-related, ADC-related, under age 21 or pregnant A/R, has income in excess of the Medically Needy level or Medicaid Standard whichever is higher and:

(1) Declares in the application that s/he has unpaid acute in-patient expenses; or

(2) Indicates in the application that any member of the family household is in, or will require acute in-patient care, or has acute in-patient expenses.

INCOME
EXCESS

SIX-MONTH

Verification: Expenses for acute in-patient care may be verified by:

(1) Seeing hospital bills;

(2) Seeing Medicare or insurance explanation of benefits;

(3) Clearing with the medical provider.

Documentation: Sufficient to establish an audit trail:

(1) Date, length of stay, amount of charge and name of medical facility;

(2) Date and type of service, amount of charge and name of provider;

(3) If a third party insurer is involved, the amount of the third party payment or the denial of benefits, and the net amount of the A/R's responsibility.

Disposition: Once an A/R with excess income has paid or incurred a charge for acute in-patient care, his/her six-month excess income is computed. Medicaid is authorized for all or any part of the cost of acute in-patient care, which is greater than the A/Rs' spenddown amount. Once the A/R has incurred expenses equal to or greater than his/her excess income for a six-month period, s/he is eligible for Medicaid coverage during this period.

If income and/or household composition (See **OTHER ELIGIBILITY REQUIREMENTS** HOUSEHOLD COMPOSITION) changes during this six-month period, the amount of the excess is recomputed prospectively and the appropriate notice is sent to the A/R.

NOTE: If the A/R is covered by Third Party Health Insurance (e.g., Medicare, Blue Cross/Blue Shield, etc.) the amount of health insurance available for medical bills does not reduce the liability of the A/R. S/he is personally liable for medical bills equal to the amount of his/her excess.

INCOME
EXCESS

PAY-IN

Policy: Local social services districts are required to offer individuals with excess income the opportunity to reduce their excess income by pre-paying to the district the amount by which their income exceeds the Medically Needy Income level or Medicaid Standard, whichever is higher. Participation in the Pay-In program is optional on the part of the A/R. The A/R may elect to pay-in for periods of one to six months. When the pay-in period is longer than one month, the individual may pay the full excess income amount at the beginning of the period or may pay in monthly installments.

References:

SSL. Sect.	366(2)(b)
Dept. Reg.	360-4.8
ADMs	96 ADM-15 94 ADM-17

Interpretation: In order to obtain coverage, the participant pays to the local social services district the amount by which his or her net available income exceeds the Medically Needy Income level or Medicaid Standard, whichever is higher, for the appropriate period. In determining this amount, the district deducts from income any necessary medical expenses incurred during the period which are not payable by the Medicaid program. The A/R may elect to pay-in for periods of one to six months.

For pay-in periods of less than six months, inpatient coverage will not be authorized; instead outpatient coverage will be authorized. When the A/R pays the full excess income liability for a six-month period, inpatient and outpatient coverage will be authorized for that period.

If the individual has paid his/her liability to the local district and subsequently incurs expenses during the covered period for services not covered by the Medicaid program, the local district either refunds to the recipient the amount of the medical expense from the recipient’s account, or may credit the amount to the recipient’s account in a subsequent excess income period.

INCOME
EXCESS

PAY-IN

NOTE: Once the individual has paid in the amount of his/her excess income to the local social services district, s/he is treated like any other Medicaid recipient. Thus, the recipient must receive services from Medicaid providers in order for Medicaid payment to be made. Expenses paid or incurred from non-participating providers will not provide credit or refunds for covered services rendered to the recipient.

The local district establishes a special account to safeguard the funds paid by the individuals. Such amounts are not retained in interest-bearing accounts.

Local districts periodically reconcile the amount in the Medicaid recipient's account with the amount of Medicaid payments made on the recipient's behalf. The amount in the account is compared to the Medicaid payments made for services provided during the covered period. Any unused pay-in amounts are refunded to the recipient or credited to a subsequent excess income period.

NOTE: When reconciling the individual's Pay-In account, local districts take into consideration any off-line payments made on behalf of a participant, since these payments will not be reflected in the Adjudicated Claims history report.

Verification: Expenses for outpatient medical care, including prosthetic appliances, may be verified by:

(1) Seeing medical bills;

(2) Seeing cancelled checks or receipts;

(3) Seeing Medicare or insurance explanation of benefits;

(4) Clearing with the medical provider.

Documentation: Sufficient to establish an audit trail:

(1) Date and type of services, amount of charge and name of provider; and
(2) If a third party insurer is involved, the amount of the third party payment or the denial of benefits and the net amount of the A/R's responsibility.