

DMA ADMINISTRATIVE LETTER NO: 08-05, CHANGE IN DEFINITION OF INCOME

DATE: March 18, 2005

SUBJECT: Elimination of Clothing from Definition of Income

DISTRIBUTION: County Directors of Social Services
Medicaid Eligibility Supervisors
Medicaid Eligibility Staff

I. BACKGROUND

The Social Security Administration has revised regulations concerning how an individual's income and resources are determined under the Supplemental Security Income (SSI) program. Effective March 9, 2005, SSI eliminated clothing from the definition of income and from the definition of in-kind support and maintenance. This change also affects adult Medicaid eligibility determinations.

II. MEDICAID CHANGES

When determining countable income for an Adult Medicaid applicant or recipient, do not count the contribution of clothing as income. The ABD Medicaid Manual will be updated to reflect this policy change at the next revision. Medicaid policy sections affected by this change include:

A. [MA-2230, Financial Resources](#), XI., Trust Funds

Section F., Determine Countable Income to the A/R, contains two references to clothing as countable income. Eliminate clothing from the listings in F.2.b. and in the second sentence in the NOTE following this section.

B. [MA-2250, Income](#), VIII., Countable Unearned Income

Sections AA. 2. and BB. include contributions of clothing as countable income. Eliminate clothing contributions when determining in-kind income.

C. [MA-2250, Income](#), VI., Non-countable Income

Section B., Non-countable Unearned Income, 11. contains a reference to bills paid by a third party for an item other than food, shelter or clothing. Eliminate the reference to clothing here.

III. EFFECTIVE DATE AND IMPLEMENTATION

This policy is effective April 1, 2005. Apply this change to redeterminations started and applications pending or taken on or after April 1, 2005.

If you have any questions regarding this policy please contact your Medicaid Program Representative.

Mark T. Benton
Interim Director

(This material was researched and written by Susan Ryan, Policy Consultant, Medicaid Eligibility Unit)