MA-2260 FINANCIAL ELIGIBILITY REGULATIONS-PLA
REVISED 04/01/11-CHANGE NO. 08-11

I. FINANCIAL AND RESOURCE RESPONSIBILITY FOR ALL M-AABD and MQB COVERAGE GROUPS

This section provides the policy rules for determining responsibility for individual and couple applicants and recipients when they live in a private living arrangement. In addition, this section provides instructions for how and when to "deem" income and resources from a financially responsible spouse or parent(s) to the spouse or child a/r. Because of a court decision, DMA can no longer employ income deeming methodology in MQB eligibility determinations. Accordingly, this section provides instructions on how to use family size budgeting in MQB cases.

II. Financial Responsibility

A. Spouse-for-spouse financial responsibility exists for a spouse who:

1. Is legally married to the a/r,
2. Does not receive SSI, Work First, or CAP and
3. Lives in, or is temporarily absent from the home, or
4. Has lived apart for less than one month.
    a. Financial responsibility ceases at the beginning of the 2nd month.
    b. Beginning with the 2nd month, budget them as separate individuals.

B. Parent-for-child financial responsibility exists for a child who:

1. Is under the age of 18,
2. Lives in or is temporarily absent from the home,
3. Has never been married,
4. Has never served in the military,
5. Has not been legally emancipated,
6. Does not receive SSI, Work First, CAP, or IAS, and
7. Is the natural or adopted child of an adult a/r or of an adult a/r’s spouse;

UNLESS

8. Either parent(s) receives SSI, AAF, CAP/DA or CAP/MR/DD.

9. Parent for child financial responsibility continues for children who have been out of the parent(s)'s home less than one month:

   a. Financial responsibility ceases at the beginning of the 2nd month;

   b. Beginning with the 2nd month, budget the child as a separate individual.

10. Parent-for child financial responsibility ends the month <u>after</u> the child turns 18.

C. Children do not have financial responsibility for parents or siblings.

III. MAABD and MQB SSI Budgeting methodology and definitions

The phrase "SSI Budgeting Methodology" means the budgeting methodology that has been employed since January of 1995. Due to the court case which mandated the use Family Size Budgeting in MQB eligibility determinations, it is necessary to distinguish the two forms of budgeting now in use.

Under SSI Budgeting Methodology there are two different methods to calculate income. One way is to lump all of the income of the individual or couple. The second way is to look at the individual and indirectly count or <u>deem</u> income from the ineligible spouse or parent(s). The method employed depends upon whether the a/r is classified as a "Medicaid Individual," a "Medicaid Couple," a "Medicaid Individual with and Ineligible Spouse," or a "Medicaid Child."

A. Definitions

To determine the appropriate budgeting method, identify the M-AABD/M-QB a/r as one of the following:

1. Medicaid Individual: A "Medicaid Individual" is an a/r who is:

   a. Unmarried and age 18 or older; or

   b. Married and living with a spouse who receives AAF, SSI, CAP/DA, or CAP/MR/DD; or

(III.A.1.)

c. Unmarried and under age 18 and living with a parent(s) who receives SSI, AAF, or CAP.

NOTE: If the child lives with both parents and only one of the parents/stepparents receives AAF or SSI, the child is a Medicaid individual.

d. Unmarried and under age 18 and living outside of his/her parent(s)'s home; or

e. Receiving CAP/CC, CAP/DA, or CAP/MR/DD.

2. Medicaid Couple: A "Medicaid Couple" consists of a/rs who are married and living together, and

(1) Who are M-AABD/M-QB Medicaid a/rs and

(2) Neither of whom receives CAP/DA or CAP/MR/DD or SSI.

3. Medicaid Individual with an Ineligible Spouse

a. A "Medicaid Individual with an Ineligible Spouse" is an a/r who is married to and living with a spouse who is <u>not</u> an M-AABD/MQB Medicaid recipient and does not receive SSI, AAF or CAP.

b. "Ineligible" means the spouse is not applying for or receiving M-AABD or M-QB.

4. Medicaid Child

A "Medicaid Child" is an a/r under the age of 18 who lives with his parent(s) who does (do) not receive SSI, AAF or CAP. He remains a Medicaid Child through the month that he moves out of his parents' home.

B. Methodology

1. If the a/r is a Medicaid Individual

Count the income of the a/r only to determine eligibility.

2. If the a/r is a Medicaid Couple

a. Count the total combined income of both spouses.

b. If one a/r of the original couple is denied:

(1) Prior to the disposition of the other spouse's application, the remaining a/r becomes a Medicaid individual with an ineligible spouse for the entire certification period.

(2) After the other spouse is approved, the remaining spouse is budgeted as part of a Medicaid couple through the month of denial.

3. If the a/r is a Medicaid Individual with an Ineligible Spouse

Deem income of the ineligible spouse to the a/r (see IV.D. for deeming instructions.).

4. If the a/r is a Medicaid Child

Deem income from the parent(s) to the child (see IV.E for deeming instructions).

IV. INCOME COMPUTATIONS (BASED ON COMPLETION OF DMA'S BUDGET SHEETS)

A. Background

The following section gives instructions for completion of the Budget Sheets. These forms were developed to assist in determining income eligibility and the appropriate aid/program/category. These forms must be used to calculate income for M-AABD/M-QB/M-WD cases.

NOTE: Ineligible Child: In the deeming process (both spouse to spouse and parent to child), there is a provision for deducting a portion of the deemor's income for the needs of "ineligible children." The definition of an ineligible child is: an unmarried child of the parent from whom income is deemed. The child must live in the household and must not receive SSI or AAF and must not be applying for or receiving M-AABD or M-QB. Allow the Living Needs Allowance (see VII.B.) for each ineligible child in the home under age 18 (or, 21 if a student and regularly attends school or college or training designed to prepare him/her for a paying job).

1. MAABD and MQB-Q (SSI) Budgeting Methodology

a. For "Medicaid Individuals," complete Section A of the DMA-5008aAdult Budget Sheet. Section A determines whether:

(1) The individual is eligible for N coverage, or

(2) If there is a deductible for M coverage, and/or

(3) If the individual is eligible for M-QB/M-WD.

b. For "Medicaid Couples," complete Section C of the DMA-5008aAdult Budget Sheet.

c. For "Medicaid Individuals with Ineligible Spouses," complete Sections A, B, and C of the Adult Budget Sheet.

d. For "Medicaid Child" living with parent(s), complete Sections A, B and C of the DMA-5008eABD Medicaid Parent to Child Budget Sheet.

2. MQB Family Size Budgeting Methodology

If ineligible for MAABD/MQB-Q using SSI methodology (see 1. above), complete Section D of the Adult Budget Sheet to; determine eligibility for MQB–Q, MQB-B or MQB-E.

B. Medicaid Individual: Complete Section A of the DMA-5008a Adult Budget Sheet

1. Total the individual's gross unearned income from all sources. Enter total GROSS unearned income on Line 1.

2. On Line 2 subtract the $20 General Exclusion unless the income is VA Pension.

3. Enter the Net Unearned income on Line 3 (Line 1 minus Line 2). Go Line 11 if no earned income.

4. **Earned Income** - Enter total gross earned income of the individual on Line 4. (For certain incomes this is the amount after operational expenses.)

5. On Line 5 subtract remainder of the $20 General Exclusion if any not used by unearned income. If there is only earned income, subtract the $20 from earned income.

6. Line 6 is the subtotal of earned income (Line 4 minus Line 5).

7. On Line 7 subtract the $65 work expense exclusion from earned income.

8. Enter the difference by subtotaling Line 8 (Line 6 minus Line 7).

9. On Line 9 subtract 1/2 of Line 8.

10. The result on Line 10 is the Net Earned Income (Line 8 minus Line 9).

11. The amount on Line 11 is the Total Net (countable) Income (Line 3 plus Line 10).

12. On Line 12 enter the income maintenance amount for aid program/category or categories in which eligibility is being evaluated (CN/MN/M-QB/M-WD).

13. Determination of Eligibility for Appropriate Coverage Group

    a. Categorically Needy:

        (1) If the a/r's income on Line 11 is equal to or less than the **N** income level for an individual, the a/r is financially eligible for **N** coverage**.**

        (2) If the a/r's income on Line 11 is greater than the **N** income level for an individual, evaluate for **M** coverage.

    b. Medically Needy: Enter the **M** amount on Line 12 and subtract Line 12 from Line 11. Use the amount of excess income on Line 13 to compute the deductible for the certification period.

    c. M-QB (Q, B or E): If the M-QB (Q, B or E) amount was entered on Line 12 and there is no excess income on Line 13, the a/r is income eligible for M-QB provided he has Medicare.

C. Medicaid Couple (Both Applying)

Complete Section C, of the DMA-5008a Adult Budget Sheet to determine whether the couple is financially eligible for **N** or if there is a **M** deductible, or if they are eligible for M-QB (Q, B or E).

1. Total the couple's gross unearned income from all sources. Enter total GROSS unearned income on Line 1.a.

2. On Line 2 subtract the $20 General Exclusion unless all of the income is from a VA pension.

3. Enter the net unearned income on Line 3 (Line 1 minus Line 2). Go to line 11 if no earned income.

4. Earned Income - Enter total gross earned income of the couple on Line 4.a. (For certain incomes this is the amount after operational expenses.)

(IV.C.)

5. On Line 5 subtract remainder of the $20 General Exclusion if any used by unearned income. If there is only earned income, subtract the $20 from earned income.

6. Line 6 is the subtotal of earned income (Line 4 minus Line 5).

7. On Line 7 subtract the $65 work expense exclusion from earned income.

8. Enter the difference by subtotaling Line 8 (Line 6 minus Line 7).

9. On Line 9 subtract 1/2 of Line 8.

10. The result on Line 10 is the Net Earned Income (Line 8 minus Line 9).

11. The amount on Line 11 is the Total Net (countable) Income (Line 3 plus Line 10).

12. On Line 12 subtract the couple income maintenance amount for the aid program/category in which eligibility is being evaluated (CN/MN/M-QB/M-WD).

13. Determination of Eligibility for Appropriate Coverage Group

    a. Categorically Needy:

        (1) If the couple's income on Line 11 is equal to or less than **N** income level for a couple, the couple is financially eligible for **N** coverage.

        (2) If the couple's income on Line 11 is greater than the **N** level for a couple, the case must be evaluated for **M** coverage. Coverage under **N** classification can never have deductibles.

    b. Medically Needy: Enter the **M** couple amount on Line 12 subtract this amount from Line 11. Use the amount of excess income on Line 13 to compute the deductible for the certification period.

    c. M-QB (Q, B or E)/M-WD: If the couple M-QB (Q, B or E)/M-WD amount was entered on Line 12 and there is no excess income on Line 13, the couple is eligible for M-QB/M-WD provided they have Medicare.

    NOTE: If only one spouse has Medicare you still use the M-QB/M-WD amount at this step.

(IV.)

D. "Medicaid Individual With Ineligible Spouse" (Spouse to Spouse Deeming)

1. Complete Section A of the DMA-5008a Adult Budget Sheet. Follow for budgeting for individual (See IV.B., above). This section of the calculation is based on the individual's income only.

   a. Categorically Needy for M-AABD

      (1) If the a/r's income on line 11 is equal to or less than the **N** income level, go to Section B (IV.D.2., below).

      (2) If the a/r's income on Line 11 is greater than the **N** income level for an individual, the individual is ineligible for **N** coverage. Evaluate for **M** coverage. This individual cannot be **N** even if his ineligible spouse's income combined with his is under the **N** income level in Section C.

   b. Medically Needy for M-AABD

      Go to Section B (IV.D.2., below).

   c. M-QB (Q, B, or E) or M-WD:

      (1) If the a/r has Medicare and the income on Line 11 of Section A is greater than the M-QB income limit, stop. The a/r is ineligible for M-QB using SSI budgeting methodology.

      (2) If the a/r has Medicare and the income on line 11 of Section A is less than or equal to the M-QB (Q, B, or E) or M-WD income limit for an individual, go to Section B to determine spousal deeming.

2. Complete Section B of the DMA-5008a Adult Budget Sheet to compute ineligible spouse's income.

   a. On Line 1 of Section B enter the ineligible spouse's gross unearned income. If it is VA pension, do NOT deem. See MA-2250, VA based on need.

   b. On Line 2 of Section B, subtract the Living Allowance (Refer to Income Table VII. B.) for each ineligible child. If the ineligible child(ren) has any income, subtract his gross income from the Living Allowance and subtract the resulting amount on Line 2.

   c. On Line 3 enter the ineligible spouse's unearned income (Line 1 minus Line 2).

   d. **Earned Income** - Enter the ineligible spouse's gross earned income on Line 4 of Section B.

(IV.D.2.)

e. On Line 5 of Section B, subtract any portion of the Allowance allocation that remains after subtracting it from unearned income.

f. On Line 6 enter the amount of the ineligible spouse's earned income (Line 4 minus Line 5).

g. Enter total net countable income on Line 7 (Line 3 plus Line 6) and determine if income is to be deemed from the spouse. Refer back to Section IV.C. 13., to determine the a/r's classification.

(1) Categorically Needy (N)

▪ If the a/r's income on Line 11 of Section A is less than or equal to the **N** income limit for an individual, determine spousal deeming based on the criteria below.

(a) If the amount on Line 7 of Section B is less than or equal to the current Living Allowance for an ineligible spouse, (Refer to Income Table V. B.), do not deem income from the ineligible spouse. Do not use Section C.

Determine eligibility for the a/r based on the **N** income limit for an individual established in Section A.

(b) If the amount of Line 7 of Section B is greater than the Living Allowance for an ineligible spouse, deem income from the ineligible spouse. Go to Section C.

(2) Medically Needy (M)

▪ If the a/r's income on Line 11 of Section A is greater than the **N** limit for an individual, he may be eligible as **M**. Determine spousal deeming based on the criteria below.

(a) If the amount on Line 7 of Section B is less than or equal to 1/2 the **M** income level for an individual, do not deem income from the ineligible spouse. Do not use Section C.

Compute the a/r's deductible in Section A, using the **M** income limit for an individual.

NOTE: Though income is not deemed from the ineligible spouse, he is financially responsible for the a/r. Therefore, his medical expenses may be applied the a/r's deductible. (Refer to MA-2360 III. E.)

(b) If the amount on Line 7 of Section B is greater than 1/2 the **M** income level for an individual, deem income from the ineligible spouse. Go to Section C.

(3) M-QB (Q, B, or E) M-WD Coverage

▪ If the a/r's income on Line 11 of Section A is less than or equal to the Q, B, or M-WD income limit for an individual, determine spousal deeming based on the criteria below.

(a) If the amount on Line 7 of Section B is less than or equal to the Living Allowance for an ineligible spouse, (Refer to Income Table V. B.), do not deem the ineligible spouse's income to the a/r. Do not use Section C.

Determine eligibility for the a/r based on the Q, B, or M-WD income limit for an individual, established in Section A.

(b) If the amount on Line 7 of Section B is greater than the Living Allowance for an ineligible spouse, deem income from ineligible spouse. Go to Section C.

3. When income is deemed from the ineligible spouse, complete Section C of the DMA-5008a Adult Budget Sheet to calculate the countable income.

Do not use Section C if income is not deemed from the spouse.

a. **Unearned Income** - On Line 1.b. of Section C enter the total gross unearned income of the a/r (amount on Line 1 of Section A) enter the ineligible spouse's deemed unearned income (amount on Line 3 of Section B).

b. On Line 2 subtract the $20 General Exclusion unless the only income is VA pension. See MA-2250.

c. Line 3 is the net unearned income (Line 1 minus Line 2). Skip line 11 if no earned income.

d. **Earned Income** - Enter on Line 4.b. the gross earned income of the a/r plus the earned income deemed from the ineligible spouse. (Amount on Line 4 of Section A plus amount on Line 6 of Section B.)

e. On Line 5 subtract remainder of the $20 General Exclusion if any not used by unearned income.

f. Line 6 (Line 4 minus Line 5) is the subtotal of earned income.

g. On Line 7 subtract the $65 work expense exclusion from the earned income.

h. Enter the difference by subtotaling (Line 6 minus Line 7).

i. On Line 9 subtract 1/2 of line 8.

j. Line 10 is the total net earned income (Line 8 minus Line 9).

k. Total income - Line 11 is the total net income (Line 3 plus Line 10).

l. On Line 12 enter the income maintenance amount for a couple the aid program/category in which eligibility is being evaluated (CN/MN/M-QB/M-WD).

m. Determination of Eligibility for the Appropriate Coverage Group.

(1) Categorically Needy: Only evaluate for categorically needy (**N**) if the a/r's income on Line 11 of Section A is equal to or less than the **N** income level for one.

(a) If the income on Line 11 is equal to or less than the **N** income level for a couple, the a/r is financially eligible for **N** coverage.

(b) If the income on Line 11 is greater than the **N** income level for a couple, the case must be evaluated under the medically needy income level. Coverage under **N** classification can never have deductibles.

(2) Medically Needy: Enter the M amount on Line 12 and subtract this amount from Line 11. Use the amount of excess income on Line 13 to compute the deductible for the certification period.

(3) M-QB (Q, B or E) M-WD: If the M-QB (Q, B or E) couple amount was entered on Line 12 and there is no excess income on Line 13, the a/r is income eligible for M-QB/M-WD provided he has Medicare.

- NOTE: Remember that according to IV.D.1.c. (1) above, if the a/r's income is greater than the M-QB income limit for 1 person, he is ineligible for M-QB.

E. Parent to Child Deeming - Based on completion of the DMA-5008e Parent To Child Deeming Budget Sheet.

Complete parent to child budgeting when a "Medicaid Child" residing PLA with his parent(s) applies for/receives ABD Medicaid.

(IV.E.)

1. Section A: Complete Section A of the ABD Medicaid Parent To Child Deeming Budget Sheet. This section computes the parent(s)'s net unearned income.

   a. **Unearned Income**- On Line 1 enter the parent(s)' Gross Unearned Income.

   b. On Line 2 subtract the Living Allowance, for each ineligible child,(Refer to Income Table VII. B.). If the ineligible child(ren) has any income subtract the ineligible child's gross income from the Living Allowance amount prior to subtracting the Living Allowance on Line 2. Use the remainder on line 2.

   c. On Line 3 enter parent(s) unearned income (Line 1 minus Line 2).

   d. **Earned Income -** Enter the ineligible parent(s) gross earned income on Line 4 of Section A.

   e. On Line 5 of Section A, subtract any portion of the Living Allowance allocation that remains after subtracting it from the unearned income.

   f. Line 6 is the amount of parent(s)'s earned income to include in Section B. (Line 4 minus Line 5).

   g. Total the net countable income on Line 7 (Line 3 plus Line 6).

      (1) If there is zero net countable income on Line 7 of Section A, go to Section C. There is no excess income to deem from the parent(s) to the Medicaid Child.

      (2) If there is excess on Line 7 of Section A, complete B of ABD Medicaid Parent to Child Deeming Budget Sheet. Use the unearned and earned income remaining on Lines 3 and 6 of Section A to complete Section B.

2. Complete Section B of the DMA-5008e Parent to Child Budget Sheet. This step computes the amount of the parents' income to deem in Section C.

   a. On Line 1 of Section B enter the parent's unearned income (amount from Line 3 of Section A). If it is VA pension, do NOT deem. MA-2250, VA based on need.

   b. On Line 2 of Section B, subtract the $20 General Exclusion.

   c. Line 3 is the Net Unearned income (Line 1 minus Line 2). Go Line 11 if no earned income.

   d. **Earned Income -** Enter the parent's earned income on Line 4 of Section B (amount from Line 6 of Section A). For certain incomes this is the amount after operational expenses.

(IV.E.2.)

e. On Line 5 of Section B, subtract remainder of the $20 General Exclusion if any not used by unearned income. If there is only earned income, subtract the $20 from earned income.

f. Line 6 is the subtotal of the parent's earned income (Line 4 minus Line 5).

g. On Line 7 subtract the $65 work expense exclusion from income.

h. Enter the subtotal on Line 8 (Line 6 minus Line 7).

i. Subtract 1/2 of Line 8 on Line 9.

j. Line 10 is the parent(s)' Net Earned Income (Line 8 minus Line 9).

k. Add the Unearned Income from Line 3 to the earned income on Line 10 to get the total net income on Line 11.

l. On Line 12 subtract the individual SSI amount if there is one parent or the couple SSI amount if there are 2 parents in the home.

m. Line 13 is the total parent (s)' income to be deemed to the Medicaid Child. Enter the amount on Line 13.

3. Complete Section C of the Medicaid Parent To Child Deeming Budget Sheet. Include all countable income of the Medicaid child a/r.

a. **Unearned Income -** On Line 1 of Section C, enter the gross unearned income of the Medicaid child.

b. On Line 2 enter the income deemed from the parent(s) (from Line 13 of Section B).

c. On Line 3 enter the total of Line 1 and Line 2.

d. On Line 4 subtract the $20 General Exclusion.

e. Line 5 is the net unearned income (Line 3 minus Line 4). Go Line 11 if no earned income.

f. **Earned Income -** Enter on Line 6 the Gross Earned Income of the Medicaid child.

g. On Line 7 subtract remainder of the $20 General Exclusion if any.

h. Subtotal on Line 8 (Line 6 minus Line 7).

i. On Line 9 subtract the $65 work expense exclusion from income.

j. Subtotal on Line 10 (Line 8 minus Line 7).

k. On Line 11 subtract 1/2 of line 10.

l. Line 12 is the net earned income (Line 10 minus Line 11).

m. **Total income** - Line 13 is the total net income (Line 5 plus 12).

n. On Line 14 enter the income maintenance amount for aid program/category in which eligibility is being evaluated (CN/MN/M-QB).

o. Determination of Eligibility for the Appropriate Coverage Group

(1) Categorically Needy:

(a) If the a/r's income on Line 13 is equal to or less than the **N** income level for an individual, the a/r is financially eligible for N coverage.

(b) If the a/r's income on Line ll is greater than the **N** income level for an individual, the case must be evaluated under the medically needy income level. Coverage under **N** classification can never have deductibles.

(2) Medically Needy: Enter the **M** income amount on Line 14 and subtract this amount from Line 13. Use the amount of excess income on Line 15 to compute the deductible for the certification period.

(3) M-QB (Q, B or E): If the M-QB (Q, B or E) amount was entered on Line 14 and there is no excess income on Line 15, the a/r is eligible for M-QB provided he has Medicare.

V. MQB Family size budgeting

Because of a court ruling, DMA must determine MQB eligibility based upon “family size,” which includes the a/r, the spouse if there is one, and any dependent children under age 18 living in the home. The decision of the court applies to all MQB classifications. Although MAABD budgeting is not affected, budgeting for dual eligibles is impacted by the change in methodology.

System changes are needed to accommodate more MQB maintenance levels and income limits for MAABD and MQB dual eligibles. System changes to accommodate the new budgeting methodology cannot be made at this time. However, we must take those steps which are immediately possible to comply with the court ruling.

(V.)

A. Family Size Budgeting Methodology and Applicable Definitions

The new budgeting methodology utilizes "family size" and financial responsibility in place of the SSI budgeting deeming methodology.

1. For an adult a/r, family consists of:

   a. The a/r;

   b. His financially responsible spouse; and

   c. Any children under age 18 who live in the home for whom he or his spouse bears financial responsibility (for a discussion of financial responsibility, see II. above).

2. For a blind or disabled child, family consists of:

   (1) The a/r;

   (2) His parent(s); and

   (3) Any children in the home for whom either of his parent(s) bears financial responsibility (for a discussion of financial responsibility, see II. above).

B. Methodology

1. Compare countable income of the a/r and any family members who are financially responsible for the a/r to the income limit for the applicable family size. Follow procedures in MA-2250, Income, to determine countable income.

2. Continue to use existing resource policy and resource limits as outlined in MA-2230, Financial Resources, and IV. above.

C. Procedure

1. Evaluate for MAABD and MQB-Q eligibility first using SSI budgeting methodology as outlined in III. above.

(V.C.)

2. If the a/r is ineligible for MQB-Q using SSI budgeting methodology, evaluate for MQB-Q, MQB-B, and MQB-E eligibility using the family size budgeting methodology. Complete a separate budget sheet (DMA-5008a, Adult Budget Sheet) for each budgeting methodology employed. See V.D. for instructions on completing the DMA-a, Adult Budget Sheet. See VII. for income levels.

   Note: There is no need to apply Family Size budgeting to a Medicaid couple with no children.

3. If the a/r is determined eligible for MQB using the family size budgeting methodology, enter the applicable family size in the "Needs Unit" field on the DSS-8125. DMA will use the Needs Unit field for tracking purposes until the needed system changes can be made. Do not make an entry in the Needs Unit field if the individual is eligible for MQB-Q using SSI budgeting methodology.

4. Due to EIS systems limitations, you will not be able to enter correct maintenance and income amounts for family size budgeting when the needs unit is greater than two.

   a. MQB Cases

      Until new systems edits are in place, for MQB cases with needs units of more than two individuals enter the correct number in the needs unit field. Key the maintenance amount for two and countable income up to the maintenance amount for two. Document the file with the correct income for the needs unit.

   b. Dual Eligible Cases

      MAABD dual eligibles may have two applicable maintenance amounts – one maintenance amount for MAABD and one for MQB. EIS accepts an MAABD maintenance amount and an income in the MQB-Q or B range. Family size budgeting methodology may result in incomes that EIS cannot recognize as being within an acceptable MQB income range.

      In MAABD dual eligible cases with a MAABD maintenance amount for 1 person and a MQB needs unit of 2 for MQB, the caseworker enters the MAABD maintenance amount for one person and the actual countable income for the MQB family sized budget on the DSS-8125.

(V.C.4.b.)

Until new edits are in place, in dual eligible cases with needs units of 3 or more, the caseworker enters the maintenance amount for the applicable MAABD budget. Enter countable income up to the maximum income limit for 2 for the applicable MQB program. Be sure to carefully document the file with the correct income for the needs unit.

5. Examples -- Income Limit Issues With No Dual Eligibility

a. Example 1:

Nestor and Blanca are married and both apply for MQB (no dual eligibility). He receives RSDI in the amount of $1,140 per month and she receives RSDI in the amount of $980 per month. Their countable income is combined and compared to the income limit for two. This case will not be affected by family size budgeting because the income limit is the same under either methodology. Their combined income of $2,120 puts them over the limit for MQB-E.

b. Example 2:

Glen and Glenda are a married couple with no children. Only Glenda applies for MQB (no dual eligibility). She has countable monthly income of $1,003 (after $20 general income deduction). Glen has no income. Using SSI budgeting methodology, Glenda is over the income limit for one person for MQB-Q ($908). Even though Glenda is eligible for MQB-B, she must be evaluated for MQB-Q under family size budgeting.

Her income of $1,003 is compared to the MQB-Q income limit for two persons ($1,226) and she is eligible for MQB-Q under family size budgeting. This case, while affected by family size budgeting, has an income limit for two, which EIS can handle. Enter a needs unit of 02, the MQB-Q maintenance amount for two, and the actual total countable income in EIS because it is below the Q income limit for 2 in this case (The needs unit is needed to track that this case is using family size budgeting). Document the file that this case was budgeted using family size budgeting.

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(V.C.5.)

c. Example 3:

Stanley and Stella have a child under 18. Stanley applies for MQB (no dual eligibility). His countable monthly income is $1,300 (after $20 general income deduction). Stella has no income. Like the wife in example 2, this husband's income is greater than the MQB-Q income limit for one person ($908), and he is ineligible for MQB-Q under the SSI budgeting methodology and must be evaluated under family size budgeting.

Under family size budgeting, the family size is three persons (Stanley, Stella, and their child) with an MQB-Q income limit of $1,545, thus the husband is eligible for MQB-Q. However, EIS will not handle an MQB income limit for three persons.

Because EIS edits cannot currently handle the case, the worker must follow these instructions.

(1) Enter:

(a) An MQB-Q maintenance amount for two ($1,226),

(b) Total countable income equal to the MQB-Q maintenance amount for two ($1,226), and

(c) A needs unit of 03.

(2) Document the file that this case was budgeted using family size budgeting. Make sure to note the correct budget for a needs unit of 3.

6. Examples – Income Limit Issues With Dual Eligibility

a. Example 1:

LaRhonda lives with her husband Michael. She applies for MAA & MQB (dual eligibility) on 04/03/2011. The wife's countable monthly income is $1,150 (after $20 general income deduction). Her husband has no income, is under 65, not disabled, and not entitled to Medicare.

Under policy for MAA, LaRhonda is evaluated with an income limit for one person, and her income is over the MAA income limit ($908). Family size budgeting is not applicable to MAA. She is medically needy for MAA and has a 6-month deductible of $5,448 for 04/2011 – 09/2011.

(V.C.6.)

Additionally, following the SSI budgeting methodology, she is over the MQB-Q income limit for one person ($908). She must be evaluated for MQB-Q using family size budgeting.

(1) Applying family size budgeting

Under family size budgeting, she and her husband are a family unit of two persons. The MQB-Q income limit for two persons is $1,226 so she is determined eligible for MQB-Q on 04/23/2011 with a certification period of 04/2011 – 03/2012 and authorized 05/01/2011.

(a) Because family size budgeting is used to determine eligibility for MQB-Q, enter a needs unit of 02;

(b) Enter the MQB-Q maintenance amount for two persons ($1,226);

(c) Enter the actual countable monthly income ($1,150);

(d) Document the file that this case was budgeted using family size budgeting.

LaRhonda meets her MAA deductible 05/16/2011 and becomes eligible for MAA-M with an income limit for one person ($242) and MQB-Q with an income limit for two persons ($1,226).

(2) When the deductible is met:

(a) Key a program transfer to MAA with an authorization date of 05/16/2011 (EIS automatically shortens the certification date from 04/01/2011 – 03/31/2011 to 04/01/2011 – 09/30/2011);

(b) Key the MAA-M maintenance amount ($242);

(c) Retain the actual countable income ($1,150);

(d) Retain the Medicaid classification (Q);

(e) Retain the Needs Unit (02).

b. Example 2:

Nick lives with his wife Nora. He applies for MAA and MQB (dual eligibility) on 05/15/2011. His countable monthly income is $1,310 (after $20 general income deduction). Nora has no income, is under age 65, not disabled, and not entitled to Medicare. He has a medical need for the months of February, March and April.

(V.C.6.b.)

Under policy for MAA, Nick is evaluated with an income limit for one person, and his income is over the MAA income limit ($908). Family size budgeting is not applicable to MAA. Nick is medically needy for MAA and has an ongoing 6-month deductible of $6,408 for 05/2011 – 10/2011, and a $3,204 deductible for February, March, and April 2011.

Additionally, following the SSI budgeting methodology, Nick is over the MQB-Q income limit for one person ($908) and the MQB-B income limit for one person ($1,089). He must be evaluated for MQB-Q and B using family size budgeting.

(1) Applying family size budgeting

Under family size budgeting for MQB, he and his wife are a family unit of two. The MQB-Q income limit for two persons is $1,226, and he is ineligible for MQB-Q. The MQB-B income limit for two persons is $1,471, and he is determined eligible for MQB-B ongoing 05/01/2011 through 04/30/2012 and retro 02/01/2011 through 04/30/2011.

The initial case is MQB-B (income limit for two persons) ongoing. EIS can handle this case. Approve the application for MQB-B retroactive 02, 03, 04/2011 and ongoing 05/2011 through 04/2012.

(a) Because family size budgeting is used to determine eligibility for MQB-B, enter a needs unit of 02;

(b) Enter the MQB-B maintenance amount for two persons ($1,471);

(c) Enter the actual countable monthly income ($1,310);

(d) Document the file that this case was budgeted using family size budgeting.

(2) When the deductible is met

The husband does not meet his retro MAA deductible. However, he meets his ongoing MAA deductible on 05/10/2011 and becomes eligible for MAA-M with an income limit for one person and MQB-B with an income limit for two persons.

(a) Key a program transfer to MAA with an authorization date of 05/10/2011 (EIS will automatically shorten the certification period from 01/01/2011 -- 12/31/2011 to 01/01/2011 – 06/30/2011);

(V.C.6.b.(2))

(b) Key the MAA-M maintenance amount for 1 person ($242);

(c) Retain the actual countable income ($1,130);

(d) Retain the Medicaid classification (B).

(e) Retain the Needs Unit (02).

c. Example 3:

Ben lives with his wife and 16-year-old child. He applies for MAD & MQB (dual eligibility) on 05/05/2011. His countable monthly income is $1,500 (after $20 general income deduction). His wife has no income, is under age 65 and not disabled. His child has monthly income of $500.

Under policy for MAD, Ben is evaluated with an income limit for one person and his income is over the MAD income limit for one person ($908). Family size budgeting is not applicable to MAD. He is medically needy for MAD and has an ongoing 6-month deductible of $7,548 for 05/01/2011– 10/31/2011. He has no retroactive medical need for 02/01/2011 – 04/30/2011.

Additionally, following the SSI budgeting methodology, he is over the one-person income limit for MQB-Q ($908), MQB-B ($1,089), and MQB-E ($1,226). He must be evaluated for MQB under family size budgeting.

(1) Applying family size budgeting

Under family size budgeting for MQB, Ben, his wife, and child are a family unit of 3. His child's income is not counted. The MQB-Q income limit for a family of three is $1,545, and on 05/20/2011, the applicant is determined eligible for MQB-Q ongoing with a certification period of 05/01/2011 – 04/30/2012 and is authorized beginning 06/01/2011. EIS cannot handle an MQB-Q income limit for three.

EIS edits cannot currently handle the case. The worker must follow these instructions.

(a) Because the MQB-Q case was found eligible under family size budgeting enter a needs unit of 03.

(b) Enter a maintenance amount and total countable income equal to the MQB-Q income limit for 2 persons ($1,226).

(V.C.6.c.(1))

(c) Document the file that this case was budgeted using family size budgeting. Make sure to note the correct budget for a needs unit of 3.

(2) When the deductible is met:

Ben meets his deductible on 07/12/2011 and becomes eligible for MAD-M with an income limit for one person and MQB-Q with an income limit for three persons.

(a) Key a program transfer to MAD with an authorization date of 07/12/2011 (EIS will automatically shorten the certification period from 01/01/2011 – 12/31/2011 to 01/01/2011 – 06/30/2011);

(b) Key the MAD-M maintenance amount for 1 person ($242);

(c) Retain the total countable income equal to the MQB-Q income limit for two persons ($1,226);

(d) Retain the Medicaid classification (Q).

(e) Retain the Needs Unit (03).

7. Document the Narrative or Case Record.

The following information must be included in the record. It is contained in the Family Size Budget Documentation Sheet (see DMA-5008f, MQB Family Size Budgeting Documentation Sheet):

a. If you use family size budgeting, put the following statement in the record:

"This case is budgeted using the MQB family size budgeting method."

b. If the MQB needs unit has a family size of more than two individuals, put the following statement in the record and fill in the correct amounts:

"System limitations required that I enter an income limit and maintenance amount for two people. The actual countable income is $_____, the family size is _____ and the maintenance amount is $_____."

(Be sure to file in the record all the budget sheets that were completed according to III.B. above.)

(V.)

D. MQB Family Size Budgeting Computation (Based on Completion of DMA's Budget Sheet)

1. Complete applicable sections A through D above using SSI budgeting methodology to first establish ineligibility for MAABD/MQB-Q prior to proceeding with Section D.

2. If not eligible for MQB-Q using SSI budgeting methodology, complete Section D of the worksheet to determine if the individual is eligible for MQB-Q, B or E using Family Size Budgeting.

   Note: There is no need to apply Family Size budgeting to a Medicaid couple with no children.

   a. Indicate whether individual is:

      (1) A Medicaid Individual with an Ineligible Spouse, and/or

      (2) A Medicaid Individual with children in the home for whom he and/or his spouse bear financial responsibility, and/or

      (3) Medicaid Couple with children in the home for whom he and/or his spouse bear financial responsibility.

   b. For the income calculation, include countable income of the a/r and any family member who is financially responsible for the a/r.

   c. **Unearned Income -** Enter total GROSS unearned income on Line 1.

   d. On Line 2 subtract the $20 General Exclusion unless the income is VA Pension.

   e. Enter the Net Unearned income on Line 3 (Line 1 minus Line 2). Go to Line 11 if no earned income.

   f. **Earned Income -** Enter total gross earned income on Line 4. (For certain incomes this is the amount after operational expenses.)

   g. On Line 5 subtract remainder of the $20 General Exclusion if any not used by unearned income. If there is only earned income, subtract the $20 from earned income.

   h. Line 6 is the subtotal of earned income (Line 4 minus Line 5).

(V.D.2.)

i. On Line 7 subtract the $65 work expense exclusion from earned income.

j. Enter the subtotal on Line 8 (Line 6 minus Line 7).

k. On Line 9 subtract 1/2 of Line 8.

l. The result on Line 10 is the Net Earned Income (Line 8 minus Line 9).

m. The amount on Line 11 is the Total Net (countable) Income (Line 3 plus Line 10).

n. On Line 12 enter the income maintenance amount corresponding to the applicable Needs Unit (see chart below) for the aid program or categories in which eligibility is being evaluated (MQB-Q/B/E).

o. Enter excess income on line 13 (Line 11 minus line 12).

VI. RESOURCE RESPONSIBILITY

There are two different methods to calculate reserve for an a/r based on the rules for determining financial responsibility. One method counts the total resources of the Medicaid Individual, Medicaid Couple or Medicaid Individual with an Ineligible Spouse. The second method "deems" or indirectly counts a portion of a financially responsible parent(s)'s resources as available to the Medicaid child.

A. Counting the resources of the Medicaid Individual, Medicaid Couple or Medicaid Individual with an Ineligible Spouse

1. Determine financial responsibility as appropriate for the a/r based on the criteria in II. above.

2. Based on financial responsibility that is established for the a/r, count resources as follows:

   a. If the a/r is a "Medicaid Individual":

      (1) Count the resources available to the a/r only to determine reserve eligibility.

      (2) Use the reserve limit for one (see VII. for income/reserve limits).

   b. If the a/r is a "Medicaid Couple" or a "Medicaid Individual with an Ineligible Spouse":

(1) Count the total combined resources of both spouses to determine reserve eligibility.

(2) Use the reserve limit for a couple (see VII. for income/reserve limits).

NOTE: Exclude private retirement accounts, i.e., IRA or KEOGH owned by the ineligible spouse.

c. If the a/r is a "Medicaid Child":

(1) Deem a portion of the financially responsible parent(s) resources to the a/r to determine reserve eligibility. See VI.B. below for reserve deeming instructions.

(2) Use the resource limit for one.

B. RESERVE DEEMING PROCEDURES AND COMPUTATIONS

Deem resources of a parent(s) to a "Medicaid Child" (parents not receiving SSI, AAF or CAP).

1. If only <u>one</u> parent is living in the household:

a. Determine the parent's countable resources.

b. Subtract the <u>individual</u> resource limit from the parent's countable resources (see VII. for income/reserve limits).

c. Deem the excess from 1.A., above to the eligible child(ren).

(1) If there is only one child in the household who is applying for or receiving M-AABD/M-QB, deem all of the excess resources of the parent to that child.

(2) If there is more than one child in the household who is applying for or receiving M-AABD/M-QB, divide the excess resources of the parent equally among those children.

(3) There is no exclusion from the parent's resources for children in the household who are not applying for or receiving M-AABD/M-QB.

d. Add the reserve deemed from the parent to the child's countable resources to determine the child's total countable reserve. Compare this amount to the reserve limit for one.

(VI.B.2.)

e. Do not deem parent's resources when an M-AABD/M-QB child is defined as a "Medicaid Individual."

2. If two parents live in the household:

a. Determine the parents' total countable resources.

b. Subtract the couple resource limit from the combined resources of both parents (see VII. for income/reserve limits).

c. Deem the amount of excess reserve from 2.b., above to the eligible child(ren).

(1) If there is only one child in the household who is applying for or receiving M-AABD/M-QB, deem all of the excess resources of the parents to that child.

(2) If there is more than one child in the household who applying for or receiving M-AABD/M-QB, divide the excess resources of the parents equally among those children.

(3) There is no exclusion from the parents' resources for children in the household who are not applying for or receiving M-AABD/M-QB

d. Add the reserve deemed from the parents to the child's countable resources to determine the child's total countable reserve compare this amount to the reserve limit for one.

VII. INCOME TABLE

A. CATEGORICALLY NEEDY (effective 04/11)

Non-HCWD Cases (classification C or Q if dually eligible)

Percent of Poverty Level	Number of Persons	Monthly income	One-third reduction
100% of FPL	Individual	$ 908.00	$606.00
100% of FPL	Couple	$1,226.00	$818.00

HCWD Cases (classification N or G unless dually eligible)

Percent of Poverty Level	Number of Persons	Monthly income	One-third reduction
150% of FPL	HCWD Individual	$1,362	$908
150% of FPL	HCWD Couple	$1,839	$1,226

(VII.)

B. LIVING ALLOWANCE FOR INELIGIBLE CHILD/INELIGIBLE SPOUSE

The living allowance for an ineligible child/ineligible spouse is $350, minus the gross income.

C. Medically Needy (01/01/90) (classification M or B if dually eligible)

Number of Persons	Monthly income	One-third reduction
Individual	$242.00	$161.00
Couple	$317.00	$211.00

D. MQB-Q (Effective 04/11)

Percent of Poverty Level	Number of Persons	Monthly income	One-third reduction
100% of FPL	1	$908.00	$606.00
100% of FPL	2	$1,226.00	$818.00
100% of FPL	3	$1,545	$1,030
100% of FPL	4	$1,863	$1,242
100% of FPL	5	$2,181	$1,454
100% of FPL	6	$2,500	$1,667
100% of FPL	7	$2,818	$1,879
100% of FPL	8	$3136	$2,091

E. MQB-B (Effective 04/11)

Percent of Poverty Level	Number of Persons	Monthly income	One-third reduction
120% of FPL	1	$1,089.00	$727.00
120% of FPL	2	$1,471.00	$981.00
120% of FPL	3	$1,853	$1,236
120% of FPL	4	$2,235	$1,491
120% of FPL	5	$2,617	$1,745
120% of FPL	6	$2,999	$2,000
120% of FPL	7	$3,381	$2,255
120% of FPL	8	$3,763	$2,509

(VII.)

F. Qualifying Individuals 1 (MQB-E) (Effective 04/11)

Percent of Poverty Level	Number of Persons	Monthly income	One-third reduction
135% of FPL	1	$1,226.00	$817.00
135% of FPL	2	$1,655.00	$1,104.00
135% of FPL	3	$2,085	$1,390
135% of FPL	4	$2,515	$1,677
135% of FPL	5	$2,945	$1,963
135% of FPL	6	$3,374	$2,250
135% of FPL	7	$3,804	$2,536
135% of FPL	8	$4,234	$2,823

Note: MQB Family Size Budgeting income levels (3 or more people) are not currently in EIS.

G. M-WD (effective 04/11)

Percent of Poverty Level	Number of Persons	Monthly income	One-third reduction
200% of FPL	Individual	$1,815.00	$1,211.00
200% of FPL	Couple	$2,452.00	$1,635.00

H. Low Income Subsidy (LIS) (effective 04/11)

Percent of Poverty Level	Number of Persons	Maximum Monthly Income
<150% of FPL	Individual	$1,361.99
<150% of FPL	Couple	$1,838.99

VIII. RESERVE TABLE

Number of Persons	M-AABD, C, N, M Reserve Allowance	M-QB (Q/B/E) Reserve Allowance	M-WD Reserve Allowance	HCWD Reserve allowance
Individual	$2,000	$6,940	$4,000	Minimum Community Spouse Resource Allowance (see MA-2231)
Couple	$3,000	$10,410	$6,000	