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CLASSIFICATION

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REVISED 11/01/08 – CHANGE NO. 24-08

**I. AGED, BLIND, AND DISABLED MEDICAID CLASSIFICATIONS**

Only individuals receiving Medicaid under the Aged, Blind and Disabled aid/program categories are described in item I.

NOTE: Refer to the EIS Manual for special classifications codes for aged, blind, and disabled aliens.

**A. Categorically Needy (C)**

1. The following individuals are classified as Categorically Needy (Refer to [MA-1000](#), SSI Medicaid, Automated Process.):
  - a. Individuals who receive SSI,
  - b. Individuals who receive SSI under Section 1619(a) and 1619(b), and
  - c. Individuals who receive Special Assistance for the Blind (M-SB).
2. Classification code in EIS is “C” (or “Q”, if dually eligible). EIS sets the classification code. The IMC cannot change this code.

**B. Categorically Needy - No Money Payment (N)**

1. The following individuals are classified as Categorically Needy - No Money Payment (Refer to [MA-2100](#), Categorically Needy – No Money Payment):
  - a. Individuals who do not receive SSI and who have countable income equal or below 100% of the Federal Poverty Level and countable resources below the SSI limits.
  - b. Individuals protected by the Passalong provision. These individuals are “deemed” to be SSI recipients.
  - c. **Individuals covered under the Health Coverage for Workers with Disabilities (HCWD) program with incomes less than or equal to 150% of Federal Poverty Level.**
2. Classification code in EIS is “N” (or “Q”, if dually eligible as MQB-Q). **For HCWD the classification code is “N” or “G” (or “Q” or “B”, if dually eligible).**
3. For special classification codes for aliens, see the EIS Manual.

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(I.)

**C. Medically Needy (M)**

1. Individuals with income and/or resources that exceed the categorically needy levels are classified as Medically Needy. Refer to [MA-2120](#), Medically Needy Regulations.
2. When the income exceeds 100% of the Federal Poverty Level, the individual must “spenddown” to the medically needy income limit before he is eligible for Medicaid.
3. Classification code in EIS is “M” (or “B” if dually eligible as MQB-B).
4. For special classification codes for aliens, see the EIS Manual.

**II. COVERAGE OF MEDICARE BENEFICIARIES**

**A. MQB-Q**

1. Individuals who are enrolled in Medicare (Part A and/or B), have income that does not exceed 100% of the federal poverty level, and have resources no higher than twice the SSI resource limit are classified as categorically needy (Q). Refer to [MA-2130](#), Qualified Medicare Beneficiaries-Q.
  - a. These individuals are eligible for payment of Medicare premiums and cost-sharing.
  - b. Classification code in EIS is “Q”.
2. Individuals can be dually eligible for MQB-Q and M-AABD when they meet the requirements for both programs.

**B. MQB-B**

1. Individuals who are enrolled in Medicare Part A, have income between 100% and 120% of the federal poverty level, and have resources no higher than twice the SSI resource limit are classified as categorically needy (B). Refer to [MA-2140](#), Qualified Medicare Beneficiaries-B.
  - a. These individuals are eligible for payment of Medicare Part B premiums only.
  - b. Classification code in EIS is “B”.
2. Individuals can be dually eligible for MQB-B and M-AABD when they meet the requirements for both programs.

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(II.)

**C. M-WD - Qualified Disabled Working Individuals**

1. Individuals who ceased receiving RSDI due to earnings, have income no higher than 200% of the federal poverty income level, and have resources no higher than twice the SSI resource limit are classified as categorically needy. However, since they are not entered in EIS, they have no classification code. Refer to [MA-2150](#), Medicaid - Working Individuals.
2. These individuals are eligible for payment of Medicare Part A premiums only.
3. These individuals are not entered in EIS.

**D. MQB-E (Qualifying Individuals - QI-1 Group)**

1. Individuals who are enrolled in Medicare Part A, have income between 120% and 135% of the federal poverty level, and have resources no higher than twice the SSI resource limit are classified as categorically needy (E). Refer to [MA-2160](#), Qualifying Individuals –1.
  - a. These individuals are eligible for payment of Medicare Part B premiums only.
  - b. Classification code in EIS is “E.”
2. MQB-E is a capped entitlement.
3. Qualifying Individuals cannot be eligible for Medicaid in any other category, and they cannot be dually eligible.

**III. SUMMARY OF DIFFERENCES IN CLASSIFICATIONS**

**A. Application**

1. Individuals classified as “C” apply for Medicaid at the Social Security Administration.
2. Individuals classified as “N”, “M”, “Q”, “B” and “E”, or who are covered under MWD apply for Medicaid at the county dss.

**B. Income**

1. **Non-HCWD Individuals**
  - a. Individuals classified as “C” have eligibility determined based on the SSI/Categorically Needy income limit.

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(III.B.1.)

- b. Individuals classified as “N” have eligibility determined based on 100% of the Federal Poverty Level (FPL).
- c. Individuals classified as “M” have eligibility determined by the medically needy income limit. This limit is 133 1/3% of the State’s AFDC payment standard in July 1996 and is lower than the limits for C and N classifications. (AFDC stands for Aid to Families with Dependent Children. It is the cash assistance program for families with children that was replaced by Work First.)
- d. Individuals classified as “Q” have eligibility determined based on 100% of the FPL.
- e. Individuals classified as “B” have eligibility determined based on income that falls between 100% and 120% of the FPL.
- f. Individuals classified as “E” have eligibility determined based on income that falls between 120% and 135% of the FPL.
- g. MWD has eligibility determined based on 200% of the FPL.

2. **HCWD Individuals**

- a. HCWD individuals classified as “N” have eligibility determined based on 150% of FPL.
- b. HCWD individuals classified as “Q” have eligibility determined based on 100% of FPL.
- c. HCWD individuals classified as “B” have eligibility determined based on income that falls between 100% and 120% of FPL.

**C. Resource Limits**

1. **Non-HCWD Individuals**

- a. For individuals classified as “C”, “N”, and “M”, the resource limit is \$2,000 for an individual and \$3,000 for a couple.
- b. For individuals classified as “Q”, “B” and “E”, resource limit is \$4,000 for an individual and \$6,000 for a couple.

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(III.C.)

2. **HCWD Individuals**

- a. For individuals classified as “N” the resource limit is the minimum community spouse resource standard (See [MA-2231, Community Spouse Resource Allowance II.B.](#))
- b. For individuals classified as “B” or “Q” the the resource limit is \$4,000/6,000.

**D. Effective Date of Eligibility Based on Resources**

1. “C”, “N”, “Q”, “B”, “E”, and MWD

If an applicant is over the reserve limit as of the first moment of the first day of the month, he is ineligible for the entire month even if he reduces his reserve during the same month.

2. “M”

An applicant is eligible on the day that reserve is reduced to the allowable limit.

**E. Deductible**

1. Individuals classified as “C”, “N”, “Q”, “B”, and “E” or who are MWD cannot have a deductible. If income exceeds the income limit, the individual is ineligible under that classification.
2. Individuals classified as “M” can become Medicaid eligible by incurring medical expenses that equal a deductible. The deductible is based on income that exceeds the medically needy income limit.

**F. Coverage**

1. MAABD individuals classified as “C”, “N”, and “M”, or who are dual eligible “Q” or “B” are eligible for full Medicaid benefits.
2. MQB individuals and MWD individuals classified as “Q”, “B” and “E” are eligible for limited Medicare cost sharing benefits except for dual eligible “Q” or “B” which have full benefits.

**G. Certification Period**

1. Individuals classified as “C” do not have a certification period.  
They remain eligible for Medicaid as long as they receive an SSI check.
2. Individuals classified as “N” can have a 6 or 12 month certification period.
3. Individuals classified as “M” must have a 6 month certification period.

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4. Individuals classified as “Q” and “B” have a 12 month certification period unless they are HCWD dual eligibles.
5. Individuals classified as “E” have no set 6/12 month certification period. Once approved, they remain eligible through 12/31 of the current year.

#### H. Retroactive Medicaid

1. For individuals classified as “C”, the retroactive period is 3 months prior to the SSI date of application.
2. For individuals classified as “N”, “M”, and “B”, the retroactive period is 3 months prior to the Medicaid date of application at the county dss.
3. Individuals classified as “Q” do not have a retroactive period.
4. For individuals classified as “E”, the retroactive period is 3 months prior to the Medicaid date of application at the county dss. However, retroactive coverage can never be authorized earlier than January of the current year.
5. For individuals eligible as MWD, the retroactive period is 3 months prior to the Medicaid date of application.

#### I. Passalong Protection

Individuals are eligible because Social Security benefits are being excluded under a passalong protection. Refer to [MA-2110](#), Aged Blind And Disabled Passalong.

#### J. Buy-In

1. For individuals classified as “C”, “N”, “Q”, “B” and “E” and for MWD, the buy-in effective date is the first day of the first month the recipient is authorized for Medicaid.
2. For individuals classified as “M” the buy-in effective date is the first day of the second month following the month of authorization for Medicaid. Refer to [MA-2410](#), Procedures for Medicare Buy-In.

#### K. Federal Financial Participation (FFP)

1. For individuals classified as “C”, “Q”, and “B” and for MWD, FFP is available for buy-in. This reduces the state and county share of buy-in costs.
2. For individuals classified as “E”, FFP is 100%.

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3. For individuals classified as “N” or “M”, there is no FFP for Medicare buy-in.

#### IV. DETERMINATION OF THE CORRECT CLASSIFICATION

In order to determine the correct classification code, you must look to income and resources unless the individual receives SSI.

##### A. Evaluate Under Categorically Needy Criteria

1. In General
  - a. When the individual receives SSI, he is categorically needy (C). He automatically receives Medicaid.
  - b. When the individual does not receive SSI, his income and resources must meet the categorically needy criteria.
2. Non-HCWD Individuals
  - a. Income must be **equal to or less than** 100% of the poverty level to be evaluated as “N.”
  - b. Compare the income of the individual and all financially responsible persons to 100% of the poverty level:
    - (1) When the income is **equal to or less than** 100% of the poverty level, continue to evaluate as “N”.
    - (2) When the income is above the poverty level, the individual cannot be classified as “N.” Refer to B., below to evaluate as Medically Needy.

NOTE: Always advise an applicant to apply for SSI when his countable income is **equal to or less than the** SSI income limit. (See MA-400, figure 1.)

- c. When the income is below the federal poverty level, determine countable reserve based on categorically needy methodology:
  - (1) When income is **equal to or less than** 100% of the poverty level and countable reserve is equal to or less than \$2,000/3,000, the individual’s classification is “N.”

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(IV.A.2.c.)

- (2) If he has income **equal to or less than** the poverty level but has excess resources which he reduces to become eligible during the month, he is Medically Needy through the month resources are reduced to the resource limit. He is Categorically Needy - No Money Payment (N) the following month.
- (3) When the countable income or reserve do not meet the categorically needy criteria, the individual cannot be classified as “N.” Refer to IV.B. to evaluate using Medically Needy criteria.

**3. HCWD Individual**

- a. **Income must be equal to or less than 150% of the poverty level.**
- b. **Resources must be equal to or less than the minimum community spouse resource allowance.**
- c. **When income is equal to or less than 150% of the poverty level and countable reserve is equal to or less than the minimum community spouse resource allowance, the individual’s classification is “N.”**

**B. Evaluate Under Medically Needy Criteria**

1. When an individual does not meet the “N” criteria, evaluate as Medically Needy. Determine eligibility based on the Medically Needy income level and resource methodologies.
2. Compare the income of the individual and all financially responsible persons to the Medically Needy income limit.
  - a. When the countable income exceeds the Medically Needy income limit, the individual has a deductible based on the income in excess of the Medically Needy income limit.
  - b. The individual must incur medical expenses equal to the deductible before he can be authorized for Medicaid.
3. Determine the countable reserve based on Medically Needy criteria:
  - a. When both countable income and reserve meet the medically needy criteria, the classification is “M.”
  - b. When the countable reserve exceeds the reserve limit, refer to [MA-2304](#), Processing the Application, and [MA-2230](#), Financial Resources, to determine if the individual can reduce, exclude, or rebut his reserve.

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(IV.)

**C. Evaluate Under MQB-Q or MQB-B Criteria**

When the individual is enrolled in Medicare, always evaluate for MQB-Q and MQB-B and dual eligibility.

1. Compare the countable income to the MQB-Q and MQB-B income limits to determine if the individual meets the income limit for either program.
  - a. When the income is equal to or below 100% of poverty the individual's classification is "Q."
  - b. When the income is between 100% and 120% of poverty, the individual's classification is "B."
2. Determine countable reserve:
  - a. Reserve is determined using categorically needy reserve methodologies.
  - b. The reserve limit for MQB-Q or B is twice the reserve limit of categorically needy.

**D. Evaluate Under MQB-E Criteria**

When the individual is enrolled in Medicare and is ineligible in any other aid program/category above, always evaluate for MQB-E.

1. Compare the countable income to the MQB-E income limits to determine if the individual meets the income limit.
2. Determine countable reserve:
  - a. Reserve is determined using categorically needy reserve methodologies.
  - b. The reserve limit for MQB-E is twice the reserve limit of categorically needy.

[MA-500: FIGURE 1 - CLASSIFICATION TABLE](#)