MANUAL MATERIAL TRANSMITTED					
MANUAL: INCOME MAINTENANCE			CHANGE NUMBER: 136		
DELETE			INSERT OR CHANGE		
PAGES	CHAPTER	DATED	PAGES	CHAPTER	DATED
			i-iii	7	3/99
			1-33	7	3/99
57	16	7/98	57 - 58a	16	3/99
58	16	7/98	58	16	3/99
			58a	16	7/98
DATE: March, 1999 TO: ALL INCOME MAINTENANCE MANUAL HOLDERS					

This change is being made to implement the second phase of the WV Children's Health Insurance Program, CHIP II. Information about CHIP II is being placed in a separate Manual chapter because it is not a Medicaid coverage group, even though medical services are provided to those who are eligible. There is more information about this in the Introduction to the Chapter, which also provides more explanation about the relationship between CHIP I and CHIP II.

IMPORTANT: YOU WILL BE NOTIFIED BY GROUPWISE ABOUT THE DATE YOU MAY BEGIN ACCEPTING APPLICATIONS FOR CHIP II. WE EXPECT THAT IT WILL BE IN EARLY MARCH 1999. BUT DO NOT BEGIN UNTIL YOU ARE NOTIFIED.

One of the expectations for the Program is that eligible children will be able to receive medical coverage with as few barriers and hinderances as possible. This has been one of the goals of the CHIP governing board, the WV Children's Health Policy Board, from the beginning. We have attempted to design the policies/procedures to produce this result without imposing different requirements for DHHR staff, but we realize that refinements will be necessary. As you gain experience with this Program and those it is designed to benefit, please notify the OFS Policy Unit of any areas where you believe improvements can be made. These will then be reviewed and presented to the Board by the CHIP Director, Lynn Sheets.

Note: The name of the CHIP, Phase I coverage group has been changed to CHIP I wtih this change.

Note: Because CHIP II cases are guaranteed 12 continuous months of eligibility (See Section 7.3), the <u>case</u> redetermination date established by RAPIDS <u>must</u> <u>not</u> be used to redetermine CHIP II eligibility when another benefit is received. RAPIDS will release separate instructions at a later date to deal with this issue.

The policies/procedures described in Chapter 7 of this change apply only to CHIP II. Some corresponding changes may be made to the CHIP I Medicaid coverage group, but you will receive prior written notice before these changes are implemented. The requirement to retain health insurance coverage has been added to CHIP I as a parallel requirement to CHIP II. Those children already receiving CHIP I coverage when this requirement to retain health insurance

A summary of the RAPIDS client notices related specifically to CHIP I and II follows and shows the supplemental CHIP text.

☞CHIP DENIAL DUE TO ALREADY RECEIVING MEDICAID WHEN CHIP APPLICATION IS MADE

Used for: Continue to use for CHIP I. Begin to Use for CHIP II.

RAPIDS Form: Use Manual notice NNC1

Your application for children's medical coverage under the WV Children's Health Insurance Program has been denied because the child or children are currently receiving this medical coverage under WV's Medicaid Program. If a child is already receiving Medicaid, Federal and State laws require that Medicaid coverage be continued instead of approving the child under the WV Children's Health Insurance Program.

If the child or children become ineligible for Medicaid for any reason, the Department will notify you in advance and automatically re-evaluate eligibility under the WV Children's Health Insurance Program.

☞CHIP DENIAL DUE TO BEING DETERMINED ELIGIBLE FOR ANOTHER MEDICAID COVERAGE GROUP FOR CHILDREN (PL, QC)

Used for: Continue to use for CHIP I. Begin to use for CHIP II

RAPIDS Form: Use manual notice NNC2

Your application for children's medical coverage under the WV Children's Health Insurance Program has been denied because the child or children are eligible for this medical coverage under the WV Medicaid Program. If a child is eligible for Medicaid, Federal and State laws require that Medicaid coverage be approved, instead of coverage under the WV Children's Health Insurance Program. If you do not want to receive Medicaid, please contact the local DHHR office.

You will receive another letter informing you about the Medicaid approval. If you choose to receive Medicaid and the child or children later become ineligible for Medicaid for any reason,, the Department will notify you in advance and automatically re-evaluate eligibility under the WV Children's Health Insurance Program.

☞CHIP DENIAL DUE TO VOLUNTARY TERMINATION OF HEALTH INSURANCE

Used for: CHIP I and CHIP II

RAPIDS Form: A new Manual letter is being developed. You will be notified of its availability.

Your application for children's medical coverage under the WV Children's Health Insurance Program has been denied because individual or group health insurance coverage was terminated, without good cause, for the child or children for whom you applied. Federal law requires that such health insurance coverage be maintained, unless good cause is established.

We have also evaluated the child or children for medical coverage under the WV Medicaid Program. You will receive a separate written notice about Medicaid eligibility for the child. The Department also offers family Medicaid coverage that was not evaluated based on your recent application. If you want to apply for this coverage, you must visit your local DHHR office. If you are not able to do so, please contact your local office for assistance.

☞CHIP DENIAL FOR SOME REASON OTHER THAN AGE OF CHILD,VOLUNTARY TERMINATION OF HEALTH INSURANCE, MEDICAID ELIGIBILITY

Used for: CHIP I and CHIP II

RAPIDS Form: Use Manual notice NNC4

Text of current RAPIDS notification letters is used, except that the name of the coverage group is changed to WV Children's Health Insurance Program. In addition, the following text is added.

We have also evaluated the child or children for medical coverage under the WV Medicaid Program. You will receive a separate notice with the decision about Medicaid eligibility.

☞CHIP REDETERMINATION

Used for: CHIP I and CHIP II

RAPIDS Form: Form will be placed in the notices system and printed monthly.

No CHIP-specific text changes are necessary.

All questions related to CHIP I and II eligibility policies and procedures must be directed to the OFS Policy Unit. The questions/answers will be shared statewide and with the CHIP Director and her staff. Questions about RAPIDS entries and results must be directed to the RAPIDS Help Desk. The RAPIDS Work-Around for CHIP II follows on a separate page so it can be used as a desk guide.

RAPIDS Work-Around 99-02, CHIP II

RAPIDS will : Fail MFPN for a child for reason 014 (Income excees the net income limit). Failure logic may then determine eligibility for NAOR, MAOU or MAX.

NOTE: The intial system determined month must NOT be overridden to pass.

Work-Around: DO NOT CONFIRM. Rerun SFED. Carefully review SFCD each time it appears. When MFPN appears at SFCD stop at SFCC. PF8 to the MFPN SFU. Change the child's participation status from XC to EC. Enter 010 for the COMP.CHG. Code. Do this for every month of MFPN. Proceed to AGEC but do not confirm. ED/BC will have failed the AG for income (014).

Use AIOE and AGOE to override the failure of MFPN for the ongoing month ONLY. On AGOE, replace failure reason code 014 with reason code 161. USING REASON CODE 161 IS VITAL BECAUSE IT IS THE SOLE INDICATOR USED TO GENERATE FEDERAL AND STATE REPORTS. Suppress notices and send manual ones.

For Intake and Add-a-Benefit situations between deadline and the end of the calendar month, RAPIDS will be running for the balance of the current month, the next month, and the following month. Initially you will not be able to override the failure of the second full month of coverage. Correct and confirm the first full month, then run SFED, reactivating the case if necessary. Then correct the second full month. Suppress notices and send manual ones, as described in the DW-17 for change #136.

Passing Dates: When passing dates, run for the earliest month first and confirm only that AG. Also, beginning dates of income changes must reflect the month in which they occur.

DEFINITIONS

Excepted Insurance Benefits: Benefits which do not affect CHIP II eligibility, as follows:

- Any individual or group health insurance when the cost of the coverage is 10% or more of the family's total gross annual income
- Coverage only for accident, or disability income insurance, or any combination of the two.
- Coverage issued as a supplement to liability insurance
- Liability insurance, including general liability insurance and automobile liability insurance
- Workers' compensation or similar insurance
- Automobile medical payment insurance
- Credit-only insurance
- Coverage for on-site medical clinics
- Other benefits, similar to those above, under which benefits for medical care are secondary or incidental to other insurance benefits
- Limited scope dental or vision benefits when offered separately from other insurance
- Benefits for long-term care, nursing home care, home health care, community-based care, or any combination of these
- Other similar limited benefits
- Coverage only for a specified disease or illness if offered as independent, noncoordinated benefits

Group Health Insurance Coverage: Health insurance coverage offered in connection with a group health plan.

Group Health Plan: An employee welfare benefit plan that provides medical care and services to employees or their dependents, as defined under the plan, directly or through insurance, reimbursement, or otherwise.

Health Insurance Coverage: Benefits consisting of medical care, provided directly, through insurance or reimbursement, or otherwise, and including items and services paid for as medical care under any hospital or medical service policy or certificate, hospital or medical service plan contract, or HMO contract, offered by a health insurance issuer.

7.2 APPLICATION/REDETERMINATION PROCESS

Prior to approval for CHIP II, the client must be determined ineligible for all Medicaid coverage groups except: AFDC- and SSI-Related Medicaid with an unmet spenddown, QMB, SLIMB, QI-1 and QI-2. Therefore, the application/redetermination procedures that apply to Medicaid must be applied when determining eligibility for CHIP II. These are found in Chapter 1 of this Manual.

In addition to these Medicaid requirements, the following applies to CHIP II.

The policies listed below are the same for CHIP II as for Qualified, Poverty-Level and CHIP I children. The Manual citations are also found below:

- Application forms — See Section 1.9,A

  In addition, when information is received on an OFS-MCAT-1 that indicates the presence in the home of a potentially eligible CHIP II child, the Worker must forward a CHIP-1 form to the family to offer the opportunity to receive medical coverage for the child.

- Determining a complete application — See Section 1.9,B
- Determining the date of application — See Section 1.9,C
- If interview is required; Who must be interviewed — See Sections 1.9,D and E
- Who must sign the application — See Section 1.9,F
- Due date of additional information — See Section 1.9,H
- Who is the payee — See Section 1.9,K
- Redetermination schedule — See Section 1.9,N
- Expedited processing — See Section 1.9,O
- Data system action — See Section 1.9,Q

The following policies and procedures differ from those for Qualified, Poverty-Level and CHIP I children.

- An explanation that the client's medical services providers must contact PEIA for assistance or questions, not the Department.

- The availability of child support services, but that participation is voluntary and failure to cooperate or accept services does not affect CHIP II eligibility in any way. The client must also be advised that child support cooperation may become mandatory if the children are later determined eligible for Medicaid.

B. AGENCY DELAYS

NOTE: Reimbursement for out-of-pocket expenses due to agency delays does not apply to CHIP II cases.

When the Department fails to request necessary verification, the Worker must immediately send a written request for the information. He must inform the client that the application is being held pending and the starting date of his CHIP II coverage may be delayed if he does not respond immediately. Upon receipt of the information, the beginning date of eligibility transmitted to PEIA is determined as follows: Add 10 days to the date of application and the coverage begins on the 1st of the month following that date.

When the Department fails to take timely action on a complete application, the beginning date of eligibility transmitted to PEIA is determined as follows: Eligibility begins on the 1st of the month following the date the Department had a complete application.

See Section 7.14,C for all situations which result in backdating CHIP II coverage.

C. BEGINNING DATE OF ELIGIBILITY

The beginning date of eligibility is the 1st day of the month after eligibility is established. Eligibility may not be backdated up to 3 months as is allowed for Medicaid cases. The only instances of backdated coverage are identified in Section 7.14,D. In no case may the beginning date of CHIP II coverage be earlier than March 1, 1999.

D. CLIENT NOTIFICATION

The Worker is responsible for all client notification requirements in Chapter 6 regarding ineligibility for Medicaid.

7.3 THE CASE MAINTENANCE PROCESS

After approval for CHIP II, information is passed from RAPIDS to PEIA. Although PEIA issues the benefit to the client, changes reported to the Department must be acted on so that the updated information can be reported to PEIA through RAPIDS.

A. CLOSURES

PEIA is notified of CHIP II ineligibility through an exchange of information with RAPIDS. This notification triggers the termination of coverage by PEIA.

NOTE: If a child is receiving inpatient hospital services on the date he would lose eligibility due to attainment of the maximum age, eligibility must continue until the end of that inpatient stay.

NOTE: Eligibility under all Medicaid coverage groups must be explored for all children who become ineligible for CHIP II prior to the end of the 12-month period of continuous eligibility.

A child may be determined ineligible prior to the expiration of the 12-month period of continuous eligibility only if the child:

- Moves out of state; or
- Dies; or
- Reaches age 19. The child is eligible until the end of the month in which he reaches the age limit. A child who reaches age 19 on the first day of the month remains eligible until the end of that month; or
- Becomes eligible for a full-coverage Medicaid coverage group, excluding AFDC- or SSI-Related Medicaid with an unmet spenddown.
- Obtains individual or group health insurance coverage after CHIP II approval. See Definitions at the beginning of this Chapter.

B. CHANGE IN INCOME

Changes in income, including the return of a parent with income to the home, do not affect eligibility once the 12-month period of continuous eligibility is established. In addition, a reduction in the number of people included in the Needs Group of

pregnant. However, because CHIP II coverage does not include payment for pregnancy-related medical services and the child may be denied needed treatment, a special procedure has been developed to notify the Worker of the need to evaluate the child's eligibility as a Poverty-Level Pregnant Woman. When PEIA is billed for pregnancy-related services for a CHIP II child, PEIA notifies RAPIDS; RAPIDS creates a weekly exception report, available through MOBIUS, to alert the Worker to evaluate Medicaid eligibility. In addition, PEIA will notify the client by letter to contact the local office for a Medicaid re-evaluation.

When a CHIP II child becomes eligible as a Poverty-Level Pregnant Woman, Medicaid eligibility may be determined as of the date the pregnancy was diagnosed or as of any month within 3 months after the end of the pregnancy. Eligibility is established based on all case circumstances as they existed in the month for which Medicaid eligibility is first established; Medicaid eligibility must be established for the earliest month for which the client was eligible. All case circumstances, including income, AG composition, marital status of the pregnant woman, etc. are used as they existed in the month that the pregnant woman first met all Medicaid eligibility requirements.

7.5 VERIFICATION

The policy and procedures described in Section 4.1 are applicable to CHIP II.

There are 2 factors that must be verified prior to approval and at redetermination: Income and identity. Reported changes in income prior to redetermination require verification since the change may result in Medicaid eligibility for the child. The client's statement is accepted for all other necessary information unless the Worker has a substantive reason to question the client's statement. When there is reason to question, the procedures in Section 4.1 are followed.

7.7 CLIENT NOTIFICATION

See Section 7.2,D for the Worker's responsibilities for client notification related to CHIP II.

D. LIMITATIONS ON RECEIPT OF OTHER BENEFITS

CHIP II coverage may be provided to individuals who receive any benefit administered by the Office of Family Support, except Medicaid. Ineligibility for Medicaid is an eligibility requirement for CHIP II.

E. NON-DUPLICATION OF BENEFITS

The policy in Section 8.6 that prohibits concurrent receipt of Food Stamps, WV WORKS or Medicaid in more than one WV county and/or more than one state applies to CHIP II. There is no disqualification penalty for receipt of duplicate benefits.

F. ENUMERATION

The CHIP II child is required to provide, but not to verify, an SSN prior to approval. Eligibility cannot be established without the CHIP II child's SSN. See Section 7.14. No other individual in the home is required to provide an SSN in order to establish eligiblity for the CHIP II child.

C. THE NEEDS GROUP

Countable income is compared to the income limit for the total number of persons who fall into any of the following groups. The Needs Groups must include the following persons:

- The CHIP II child
- The mother of the CHIP II child, if living in the home with the child
- The legal father of the CHIP II child, if living in the home with the child
- The legal spouse of the CHIP II child, if living in the home with the child
- The CHIP II child's blood-related or adopted siblings who are under age 18, or who, if they receive Medicaid, receive it as dependent children

Frequency of Receipt from Source	When the Amount is Stable	When the Amount Fluctuates
Monthly	Use ACTUAL monthly amount	Use AVERAGE monthly amount
MORE OFTEN than monthly	CONVERT amount/period to monthly amount	Find AVERAGE amount/period and CONVERT to monthly amount
LESS OFTEN than monthly	PRORATE to find amount for intended period. If intended period is not one month CONVERT or PRORATE amount	PRORATE to find amount for intended period. If intended period is not one month CONVERT or PRORATE amount

Conversion is accomplished by multiplying an actual or average amount as follows:

- Weekly amount x 4.3
- Bi-weekly amount x 2.15
- Semi-monthly amount x 2

Proration of the income is accomplished by dividing the amount received or expected to be received by the number of time periods it is intended to cover as follows:

- Bi-monthly amount ÷ 2
- Quarterly amount ÷ 3
- Semi-annual amount ÷ 6
- Annual amount ÷ 12
- 6-week amount ÷ 6 and converted to monthly by using x 4.3
- 8-week amount ÷ 8 and converted to monthly by using x 4.3

NOTE: When the client is not expected to receive a full month's income from a source, the averaged amount of income from that source is multiplied by the number of times it is anticipated to be received.

EXAMPLE: A woman begins working on the 2nd Monday of a month. She earns $200/week and is paid every Friday. Her average weekly pay is $200. For the first month she

fails the FS gross income test beginning in April, but CHIP II eligibility continues.

D. CATEGORICAL ELIGIBILITY, EXPEDITED SERVICE, DESTITUTE AGs AND MIGRANT FARM WORKERS

Receipt of CHIP II coverage does not qualify the family for Categorical Eligibility for Food Stamps.

The Food Stamp requirements of Expedited Service, Destitute AGs and Migrant Farm Workers have no bearing on CHIP II.

E. INCOME DISREGARDS AND DEDUCTIONS

The following disregards and deductions are applied to the income of the CHIP II child's Income Group and are used in the order listed.

1. Earned Income

- AFDC Medicaid Standard Work Deduction: The deduction is applied to the earned income or gross profit from self-employment of each working person. The amount of the deduction must not exceed the amount of earned income or gross profit of each person.

- AFDC Medicaid Dependent Care Deduction: When the employed member(s) of the Income Group must pay for dependent care to accept or continue employment or training, the deduction is applied. The amount is applied as paid, up to the maximum amounts allowable under the AFDC Medicaid coverage group. See Section 10.7,B,1,d. The dependent is not required to be in the AG or Needs Group for the deduction to be applied.

2. Unearned Income

The first $50 of child support is disregarded. This is the only disregard of unearned income.

When more than one child in the Needs Group receives child support, the disregard amount is divided by the number of children in the Needs Group who receive support. The resulting amount is deducted from each child's support amount to determine each child's countable child support.

EXAMPLE: Four blood-related siblings live in the same home and receive the following amounts of child support: Child A receives $150/month; Child B

Step 3: Subtract the AFDC Medicaid Dependent Care Deduction up to the maximum allowable amounts. Eligibility for and the maximum amounts of the deduction are determined as for AFDC Medicaid. See Section 10.7,B,1,d.

Step 4: Add the non-excluded gross unearned income of the Income Group. This includes the child's countable child support. Do not include the income of any sibling of the CHIP II child.

Step 5: The resulting figure is the countable income against which income eligibility is tested.

The FPL (150%) for the number of people in the Needs Group is used. See Appendix A, Chapter 10. If countable income is equal to or less than the maximum income levels, the child is income eligible as a CHIP II child.

G. SPECIAL SITUATIONS

1. Self-Employment

Self-employment income is treated the same way it is for AFDC Medicaid. See Section 10.7,D,4

2. Annual Contract Employment

Annual contract employment is treated the same way it is for AFDC Medicaid. See Section 10.7,D,6

3. Educational Income

Educational income is treated the same way it is for AFDC Medicaid. See Section 10.7,D,7

4. Deeming

Income is deemed by including financially responsible persons in the Needs and Income Groups of the child.

5. Strikers

The presence in the home of a striker has no bearing on CHIP II eligibility. The child is eligible whether he is the striker or the striker is a parent or other adult or child in the home.

7.11 ASSETS

There is no asset test for CHIP II eligibility.

7.13 WORK REQUIREMENTS

There is no work requirement for CHIP II for the CHIP II child, the parent(s) or other caretaker(s).

period which must be allowed for the client to meet a spenddown may cause the child to lose timely access to medical care because the child cannot be determined to be ineligible for Medicaid until the expiration of the 30-day spenddown period. Therefore, the Worker must determine, at the time of application and based on the applicant's best information, whether or not it is likely that the spenddown can be met within the next 30 days.

If the applicant states that there are not currently sufficient expenses to meet the spenddown and other expenses are not anticipated, the child must be determined to be ineligible for Medicaid and approved as a CHIP II child. If, however, the applicant states that the combination of current and anticipated expenses is likely to meet the spenddown, the client must be allowed 30 days to provide the information necessary to meet the spenddown; CHIP II coverage must not be approved to cover the 30-day period for meeting the spenddown.

If the child does not meet his spenddown during the 30-day period for doing so, but is CHIP II eligible and has lost CHIP II coverage as a result of the time period involved with meeting the spenddown, CHIP II coverage may be backdated. See item C,4 below.

- The child's family is not eligible for a state group health plan based on a family member's employment with a public agency. This requirement is based on eligibility for such coverage, not on the receipt of it. PEIA, including HMO coverage, is a state group health plan, so the children of WV State employees are not eligible for CHIP II.

- The applicant child does not have individual or group health insurance coverage. See "Definitions" section at the beginning of this Chapter for information related to this provision. Most children with health coverage will not qualify for CHIP II.

NOTE: A child who starts receiving health insurance coverage after CHIP II approval remains eligible for CHIP II coverage until the expiration of the current 12-month continuous eligibility period.

- An SSN is provided for the CHIP II child.

- The child does not have individual or group health insurance coverage. See Definitions at the beginning of this Chapter.

C. MEDICAID REQUIREMENTS THAT ARE DIFFERENT FOR CHIP II

The policies listed below do not apply to CHIP II or there is a difference in application of the policy.

1. Special Drug Approval

This does not apply to CHIP II.

2. Relationship with CSHCN

This does not apply to CHIP II.

3. Assignment of Medical Support Rights

There is no requirement for the family to assign medical support rights to the Department.

4. Certificate of Coverage When CHIP II Coverage Ends

The Worker is not required to issue an OFS-HIP-1 to the family. This is a PEIA responsibility.

5. Child Support Requirements

CHIP II children are not referred to BCSE and are not required to pursue or accept child/spousal support as a condition of eligibility. However, the Worker must explain the availability of child support services. The RAPIDS automatic referral to BCSE is blocked for CHIP II children.

6. Backdating Coverage

The policy which allows Medicaid coverage to be backdated up to 3 months prior to the date of application does not apply to CHIP II benefits.

There are 4 situations which require the Worker to backdate CHIP II coverage. These are as follows:

- Failure of the Worker to approve a complete application within 13 days of receipt and the delay results in a loss of coverage; or

- Failure of the Worker to request additional information in a timely manner and the delay results in a loss of coverage; or

- The client applies and/or establishes eligibility too

7.15 BENEFIT REPAYMENT

Medicaid Estate Recovery provisions do not apply to CHIP II recipients.

Repayment by the client of incorrectly paid medical claims is the responsibility of PEIA and/or Blue Cross of WV.

Provider fraud is the responsibility of PEIA and/or Blue Cross of WV.

this provision. Most children with health coverage will not qualify for CHIP I.

- Individual or group health insurance coverage (See "Definitions" section at the beginning of Chapter 7) for the child has not been voluntarily terminated, without good cause, in the month of application or in the 6-month period immediatley preceding the month of application. Good cause for terminating health insurance coverage is as follows:

  - The cost of the family coverage is 10% or more of the family's total gross annual income.
  - The employer terminates health insurance coverage.
  - Health insurance is stopped when the job is terminated by the employer.
  - Loss of coverage for the child is due to a change in employment.
  - Loss of coverage was outside the control of the employee.
  - A determination of good cause is made by the CHIP Board or its designated representative. Referral for Board consideration is made automatically by the Hearing Officer after a negative Fair Hearing decision for the client.

NOTE: Failure to accept available health insurance coverage does not affect CHIP I eligibility. This requirement is concerned only with dropping out of an existing program.

CHIP I children are not required to have an AFDC Medicaid deprivation factor or to live with a specified relative. There is no asset test for such children.

16.8 MEDICALLY NEEDY, MANDATORY - FOR FAMILIES AND/OR CHILDREN

NOTE: Medically Needy coverage groups are subject to a spenddown provision.

A. CONTINUOUSLY ELIGIBLE NEWBORN CHILDREN (CEN), MEDICALLY NEEDY (MN)

NOTE: See Section 16.5,I for Categorically Needy CEN coverage.

Income: N/A **Assets: N/A**

The newborn child (birth - 12 months) of a Medically Needy-eligible woman is eligible for Medicaid until the end of the month during which he reaches age 1, under the same guidelines as the newborn child of a Categorically Needy-eligible woman. See Section 16.5,I.

To be considered a Medically Needy-eligible woman, the mother must not have had a spenddown, or must have met the spenddown prior to the birth of the newborn.

B. AFDC/U-RELATED MEDICAID (MAOR, MAOU, NAOR, NAOU)

Income: MNIL
Possible Spenddown

Assets: $2,000 - 1 person
$3,000 - 2 people
Increases for each coverage group member

Parents or other caretaker relatives and dependent children are eligible for Medicaid when all of the AFDC/U Medicaid eligibility requirements are met except as follows:

- The income may be in excess of the AFDC/U payment standard as found in Chapter 10. No AFDC/U-Related case is denied due only to excess income. Instead, incurred medical bills are deducted from the family's income for the 6-month Period of Consideration. This process is called spenddown and details of this procedure are in Chapter 10.

- The family's asset level may be higher than that of the same size family eligible for AFDC Medicaid. See Chapter 11.

- There are no work registration or participation requirements.