

**10.12 MEDICAID FOR POVERTY-LEVEL CHILDREN UNDER AGE 1, AGES 1-5 AND AGES 6-18 If Born On Or After 10/1/83 (Categorically Needy, Mandatory)**

**NOTE:** The spenddown provision does not apply.

The process for determining eligibility is the same for Poverty-Level Children Under Age 1, Ages 1-5 and Ages 6-18 (born on or after 10/1/83). However, once the countable income is determined, it is compared to different percentages of the current FPL, based on the age of the child.

**A. INCOME DISREGARDS AND DEDUCTIONS**

The following disregards and deductions are applied to the income of the Poverty-Level 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 for AFDC Medicaid. See Section 10.7,B,1. The dependent is not required to be in the AG 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 per month; Child B receives \$200; Child C receives \$50; Child D receives \$100. The \$50 disregard is divided by 4 and each child receives a disregard of \$12.50.

Child A

\$200.00	Child Support
<u>- 12.50</u>	Disregard
\$187.50	Countable Child Support

Child B

\$150.00	Child Support
<u>- 12.50</u>	Disregard
\$137.50	Countable Child Support

Child C

\$50.00	Child Support
<u>-12.50</u>	Disregard
\$37.50	Countable Child Support

Child D

\$100.00	Child Support
<u>- 12.50</u>	Disregard
\$ 87.50	Countable Child Support

**EXAMPLE:** Mrs. E applies for Medicaid for her four grandchildren who live with her. Jane and John are blood-related siblings and are the children of Mrs. E's daughter, Samantha. They receive \$200 child support. Joan and Jim are blood-related siblings and are the children of Mrs. E's other daughter, Virginia. Joan receives \$150 child support and Jim receives none. Because all of Mrs. E's grandchildren are not blood-related siblings, 2 Needs Groups are established; one for Jane and John; one for Joan and Jim. Each Needs Group then receives the \$50 disregard.

The countable child support for each child is as follows:

Jane and John

The child support amount of \$200 is divided between the children and each child's amount is \$100. The \$50 disregard is divided between the two children as they are both in the Needs Group and each receives a \$25 disregard.

\$100	Child Support per Child
<u>- 25</u>	Disregard
\$ 75	Countable Child Support

Joan

Because Jim receives no child support and Joan is the only child in the Needs Group who receives child support, she receives the entire \$50 disregard.

\$150	Child Support
<u>- 50</u>	Disregard
\$100	Countable Child Support

## B. DETERMINING ELIGIBILITY

**NOTE:** The 185% and 100% Standard of Need tests are not applied.

Countable income is determined by subtracting allowable disregards and deductions from the total gross non-excluded income. The net monthly countable income of the Income Group must not exceed the amounts specified in Step 5 below and in Appendix A.

- Step 1: Determine the amount of monthly gross non-excluded earned income of the Income Group. Do not include the income of any sibling of the Poverty-Level child.
- Step 2: Subtract the AFDC Medicaid Standard Work Deduction for each employed person.
- 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.

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 Poverty-Level child.

Step 5: The resulting figure is the countable income against which eligibility is tested. Compare the countable income to the appropriate percentage of the current FPL as follows:

Child Under Age 1:	150% FPL
Child Ages 1-5:	133% FPL
Child Ages 6-18, Born On or After 10/1/83:	100% FPL

The FPL for the number of people in the Needs Group is used. See Appendix A. If countable income is equal to or less than the levels shown above, the child is eligible as a Poverty-Level child.

#### C. SPECIAL SITUATIONS

##### 1. Self-Employment

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

##### 2. Annual Contract Employment

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

##### 3. Educational Income

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

##### 4. Deeming

Income is deemed by including financially responsible persons in the Income Group of the child. See the definition of financially responsible in Section 10.21,D,3,a.

##### 5. Strikers

The presence of a striker in the AG, Needs Group or Income Group of a Poverty-Level child has no bearing on the child's eligibility.

6. Irregular Income

Regardless of the source, irregular income is not counted because it cannot be anticipated.

7. Lump Sum Payments

Lump sum payments are counted as income in the same way they are for AFDC Medicaid. See Section 10.7,D. The only difference is that 150%, 133% or 100% of the current FPL, depending upon the age of the child, is used to determine the amount counted as income each month, instead of the AFDC Medicaid Standard of Need. All other AFDC Medicaid provisions related to lump sum payments apply to the Income Group of the Poverty-Level child.

8. Withheld Income

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

9. Funds Diverted To A PASS

Funds diverted to a PASS account are counted as earned or unearned income, depending on the source.

10. Unstated Income

There is no provision that allows for counting unstated income.

11. Spenddown

This is no spenddown provision.

12. Unavailable Income

Income intended for the client, but received by another person with whom he does not live when the individual receiving this income refuses to make it available, is excluded.

13. Income Received For A Non-Income Group Member

Income received by a member of the Income Group, which is intended and used for the care and maintenance of an individual whose income is not used in determining the eligibility or of the payee's AG, is excluded as income.

