10.22 SSI-RELATED MEDICAID (Medically Needy, Mandatory)

NOTE: Spenddown provisions apply.

A. BUDGETING METHOD

In addition to the information in Section 10.6,B, some Medically Needy cases may have other considerations, because Medically Needy cases have a fixed Period of Consideration (POC) and the total income for the 6-month POC is used to determine the spenddown amount. Therefore, the Worker must take the following steps when the income is expected to change during the POC.

Step 1: Determine the specific months which will constitute the POC.

Step 2: Determine the anticipated earned income for each of the 6 months, according to Section 10.6,B.

Step 3: Determine the anticipated unearned income for each of the 6 months, according to Section 10.6,B.

Step 4: Add all of the earned income from Step 2 and divide by 6 to determine the average anticipated earned income for the POC.

NOTE: When there is no earned income in a month, use $0 as income for that month, but always divide by 6.

Step 5: Add all of the unearned income from Step 3 and divide by 6 to determine the average anticipated unearned income for the POC.

NOTE: When there is no unearned income in a month, use $0 as income for that month, but always divide by 6.

B. INCOME DISREGARDS AND DEDUCTIONS

The following disregards and deductions are applied, if applicable.

1. Earned Income

NOTE: These disregards and deductions apply only to earned income. Any unused portion of the disregards or deductions is not applied to unearned income.

- SSI $20 Disregard: The remainder of the $20 income disregard. See Unearned Income below.

- SSI Earned Income Disregard: $65 and ½ of the remainder are subtracted from earned income and from gross profit from self-employment earnings. See item C below.

- Impairment-Related Work Expenses: Expenses for items or services which are directly related to enabling a person with a disability to work and which are necessarily incurred by the individual due to a physical or mental impairment. The individual must be:

  - Disabled, but not blind; and
  - Under age 65; or
  - Received SSI or SSI-Related Medicaid as a disabled individual for the month before becoming age 65.

  In addition, the severity of the impairment must require the individual to purchase or rent items and services in order to work and the expense must be reasonable and not reimbursable from another source, such as, but not limited to, Medicare or private insurance. The payment must be made with income received for a month in which the person both worked and received the services or used the item, or the payment may be made before the earned income is received when the person is working.

  Examples of impairment-related work expenses include, but are not limited to, attendant care services both at home and at work, drugs and medical supplies and devices, federal, state and local income taxes and FICA, guide dogs, fees such as union dues, mandatory contributions such as pensions, meals consumed during work hours, work-related equipment or services, physical therapy, prosthesis, structural modifications to the person’s home, transportation to and from work and vehicle modification.

- SSI Work-Related Expenses (Blind Persons Only): A deduction for impairment-related expenses necessary for employment is allowed, such as a seeing-eye dog, cane training, purchase of special equipment needed to perform or advance on the job, etc.

- Earnings Diverted to a PASS: Any earnings diverted to a PASS account are deducted from income.

- SSI Student Child Earned Income Disregard: $1,370 per month, but no more than $5,520 in a calendar year, is disregarded when the child meets the following criteria:

  - Is under age 22, unmarried and not head of a household; and

  - Takes one or more courses of study and attends classes as follows:

    - In a college or university at least 8 hours a week; or

    - In grades 7-12 at least 12 hours a week; or

    - In a course of training to prepare for a paying job for at least 15 hours a week, if shop practice is involved, or 12 hours a week, if shop practice is not involved; or

    - For less than the amount of time indicated above for reasons beyond the student's control, such as illness, if circumstances justify a reduced load or attendance.

  This applies to homebound students when a disability requires home school and a home visitor or tutor from school directs the study.

2. Unearned Income

- SSI $20 Disregard: A $20 Disregard is applied to the total gross unearned income. If unearned income is less than $20, the remainder is subtracted from earned income, prior to the application of any other earned income disregards and deductions.

  NOTE: The SSI $20 disregard is not applied to any unearned income received which is based on need. This includes, but is not limited to, VA benefits based on need. See VA Benefits in Section 10.3.

- Unearned Income Diverted to a PASS: Any unearned income diverted to a PASS account is deducted from income.

- For SSI-Related Children Only: 1/3 of the child support intended for the SSI-Related child is disregarded.

- Death Benefits: The portion of a lump sum payment received as a result of the death of an individual, which is used to pay the expenses of the last illness and burial of that individual, is deducted.

C. DETERMINING ELIGIBILITY

Countable income is determined by subtracting any allowable disregards and deductions in Section A above from the total non-excluded gross income. Deemed income is addressed in item D,4,a.

Countable income is determined as follows:

NOTE: When income is deemed from one ineligible spouse, the ineligible spouse's income is added to client's income in Steps 1 and 2. When income is deemed from a parent(s), the predetermined deemed amount is added to the child's unearned income in Step 1.

Step 1: Determine the total non-excluded gross unearned income and subtract the $20 Disregard, if applicable.

Step 2: Determine the total non-excluded earned income. Subtract the following in order:

- Remainder of SSI $20 Disregard
- SSI $65 Earned Income Disregard
- SSI Impairment-Related Expenses
- One-half of Remaining Earned Income
- SSI Work-Related Expense Deductions (Blind persons only)
- Earnings Diverted to a PASS

Step 3: Add unearned income from Step 1 above.

Step 4: Subtract unearned income diverted to a PASS account, the Death Benefits deduction and, for children, the child support disregard.

The result is the total monthly countable income.

Step 5: Compare the amount in Step 4 to the MNIL for the appropriate number of persons. See item D,4,a below.

If the net countable monthly income is equal to or less than the appropriate MNIL, the AG is eligible without a spenddown. It if is in excess of the appropriate MNIL, the AG must meet a spenddown. See item D,11 below.

D. SPECIAL SITUATIONS

1. Self-Employment

Gross profit is determined the same way it is for AFDC Medicaid. See Section 10.7,D. The gross profit may be earned or unearned income. See Section 10.3.

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 counted the same way it is for AFDC Medicaid. See Section 10.7,D.

4. Deeming

NOTE: For a definition of eligible child or ineligible child, see CHILD in Section 10.1.

When determining income to be deemed to an eligible individual, certain income sources are not deemed. These sources are outlined in items a and b below.

a. Public Assistance Maintenance Income

Public assistance maintenance income, as defined by SSA, not by OFS, of the spouse or parent from whom income is deemed is excluded from the deeming process, i.e., it is not deemed. In addition, any income, which was considered (counted or excluded) in computing the amount of such income maintenance payments, is also excluded.

These public assistance income maintenance payments are:

- WV WORKS

- SSI

- Needs-based payments resulting from the Refugee Act of 1980

- Payments from the Disaster Relief and Emergency Assistance Act

- Payments from general assistance programs of the Bureau of Indian Affairs

- State or local government assistance programs based on need. EITC payments and tax refunds are not considered to be based on need.

- Payments from the U.S. Department of Veterans Affairs programs when such payments are based on need. See Section 10.3.

b. Other Income Sources
Other sources excluded for dermining are:

- Any portion of a grant, scholarship or fellowship used to pay tuition and fees

- Money received for providing foster care to an ineligible child

- The value of Food Stamps or Department of Agriculture donated foods

- Home produce for personal consumption

- Tax refunds on income, real property or food purchased by the family

- Income used to fulfill an approved PASS

- Income used to comply with the terms of court-ordered support or support payments enforced under Title IV-D

- Periodic payments made by a state under a program established before 7/1/73 and based solely on duration of residence and attaining age 65. Only Alaska makes such payments.

- Infrequent or irregular income

- Work expenses of a blind individual

- Income of the ineligible individual or parent which is paid under a federal, State or local program to provide chore, attendant or homemaker services to the eligible individual

- Home energy assistance
- The earned income of a student child, up to **$1,370** a month, but not more than **$5,520** per year, is excluded form the income of an ineligible child for purpose of determining the ineligible child allocation

When the ineligible spouse's non-excluded income, as shown above and in Section 10.3, minus only the needs of ineligible children in the home, is greater than the Allocation Standard, the ineligible spouse's income is added to the eligible spouse's income. These are the SSI deeming provisions, which also require use of the couple income limit to determine eligibility for the individual when income is deemed. If the SSI-Related individual is a child, the income of the parent(s) is also deemed, and the above exclusions are applied to their income.

NOTE: The income of separated spouses is not counted or deemed beginning in the month following the month in which the couple separates.

c. Deeming From Ineligible Spouse to SSI-Related Spouse

The deeming calculations are as follows:

Step 1: Determine the ineligible spouse's total non-excluded unearned income.

Step 2: Subtract the needs of all ineligible dependent children. See Section 10.1 for the definition of ineligible child.

The needs of each ineligible child is determined separately by subtracting the child's income from the Allocation Standard. The difference, if any, represents the child's needs.

EXAMPLE: SSI payment level for 1 and 2 persons is **$564** and **$846**.

The Allocation Standard is **$282**. Child #1's income is $288. Because the child's income exceeds **$282**, there is no deduction for Child #1's needs. Child #2's income is **$125** The allocation for this child's needs is **$157**.

After a separate determination is made for each ineligible child, the allocations are added together and then subtracted from income.

Step 3: Determine the ineligible spouse's total gross non-excluded earned income.

Step 4: Subtract the remainder of the needs of all ineligible children which could not be subtracted in Step 2.

Step 5: Add together the ineligible spouse's remaining earned and unearned income.

Step 6: Compare the amount from Step 5 to the Allocation Standard.

When the remaining amount is less than the Allocation Standard, no income is deemed from the ineligible spouse and the individual income limit is used.

When the remaining amount is in excess of the Allocation Standard, the ineligible spouse's earned income is added to the SSI-Related spouse's earned income, and the ineligible spouse's unearned income is added to the SSI-Related spouse's unearned income. The income limit for 2 persons is used, even though only one spouse is in the AG.

d. Deeming From Parent(s) to SSI-Related Child(ren) See CHILD in Section 10.1.

The deeming calculations are as follows:

Step 1: Determine the total non-excluded gross unearned income of the eligible and ineligible parents.

Step 2: Subtract the needs of all ineligible children. The needs of each ineligible child are determined separately by subtracting the child's own income from the Allocation Standard.

After a separate determination is made for each ineligible child, the allocations are added together and then subtracted from income.

Step 3: Determine the total non-excluded gross earned income of the eligible and ineligible parents.

Step 4: Subtract the needs of the ineligible children, which were not subtracted in Step 2.

Step 5: Subtract the SSI $20 Disregard from the amount in Step 2.

Step 6: Subtract any remainder of the SSI $20 Disregard from the amount in Step 4.

Step 7: Apply the SSI $65 + ½ Earned Income Disregard to the amount remaining from Step 6.

Step 8: Add together the amounts from Steps 5 and 7.

Step 9: Subtract the Parental Living Allowance. See Section 10.1, Definitions.

The remaining amount is deemed to the SSI-Related child as unearned income. If there is more than one SSI-Related child, divide the remaining amount equally among the SSI-Related children.

e. Deeming From Ineligible Spouse and Eligible/Ineligible Parent to SSI-Related Spouse and SSI-Related Child

The deeming calculations are as follows:

Step 1: Determine the ineligible spouse's total gross non-excluded unearned income.

Step 2: Subtract the needs of all ineligible children. The needs are determined separately by subtracting the child's own income from the Allocation Standard.

After a separate determination is made for each child, the allocations are added together and then subtracted from income.

Step 3: Determine the ineligible spouse's total non-excluded gross earned income.

Step 4: Subtract the needs of the ineligible children, which were not subtracted in Step 2.

Step 5: Add the remaining amount from Step 2 to the remaining amount from Step 4.

NOTE: If the amount in Step 5 is equal to or less than the Allocation Standard, no income is deemed to the spouse or child. If it is greater, continue.

Step 6: Add the SSI-Related spouse's unearned income to the amount in Step 2.

Step 7: Subtract the SSI $20 Disregard from the Step 6 amount.

Step 8: Add the SSI-Related spouse's earned income to the amount in Step 4.

Step 9: Subtract the amount of the SSI $20 Disregard which was not subtracted in Step 7.

Step 10: Apply the SSI $65 + ½ Earned Income Disregard to the amount in Step 9.

Step 11: Add the amounts from Steps 7 and 10.

NOTE: If the amount from Step 11 is equal to or less than the maximum SSI payment for a couple, no income is deemed to the SSI-Related Child. If it is greater, continue.

Step 12: Subtract the maximum SSI payment for a couple from the Step 11 amount.

The amount remaining after Step 12 is deemed to the SSI-Related child as unearned income. If there is more than one SSI-Related child, divide the amount equally among the SSI-Related children.

5. Strikers

The presence of a striker has no effect on SSI-Related Medicaid.

6. Irregular Income

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

7. Lump Sum Payments

Lump sum payments are treated as unearned income in the month received.

8. Withheld Income

   a. From Earned Income

      Earnings withheld to repay an advance payment are disregarded if they were counted in the month received. If not counted in the month received, the withheld earnings are income. No other earned income is excluded just because it is withheld by the employer.

   b. From Unearned Income

      All withheld unearned income is counted, unless an amount is being withheld to repay income that was previously used to determine Medicaid eligibility.

9. Funds Diverted To A PASS

   Funds diverted to a PASS account are disregarded.

10. Unstated Income

   Unstated income is income that has not been reported by the household, and is not otherwise known to the agency, but is determined to exist because the client's paid living expenses exceed income from known sources.

   The amount of unstated income is the difference between the known monthly income and the monthly paid living expenses.

   When the information in the client's record, including statements of the client or third-parties, indicates that paid expenses exceed the stated income, the existence of unstated income must be explored. The client must complete form ES-IN-1, Statement of Monthly Living Expenses.

   If insufficient or conflicting evidence exists, the Worker must question the client about the possibility of unstated income and allow him the opportunity to explain how his expenses are met. If the client provides a satisfactory explanation, the Worker records the explanation.

If the client's explanation of how the expenses are met is inadequate, the Worker makes a recording of the explanation and then determines the amount of unstated income to count. To determine the amount of unstated income to count, the Worker compares the usual amount of monthly living expenses with the client's reported income, taking into consideration any other reasonable explanations the client provides. The difference is unstated income and is counted as unearned income.

11. Spenddown

To receive a Medicaid card, the monthly countable income of the Needs Group must not exceed the amount of the MNIL. If the income of the Needs Group exceeds the MNIL, the client has an opportunity to spend his income down to the MNIL by incurring medical expenses. These expenses are subtracted from the client's income for the 6-month Period of Consideration (POC), until his income is at or below the MNIL for the Needs Group until the POC expires. The spenddown process applies only to AFDC-Related and SSI-Related Medicaid.

a. Procedures

The Worker must determine the amount of the client’s spenddown at the time of application based on information provided by the client. The spenddown amount may have to be revised if the verified income amount differs from the client’s statement. He must also explain the spenddown process to the client during the intake interview. An ES-6A is attached to the verification checklist or ES-6 which notifies the client that an eligibility decision cannot be made until he meets his spenddown by providing proof of medical expenses. The verification checklist or ES-6 must also contain any other information the client must supply in order to determine eligibility.

Once the client presents sufficient medical expenses to meet his spenddown obligation and all other Medicaid eligibility requirements are met appropriate RAPIDS procedures are followed to approve the AG and enter the spenddown.

NOTE: Although eligibility begins on the date that medical bills bring the spenddown amount to $0, expenses incurred on that date which are used to meet the spenddown, as indicated on Screen AGTM are not paid by Medicaid.

The following procedures are required to accomplish the spenddown process.

- The Worker prepares the verification checklist or an ES-6, attaches an ES-6A and gives them to the client during the intake interview or mails them after the interview.

  If the client indicates he needs help to understand the procedure for meeting his spenddown, the Worker provides all help needed. In no instance is the client to be denied Medicaid because he is physically, mentally or emotionally unable to verify his medical expenses.

- The client is requested to provide proof of his medical expenses, date incurred, type of expense and amount and to submit them to the Worker by the application processing deadline.

- When the bills or verification are received, the Worker reviews them to determine that:

  - The expenses were incurred, they are not payable by a third party, and the client will not be reimbursed by a third party.

- The individual(s) who received the medical services is one of the people described in item b. below.

- The expenses are for medical services and are appropriate to use to meet a spenddown. See item c. below.

- The Worker must enter the pertinent information about expenses received from the client on the Screen AGTM. This includes, but is not limited to, the following:

  - The date of service

  - The provider of the service

  - The total amount of the bill

  - The third-party liability amount.

- Medicaid Processing in BMS accesses RAPIDS Screen AGTM to determine the date on which spenddown is met. The client's eligibility begins the day the amount of incurred medical expenses at least equals his spenddown amount

  NOTE: Although eligibility begins on the date that medical bills bring the spenddown amount to $0, expenses incurred on that date which are used to meet the spenddown, as indicated on Screen AGTM are not paid by Medicaid.

- If the client does not submit sufficient medical bills by the application processing deadline, the application is denied.

b. Whose Medical Expenses Are Used

The medical bills of the following persons are used to meet the spenddown. There is no limit on the amount of one individual's bills which can be used to meet another individual's spenddown.

NOTE: The past medical bills of any of the individuals listed below which were incurred while the individual lived with an AG member(s) may be used for spenddown, even if the individual no longer lies with the AG member, is deceased or is divorced from the AG member.

- The aged, blind or disabled individual
- The spouse of the eligible individual who lives with him
- The children under age 18 of the eligible individual and spouse, when the children live in the home with them.

The AG member must be responsible for the bill at the time it was incurred and remain responsible for payment.

Because the individuals, whose medical expenses are used to meet a spenddown, may be in separate AG’s, the same medical bill is used to meet the spenddown in each AG containing one of the persons identified above.

c. Allowable Spenddown Expenses

The following medical expenses, which are not subject to payment by a third party and for which the client will not be reimbursed, are used to reduce or eliminate the spenddown.

- A current payment on or the unpaid balance of an old bill incurred outside the current POC, is used as long as that portion of the bill was not used in a previous POC during which the client became eligible. No payment or part of a bill which is used to make a client eligible may be used again. Old unpaid bills, which are being collected by an agency other than the medical provider, may be used when the expense is still owed to the provider. If the expense has been written off by the provider, it is no longer considered the client's obligation, and is, therefore, not an allowable spenddown expense.

Medical bills that were previously submitted, but were not sufficient to meet the spenddown, may be used again in a new POC. However, when any old or new bill is used and the spenddown is met, those same bills must not be used again in a new POC. When only a portion of the old bill, incurred outside the current POC, is used to meet spenddown, any remaining portion of the bill for which the client is still liable may be used to meet spenddown in a new POC.

In addition, when the client submits an old bill and then withdraws his application, the old bill may be used again if he reapplies.

- Health insurance premiums, including Medicare

- Medicare co-insurance, deductibles and enrollment fees

- Necessary medical or remedial care expenses. This includes, but is not limited to:

  - Office visits to a physician
  - Hospital services, inpatient and outpatient
  - Emergency room services
  - Prescriptions
  - Over-the-counter drugs prescribed by a physician
  - Eye examinations
  - Eye glasses
  - Dental services
  - Therapy prescribed by a physician
  - Chiropractic services
  - Prosthetic devices

  - Durable medical equipment prescribed by a physician
  - Rental of sickroom supplies
  - Cost of in-home care
  - Services of other licensed practitioners of the healing arts, i.e., podiatry.

Do not deduct any expenses which are included in a package of services, prior to the date services are rendered, such as charges for prenatal care and delivery services or orthodontia.

- Necessary medical or remedial services which are covered services under Medicaid

- Expenses for personal care services defined as: services provided in a client's home which are prescribed by a physician, delivered in accordance with a plan of treatment and provided by a qualified person, who is not a member of the client's family, under the supervision of a registered nurse. For these purposes, home is defined as the client's full time residence, but does not include a hospital, nursing facility, intermediate care facility or any other setting in which nursing services are, or could be, made available.

  The services must fall into any of the following general groups. Each general group shown below is further defined by examples, but is not limited to only the examples shown.

  - Personal Hygiene/Grooming: care of hair, nails, teeth, mouth; shaving; bathing; toilet assistance; dressing;
    laundry, when related to incontinence.

  - Non-Technical Physical Assistance: routine bodily functions; routine skin care, including application of non-prescription skin care products; change of simple dressings; repositioning or transferring into and out of bed, on and off seats; walking, with or without equipment; assist in administration of medication; following directions of a professional for use of medical supplies.

  - Nutritional Support: meal preparation; feeding; assisting with special nutritional needs, including preparation of special formulas, prescribed feedings or special diets.

- Environmental: housecleaning, dusting and vacuuming; laundry; ironing and mending; making and changing beds; dishwashing; food shopping; payment of bills; essential errands; activities and transportation necessary to move the client from place to place; other similar activities of daily living.

Expenses billed to the client for the personal care services shown above must, at a minimum, specify the amount billed for each general group of services.

Under no circumstances are ongoing or one-time-only medical expenses to be projected. They must be used no earlier than actually incurred. Those persons who are billed for their care at intervals longer than monthly are to have the expenses used to meet spenddown on the date services are performed, not on the date billed. Such expenses are not incurred prior to receipt of services.

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 benefit level of the payee's AG, is excluded as income.

10.22 RESERVED FOR FUTURE USE