

10.21 AFDC-RELATED MEDICAID (Medically Needy, Mandatory For Children and Optional For Parents)

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

- **AFDC Medicaid Standard Work Deduction:** The deduction is applied to the earnings of each working person. The amount deducted must not exceed the amount of each person's earned income.

Income

- AFDC Medicaid Dependent Care Deduction: When the employed member(s) of the Income Group must pay for a **dependent child or incapacitated adult** care to accept or continue employment or training, a deduction is allowed. The amount is allowed as paid, up to the maximum amounts allowed for AFDC Medicaid **for each dependent**. See Section **10.7,B,1(d)**. The dependent is not required to be in the AG, Income Group or Needs Group to allow the deduction.

2. Unearned Income

Child Support Disregard: 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
- 12.50	Disregard
\$187.50	Countable Child Support

Child B

\$150.00	Child Support
- 12.50	Disregard
\$137.50	Countable Child Support

Child C

\$50.00	Child Support
- 12.50	Disregard
\$37.50	Countable Child Support

Child D

\$100.00	Child Support
- 12.50	Disregard
\$ 87.50	Countable Child Support