

7.10 INCOME

A. TRANSFERS OF INCOME

There is no penalty for transferring access to income or to a stream of income.

B. INCOME SOURCES

The income sources in Section 10.3 are treated the same way for WV CHIP as for Qualified and Poverty-Level children.

C. BUDGETING METHOD

NOTE: The method used to determine monthly countable income is different for WV CHIP. Therefore, when other benefits are received concurrently, budgeting of countable income may differ.

For WV CHIP, the Worker has discretion in trying different income budgeting methods and using the method that is to the applicant's advantage. Since the applicant must be screened for Medicaid, countable income is first determined using the Medicaid budgeting method. If the countable income results in Medicaid ineligibility, it is used to evaluate the child for WV CHIP. If the amount is also excessive for WV CHIP, other budgeting methods must be explored. The next method is to use income received or expected to be received in the month of application. Procedures for this method are described in detail in the steps listed below. If this method does not result in WV CHIP eligibility, the Worker must consider other methods such as using annual or quarterly tax returns to arrive at an average monthly amount, or use another time period such as the previous 6 months or the month of application and the previous month. See the examples below and at the end of this item.

NOTE: Alternative budgeting methods are explored, but are used only if they more accurately represent an AG's countable monthly income.

EXAMPLE: A man lives with his two children. He completes a redetermination in **July 2011** for one child who receives WV CHIP. Since the last certification, he began a job in December **2010** with a monthly countable income of **\$4,640** which exceeds the **300%** FPL gross income test for 3. He insists the Worker use his **2010** W-2 even though it includes only a partial month's earnings from his new job. Although the Worker reviews the W-2, this alternative budgeting method is discarded and the AG is denied WV CHIP.

EXAMPLE: A woman applies for WV CHIP for her child in June. She has no income and her husband is employed intermittently as a heavy equipment

E. INCOME DISREGARDS AND DEDUCTIONS

NOTE: A WV CHIP Premium Expansion's IG must meet a gross income test with gross income of less than or equal to **300%** FPL before any income disregards and/or deductions are applied. See Section 7.14,E for procedures regarding WV CHIP Premium Expansion.

The following disregards and deductions are applied to the income of the WV CHIP child's IG and once the gross income test is met, to the WV CHIP Premium Expansion's IG, in the order listed below.

1. Earned Income

- AFDC Medicaid Standard Work Deduction: The \$90 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 following maximum amounts:

- Dependent under age 2 - \$200
- Dependent age 2 or over - \$175

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

- 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,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 WV CHIP child.
- Step 5: The resulting figure is the net income against which income eligibility is tested.

The 200% FPL for the number of people in the Needs Group is used. See Appendix A, Chapter 10. If net income is less than or equal to 200% FPL, the child is income eligible as a WV CHIP child. When the net income exceeds 200% FPL but the gross income is less than or equal to **300%** FPL, the child is evaluated for WV CHIP Premium Expansion. See Section 7.14, E.

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.