

10.22 SSI-RELATED MEDICAID (Medically Needy, Mandatory)

NOTE: Spenddown provisions apply.

A. BUDGETING METHOD

In addition to the information in Section 10.7, 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 10.7.

Step 3: Determine the anticipated unearned income for each of the 6 months, according to Section 10.7.

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.

Income

- 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 **the Budgeting Method section** above from the total non-excluded gross income. Deemed income is addressed in **Public Assistance Maintenance Income below**.

Countable income is determined as follows:

NOTE: When income is deemed from an ineligible spouse, the ineligible spouse's deemable 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 **Public Assistance Maintenance Income in the Deeming section below**.

If the net countable monthly income is equal to or less than the appropriate MNIL, the AG is eligible without a spenddown. If it is in excess of the appropriate MNIL, the AG must meet a spenddown. See **Spenddown section** below.

D. SPECIAL SITUATIONS

1. Self-Employment

Gross profit is determined the same way it is for AFDC Medicaid. See Section 10.7. 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.

3. Educational Income

a. Title IV Educational Assistance

All student financial assistance, funded in whole or in part, under Title IV of the Higher Education Act or the Bureau of Indian Affairs, is excluded in its entirety.

Examples of Title IV educational assistance are:

- Federal Pell Grants
- Federal Supplemental Educational Opportunity Grants (FSEOG)
- Guaranteed Student Loans, including William D. Ford Federal Direct Loan Program and Federal Direct PLUS loans and Supplemental Loans for Students, Federal Family Education Loan (FFEL) Program
- Leveraging Educational Assistance Partnership (LEAP) and Special Leveraging Educational Assistance Partnership (SLEAP) Programs, formerly known as State Student Incentive Grants
- Federal Perkins Loans
- Federal Stafford Loans

Income

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 need of each ineligible child is 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 + $\frac{1}{2}$ Earned Income Disregard to the amount remaining from Step 6.

NOTE: When the person from whom income is deemed receives RSDI based on disability or received that benefit prior to becoming age 65, Impairment-Related Work Expenses, if appropriate, are deducted after the \$65, but prior to deducting the remaining $\frac{1}{2}$. See **Earned Income in the Income Disregards and Deductions section**.

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.

NOTE: When the person from whom income is deemed receives RSDI based on disability or received that benefit prior to becoming age 65, Impairment-Related Work Expenses, if appropriate, are deducted after the \$65, but prior to deducting the remaining $\frac{1}{2}$. See **Earned Income in the Income Disregards and Deductions section**.

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.

- 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 **Allowable Spenddown Expenses** below.
- The Worker must enter the pertinent information about expenses received from the client on the **appropriate system** screen. 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 **the appropriate system** screen to determine the date on which spenddown is met. Additional electronic notification to BMS is required only when a change is necessary to add additional medical expenses after the spenddown is met which will result in an earlier POE. 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 **the appropriate system** screen are not paid by Medicaid.

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

The application is automatically denied by RAPIDS when the applicant indicates there are no medical bills or anticipated medical expenses in the 30-day application period which may be used to meet the spenddown for the Medicaid AG member(s). This is indicated by the Worker on **the appropriate system** screen.

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.

14. Income Received From Military Personnel Deployed to a Designated Combat Zone

Military pay received while serving in a combat zone is excluded. Only pay which is specified for combat, hostile fire or imminent danger is excluded. All other military pay is counted.

Pay for a member of the uniformed services is determined by using the individual's Leave and Earnings Statement (LES) which is received at the beginning of the month. The LES shows the earnings for services performed in the prior month. See Section 4.2.

15. Income Belonging To or For the Benefit of a Child

The source of the income must be known and Section 10.3 consulted for how the income is treated.