

**10.22 SSI-RELATED MEDICAID (Medically Needy, Optional)**

**NOTE:** Spenddown provisions apply.

**A. BUDGETING METHOD**

In addition to the information in Section 10.6, 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.

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

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.

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-Related Medicaid. See Section 10.21. 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-Related Medicaid. See Section 10.21.

##### 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

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Income

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The need 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 \$698 and \$1,048.

The Allocation Standard is \$350. Child #1's income is \$360. Because the child's income exceeds \$350, there is no deduction for Child #1's needs. Child #2's income is \$125. The allocation for this child's needs is \$225.

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 remaining earned income from Step 4 is added to the SSI-Related spouse's earned income, and the ineligible spouse's remaining unearned income from Step 2 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 Section 10.1 for the definition of child.

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 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.

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Income

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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 +  $\frac{1}{2}$  Earned Income Disregard to the amount in Step 9.

**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.

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## 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.