10.6 GENERAL INCOME INFORMATION FOR MEDICAID COVERAGE GROUPS

The following sections contain income information about most Medicaid coverage groups. HCB TBI and I/DD Waiver cases are included in Chapter 17, along with information about individuals receiving nursing home and ICF/MR services. Also not found in the following sections, is income information about children who receive Adoption Assistance or Foster Care payments. These cases are the responsibility of the Office of Social Services.

A. UNCOMPENSATED TRANSFERS OF INCOME

When any Medicaid recipient is receiving nursing home or ICF/MR services or is a member of an HCB, TBI or I/DD Waiver AG (See Chapter 17), a penalty may be applied for an uncompensated transfer of resources, including income or a stream of income. The policy and procedures related to this process are explained in Chapter 17.

The policy applies only to uncompensated transfers which occurred on or after 8/11/93.

B. BUDGETING METHOD

NOTE: Treatment of the income of persons employed under an annual contract and of migrant farm workers with seasonal employment requires special instructions. Consult the Table of Contents for Special Situations for each Medicaid coverage group, for those employed under an annual contract. The SNAP requirements of migrant farm workers have no bearing on any Medicaid coverage group.

Unless information to the contrary is shown in the remaining sections of this Chapter, the following method is used to determine income for the certification period or period of consideration (POC).

Eligibility is determined on a monthly basis. Therefore, it is necessary to determine a monthly amount of income to count for the eligibility period. The following information applies to earned and unearned income.

For all cases, the Worker must determine the amount of income that can be reasonably anticipated for the AG. For all cases, income is projected*; past income is used only when it reflects the income the client reasonably expects to receive.

***NOTE:** There are two exceptions to this. They are found below in EXCEPTION: Use of Actual Income.

1. Methods For Reasonably Anticipating Income

   There are 2 methods for reasonably anticipating the income the client expects to receive. One method uses past income and the other method uses future income. Both methods may be used for the same AG for the same certification period because the method used varies with the circumstances of each source of income. The situations which prompt usage of one or the other method are listed below. More details are contained in the following items.

   Use past income only when both of the following conditions exist for a source of income:

   - Income from the source is expected to continue into the certification period or POC; and

   - The amount of income from the same source is expected to be more or less the same.

   NOTE: For these purposes, the same source of earned income means income from the same employer, not just the continued receipt of earned income.

   Use future income when either of the following conditions exist for a source of income:

   - Income from a new source is expected to be received in the certification period or POC; or

   - The rate of pay or the number of hours worked for an old source is expected to change during the certification period or POC.

***NOTE:** The purpose of finding an average amount of fluctuating income is to even out the highs and lows in the amount of income. The client is not, then, required to report fluctuating income each pay period and the Worker is not required to change income monthly. Should the client report fluctuations in the amount of income, the Worker is only required to recalculate the countable income when, in his judgment, the fluctuation will affect eligibility. All changes reported by the client must be considered, but not necessarily used. Reported changes must be recorded and the Worker must record why the reported income was or was not used.

Conversion of income to a monthly amount is accomplished by multiplying an actual or average amount as follows:

- Weekly amount x 4.3
- Bi-weekly amount (every 2 weeks) x 2.15
- Semi-monthly (twice/month) x 2

Proration of income to determine a monthly amount is accomplished by dividing the amount received by the number of time periods it is intended to cover as follows:

- Bi-monthly amount (2 months) ÷ 2
- Quarterly amount (3 months) ÷ 3
- Semi-annual amount (twice/year) ÷ 6
- Annual amount ÷ 12
- 6-week amount ÷ 6 and converted to monthly amount by using x 4.3
- 8-week amount ÷ 8 and converted to monthly amount by using x 4.3

EXAMPLE: A woman begins working on the 2nd Monday of a month. She earns $200/wk and is paid every Friday. Her average weekly pay is $200. For the 1st month she has earnings, she expects to be paid 3 times. Her income for the month is $200 x 3 = $600. A change must be made for the anticipated income from the 2nd month of her employment.

EXAMPLE: Family of 4. The man works and earns a monthly salary of $300. His wife works part-time and is paid weekly. She earns $7.25/hr., but the number of hours she works fluctuates each week. His mother receives $150 every 3 months from the mineral rights to some property she owns out of state. His son just received a disability insurance check in the amount of $420 for the past 6 weeks. Income is determined as follows: