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SECTION H – BUDGETING FOR AT-HOME ELIGIBILITY

BUDGETING FOR AT-HOME ELIGIBILITY
BUDGETING PROCESS

A. GENERAL

A comparison of income to the appropriate need standard unique to the at-home coverage group the client is applying for or otherwise qualifies for, is known as budgeting.

The first step of the budgeting procedure is to determine the coverage group. Medicaid coverage groups are those categories of individuals designated in the State Plan who qualify for Medicaid and for whom Federal Financial Participation (FFP) is available. To be eligible for Medicaid in Mississippi an individual must have his eligibility determined using the criteria for a particular coverage group. Regional Office staff have budgeting responsibility for the MAO coverage groups described in Section G.

This section describes budgeting procedures for individuals who live "at-home." Specifically, those groups known as:

- SSI Retro determinations
- Former SSI Recipients
- MAO "At-Home" Coverage Groups
- MAO Long Term Care "At-Home" Coverage Groups

Budgeting procedures for MAO Long Term Care coverage groups are outlined in the "Institutionalization" section since Long-Term Care budgeting procedures must be used for these groups.

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B. BUDGETING STATUS

Once the decision is made as to which coverage group is applicable to the client, then the budgeting status must be determined. Budgeting status means whether or not to consider the client as an individual or couple.

1. Eligible Individual

An eligible individual is one who is aged, blind or disabled and meets all the technical requirements for receiving Medicaid and is:

- single, widowed, divorced or is a child, or
- physically separated from his/her spouse for a full month.

2. Eligible Individual With Ineligible Spouse

An ineligible spouse is one who is not eligible for or applying for Medicaid, but who is married to, or holding out to be married to, <u>and living with</u> an eligible individual. Deeming of income from the ineligible to the eligible may be appropriate, depending on the type and amount of income received by the ineligible spouse and whether ineligible child(ren) reside in the household.

3. Eligible Couple

An eligible couple consists of an eligible individual and an eligible spouse. An eligible spouse is an aged, blind or disabled individual who meets all the technical requirements for receiving Medicaid and who is the husband or wife of another aged, blind or disabled individual.

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C. BUDGET FORMS

Form DOM-337, Eligible Individual/Eligible Couple & Spouse to Spouse Deeming Worksheet, is used to determine income eligibility for adult clients or clients under age 18 who are not subject to the deeming of parental income. DOM-338, Parent to Child Deeming Worksheet, is used to determine income eligibility for a child, i.e., an individual under the age of 18 who is subject to the deeming of parental income.

Depending on the budgeting form used, either DOM-337 or 338, refer to the instructions for the form used for detailed steps to follow in completing the form which determines eligibility based on income.

When completing the at-home budget, the eligible is entitled to all applicable income exclusions before arriving at countable income used to determine eligibility. Refer to Section E, Income, for a discussion of the following types of income exclusions and when to apply the exclusion.

- General Exclusion
- Earned Income Exclusion
- Income Exclusions for Former SSI Recipients
- Student Child Earned Income Exclusion
- Blind Work Expenses Exclusion
- Impairment Related Work Expenses
- Irregular & Infrequent Income Exclusion
- Plan for Achieving Self-Support (PASS) Income Exclusions

NOTE: MEDS performs on-line budgeting using the appropriate budget form depending on information entered into MEDS.

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D. INDIVIDUAL BUDGETING

Budgeting for an at-home individual consists of:

- Selecting a coverage group in order to determine the appropriate need standard and income exclusions to apply,
- Determining countable income after applying all income exclusions and/or disregards,
- Comparing income to the appropriate need standard:
  - For cases using the SSI FBR, countable income cannot be equal to or exceed the appropriate FBR,
  - For cases using the FPL, countable income can be equal to but cannot exceed the appropriate FPL.

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E. DEEMING PROCEDURES

Deeming applies from spouse to spouse or parent to child only. Since deeming applies only in household situations, for deeming purposes the household comprises the eligible individual, the spouse, and any children of the couple; or the eligible child, the parent(s), and other children of the parent(s).

An eligible individual, an ineligible spouse or parent who is temporarily away from home for economic (employment) or emergency reasons (hospitalization) or vacation or visits is still considered to be a member of the household for deeming purposes. A temporary absence for deeming purposes is one where the individual leaves and returns to the deeming household in the same month or the following month. A child away at school remains a member of the household if the child lives in the household on week-ends, holidays, and summer vacation.

There are instances when, after applying the deeming provision, there is no income to be deemed:

- If the income of the eligible spouse or parent(s) is less than the amount which is deducted for a living needs allowance and allocation to any ineligible children, there is no income to deem.

- If the spouse or parent(s) have no income or have only the type of income that is not deemed, then deeming is not applicable.

Refer to Section E, Income Computations, for a further discussion of deemed income.

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1. Allocating to Ineligible Child(ren) At-Home

If there are ineligible child(ren) in a deeming household, an allocation is deducted from the ineligible spouse's income (DOM-337) or from the parent(s) income (DOM-338) prior to deeming. An allocation is allowed for each ineligible child who lives in the household who is age 18 or under or under age 21 if a student. The amount allocated to each ineligible child is the "Allocation to Each Ineligible Child" amount found in the Appendix page entitled "Chart of Need Standards and Resource Limits" less the child's own income.

Each ineligible child's own income is subtracted from the SSI allocation amount. The remaining total(s) are added together and subtracted from the income of the ineligible spouse (DOM-337) or subtracted from the income of the parent(s) (DOM-338) to arrive at the total amount of income to be deemed to the eligible.

Note: The income of the ineligible spouse, parent(s), and ineligible children must be verified in the same manner the eligible's income is verified.

2. Deeming of Income From An Ineligible Spouse (DOM-337)

After living allowance allocations for ineligible children have been subtracted from an ineligible spouse's income, if the ineligible spouse's remaining income is less than the difference between the Couple and Individual Need Standards or FBR, no deeming applies. This means the following:

- For SSI Retro and Former SSI Recipient Budgeting - The eligible and ineligible spouse’s countable income is combined and tested against the couple Poverty Level.

- For Poverty Level Budgeting - The eligible and ineligible spouse’s countable income is combined and tested against the couple Poverty Level.

If the ineligible spouse's income is more than the difference between the 2 appropriate need standards, then deeming applies and the ineligible spouse and the eligible individual are treated as an eligible couple, as per instructions for Step 3 of DOM-337.

Note: Refer to the instructions for DOM-337 for a discussion on how to deem income from an ineligible spouse to an eligible individual and an eligible child.

3. Deeming of Income from Ineligible Parent(s) to An Eligible Child (DOM-338)

After living allowance allocations for ineligible children have been deducted from the parent(s) earned & unearned income, any remaining income is then subject to income exclusions and a living allowance for the parent(s). Any excess income is then deemed to the eligible child or eligible children (in equal parts). Deemed parental income is counted as unearned income to the eligible child (or eligible children after being equally divided).

Refer to the instructions for DOM-338 for further details on completion of the form.

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A. BUDGETING FOR FORMER SSI RECIPIENTS

The following budgeting rules are unique to former SSI recipients. In all groups, SSI policy must be used and the appropriate SSI FBR used as the need standard in budgeting. Countable income of the eligible cannot be equal to or exceed the appropriate SSI FBR used.

1. SSI Retro

If SSI policy is used to determine eligibility for an SSI retro case, then SSI budgeting rules apply:

- the appropriate SSI FBR must be used for each month of retroactive eligibility,
- countable income cannot be equal to or exceed the SSI FBR

2. HR-1

In addition to all other appropriate income exclusions, an HR-1 eligible receives an income disregard of the 20% increase in title II benefits received in September, 1972. **All HR-1 cases must be referred to the State Office for review prior to approval.**

3. COL

In addition to all other appropriate income exclusions, COL eligibles receive a disregard of all Social Security cost-of-living increases received since the client was last eligible for and received SSI and Social Security then lost SSI eligibility. To determine the COL disregard:

- Verify the SSI Termination Date.
- Determine the aggregate COL disregard amount
    - Divide the current title II benefit amount by the percentage amount of the previous years's COL increase. This will provide the individual's benefit level prior to the COL increase. This computation is then repeated for each title II COL increase received after the individual last lost SSI.

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- Do not round down. Use the actual amount calculated for each preceding year.

- When the last computation is completed, the result is the title II benefit amount when SSI was terminated. Subtract this amount from the current title II benefit. The difference is the COL disregard amount to be disregarded in budgeting countable income.

- All possible calculations back to July 1977 are provided in the Appendix "COL Computation History."

- **All COL applications must be referred to the State Office for review prior to approval. State Office will determine the COL disregard, if needed.**

4. **COBRA Widow(er)s** — This limited group of eligibles were allowed a disregard of the increase in their 12/83 title II benefits to restore Medicaid eligibility for a limited group of widow(er)s who lost SSI eligibility as a result of the 12/83 title II adjustment.

5. **DAC** — In addition to all other appropriate income exclusions, DAC's receive a disregard of either the increase in their Disabled Adult (DAC) Child's insurance title II benefits or the full amount of their DAC benefits, whichever caused their SSI eligibility to terminate. **All DAC applications must be sent to the State Office for review prior to approval. State Office will determine the amount of the DAC disregard, if needed.**

6. **OBRA Widow(er)s** — In addition to all other appropriate income exclusions, OBRA Widow(er)s receive a disregard of their title II widow(er) benefits and any other paid title II benefits that resulted in the termination of SSI. **All OBRA Widow(er) applications must be referred to State Office for review and determination of the disregard amount prior to approval.**

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B. BUDGETING FOR MAO AT-HOME CLIENTS

The following MAO At-Home coverage groups have the following in common:

- All groups use the Federal Poverty Level (FPL) as the basis for determining income eligibility, although a different percentage of the FPL is applied depending on the group.

- Countable income <u>can be equal</u> to but cannot exceed the appropriate FPL used in budgeting. Since this is true, anyone whose income is equal to the FPL must be monitored closely for any possible increases in income (such as when State Buy-In occurs).

- Federal Poverty Levels are not published until February or March each year. Since Social Security cost-of-living increases are awarded in January benefit checks, it is mandated by federal law that the title II cost-of-living increase received in January is disregarded for cases using FPL's as the need standard until such time as the new FPL's are published and implemented each year. The title II increase is disregarded for each applicant and recipient <u>and</u> to any ineligible spouse's title II benefits in determining income eligibility in budgeting for January until the time the new FPL's are implemented. After new FPL's are implemented, the client(s) must remain eligible without the title II disregard in order for eligibility to continue.

- Mixed budgeting methodologies are not allowed between Former SSI Recipient budgeting and MAO At-Home budgeting procedures. For example, any disregards allowed for former SSI recipients are not allowed in budgeting for MAO At-Home recipients.

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- An individual or couple who would be eligible for SSI based on income may choose to apply for Medicaid only as at-home eligible. The individual is not required to apply for SSI if he/she chooses to apply for MAO at-home coverage.

1. PLAD

PLAD budgeting is based on 100% of the FPL. All appropriate income exclusions apply except for those reserved for former SSI recipients, i.e., no mixed budgeting allowed.

There is no in-kind support and maintenance (ISM) counted as income in PLAD budgeting.

2. QMB

QMB budgeting is based on 100% of the FPL. All appropriate income exclusions apply except for those reserved for former SSI recipients, i.e., no mixed budgeting allowed.

There is no in-kind support and maintenance (ISM) counted as income in QMB budgeting.

3. SLMB

SLMB budgeting is based on 120% of the FPL. All appropriate income exclusions apply (except for those reserved for former SSI recipients). No in-kind support and maintenance (ISM) is counted as income in SLMB budgeting.

4. QWDI

QWDI budgeting is based on 200% of the FPL. All appropriate income exclusions apply; however, SSI policy and not liberalized policy applies to QWDI eligibles. This means that it is possible to count in-kind support and maintenance as income in the QWDI budget.

All applications for QWDI status must be submitted to the State Office for review prior to approval.

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5. **Working Disabled**

Working Disabled budgeting is based on 250% of the FPL. All appropriate disregards and exemptions, including the earned income disregard apply. This is a two step process.

- Step 1 is a net income test based on the family's earned income. The net income must be less than 250% of the FPL for the family of the size involved. (The family size will either be one or two.)

- Assuming the individual has met the net family income test, the second step is a determination of whether the individual meets the unearned income standards to receive an SSI benefit. All earned income received by the individual is disregarded. If the individual has an ineligible spouse, SSI deeming rules apply. The countable unearned income must be less than the SSI income standard.

Policy Liberalization

Effective July 1, 2000, the maximum unearned income limit will be 135% of poverty.

Effective 07/01/99 - 06/30/2000, the unearned income could not exceed the SSI income standard. The Poverty Level chart is located in the Appendix.

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C. BUDGETING FOR MAO LONG TERM CARE "AT-HOME" COVERAGE GROUPS

The following MAO coverage groups are generally considered to be living "at-home" as opposed to an institution; however, each group is budgeted using Long term Care criteria:

- An Institutional Budget, DOM-336, is used to test the client's own income against the institutional income need standard.

- There is no deeming of spousal or parental income in any of these groups.

- The client's own total income cannot equal or exceed the institutional limit. There are no income exclusions or disregards that apply to the client's own income unless the income is the type that cannot be considered income (for example, VA Aid & Attendance).

- There is no "Medicaid Income" payable toward the cost of care for these "at-home" LTC client cases.

1. Disabled Children Living At-Home

DCLH budgeting is based on the child's own income compared to the institutional income limit. There is no deeming of parental income in any month of eligibility.

2. Hospice

For hospice clients who are not otherwise eligible for full Medicaid benefits at-home (SSI, AFDC, PLAD), Hospice budgeting is based on the client's own income compared to the institutional income limit.

There is no deeming of spousal income to the Hospice eligible even if they live together in the same household. However, only the Hospice eligible is entitled to LTC income rules. If the non-Hospice spouse wishes to apply for Medicaid, he/she is treated as a member of a couple whereby total income of both spouses is combined.

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There is no Medicaid Income calculated for a Hospice eligible.

Policy Liberalization

Effective 07-01-2000, if a non-Hospice spouse wishes to apply for Medicaid, he/she is treated as an individual. Budgeting is based on the non-hospice spouse's income only.

3. HCBS Waiver For the Physically Handicapped

For those not otherwise eligible for Medicaid as an SSI recipient, HCBS for the Physically Handicapped budgeting is based on the client's own income compared to the institutional income limit.

There is no deeming of spousal income to the Handicapped eligible even if they live together in the same household. However, only the Handicapped eligible is entitled to LTC income rules. If the non-Handicapped spouse wishes to apply for Medicaid, he/she is treated as a member of a couple whereby total income of both spouses is combined.

There is no Medicaid Income calculated for a HCBS Handicapped eligible.

Policy Liberalization

Effective 07-01-2000, if the non-Handicapped spouse wishes to apply for Medicaid, he/she is treated as an individual. Budgeting is based on the non-Handicapped spouse's income only.