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APPLICATION AND REDETERMINATION PROCESSING

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AUTHORIZING CHANGES

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**C. CHANGES  
IN MEDICAID  
INCOME (MI)**

Changes in a client's income, marital status or non-covered medical expenses will impact the amount of income the client must pay toward the cost of his/her care, known as Medicaid Income. These changes will result in either a decrease or increase in Medicaid Income. The effective dates of these changes are determined as follows:

**1. Decrease  
in MI**

A change which results in a decrease in Income is effective the month in which the change is reported or becomes known to the agency. For example: A decrease in income reported at any time during the month of June will be effective as of June 1. Notice to the client (DOM-305) and notice to the medical facility (DOM-317) will specify June 1.

**2. Increase  
in MI**

A change which results in an increase in Medicaid Income requires advance notice to the client advising of the increase. However, advance notice for Medicaid Income increases is based on issuing notice 10 days before the date Medicaid makes its payment to the facility. A nursing home cannot submit a claim for any month until the first day of the following month. Payment is then made to the facility on the first Monday following receipt of the claim. This means that the worker has 10 days before Medicaid makes its payment to a facility to increase Medicaid Income for the current month. Since payment schedules to nursing homes may vary, policy governing increasing Medicaid Income in the current month is based on whether advance notice can be issued 10 calendar days before the first of the following month.

For example, if an increase in the client's income is discovered on October 10, an increase in Medicaid Income can be effective October 1 provided advance notice is issued regarding the increase by October 21.

NOTE: If a State or local hearing is requested within the advance notice period, the increase cannot be effected until the final hearing decision is rendered.