
INCOME

INCOME COMPUTATIONS

**A. COUNTABLE
INCOME**

Countable income is the amount of income subtracted from from the appropriate need standard to determine if an individual or couple is eligible for Medicaid.

Countable income is what remains after:

- eliminating all amounts that are not income; and
- applying all appropriate exclusions.

Countable income is the sum of a month's countable earned and unearned income.

**1. Need
Standards**

The appropriate need standard used to test income for eligibility depends on the coverage group for which the client is applying. Medicaid need standards are based on the following:

- a. SSI Federal Benefit Rates (FBR) set by SSI policy and subject to increase in January of each year. SSI FBR's are used for SSI-related cases, i.e., SSI retro determinations and former SSI recipient cases. Countable income cannot be equal to or exceed the appropriate FBR in order to be eligible for Medicaid.
- b. Federal Poverty Levels (FPL) set by the federal government and subject to change each year, usually in February for March implementation.

FPL's are used at varying rates (100% FPL, 110% FPL, 200% FPL) depending on the coverage group, i.e., PLAD, QMB, QWDI, SLMB. Countable income can be equal to but cannot exceed the appropriate FPL in order to be eligible for Medicaid.

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- c. 300% of the SSI FBR is the formula required by federal regulation (42 CFR 435.1005) to set the institutional need standard used for all long term care coverage groups. This limit is subject to increase in January of each year when SSI FBR's increase. Countable income cannot be equal to or exceed the institutional limit in order to be eligible for Medicaid.

**2. Income
Break-
Even
Points**

An income break-even point is the earned or unearned income amount an individual can have so that countable income equals the appropriate FBR or FPL.

- a. For SSI FBR cases:
- $2 \times \text{FBR} + \$85 =$ monthly earned income break-even point
 - $\text{FBR} + \$20 =$ monthly unearned income break-even point.
- b. For FPL cases:
- $2 \times \text{FPL} + \$85 =$ monthly earned income break-even point prior to 07-01-99
 - Effective 07-01-99, $2 \times \text{FPL} + \$115 =$ monthly earned income break-even point.
 - $\text{FPL} + \$20 =$ monthly unearned income break-even point prior to 07-01-99
 - Effective 07-01-99, $\text{FPL} + \$50 =$ monthly unearned income break-even point.
- c. For institutional cases, total income, whether earned or unearned, cannot exceed the institutional limit.