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INSTITUTIONALIZATION

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MEDICAID INCOME COMPUTATION

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**D. PROTECTION  
OF INCOME  
  
FOR MONTH  
OF ENTRY**

Individuals determined eligible for long-term care in the month of entry into a medical facility are entitled to protection of income. This means that if the recipient is eligible for the month of entry, the recipient pays no Medicaid Income for any partial month of entry. The purpose of protecting income is to allow for essential expenses incurred by the recipient in connection with admission to a medical facility. Protection of income does not apply for recipients who transfer into a medical facility from another medical facility.

Income is "protected" by reducing MI to \$0 for the month of entry into a nursing facility. Medicaid Income is payable, if applicable, effective with the first full month in the facility (if determined eligible for that month). Medicaid Income amounts are shown on the DOM-317 and the notice to the client.

For the month of discharge from or death in a medical facility, a recipient's income is not reduced to zero (protected). Medicaid Income is, however, prorated based on the number of days the recipient resided in the facility during the last month.

The fiscal agent determines the amount of Medicaid Income payable from a recipient in any partial month of institutionalization due to death, discharge or transfer. Form DOM-317 notifies the fiscal agent and the facility of the necessity to prorate the patient's income since the income figure shown represents a full month's income.