

MISSISSIPPI DIVISION OF MEDICAID

Eligibility Policy and Procedures Manual

CHAPTER 200 – Income: Aged, Blind and Disabled (ABD) Categories

Page | 2010

200.03.06 CREDIT LIFE OR CREDIT DISABILITY INSURANCE PAYMENTS

Credit life and credit disability insurance are issued to or on behalf of borrowers to cover payments on loan, mortgages, etc., in the event of the borrower's death or disability. Both types of insurance may be administered under group or individual policies. The insurance payments are made directly to loan or mortgage companies, and are not available to the individual, either directly or by sale or conversion, for purposes of meeting his basic needs. These payments made on behalf of an individual under credit life or credit disability policies are not income.

200.03.07 OTHER INSURANCE PAYMENTS

Each insurance policy must be examined to determine the type of benefit it provides and the purposes for which it can be used. Cash payments should be treated as follows:

- Cash payments from any insurance policy made directly to the provider are not income since the beneficiary does not receive the payment. Any amounts paid to a facility for purposes other than medical care may be considered income if the facility actually pays the amount to the individual.
- Cash payments from any insurance policy which are restricted for purchase or reimbursement of medical services covered under the policy are a third party resource, not income.
- Cash payments from policies that restrict payments to periods of hospital confinement are a third party resource, not income.
- Cash payments from specialized policies, such as cancer or dismemberment policies, are reimbursements, not a third party resource.
- Cash payments from any insurance policy intended for income supplementation for lost income due to a disability are considered income. This includes weekly disability payments without regard to hospital confinement.
- Long term care insurance policies may be paid directly to the individual or to the nursing facility. If payments are made directly to the individual, consider them countable unearned income. If paid directly to the nursing facility, consider them a third party resource.