

# MISSISSIPPI DIVISION OF MEDICAID

## Eligibility Policy and Procedures Manual

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

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### 200.06 UNEARNED INCOME - GENERAL

Unearned income is all income that is not earned income. The monthly amount of any unearned income must be determined and verified for all applicants and recipients, except in cases where ineligibility results from another factor of eligibility. Verification of unearned income will normally be by documentation from the source of the unearned income. Another means of verification may be used only if the source and amount of unearned income can be clearly established. The case record will clearly show the method and particulars of the verification used to establish the unearned income.

#### 200.06.01 WHEN TO COUNT UNEARNED INCOME

Unearned income is counted as income in the earliest month it is:

- Received by the individual;
- Credited to the individual's account; or
- Set aside for the individual's use.

**NOTE:** To determine when to count retroactive RSDI benefits, refer to 200.09.02.

#### 200.06.02 UNEARNED INCOME EXCLUSIONS

An exclusion is an amount of income that does not count in determining eligibility and payment amount. Except for the \$50/\$20 general exclusion, no unused unearned income exclusion may be applied to earned income.

#### 200.06.03 EXPENSES OF OBTAINING INCOME

The amount of unearned income which must be counted in determining eligibility for Medicaid is the gross amount due the client; however, the gross amount of unearned income may be reduced by certain expenses that are an essential factor in obtaining a particular payment(s). Therefore, unearned income does not include that part of a payment that is for an essential expense incurred in getting the payment. For example:

- From a payment received for damages in connection with an accident, subtract legal, medical and other expenses connected with the accident.
- From a retroactive check from a benefit program other than SSI, subtract legal fees connected with that claim.

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### **EXPENSES OF OBTAINING INCOME** (Continued)

The following fees are considered essential to obtaining income and are allowed as deductions:

- **Document Fees** – A fee to acquire documentation to establish that an individual has a right to certain income is an essential expense and reduces the amount of unearned income which is countable. Examples include fees for obtaining birth or death certificates, legal papers, medical examinations, filing fees, etc.
- **Guardianship Fees** – A guardianship fee is an essential expense only if the presence of a guardian is a requirement for receiving the income.

### **Deducting Allowable Expenses**

Use the following criteria when deducting expenses essential to obtaining the unearned income:

- Expenses are deducted from the first and any subsequent amount(s) of related income until the expense is completely offset.
- Excludable expenses can be offset against the income when it is actually or constructively received.
- Allow any verified expenses which were paid by the recipient prior to the receipt of the income (e.g., a partial payment to an attorney made from an individual's savings account) as long as they are essential to obtaining the income.
- Proof of having incurred the expense (bills, canceled checks, money orders, etc.) is required. If an expense has been incurred, but not paid, assume the individual will pay the expense.
- The remainder is unearned income subject to the general rules pertaining to income and income exclusions.