

MISSISSIPPI DIVISION OF MEDICAID

Eligibility Policy and Procedures Manual

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

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200.07.09J VA BENEFIT ALLOCATED TO A SPOUSE RECEIVING IBON

When the **spouse** of an applicant or recipient receives Income Based on Need (IBON), the source of the IBON may count a portion of the VA benefit as income to the spouse receiving the IBON. When this occurs, a deduction will be made from the VA benefit of the Medicaid client equal to the amount counted as income by the IBON source.

Verify from the source of the IBON (not VA) the amount of the VA benefit counted as income to the spouse. This amount will be deducted from the countable VA benefit verified by VA.

Example: An applicant receives a VA pension and his spouse receives SSI. SSI verifies \$50 of the VA pension is the spouse's income in the SSI computation; therefore, \$50 is deducted from the client's verified VA pension.

200.07.09K DETERMINING THE AMOUNT OF VA PAYMENTS

Whether or not an entire VA payment is counted as income depends on the type of VA payment being made and the policy in effect in the month of payment.

Overpayments recovered from VA benefits are included as income in determining eligibility and Medicaid Income. Refer to the discussion in Overpayment Recovery for specific policy governing overpayments withheld from unearned income.

In cases where VA “suspends” VA Improved Pension benefits for failure to verify medical expenses, it is not correct to adjust the VA benefit to zero. VA benefits are only temporarily suspended and will be restored back to the date suspended when verification is received. The benefit in effect prior to the suspension date continues to count as income until VA benefits are restored because the recipient remains entitled to the VA benefit. Any lump sum retroactive VA payment to restore suspended benefits is not counted as income since the income has already been counted.