

MISSISSIPPI DIVISION OF MEDICAID

Eligibility Policy and Procedures Manual

200.11.05 IN-KIND INCOME

In-kind income is any income other than cash income. To meet the definition of income, the in-kind item received by the individual must be:

- Food or shelter; or
- Something the individual can sell or convert to obtain food or shelter.

If the in-kind item is neither food nor shelter, and it cannot be sold or converted to cash, then it is not income.

In-Kind Support and Maintenance (ISM)

In-kind support and maintenance (ISM) is unearned income in the form of food or shelter, or both. Receipt of clothing is no longer counted as ISM effective March 9, 2005.

ISM is an SSI policy principal that may be applicable to all categories of eligibility as described below for SSI-related categories and FPL or institutional categories:

Whenever in-kind payments, as defined above, are received by individuals in SSI-related categories, such as SSI retro cases and former SSI recipient cases, the value of the ISM is determined by one of the three methods discussed under **Valuation of ISM** below and the ISM is counted as unearned income.

For cases associated with the Federal Poverty Level (FPL) or Institutional Income limit, the source of the in-kind payment determines whether the ISM is countable. If the source of the in-kind payment is for the benefit of the client and the in-kind payment is for food or shelter, the actual amount of the ISM is countable unearned income.

Example: The client is the beneficiary of a trust, which is not a resource. A monthly disbursement of \$300 is made from the trust to pay his shelter costs. The amount of the disbursement is countable unearned income.

Example: The client's mother pays his rent of \$300 to his landlord from her own funds. This third party payment is not countable ISM to the Medicaid recipient.

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IN-KIND INCOME

Valuation of ISM

To determine the value of ISM for an eligible individual or couple in an SSI-related category of eligibility, use the lesser of the three values discussed below when the individual or couple:

Lives in the household of another,

Receives rent free shelter,

Has someone else (a third party) pay for goods and services provided to the eligible, or

Receives rental subsidies.

Current Market Value (CMV)

This is the amount for which something can be purchased locally on the open market. Depending on the type of support and maintenance received, the determination of the CMV may be based on various factors such as the assessed value from a knowledgeable source, property owner's statement, and the individual's payment;

Actual Value (AV)

The current market value is divided by the number of people receiving support and maintenance minus any payment made out of an individual's own funds. If he makes no payment, AV and CMV may be the same amount.

Presumed Maximum Value (PMV)

PMV is an amount equivalent to one-third of the applicable Federal Benefit Rate (FBR) plus \$20. The PMV rules apply to in-kind support and maintenance that is countable as unearned income. The PMV never applies to earned income. Use of the PMV in determining an individual's countable income is rebuttable by the individual's showing that the AV of the in-kind support and maintenance he receives is less than the PMV. The lower of these two figures is always used, but never an amount in excess of the PMV, regardless of the number of sources of such income or the variety of living arrangements during any one given period.

NOTE: PMV is not used to determine the value of ISM for individuals in FPL or institutional categories.

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When to Count ISM

ISM is counted as income in the month in which the individual has use of the food or shelter item, with the exception that a third party vendor payment received as a gift is income in the month in which the payment is made.

200.11.05A IN-KIND ITEMS PROVIDED AS REMUNERATION FOR EMPLOYMENT

Wages may include the value of food and/or shelter (ISM), or other items received in lieu of cash for individuals in SSI-related categories. In-kind payment of food or shelter to the following people or under the following conditions is unearned income:

Agricultural employees

Domestic employees

Service not in the course of the employer's trade or business

Service by certain home workers

Members of the Uniformed Services

In the form of food and/or shelter which is on the employer's business premises for the employer's convenience and, if shelter, its acceptance by the employee is a condition of employment

This SSI policy principal applies only to SSI-related cases.

NOTE: If there are cases where it is questionable about whether ISM is countable as income in an SSI-related case, the case should be referred to state office for clearance.