MAABD INCOME AND BUDGETING

E-200 APPLICATION OF SOCIAL SECURITY INCOME (SSI) BUDGET METHODOLOGY

SSI budgeting methodology is used to determine eligibility for all MAABD eligibility groups. The methodology follows the same rules used by Social Security to determine Social Security benefits and allows states options to be less restrictive than the SSI program.

E-205 HOUSEHOLD DETERMINATION

Determine whether the client is considered an individual or a member of a couple with an SSI eligible or ineligible spouse by applying the definitions in this section.

When the client is considered an individual, only the client's income is counted in the eligibility determination. Additionally, when the client is considered a member of a couple, the spouse's income is counted for a specified time period.

Spouses separated temporarily for economic (employment), emergency reasons (hospitalization), vacations or visits are NOT considered "separated" (ceased living together) for purposes of income consideration. The separation must be expected to continue. If the spouse expects to return to the household in the same month or the following month, they are included in the household.

When income of the spouse must be considered the income will be verified. If unable to verify the spouse's income, document the circumstances and accept the client's statement.

E-205.1 Definition Related to Household Determination

SSI Eligible Spouse - The client's spouse who meets the requirements in both a) and b) below:

a. Is pending SSI, received SSI or would have been eligible for SSI:

   To determine if the spouse would have been eligible for SSI, the spouse:

   1. Must have been aged, blind or disabled. Blindness and disability is established when the spouse has been determined eligible for any type of permanent disability/blind benefits (e.g., SSA, VA, or Retirement Disability Benefits), and

   2. Must be determined financially eligible.

b. Is living with the client or has not been separated longer than the specified time frames:

   Consider the client a **member of a couple with an eligible spouse** only for the month they ceased living together.

SSI Ineligible Spouse - The client's spouse who is not pending SSI, not receiving SSI and would not have been eligible for SSI.

When the spouse is not aged or has not been determined eligible for some type of permanent disability/ blindness benefits, consider the spouse an SSI ineligible spouse.

E-205.2 Income Consideration

The ineligible spouse's income must always be considered when the client is living with the spouse. When the client and ineligible spouse are separated, the ineligible spouse's income is only considered in the month of separation.

When the client is considered an individual, only the client's income is counted. Additionally, when the client is considered a member of a couple, the spouse's income is counted.

When income of the spouse must be considered, the income will be verified. If unable to verify the spouse's income, document the circumstances and accept the client's statement.

Individual - Consider clients as individuals when they are:

a. NOT married;

b. Married but have been separated from their SSI ELIGIBLE spouse for a specified time frame:

   The client will be considered an individual beginning the month after the month they ceased living together.

c. Married but have been separated from their SSI INELIGIBLE spouse for a specified time frame:

   Consider the client an individual the month FOLLOWING the month they ceased living together;

d. Had an SSI INELIGIBLE spouse who received TANF, VA pension or other assistance based on need for the month Medicaid is requested.

E-210 SSI - MAABD - INCOME BUDGETING

Income means the receipt of money in the month for which an eligibility determination is being made. All income or changes in income must be reported. All income must be evaluated for financial eligibility.

Budget income for the month it is received. Do not deem income from a community spouse to an institutionalized spouse for any month of institutionalization.

Spouses **separated temporarily,** for economic (employment) or emergency reasons (hospitalization), vacations or visits are NOT considered "separated" (ceased living together) for purposes of income consideration. The separation must be expected to continue. A temporary absence is one where the individual leaves and returns to the household in the same month or the following month.

Regular unearned income deposited directly into a financial institution is considered received in the month for which it is intended to be received.

Monies received by the client in his/her capacity as an agent are not income to him/her. An "agent" is a person acting on behalf of someone, i.e., representative payee, guardian, conservator, etc.

When a one-time lump sum payment is received and it will not affect ongoing benefits, adjust patient liability for the month of receipt, not to exceed the actual cost of care for the month.

Financial eligibility is always determined prospectively (future month). When information becomes known which causes ineligibility prospectively, terminate benefits allowing adverse action time.

E-210.1 Ownership/Availability

All income which a payor designates as the client's will be considered in determining eligibility.

When a benefit or income is received for more than one person or family member, only the client's portion of the income is considered.

E-210.2 Income Deeming

Applicable in the following groups:

- Medicare Beneficiary
- Public Law
- Institutional <30
- Prior medical

If the client is a child, under the age 18, and was living with his/her parent(s) at the time of institutionalization, deem the parent(s)' income using Form 2646-EE/A.

1. Deeming applies from a parent to a child when they live together in the same household.
2. Deeming stops the month following the month of institutionalization in a medical facility.
3. Deeming begins the month following the month the child returns home from a medical facility.

Medicare Beneficiary - If the client is married and living with his/her ineligible spouse, use the first column on Medicare Beneficiaries budget Form 2203 to determine if deeming applies.

E-210.3 Dividing Income

Applicable in the following groups:
- Institutional >30)
- Home and community based waivers

When an institutional applicant is ineligible due to excess income for home based waiver and institutional eligibility.

- Divide the total income of spouses who are living separate and apart (due to institutionalization only) equally between them.
- Determine eligibility only using the applicant's share.

If a portion of the spouse's income is made available to the applicant, that portion would be counted as income to the client in determining eligibility.

Dividing income takes precedence over the joint bank account procedures; therefore income deposited in a joint bank account held by both spouses will NOT be considered "being made available."

E-210.4 Court Order/Trust Income:

If the client has a **court order or trust**, a copy must be sent to the Chief of Eligibility & Payments for a decision on whether Division of Welfare and Supportive Services (DWSS) can recognize the court order or trust.

E-220 BUDGETING PROCEDURES FOR SSI FINANCIAL ELIGIBILITY – SPOUSE TO SPOUSE DEEMING – (SSI BUDGET FORM 2646–EE)

E-220.1 SSI Budget Form 2646–EE

Use this budget to determine eligibility in the following groups;
- Institutional <30 days
- Institutional >30 days – If a child was living with parents at time of institutionalization.
- Prior Medical – would have been eligible for SSI
- Public Law

E-220.1.1 Member of Couple with Eligible Spouse

Any time the spouse appears potentially SSI eligible, treat as an eligible spouse until determined ineligible.

Use the **member of a couple, with eligible spouse** column.

a. If ineligibility results, consider the spouse ineligible and go through the deeming computation by using the **member of a couple, with ineligible spouse** column, to determine if deeming applies.

b. If deeming doesn't apply, proceed to Part B using the **individual** column.

c. If deeming does apply, proceed with the budget under the **member of a couple with ineligible spouse** column. If this process also results in ineligibility, the client is ineligible for Medicaid.

E-220.1.2 Member of Couple with Ineligible Spouse

Use the **member of a couple, with ineligible spouse** column, items A–1 through 3 to determine if deeming applies.

a. If deeming doesn't apply, proceed to the **individual** column of the budget.

Deeming never applies when the SSI ineligible spouse receives TANF, VA pension or other federal or state assistance based on need.

E-220.1.3 Individual

Use the **individual** column, when the person meets the definition of an individual.

E-220.1.4 Deeming Computation

Deeming never applies when the SSI ineligible spouse receives TANF, VA pension or other federal or state assistance based on need.

a. Determine the ineligible spouse's total unearned income.

b. Determine if SSI ineligible child(ren) allocation is applicable. The allocation is applicable if there are any dependent children who are:

    1. Under age 18 OR under age 22 and are students regularly attending a school, college or university or a course of vocational or technical training to prepare for gainful employment; **and**

    2. The child(ren) are not receiving TANF, VA pension or other federal or state assistance based on need.

c. If the allocation deduction is applicable, for each ineligible child, subtract the child's income from the child allocation amount. Subtract the remainder from the ineligible spouse's unearned income.

d. Determine the ineligible spouse's gross earned income.

e. Subtract the balance of any allocation for ineligible children not offset by unearned income.

f. Add the remaining unearned income to the remaining earned income, after the allocation deductions.

g. Compare the total income after allocations to the deeming indicator amount.

If less than the deeming indicator amount, deeming does not apply. Proceed to Part B, **individual** column of the SSI budget using only the client's income.

If equal to or more than the deeming indicator amount, deeming DOES APPLY. Proceed to Part B **member of a couple with an ineligible spouse** column adding the unearned income after allocations to the client's unearned income and the remaining earned income to the client's earned income.

E-220.1.5 SSI Eligibility Determination

In this section of the budget, use only the client's income when using the **individual** column. Use combined incomes of the client and eligible or ineligible spouse when using the **member of a couple with an eligible or ineligible spouse** column.

a. Determine unearned income.

b. Subtract the general income exclusion of $20 to arrive at the remaining unearned income.

c. Determine total gross earned income.

d. Subtract any balance of the general exclusion not offset by unearned income.

e. Subtract the work expense exclusion of $65.

f. Impairment–related work expenses (IRWE). This exclusion is applied to earned income of disabled (but not blind) individuals under age 65.

   The expense must be reasonable; for items/services which are directly related to enabling an impaired individual to work, and which are necessarily incurred by the individual because of a physical or mental impairment.

   IRWEs are excludable when the cost is paid by the disabled individual and is not reimbursable from another source.

g. Subtract 1/2 of the remaining earned income after the above deductions.

h. Determine the total countable income by adding Items B–1–b and B–2–e.

i. Compare the total countable income (Item B–3) to the appropriate SSI payment amount (SPA).

   If the amount is equal to or greater than the SPA in the **member of a couple with ineligible spouse** or **individual** columns, the client is ineligible for Medicaid.

   If ineligible in the **member of a couple with eligible spouse** column, proceed to the **member of a couple with ineligible spouse** column to complete the eligibility determination.

E-225 INCOME DISREGARDS BY PUBLIC LAW

E-225.1 Pickle Amendment – Public Law 94–566

Exclude from countable income the RSDI cost–of–living increases received after the client was last eligible for and received SSI and entitled to RSDI in the same month.

If the client resides with his/her spouse and spousal deeming applies, deduct the RSDI cost–of–living increases from the spouse's RSDI income which were received after the client last received SSI.

The last RSDI amount received when the client was entitled to can be obtained through the Social Security Administration using Form 2022-EM, Pickle Amendment Certification, the annual Pickle Report or by using the RSDI Computation Worksheet Form 2654-EE. Verification used to support "Pickle" status must remain in the permanent section of the case file.

When there are changes in income and/or amounts, re-evaluate eligibility excluding only the RSDI cost–of–living increases received after the client was last eligible for and received SSI and entitled to RSDI in the same month.

If the client would now be eligible (based on SSI rules) for SSI **before** disregarding cost–of–living increases, they no longer meet the criteria for Medicaid eligibility under Public Law 94–566 (Pickle Amendment). Refer the client to apply for SSI benefits.

Transfer the net countable income to the SSI Budget.

E-225.2 Adult Disabled Child – Public Law 99–643

Disregard the adult disabled child benefit or the increase in this benefit received after July 1, 1987.

When there are changes in income and/or amounts, re-evaluate eligibility excluding the adult disabled child benefit or the increase in this benefit received after July 1, 1987.

If the client would now be eligible (based on SSI rules) for SSI **before** disregarding cost–of–living increases, they no longer meet the criteria for Medicaid eligibility under Public Law 99-643 (Adult Disabled Child). Refer the client to apply for SSI benefits.

Transfer the net countable income to the SSI Budget.

E-225.3 Widow/Widowers – Public Law 100–203

Disregard the widow/widower's benefits in addition to other SSA benefits which are not disability benefits.

When there are changes in income and/or amounts, re-evaluate eligibility excluding the widow/widower's benefits in addition to the other SSA benefits which are not disability benefits.

If the client would now be eligible (based on SSI rules) for SSI **before** disregarding cost–of–living increases, they no longer meet the criteria for Medicaid eligibility under Public Law 100-203 (Widow/Widowers). Refer the client to apply for SSI benefits.

Transfer the net countable income to the SSI Budget.

E-225.4 Widows, Widowers and Surviving Divorced Spouses – Public Law 101–508

Disregard the Title II (RSDI) disability benefit which was based on application of new disability criteria.

When there are changes in income and/or amounts, re-evaluate eligibility excluding the Title II disability benefit which was based on application of new disability criteria.

If the client would now be eligible (based on SSI rules) for SSI **before** disregarding cost–of–living increases, they no longer meet the criteria for Medicaid eligibility under Public Law 101-508 (Widow, Widows and Surviving Divorced Spouses). Refer the client to apply for SSI benefits.

Transfer the net countable income to the SSI Budget.

E-230 MEDICARE BENEFICIARIES (QMBs, SLMBs and QDWIs)

Couple Computation- If the client is married, and living with his/her eligible spouse, evaluate their combined income using the third column on the “Medicare Beneficiaries Budget” Form 2203-EM.

Deeming Income - If the client is married and living with his/her ineligible spouse, use the first column on the “Medicare Beneficiaries Budget” Form 2203-EM to determine if deeming applies.

Exceptions:

- Do not deem income from a spouse receiving Medicaid under a waiver. A spouse who is under a waiver is considered to be institutionalized.
- The division of income policy is not applicable to the Medicare beneficiary groups.

E-235 MEDICARE BENEFICIARIES BUDGET METHOD

E-235.1 Medicare Beneficiary Budget Form 2203

Use this budget to determine eligibility for the following groups;

- Qualified Medicare Beneficiary (QMB)
- Special Low Income Medicare Beneficiary (SLMB)
- Qualified Low Income Medicare Beneficiary (QI)
- Qualified disabled working Individual (QDWI)

E-235.1.1 Determine Whether The Client Is Considered An Individual Or A Member Of A Couple With A QMB/SLMB/QI/QDWI Eligible Spouse By Applying The Definitions In This Section.

a. Eligible Spouse

The client's spouse who meets the requirements below:

1. Has applied for, is receiving, or would be eligible to receive SSI/QMB/SLMB/QI/QDWI:

   To determine if the spouse would have been eligible for one of these categories, the spouse:

   a) must be aged, blind or disabled; and

   b) must be determined financially eligible.

2. Is living in the same household as the client.

b. Ineligible Spouse

The client's spouse who meets the requirements in a. or b. below:

1. Is not receiving or has not applied for SSI/QMB/SLMB/QI/QDWI; or
2. Exceeds the income limit for couple computation.
3. Is living in the same household as the client.

c. Individual

Consider clients as individuals when they are:

1. NOT married.
2. Married but have been separated from their spouse for a specified time frame.

The client will be considered an individual beginning the month after the month they cease living together.

E-235.1.2 Medicare Beneficiaries Budget Form 2203-EM

a. Member of Couple with Eligible Spouse

Any time the spouse appears eligible for SSI or a Medicare beneficiary category, treat them as eligible until determined otherwise.

Use the **member of a couple with eligible spouse** column.

a. If ineligibility results, consider the spouse ineligible and go through the deeming computation, using the **member of a couple with ineligible spouse** column to determine if deeming applies.

b. Member of Couple with Ineligible Spouse

a. Use the **member of a couple with ineligible spouse** column to determine if deeming applies.

Deeming never applies when the ineligible spouse receives TANF, VA pension or other federal or state assistance based on need.

b. If deeming does not apply, proceed to the **individual** column of the budget.

c. Individual

Use the **individual** column when the person meets the definition of an individual. When the client is considered an individual, only the client's income is counted.

Exceptions:

Do not count income of a spouse who is receiving assistance under a Waiver.

If a client is entitled to both Social Security and an additional income source such as long-term disability which offsets the amount of Social Security the client receives, budget only the resulting Social Security amount and the gross amount of the additional income source.

When income of the spouse must be considered, the income will be verified. If impossible to verify the spouse's income, document the circumstances and accept the client's statement.

E-235.2 Budgeting – Specific Instructions

a. Deeming Computation

1. Determine the ineligible spouse's total unearned income.
2. Determine if an ineligible child allocation is applicable. To apply this, the child must:

   a) be under age 18 or age 22, and a student regularly attending a school, college, university or vocational/technical training to prepare for gainful employment; and

   b) not be receiving TANF, VA pension or other federal or state assistance based on need (SNAP is not considered assistance based on need for SSI budgeting purposes).
3. If the allocation deduction is applicable, subtract any unearned income of the child from the child allocation amount. Add the remaining amounts and subtract the total from the ineligible spouse's unearned income.
4. Determine the ineligible spouse's gross earned income.

5. Subtract the balance of any allocation for ineligible children not offset by unearned income.

6. Add the remaining unearned income to the earned income after the allocation deduction.

7. Compare the total income after allocations to the deeming indicator amount.

   If less than the deeming indicator amount, deeming does not apply. Proceed to the **individual** column of the budget using only the client's income.

   If equal to or greater than the deeming indicator amount, deeming does apply. Continue through the second section in this column adding the deemed unearned income to the client's unearned and the deemed earned income to the client's earned income.

b. QMB/SLMB/QI/QDWI Eligibility Determination

In this section of the budget, use only the client's income when using the **individual** column. Use combined income of the client and the eligible or ineligible spouse when using either of the columns for a couple.

1. Determine unearned income. This may be the individual's own income or include income of a spouse.

2. Subtract the general income exclusion of $20 to arrive at the remaining unearned income.

3. Determine total gross earned income.

4. Subtract any balance of the general exclusion not offset by unearned income.

5. Subtract the work expense exclusion of $65.

6. Subtract one half (1/2) of the remaining earned income after the above deductions.

7. Determine the total **countable** income by adding the total unearned and earned income.

8. Compare the total **countable** income to the income limit for the appropriate Medicare beneficiaries category.

If countable net income is less than or equal to the income limit, the client is QMB/SLMB/QI1/QDWI eligible.

Note: Use the income limit for a COUPLE if spousal income was computed or deemed.

Examples:

The following are examples to help clarify this eligible category:

1. Applicant applies 12/3 as a state institutional case and is currently enrolled in Medicare Part A. The client cooperates and is determined eligible as a state institutional case. Because this client has Medicare Part A, the case manager must also determine whether the client is eligible for QMB coverage. If the client's income and resources meet QMB criteria, they will qualify for both Medicaid and QMB coverage.

2. Applicant applies 12/3 and has $250 SSA disability income. The client has not applied for SSI, but is probably eligible. The client meets all the other requirements of a QMB.

   Request the client to apply for SSI and give the normal time limit for applying; **however, do not delay QMB eligibility once verifications for QMB are received**. The case would be future actioned for the SSI information. If the client fails to cooperate in applying for SSI, or is determined ineligible, the case will remain open as a QMB only case as long as the client continues to meet the criteria. If the client is approved for SSI, the case will be converted to an SSI case effective with the month of SSI eligibility (this could include prior med).

   Additionally, if the person also has Part B Medicare, send Form 1056 to Eligibility and Payments in Central Office so Buy-In coverage can begin with the first month of SSI eligibility.

3. Applicant applies and is approved for QMB coverage. Sometime after approval, the client enters the hospital for 7 days. The case continues as QMB and **no patient liability** is determined, UNLESS the client qualifies as a state institutional case (if income is less than SSI payment level, the client does not have to be in 30 consecutive days). If the case qualifies as a state institutional case, the case should be converted and client will receive full Medicaid coverage and QMB coverage. When the client is released from the institution, the case should be converted back to a QMB only case, allowing adverse action, as long as all requirements were still met.

4. Applicant applies 12/29. The case manager is able to determine eligibility on January 10 and approve as a QMB case. The case would be eligible beginning February 1.

   If in this same example, the client qualifies under another category, the other category should be approved effective December with the regular Medicaid eligibility code, and beginning in February, the code should change to the Medicaid and QMB eligibility code.

E-240 HEALTH INSURANCE FOR WORK ADVANCEMENT (HIWA)

E-240.1 HIWA Employment Related Work Disregards

In addition to the $20 General Income Exclusion and $65 Earnings Exclusion, participants in the HIWA program are allowed Employment Related Work Disregards (ERWD) to be subtracted from their countable earned income. The disregard must be directly related to enabling the individual with a disability to work.

Expenses paid for by the employer or another party are not an allowable deduction.

A. Employment Related Transportation Expense

- **To and from work in personal vehicle -** Allow a mileage allowance based on the current state mileage rate. (See State Administrative Manual)

- **To and from work in a modified vehicle -** In addition to the mileage allowance, allow the cost of modifications to a vehicle necessary for the individual to get to and from work. The modification must be directly related to the individual's impairment.

  Note: Only the cost of the modifications is allowable, not the cost of the vehicle.

- **Other transportation -** When the individual does not have a vehicle, allow the cost of:

  - Bus fare
  - Cab fare
  - Amount paid to another individual to transport the client to and from work.

B. Employment Related Personal Care Aid (PCA) Services Expense

- **Services at work or to and from work -** Allow the cost for services needed in the work setting, or traveling to and from work. The cost must be incurred by the individual and not provided by the employer.

- **Services at home -**All the cost of services needed for preparation for going to work, or needed upon the individual's return home from work.

  Examples of In-Home Services (not all inclusive)

  - Bathing and dressing
  - Cooking and eating
  - Administering medications
  - Adjusting or arranging medical devices or equipment
  - Transportation to and from work

The deduction is limited to services provided on normal work days, and does not include services for shopping or general homemaking.

C. Service Animal Expense

Allow the cost if the animal enables the individual to overcome functional limitations in order to work.

Allowable expenses include:

- Cost of purchasing the animal
- Food and maintenance costs
- Veterinary services

D. Educational Expenses to Enhance Employability

Allow the costs for education directly related to enabling the individual to work.

Allowable expenses include but are not limited to:

- Tuition and fees
- Books and supplies
- Parking permits
- Tutoring expenses

E. Medical Equipment/Supplies and Services

Allow the cost of medical equipment, supplies or services necessary to enable the individual to work. This includes the cost of the item and any costs related to maintenance and repair.

The cost for certain medications and services is allowable if they are necessary to control a condition and enable the individual to function in their work activity. Routine medical and dental services not directly related to the client's impairment and ability to work are not allowable.

Allowable expenses include: (not all inclusive)

- Braces
- Inhalers
- Pacemakers
- Respirators
- Wheelchairs
- Prostheses (not cosmetic)
- Physical therapy
- Blood level monitorings
- Radiation treatments
- Catheters and Irrigating Kits
- Bandages and incontinence pads

F. Work-Related Equipment/Services

Allow the cost of equipment/services essential for the individual to function in their work activity. This includes any cost for maintenance or repair.

Allowable expenses include: (not all inclusive)

- Vision and sensory aids
- One-handed keyboards
- Typing aids
- Telecommunication devices
- Tools designed to accommodate the workplace
- Translation into Braille
- Child care costs (work hours only)
- Safety equipment/apparel

G. Training on Work-Related Equipment

Allow the cost of training needed to use impairment-related equipment and services.

Examples of allowable training costs include: (not all inclusive)

- Braille
- Computer program courses
- Stenotype instruction
- Use of impairment-related equipment

Note: Training does not include general education courses.

H. Interpreting Services

Allow the cost of services essential for the individual to function on the job.

I. Residential Modifications

Costs associated with modifications made to an individual's home may be an allowable expense depending on the location of their place of work.

Work Outside the Home - Allow the cost of modifications made to the outside of the residence necessary for the individual to access transportation to and from work.

Employed at Home - Allow the cost of modifications essential to create a working space that accommodates the individual's impairment to enable them to perform their job.

E-240.2 Computing Monthly Employment-Related Work Disregards

Use the amount the client pays each month. If an individual incurs a one-time cost, but is making payments, allow the monthly payment amount. If the expense is incurred less often than monthly allow the entire amount in the month paid or allocate the amount over the months in the payment period, whichever the client chooses.

Example: A client is billed every three months for a contained oxygen supply. Allow the billed amount in the month the client pays it, or divide the amount over the three months.

Obtain verification of each Employment-Related Work Expense claimed, including the frequency of the payments.

E-240.3 HIWA Income Determination

a. Determine countable unearned income (MS 220).
b. Subtract the general income exclusion of $20 to arrive at the net countable unearned income amount.
c. Determine the gross earned income.
d. Subtract any balance of the general income exclusion not offset by unearned income.
e. Subtract the work expense exclusion of $65.
f. Divide the remaining income by two and the remainder is considered the countable earned income.
g. Subtract allowable Employment Related Work Disregards (ERWD) from the countable earned income. The remainder is considered the net countable earned income.
h. Determine the total countable income by adding the net countable unearned income and the net countable earned income.
i. Compare the total countable income to 250% FPL (see Appendix C).

E-240.4 HIWA Premiums

Individual applying for or receiving assistance under the HIWA program are required to pay a premium based on their monthly combined net income as a percentage of the Federal Poverty Level (FPL).

At initial approval, the client is “conditionally eligible,” awaiting verification from the Division of Health Care, Financing and Policy, the client has paid their premium. Once verification is received, the client is either approved for full Medicaid, or denied for failing to pay the premium.

- Individuals whose combined net income is less than 200% FPL will pay a monthly premium of 5% of their combined net income.

- Individuals whose combined net income is between 200% and 250% FPL will pay a monthly premium of 7.5% of their combined net income.

Prior medical month premiums are based on the combined net income for the months requested.

The individual’s Medicaid premiums are recalculated any time a change in income is reported, but not less than once a year at the time of the annual eligibility redetermination.

The Medicaid premiums are due on the first day of each month. If an individual fails to submit a premium payment, Nevada Medicaid will notify the Division around the 11th of the month, to terminate Medicaid effective the end of the month. If the client subsequently pays their premium, they must submit an application to have the program reinstated.

Individuals who are terminated from the HIWA program for failure to pay premiums will not be eligible for the HIWA program for two (2) years from the date of the past due premium(s) unless the past due premiums are paid in full.

E-245 RESOURCES

Resources are defined as those assets, both real and personal, which an individual owns and can apply, either directly or by sale, to meet their basic needs of food, clothing, shelter and medical costs.

All resources and changes in resources must be reported.

E-245.1 Ownership/Availability

Sole Ownership - Sole ownership of real or personal property means only one person may sell, transfer or otherwise dispose of the property. All of the resource evaluated at market value less encumbrances is available to the client

Shared Ownership - Shared ownership of real or personal property means two or more people own it simultaneously. The following are common types of shared ownership

- **Tenancy-In-Common** -Two or more persons each have an undivided fractional interest in the whole property for the duration of the tenancy. These interests are not necessarily equal. One owner may sell, transfer or otherwise dispose of his share of the property without permission of the other owner(s); but cannot take these actions with the entire property. If a tenant-in-common dies, the deceased's interest passes to his/her estate or heirs. Count the fair market value less encumbrances of the client's property share.

- **Joint Tenancy** - Each of two or more persons have one and the same undivided ownership interest and possession of the whole property for the duration of the tenancy. This means each owner owns ALL the property. If a joint tenant dies, the survivor becomes the sole owner. If more than one joint tenant survives, the survivors become joint tenants of the entire property interest. Count the total fair market value less encumbrances of the entire property.

- **Tenancy By The Entirety (Married Couples only)** -This type of ownership can only exist between married couples. The wife and husband as a unit own the entire property and can be sold only with the consent of both parties. However, if a legal divorce occurs, the former spouses become tenants-in-common and one can sell his/her share without the consent of the other. If one spouse dies, the survivor becomes the sole owner. Verify whether the client's spouse will give permission to sell the property. If permission cannot be obtained, DO NOT count the client's one-half share of the property.

Exceptions:

When a resource is owned jointly by more than one TANF/Medicaid applicant/recipient (other than a community spouse), divide the resource equally among those applicants/recipients to whom available.

When a client is representative payee or legal guardian managing someone else's funds, these funds are not considered the client's resource when they are kept in an account separate and apart from the client's monies AND can be identified as being received and designated for someone other than the client.

E-245.2 Treatment of Resources

Resource counting rules vary by MAABD group. Apply the following rules based on the MAABD program being evaluated.

E-245.2.1 Resource Deeming

Applicable in the following groups:

- Medicare Beneficiary
- Public Law
- Institutional <30
- Institutional >30)

Spouse to Spouse: If the applicant/recipient is married and living with his/her spouse, spouse to spouse deeming rules apply. Use the resource limit for a couple when determining resource eligibility.

Deeming stops the month following the month of institutionalization in a medical facility. Deeming begins the month following the month the spouse returns home from a medical facility.

The value of the client's and spouse's countable resources (whether owned separately by each or jointly by both) are counted. Only one automobile and home may be excluded per couple.

Parent to Child (Institutional <30, Institutional>30):

Deeming applies from a parent to a child when they live together in the same household. Deeming stops the month following the month of institutionalization in a medical facility. Deeming begins the month following the month the child returns home from a medical facility.

1. Determine the value of countable resources of the child's natural/adoptive parent(s) or spouse of a parent.
2. Subtract the resource limit of:
    - An individual, if one natural/adoptive parent lives in the home; or
    - A couple, if two parents (or one natural/adoptive and one step parent) live in the home.
3. The remaining value of resources is considered the child's countable resources, compare this amount to the individual resource limit.

Exceptions to Deeming:

- If the child lives with only a stepparent;
- Beginning the month following the month the child turns 18;
- If the spouse or parent(s) are of SSI, TANF, Medicaid, Refugee Assistance, General Assistance (GA) or VA Pension, VA Compensation as a surviving parent of a veteran, VA Aid and Attendance and VA Payment for Unusual Medical Expenses. This is because these benefits are paid based on need, not entitlement.

E-245.2.2 Dividing Resources

Applicable in the following groups:

- Institutional <30
- Institutional >30
- Home and Community based waivers

If a married person is living separate and apart from his/her spouse and they enter into written agreement dividing the total resources of both spouses equally between them, only the portion the agreement specifies as the clients will be counted in determining/continuing eligibility.

The agreement will be effective the month it is signed as long as the spouses were living separate and apart at least part of the month. An agreement cannot be effective for months prior to the date the arrangement was signed.
Married persons are considered to be living separate and apart when both spouses are residing in a medical facility.

The written agreement must include the following:

- A specific listing of all resources being divided.
- A statement specifying which resources are being given to whom.

EXAMPLE: A couple has resources totaling $2,000. The resources consist of $1,000 in savings, $500 in a CD and $500 in stocks. The agreement must specify exactly which resources the agreement is designating as the client's and which are the spouse's. They cannot simply state $1,000 of the total resources belong to the client and $1,000 belong to the spouse.

In this example, an acceptable written agreement would:

– Designate to the client $500 of the savings account and the $500 CD.
– Designate to the spouse $500 of the savings account and $500 in stocks.

Do not require couples to liquidate resources when considering an equal division. As long as the written agreement specifically designates which resources or a portion of resources belong to the client and spouse.

- The signature of the client and the client's spouse or the signature of a legal representative of the client and the client's spouse. A legal representative is defined as a person who has legal authority such as a legal guardian, power of attorney, etc. Being an authorized representative does not give that person legal authority.

If the spouse of the client makes a portion of his/her resources available to the client, that portion will be counted as a resource to the client.

E-245.2.3 Court Order

Applicable in the following groups:

- Institutional <30
- Institutional >30
- Home and Community based waivers

When a court order **equally** divides resources between spouses, only the portion the court order specifies as the clients will be counted when determining eligibility, UNLESS, the spouse makes a portion of his/her resources available to the client. The portion made available to the client will be counted as a resource in determining eligibility.

If the client has a court order dividing resources **unequally**, a copy of the court order must be sent to the Chief of Eligibility and Payments for a decision on whether Nevada State Division of Welfare and Supportive Services (DWSS) can recognize the court order.

E-245.3 Transfer of Resources

Resources cannot be transferred by an individual in order to become eligible for Medicaid or to retain Medicaid eligibility. See Transfer of Asset policy in E-400.

E-245.4 Inaccessible Resource

The cash value of resources which are not legally available to the household are exempt. If the Medicaid applicant/recipient or authorized representative is able to verify a resource is unavailable due to the client's inability to access the resource due to incapacity and no one else has the ability to access the resource on their behalf, exempt the value of the resource as long as reasonable and timely steps are being taken to access the account on the client's behalf, (i.e., referral to the public guardian's office). Once the resource becomes accessible, the resource becomes countable and eligibility must be reevaluated for future months.

Resources held in Probate are considered inaccessible until the administrator or executor distributes the property.

E-245.5 Resource Limits

Resource limits for QMB, SLMB and QI are $7,160 for an individual OR $10,750 for a couple when one OR both spouses are applying. When countable resources exceed the limit, the client is ineligible.

Resource limits for QDWI are $4,000 for an individual or $6,000 for a couple when one OR both spouses are applying.