

468-000-345 DEPRIVATION EXAMPLES

Example 1: The household consists of a married couple and their five children, ages 12 years to 8 months. The father is employed 32+ hours a week at \$6.55 per hour. The monthly wages are projected to be \$901.28. The Dad has had the most earnings in the past two years. The unit is grant eligible on N-FOCUS.

Despite the fact that Dad is employed over 100 hours a month, the family is eligible for an ADC grant. We no longer disqualify the family from receipt of cash assistance due to the number of hours worked.

Example 2: The household consists of a married couple with three children, ages 5, 3, and 1. The father operates his own machinery repair shop and has for the past two years. He estimates that he works 45 to 50 hours a week in the business. Their 2007 tax return shows that the business made \$5,500 net income after allowable expenses in 2007. The business is anticipated to be essentially the same in 2008. Monthly countable income is determined to be \$458.33.

Despite the fact that Dad works 45 to 50 hours a week in his business, the family potentially qualifies for an ADC grant based on their income.

Example 3: The household consists of a married couple with two children. The wife works 40 hours a week while the husband stays at home with their pre-school children. The wife's wages average \$250 a week. They are requesting Medicaid for all family members because the wife's job does not provide health insurance. The wife's income precludes grant eligibility.

Because this is an applicant family which has not received an ADC grant or ADC related medical assistance in three of the previous six months, they are not eligible for TMA. Because the wife works over 100 hours a month, the parents will not be eligible for Medicaid coverage as ADC/MA unless one is found to be incapacitated by the State Review Team. If either parent is under 19 years of age, Ribicoff eligibility should be pursued. CMAP eligibility for the children should be determined.

Example 4: The household includes Mom with one child from a previous marriage, her boyfriend, and their common child. Paternity for the common child has been established. Neither Mom nor her boyfriend are employed and the four-person household is budgeted as a single ADC grant unit. They would remain a single grant unit as long as they qualify for a grant, even if either parent gets a job working over 100 hours a month.

If Mom gets a job that causes them to lose grant eligibility, the entire family goes into TMA (provided they meet the "3 of 6" test). This is because Mom has relative responsibility for both children in the household.

If the boyfriend gets a job that causes them to lose grant eligibility, the unit is split at that point into two separate units. Mom and her child may still potentially receive an ADC grant while the boyfriend and the common child would go into TMA (again, provided they meet the "3 of 6" test).

Why? The boyfriend is not legally responsible for Mom's child. As long as the common child in this scenario is "economically deprived" because they all qualify for a grant as a single unit, they will be budgeted together. If the common child is no longer "economically deprived," the unit would be split as indicated previously. The same procedure would be followed if the unit loses grant eligibility due to receipt of unearned income, but in that case TMA would not be available for those losing grant.

Example 5: Same situation, except in this case the boyfriend also has a child in his custody from a previous relationship. As long as our five-person unit remains eligible for a grant, they will be budgeted together. If they lose grant eligibility as a single unit, we will again have to look at relative responsibility to determine who ends up in what unit.

If Mom gets a job or if she begins to receive unearned income which causes them to lose eligibility for a grant as a five-person unit, the unit is split with Dad and his child potentially remaining eligible for a grant, while Mom, her child, and the common child may either go into TMA (if the loss of grant is due to her earnings) or into ADC/MA and CMAP.

If Dad gets a job or if he begins to receive unearned income which causes the five-person unit to lose grant eligibility, the same process is followed: Dad, his child, and the common child would go into either TMA or ADC/MA-CMAP while Mom and her child would potentially remain grant eligible.

THINGS TO REMEMBER: In the last two examples, we would first test to determine which members of the grant unit would go to TMA. If there is no TMA eligibility because they either fail the "3 of 6" test or because they lost eligibility for grant or ADC related medical assistance due to receipt of unearned income, we will have to test the household to determine who is eligible for Medicaid under what program. If we have a parent working over 100 hours a month and there is no TMA eligibility, we would not have Medicaid eligibility for this parent unless they are under 19 years of age or we have an incapacity determination.

If we have a combination of earned and unearned income which causes loss of grant or ADC related medical assistance eligibility, N-FOCUS will always look at the potential of TMA first. Only if the loss of grant or ADC related medical assistance is due solely to unearned income will N-FOCUS not do this first. Where N-FOCUS cannot place all household members into TMA because loss of grant is solely due to receipt of unearned income, it will follow the concept of financial responsibility. The unearned income received by a parent will impact their eligibility and that of their child(ren), so for example Mom and her child(ren) would go to medical due to Mom's receipt of unemployment compensation, and the father of the common child could also go into medical. If the father of the common child gets the unemployment compensation, then he and his child may go into medical while Mom and her child(ren) potentially would remain on grant.