

#### 477-000-302 EXAMPLES OF MEDICAL BUDGETING PROCEDURES

Example 1 Employed single parent & one child: The household consists of Mom, a single parent with one 9-year-old child, Mom's net earned income (after WRE and child care) is \$600/month. The child passes at 200% FPL so she is eligible. Mom is budgeted under the MNIL for two, or \$392. Mom's Share of Cost would be \$208/month (\$600 minus \$392). If insured, the child's income standard would be 100% FPL for two. Because the net earned income is less than 100% FPL for two, the child would still be eligible if insured.

Example 2 Ineligible parents with three children: The family consists of two parents, both employed, and three children, ages 12, 5, and 6 months. The parents are requesting Medicaid only for their children. The net earned income (after WRE and child care) is \$1,900/month. If the children are uninsured, all three would qualify for Kids Connection using 185% FPL for five.

If the children are insured, the income level for the 12-year-old is 100% FPL for five, so this child is over his income level. The income level for the 5-year-old is 133% FPL for five, so this child and the 6-month-old (who would be budgeted at 150% FPL) are both eligible.

If insured, the 12-year-old child can only be found eligible with a Share of Cost which would be based on the MNIL for five, or \$675.

Example 3 Disabled Dad, Mom & three children: The family consists of a disabled Dad who receives \$1,200 SSA Disability/month, Mom who is unemployed and three children, ages 14, 6, and 3. Each of the children receive \$275 SSA due to Dad's disability. We'd first test all family members for grant eligibility, but Dad's grant budget allocates his income over to the ADC grant budget. The ADC grant budget fails due to both the allocated income and the children's SSA, so all five family members are then evaluated for Medicaid eligibility.

The net income for the family is \$1,200 (Dad's SSA) - \$20 general AABD disregard = \$1,180 + \$825 (children's SSA) = \$2,005. This income is under 200% FPL for five so the three children would qualify for CHIP if they are uninsured.

To determine Dad's eligibility at 100% FPL for five, we'd only use Dad's net SSA of \$1,180. Dad is therefore eligible as AABD/OMB.

Note: A child's income is never counted in a disabled parent's budget.

If the children are covered by creditable health insurance, the 3-year-old still passes 133% FPL for five. Because the 3-year-old has passed at her income level, we do not use this child's \$275 SSA when we are testing the two SAM-age children at 100% FPL. This child's SSA has already been "used" in this child's eligibility test, which passed. As a result, the income used to test the two older children is Dad's net SSA of \$1,180 + the SSA of these two children ( $\$275 \times 2 = \$550$ ), for total income of \$1,730, so these two older children pass at 100% FPL for five.

Mom's eligibility is based on Medically Needy guidelines. The MNIL is determined by adding \$392 for the disabled Dad + \$584 for the other four family members, or a total MNIL of \$976. Dad's net SSA of \$1,180 would be used as income on this Medically Needy budget, but only Mom would be subject to a Share of Cost.

Example 4 – Unmarried couple with child-in-common: The household consists of an unmarried couple. Mom has two children, ages 9 and 5, from a previous marriage and they have a child-in-common, age 8 months. Paternity for the infant has been established. The boyfriend is employed and earns \$1,100/month while Mom is also employed and earns \$900/month. The household is first tested for ADC grant eligibility to determine if the child-in-common is “economically deprived.” The ADC grant budget fails due to being over income.

We next test Mom and her two older children for ADC grant eligibility (as the father of these two children is absent). This ADC grant budget also fails due to Mom’s earnings. We now look at Medicaid eligibility for the household members:

If both parents want to be considered for MED eligibility, we will budget them in the same ADC/MN unit. The unit size will be five (both parents and all children) and we’ll use the income of both parents on this budget. If Mom only wants to be considered for MED eligibility, her unit size would be four and only her income would be considered. If Dad only wants to be considered for MED eligibility, his unit size will be two and only his income would be considered. (Because Dad’s only child lives in a two-parent household, Dad would either have to meet the 100 Hour Rule or be determined incapacitated by SRT in order to qualify.)

For Mom’s two children from her previous marriage, we have a unit size of four (Mom, her two older children and the child-in-common) and we’ll use only Mom’s income (plus any income of her two older children) on this budget.

For the child-in-common, the unit size is five (both parents and all children) and we’ll use the income of Mom, Dad, and the child-in-common on this budget.

Note: If more than one child in the household is in the same MED category because they are in the same age range (i.e., 1-5 for MAC, 6-18 for SAM), they will be budgeted in the same MED unit.

Example 5 Disabled infant with ineligible parents: The family consists of a married couple with a newborn child. The child was premature and there were a number of complications related to the early birth. As a result, the child remained in neonatal intensive care for some six weeks and was hospitalized for over two months total. At the urging of the hospital’s social service staff, the parents applied for both SSI and Medicaid on the child’s behalf.

The child was approved presumptively for SSI with an FBR and payment amount of \$30/month. The child was also approved for AABD/MED. When the child finally came home, the SSI stopped (due to parental income) but the child remained Medicaid-eligible and is still considered to be disabled for 12 months from the date of the last SSI payment (469-000-329). Because the child was found eligible for Medicaid in her month of birth, the child was also assured of Medicaid coverage until reaching age 1.

When the child’s eligibility was reviewed, the countable parental income was found to exceed 100% FPL for three, so the child is no longer Medicaid-eligible as AABD-OMB. However, before the child’s Medicaid coverage can be closed, the eligibility worker must determine if the child is eligible using 133% FPL for three (because the child is now MAC-age) or, if the child is uninsured, CHIP at 200% FPL for three.

Example 6 Disabled single parent & one child: The household consists of disabled father and one SAM-age child. Dad receives \$790 SSA disability. The child receives \$395 SSA due to Dad's disability. In addition, another \$150/month child support is paid on the child's behalf by the absent parent. Total net family income is therefore \$790 (Dad's SSA) - \$20 general AABD disregard = \$770 + \$395 (child's SSA) + \$150 (child support) = \$1,315.

- The total countable income is less than 200% FPL for two, so the child qualifies for CHIP. The child's income is used on this budget.
- Dad's net SSA of \$770 is less than 100% FPL for two, so Dad is eligible. Because Dad is disabled, we will not use the child's SSA or child support in determining Dad's eligibility.
- If the child is insured, the net countable income of \$1,315 exceeds 100% FPL for two, so this child is over income for SAM. All income, both Dad's and the child's, is used in this determination. The child can only qualify as Medically Needy. The MNIL for the child will be \$784 (\$392 for the disabled Dad + \$392 for the child). Because Dad is eligible as AABD/OMB, only the child would be subject to a Share of Cost.

Example 7 Single parent, two children with child support: The household consists of a single parent Mom and two children, ages 9 and 7. The only household income is \$700 child support (\$350/child). The family's income exceeds ADC grant standards, so we look at Medicaid eligibility for all three family members.

- If the children are uninsured, they may be found eligible with income up to 200% FPL for three. They pass.
- If the children are insured, they may be found eligible with income up to 100% FPL for three. They pass.
- Because the children have been found eligible whether they're insured or uninsured, we have already considered their income. Mom's medically needy budget will therefore pass with no income.

Example 8 Disabled SSI child with siblings: We have an SSI child with other eligible siblings but ineligible parents. Do not include the SSI child with the siblings in the same MED case. Close the SSI child from the MED and put the child back in AABD/MED. When you do this, the child will show as an excluded sibling in the MED program cases (in SAM, MAC, EMAC) so the child will show up in the unit size. This is entirely appropriate. The child's income will not show up due to her "Excluded Sibling" role. The parent with the earned income will be allowed a \$100 disregard.

If the child is non-pay SSI, then leave the child in the MED unit with a Medical Category of AABD/OMB. The parent with the earned income will then get the \$65 + ½ disregard. This is assuming that the parents are not on Share of Cost, and are "Financially Responsible" in the MED case. If they remain as participants (even with a Share of Cost), then only the \$100 disregard would be allowed.

Example 9 SSI Mom, employed Dad & children: SSI Mom who also receives some SSA. Employed Dad and three SAM children. ADC and AABD budgets fail due to allocation of income from Dad. If we put Mom back in AABD and leave Dad and three children in MED, then Mom's SSA income does not show up in the budget. This is correct because any recipient who is in Current Pay SSI should

be placed in "his own" AABD/MED program case. Mom's needs, however, also do not show up in the MED budget so this drops the unit size to four instead of five. If the budget passes using the unit size of four, it could be authorized and ignore Mom. The problem comes when the budget fails with a unit size of four, but the income is under for a unit size of five. If this happens, authorize the Share of Cost budget, select Dad and children as eligible participants and document in the narrative that the unit size should be five.

Example 10 Employed Mom, one child with Child Support: Mom and one child. Mom is working and the child receives child support. Test the child's eligibility at 200% FPL if the child is uninsured. The unit size is two and we use all income, both Mom's and the child support. If the child passes at 200% FPL or (if insured) at their appropriate Poverty Income Level, we do not consider the child support when testing Mom's eligibility as medically needy. Only Mom's income is used to test her eligibility under Medically Needy.

If the child does not pass using either 200% FPL or (if insured) the appropriate Poverty Income Level, then we use both the child's and Mom's income in calculating the MNIL budget, which may result in a Share of Cost for both.