

477-000-026 – Basic Budgetary Allowance for Non-MAGI

Medical Deductions: Verify medical insurance policies and document the following:

1. Name and address of insurance company;
2. Type of coverage;
3. Policy number;
4. Premium amount;
5. Effective dates of coverage; and
6. Policy owner and individual(s) covered.

Primary Sources

- a. The insurance policy;
- b. Contact with the insurance company;
- c. Premium notice;
- d. Contact with the employer;
- e. Blue Cross Blue Shield TPL alert (the premium amount cannot be verified with this alert if it is employer sponsored health insurance);
- f. Contact with the policy owner, if other than the client; or
- g. Cancelled checks for health insurance premiums.

Examples: Considered Health Insurance

The following examples ARE considered health insurance. These policies provide or require specific medical or health service. Data should be entered on N-FOCUS/TPL and premium deductions allowed

Example 1:

Physicians Mutual Insurance; hospital daily indemnity policy; monthly premium of \$15; pays \$25 per day for every day hospitalized.

Example 2:

Amex Life Insurance; nursing home confinement policy; monthly premium of \$52.20; pays \$20 per day for every day of nursing home confinement for a maximum of twenty-four months.

Example 3:

Bankers Life and Casualty Co.; cancer treatment policy; monthly premium of \$5.60; pays for cancer surgery and chemotherapy.

NOTE: See 477 NAC 12-005 or 477 NAC 12-006 and 477 NAC 22-003.02F for treatment of Third Party Medical Payments received directly.

Examples: Not Considered Health Insurance

The following examples are NOT considered health insurance. These are income replacement or accident policies and should NOT be entered on N-FOCUS/TPL. These policies can NOT be allowed as a medical deduction on a medical budget.

Example 4: GEM (University of Nebraska); school accident policy; pays for accidents related to school activities.

Example 5: Combined Insurance Co of America; accidental dismemberment policy; pays \$5,000 for loss of any limb.

Example 6: Bankers Life and Casualty; accidental injury policy; pays \$50 per day for any day unable to work due to injury while riding any public conveyance.

Example 7: Physicians Mutual Insurance; disability policy; pays \$50 per day for any day of disability.

NOTE: If the health insurance premium verification submitted by the client has an amount specified for one of these, then do not allow that portion of the premium as a deduction. Do not send for additional verification requesting the premium break-out for health insurance.

The health insurance policy should be submitted to Central Office for consideration when it is questionable whether it meets the definition of creditable coverage.