

10.21 AFDC-RELATED MEDICAID (Medically Needy, Mandatory For Children and Optional For Parents)

NOTE: Spenddown provisions apply.

A. BUDGETING METHOD

In addition to the information in Section 10.6, some Medically Needy cases may have other considerations, because Medically Needy cases have a fixed Period of Consideration (POC), and the total income for the 6-month POC is used to determine the spenddown amount. Therefore, the Worker must take the following steps when the income is expected to change during the POC.

Step 1: Determine the specific months which will constitute the POC.

Step 2: Determine the anticipated earned income for each of the 6 months, according to Section 10.6.

Step 3: Determine the anticipated unearned income for each of the 6 months, according to Section 10.6.

Step 4: Add all of the earned income from Step 2 and divide by 6 to determine the average anticipated earned income for the POC.

NOTE: When there is no earned income in a month, use \$0 as income for that month, but always divide by 6.

Step 5: Add all of the unearned income from Step 3 and divide by 6 to determine the average anticipated unearned income for the POC.

NOTE: When there is no unearned income in a month, use \$0 as income for that month, but always divide by 6.

B. INCOME DISREGARDS AND DEDUCTIONS

The following disregards and deductions are applied, if applicable.

1. Earned Income

- AFDC Medicaid Standard Work Deduction: The deduction is applied to the earnings of each working person. The amount deducted must not exceed the amount of each person's earned income.

Income

- AFDC Medicaid Dependent Care Deduction: When the employed member(s) of the Income Group must pay for a dependent child or incapacitated adult care to accept or continue employment or training, a deduction is allowed. The amount is allowed as paid, up to the maximum amounts allowed for AFDC Medicaid for each dependent. See Section 10.7. The dependent is not required to be in the AG, Income Group or Needs Group to allow the deduction.

2. Unearned Income

Child Support Disregard: The first \$50 of child support is disregarded. This is the only disregard of unearned income.

When more than one child in the Needs Group receives child support, the disregard amount is divided by the number of children in the Needs Group who receive support. The resulting amount is deducted from each child's support amount to determine each child's countable child support.

EXAMPLE: Four blood-related siblings live in the same home and receive the following amounts of child support: Child A receives \$150 per month; Child B receives \$200; Child C receives \$50; Child D receives \$100. The \$50 disregard is divided by 4 and each child receives a disregard of \$12.50.

Child A

\$200.00	Child Support
<u>- 12.50</u>	Disregard
\$187.50	Countable Child Support

Child B

\$150.00	Child Support
<u>- 12.50</u>	Disregard
\$137.50	Countable Child Support

Child C

\$50.00	Child Support
<u>- 12.50</u>	Disregard
\$37.50	Countable Child Support

Child D

\$100.00	Child Support
<u>- 12.50</u>	Disregard
\$ 87.50	Countable Child Support

Income

Legal spouses are defined the same way for AFDC-Related Medicaid as for AFDC Medicaid. See Chapter 15.

Legal parents are natural or adoptive parents.

b. General Deeming Instructions

Deeming is most often accomplished by including the income of financially responsible persons in the total income of the Income Group and applying the AFDC Medicaid disregards and deductions to that income. However, some case situations require a different method of deeming, as described in **Deeming When There Is A Stepparent, Caretaker, Relative Other Than A Parent Or A Major Parent below.**

c. Deeming When There Is No Stepparent, Caretaker Relative Other Than a Parent or Major Parent

(1) When No Dependent Child Has Income

The non-excluded income of the parent(s) is the only income counted. This income is then subject to the AFDC Medicaid disregards and deductions, unless the parent, or one of the parents, is an SSI-Related Medicaid recipient. In this case, the SSI-Related Medicaid disregards and deductions are applied to his income and the remainder is added to the income of the other parent, after the AFDC Medicaid disregards and deductions have been applied to the other parent's income.

(2) When At Least One Dependent Child Has Income

For those children in the home with no income, the procedure in item (1) above is followed.

For children in the home with income, add together the non-excluded income of the child and the parent(s), unless one of the parents is an SSI-Related Medicaid recipient. In this case, the SSI-Related Medicaid disregards and deductions are applied to his income and the remainder is added to the income of the other parent and the child, after the AFDC Medicaid disregards and deductions have been applied to the income of the other parent and child.

d. Deeming When There Is A Stepparent, Caretaker Relative Other Than A Parent Or A Major Parent

Income

- The individual(s) who received the medical service is one of the people described in **Whose Medical Expenses Are Used** below.
 - The expenses are for medical services and are appropriate to use to meet a spenddown. See **Allowable Spenddown Expenses** below.
- The Worker must enter the pertinent information about expenses received from the client on **the appropriate system screen**.
- The date of service
 - The provider of the service
 - The total amount of the bill
 - The third-party liability amount
- Medical Processing in BMS accesses **the appropriate system** screen to determine the date on which spenddown is met. Additional electronic notification to BMS is required only when a change is necessary to add additional medical expenses after the spenddown is met and will result in an earlier POE. The client's eligibility begins the day the amount of incurred medical expenses at least equals his spenddown amount.
- NOTE:** Although eligibility begins on the date of service of the medical bills which bring the spenddown amount to \$0, expenses incurred on that date which are used to meet the spenddown, as indicated on **the appropriate system** screen, are not paid by Medicaid.
- If the client does not submit sufficient medical bills by the application processing deadline, the application is denied.

The application is automatically denied by RAPIDS when the applicant indicates there are no medical bills or anticipated medical expenses in the 30-day application period which may be used to meet the spenddown for the Medicaid AG member(s). This is indicated by the Worker on **the appropriate system screen**.