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CHAPTER M05
MEDICAID ASSISTANCE UNIT

SUBCHAPTER 10

GENERALS RULES AND PROCEDURES

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M0510.000 GENERAL RULES & PROCEDURES

M0510.001 ASSISTANCE UNIT GENERAL PRINCIPLES

A. Introduction

Medicaid is an assistance program which pays medical service providers for services rendered to eligible needy individuals. An individual's need is based on his financial eligibility--the amount of his resources and income.

Financial eligibility is determined in relation to specific resource and income limits. The income and resource limits are established in relation to the number of persons in the assistance unit. The assistance unit is the basis for the financial eligibility determination. Eligibility is based on the countable income and resources of the assistance unit members and of legally responsible relatives who are not included in the assistance unit and who live in the home. All of the resources and income which the individual has available to him, including resources and income "deemed" to be available to him, are counted.

B. Procedures

This subchapter contains the general policy and procedure for determining *the composition of* an individual's assistance unit for the financial eligibility determination.

- The Legal Base is contained in M0510.002;
- Definitions are contained in M0510.100;
- General Procedures are contained in M0510.200.

The detailed family/budget unit policy and procedures for individuals in *all Families & Children* (F&C) *Medically Needy (MN)* covered groups are contained in M0520.

Chapter M04 contains the procedures for determining the household size for the following F&C covered groups for all ***eligibility determinations for applications submitted on or after October 1, 2013*** *and* ***renewals made after April 1, 2014****:*

- *CN Pregnant Women & Newborn Children;*
- *Plan First;*
- *Child Under Age 19 (FAMIS Plus);*
- *Low Income Families With Children (LIFC);*
- *Individuals Under Age 21;*
- *Special Medical Needs Adoption Assistance.*

The detailed assistance unit policy and procedures for individuals in an ABD covered group are contained in M0530.

M0510.002 LEGAL BASE

A. Federal Law

The federal Medicaid law in Title XIX, section 1902(a)(17)(D), requires that a state plan for medical assistance include reasonable standards for determining

eligibility for and the extent of medical assistance under the state plan. These standards must provide for reasonable evaluation of resources and income. The standards must:

- take into account only such income and resources as are available to the applicant or recipient;
- take into account only such income and resources as would not be disregarded under the Supplemental Security Income (SSI) program for aged, blind and disabled individuals, or the title IV-A program (AFDC program in effect on 7-16-96) for all other individuals;
- NOT take into account the financial responsibility of any individual for any applicant or recipient of assistance under the plan unless such applicant or recipient is such individual's spouse or such individual's child who is under age 21.

B. Federal Regulations

Federal regulations in 42 CFR 435.601 state that when determining Medicaid eligibility, the agency must apply the financial methodologies and requirements of the cash assistance program that is most closely categorically related to the individual's covered group, EXCEPT:

- when determining the financial responsibility of relatives, and
- when using more restrictive or more liberal resource methodologies than those of the cash assistance program, as specified in the State Plan.

Federal regulations in 42 CFR 435.602 state that, except for a spouse of an individual or a parent for a child who is under age 21, the agency must not consider income and resources of any relative as available to an individual.

C. Virginia Medicaid Policy

When determining whose resources and income to count available to the individual applicant or recipient, Medicaid must take into account the resources and income of the individual's spouse or parent (if the individual is under age 21) with whom the individual lives. For the aged, blind and disabled (ABD) covered groups, Medicaid must use the SSI program methods for counting and "deeming" spouses' and parents' resources and income to an individual, except where they would result in "illegal" deeming of resources or income from a relative or person who is not legally responsible for the individual according to the federal Medicaid regulations. For the (F&C) *MN* covered groups, Medicaid must use the 7-16-96 AFDC program methods for counting and "deeming" spouses' and parents' resources and income to an individual, except where they would result in "illegal" deeming of resources or income from a relative or person who is not legally responsible for the individual according to the federal Medicaid regulations.

Subchapter M0520 explains how to count the resources and income of a spouse or parent for the F&C *MN* covered groups. Subchapter M0530 explains how to count the resources and income of a spouse or parent for the ABD covered groups.

M0510.100 DEFINITIONS

A. Introduction

The terms used in this subchapter are defined below in this section.

B. Assistance Unit

The Medicaid assistance unit is the individual or family who applies for Medicaid and whose financial eligibility is determined. The assistance unit for the F&C *MN* covered groups is called the "family unit" or the "budget unit."

The assistance unit for an ABD individual is just the individual, unless the individual is married, living with his/her spouse and the spouse is also ABD. In this situation, the assistance unit is the married ABD couple.

C. Budget Unit

The budget unit (BU) is the term used for the assistance unit for F&C *MN* individuals in a family when specific circumstances exist. The BU is a sub-unit of the family unit (FU). It contains some, but not all, members of the family unit.

D. Family Unit

The family unit is the name for the assistance unit when determining eligibility for an F&C individual or family. The family unit consists of all individuals listed on the application form as living in the household and among whom legal responsibility for support exists.

Federal Medicaid law and regulations prohibit deeming resources or income from anyone other than a parent to a child under age 21 or from spouse to a spouse. An individual cannot be ineligible or have his spenddown liability increased because of counting income and resources of non-legally responsible individuals living in the household.

The family unit must be further divided into "budget units" when the family unit does not meet the resource or income limit, and

- the family unit contains a stepparent, an acknowledged father not married to the mother, a married Medicaid minor or a Medicaid minor parent in the home, or
- a child in the family unit has resources or income of his/her own.

The unit must include the legally responsible relative(s) with whom the individual lives (parent for child under age 21 and spouse for spouse) unless the spouse or the parent receives an SSI or IV-E foster care/adoption subsidy payment. Spouse refers to a person who would be defined as married to the individual under applicable state law. Parent refers to the natural or adoptive parent of the child.

E. Deeming

Deeming is the process of considering the income and resources of another person, who is not included in the assistance, family or budget unit, to be the income and resources of the individual who is applying for or receiving Medicaid. Deemed income and resources are counted available to the eligible individual whether or not they are actually made available to him/her.

The federal Medicaid regulations require that the income and resources of certain individuals other than the applicant be included (deemed available) when determining an individual's Medicaid eligibility. These individuals

are the individual's responsible relatives--the individual's parent when the individual is under age 21 and the individual's spouse, except when the parent or spouse receives SSI or IV-E assistance payments. Except for a spouse of an individual, or a parent for a child who is under age 21, the agency must not consider resources and income of any relative as available to an individual.

Resources and income deemed **to** an individual are not considered resources or income in subsequent deeming calculations of the individual's resources or income.

F. Deemor

A deemor is an individual whose income and resources are subject to deeming. Such individuals include ineligible parents and ineligible spouses. It does not matter whether these individuals have sufficient income or resources to deem, they are still considered to be deemors. The type of income such an individual receives (e.g., public income maintenance payments such as TANF, VA pension based on need, etc.) does not exclude him/her from this definition for an ABD determination. For F&C determinations, recipients of SSI or IV-E payments are NOT deemors.

G. Illegal Deeming

Illegal deeming is a procedure which results in counting or deeming resources or income to an individual from a person who is not the individual's spouse, or who is not the individual's parent if the individual is under age 21.

M0510.200 GENERAL PROCEDURES

A. Introduction

This section contains the general policy and procedure for determining the individual's assistance unit for the financial eligibility determination.

B. Institutionalized Individuals

When an individual is institutionalized in a medical facility or Medicaid waiver services, the individual is an assistance unit of one person. *Go to chapter M14 to determine eligibility for institutionalized individuals.*

C. Non Institutionalized Individuals

1. Child Under Age 19

a. Does Not Receive SSI

Determine the child's F&C MI eligibility first (if pregnant, use the 133% pregnant woman limits), even if child is also foster care or adoption assistance. If the child has excess income for MI, then determine the child's MN eligibility for spenddown. Use the F&C family/budget unit policy in M0520.

If the child is also blind or disabled and does NOT receive SSI, determine F&C MI eligibility first. Use the F&C family/budget unit policy in

M0520. If the child has excess income for MI, then determine the child's ABD MN eligibility for spenddown, using the ABD assistance unit policy in M0530.

b. Receives SSI

If the child receives SSI, determine the child's eligibility as an SSI recipient. If the child is not eligible for Medicaid as an SSI recipient, e.g., because of excess resources, determine the child's eligibility as F&C if the child is pregnant or under age 19. Use the F&C family/budget unit policy in M0520.

2. Individual Age 19 but Under 21

a. Receives SSI

If the child is age 19 or 20 and is not eligible for Medicaid as an SSI recipient, e.g., because of excess resources, determine his/her F&C eligibility IF he/she also meets an F&C covered group because the F&C real property requirements are different from the ABD requirements. Use the F&C family/budget unit policy in M0520.

If he/she does NOT meet an F&C covered group, he/she is not eligible for Medicaid.

b. Disabled or Blind Child

If the child is disabled or blind, first determine the child's ABD eligibility using the ABD assistance unit policy in M0530. If not eligible as ABD and the child meets an F&C covered group, use the F&C family/budget unit policy in M0520.

c. Pregnant Woman

If the individual is pregnant, determine F&C MI eligibility first. Use the family/budget unit policy in M0520. If the individual is not eligible as MI, she should meet the MN pregnant woman group. Use the F&C family/budget unit policy in M0520 when determining her MN eligibility.

3. Individual Age 21 and Older

a. Pregnant Woman

If the individual is pregnant, determine F&C MI eligibility first. Use the family/budget unit policy in M0520. If the individual is not eligible as MI, she should meet the MN pregnant woman group. Use the F&C family/budget unit policy in M0520 when determining her MN eligibility.

b. Other Individuals

If the individual is aged, disabled or blind, first determine the individual's ABD assistance unit in M0530. If the individual is not eligible as ABD and he/she meets an F&C covered group, use the F&C family/budget unit policy in M0520.

CHAPTER M05
MEDICAID ASSISTANCE UNIT
SUBCHAPTER 20

FAMILIES & CHILDREN (F&C) *MEDICALLY NEEDY (MN)* FAMILY/BUDGET UNIT

M0520 Changes

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M0520.000 FAMILIES & CHILDREN (F&C) MEDICALLY NEEDY FAMILY/BUDGET UNIT

M0520.001 OVERVIEW

A. Introduction

This subchapter contains the policy and procedures for determining the assistance unit for *certain* individual or families who meet an F&C MN covered group. *Refer to M0510.001 for information and instructions on when to use the policies in M0520.*

For F&C *MN* financial eligibility determination purposes, the assistance unit is called the "family/budget" unit. A household is divided into one or more family units.

The family unit's financial eligibility is determined first. If the family unit has resources or income that cannot be verified or that exceeds the limit for the individual's covered group, the family unit is divided into "budget" units if certain requirements are met.

B. Policy

Medicaid law prohibits the consideration of resources and income of any person other than a spouse or parent in the final Medicaid eligibility determination. Resources and income CANNOT be counted

- from a stepparent to a stepchild;
- from a sibling to a sibling;
- from a child to a parent;
- from a spouse or parent living apart from the individual, unless it is a voluntary or court-ordered or DCSE-ordered contribution (exception for individuals in long-term care);
- from an alien sponsor to the alien.

The family unit will include any child(ren) under age 21 living in the home for whom a unit member is legally responsible regardless of whether or not the child(ren) meet(s) a covered group, unless the child is specifically excluded.

1. Member In One Unit

An applicant/recipient can be a member of only one family unit or one budget unit at a time.

2. May Exclude A Child

The applicant can choose to exclude any child(ren) from the family unit for any reason. If the parent wants to exclude a child who has been listed on the application, the request for exclusion must be in writing. None of the excluded child's needs are considered, and none of his income or resources are counted or deemed available to the unit. The advantages and disadvantages of the choice must be explained to the applicant or recipient.

3. Living Away From Home

A parent, or a child under age 21 who has not been emancipated, is considered living in the household for family unit composition purposes if the absence is temporary and the parent or child intends to return to the home when the purpose of the absence (such as employment, military service, education, rehabilitation, medical care, vacation, visit) is completed.

Children living in foster homes/institutions are NOT temporarily absent from home. They are indefinitely absent from home and are NOT living with their parents or siblings for Medicaid purposes.

4. Psychiatric Residential Treatment Facilities (PRTFs)

Children Living in a PRTF

Children residing in Level C PRTFs are not temporarily absent from home. They are indefinitely absent from home and are not living with their parents or siblings for Medicaid purposes, if their stay in the facility has been 30 calendar days or longer. Long-term care rules do not apply to these children.

If the child is placed in a PRTF, verify that it is a Level C facility on the Department of Medical Assistance Services' web site at http://dmasva.dmas.virginia.gov/Content_pgs/obh-home.aspx. If the facility is not a Level C facility, the child is considered not to be living away from his parents.

5. Medical Facilities

Children in medical institutions (facilities) are temporarily absent from home if their stay in the medical facility is less than 30 consecutive days. If the stay has been, or is expected to be, 30 or more consecutive days, go to section M1410.010 to determine if the child is institutionalized in long-term care. A child who is institutionalized in a medical facility or Medicaid waiver services is NOT considered living with his or her parents for Medicaid eligibility purposes.

C. Procedure

This section contains an overview of the F&C family unit and budget unit rules. The detailed policy and procedures are contained in the following sections:

- M0520.010 Definitions;
- M0520.100 Family Unit Rules;
- M0520.200 Budget Unit Rules;
- M0520.300 Deeming From Spouse;
- M0520.400 Deeming From Parent;
- M0520.500 Changes In Status;
- M0520.600 Pregnant Woman Budget Unit;
- M0520.700 Individual Under Age 21 Family Unit.

M0520.010 DEFINITIONS

A. Introduction

This section contains definitions of the terms used in the F&C family/budget unit policy and procedures.

B. Acknowledged Father

In Virginia, a man who is legally married to the mother of a child on the child's date of birth is considered to be the legal father of the child **UNLESS** another man has been determined by DCSE or a court to be the child's father. The man listed on the application form as the child's father is considered to be the child's acknowledged father when:

- the mother was not married to another man on the child's birth date, or
- the mother was married to another man on the child's birth date but DCSE or a court determined that the man listed on the application is the child's father,

unless documentation, such as the child's birth certificate, shows that another man is the child's father.

NOTE: Her declaration on the application of the child's father's name is sufficient unless there is evidence that contradicts the application. The mother's marital status at the time of the child's birth does not require verification; her declaration of her marital status is sufficient. See M0310.123 for the definition of a parent.

C. Household

For this subchapter's purposes, the "household" is everyone living in the residence and who is listed on the Application for Benefits as living in the residence.

D. Legal Emancipation

"Legal emancipation" from parents means that the parents and child have gone through court and a judge has declared that the parents have surrendered the right to the care, custody and earnings of the child and have renounced parental duties.

A married Medicaid minor is NOT emancipated unless a court has declared the married minor emancipated from his or her parent(s).

E. Legally Responsible Relative

A legally responsible relative is a person who is related to the individual applicant or recipient and who has a legal obligation under federal and state law to support the individual applicant/recipient.

Under federal Medicaid law and regulations, the only relatives who are legally responsible relatives are the following relative(s) with whom the individual applicant or recipient lives:

- the individual's spouse, and
- the individual 's parent if the individual is a child under age 21 years.

F. Medicaid Minor A child under age 21 years is a Medicaid minor.

M0520.100 FAMILY UNIT RULES

A. Introduction

This section contains the rules that apply to the family unit within a household applying for Medicaid. The family unit consists of the individuals in the household among whom legal responsibility for support exists. A parent or non-parent caretaker can choose to exclude any child from the family unit by excluding the child from the Medicaid application (see M0520.001 B).

B. Family Unit Composition

When determining composition of the F&C family unit, start with the individual who applies for Medicaid and who meets an F&C covered group's requirements. These covered groups are:

- Pregnant women (MI and MN);
- Low income families with children (LIFC) (CNNMP);
- Newborn children (MI and MN);
- Children under age 19 (MI);
- Children under age 18 (MN);
- Individuals < 21 in foster care, adoption assistance, and ICF or an ICF-MR (CNNMP and MN).

Begin forming the family unit(s) by identifying a pregnant woman in the household, if any. If the household does not contain a pregnant woman, begin forming the family unit(s) by identifying the child(ren) who meets an F&C covered group.

1. Member In One Unit At A Time

An applicant/recipient's Medicaid eligibility can only be determined in one F&C family unit at a time.

2. Include Responsible Relative(s)

The unit must include the legally responsible relative(s) with whom the individual lives (parent for child under age 21 and spouse for spouse), EXCEPT when:

- the child is in foster care and is placed in his/her home for a trial visit; or

- the spouse or the parent receives an SSI or IV-E foster care/adoption subsidy payment. Do not include SSI and IV-E Foster Care/Adoption Assistance recipients in the unit.

Include a TANF recipient who is a responsible relative in the unit but **do not count the TANF grant as income**. Non-TANF income is counted as income to the unit.

The unit must also include all individuals in the household for whom each individual in the unit is legally responsible except

- excluded individuals;
- SSI recipients, and
- IV-E recipients.

For example, a child age 10 lives with his mother and his 5 year-old sister who receives SSI; all are included on the application. The family unit consists of the 10 year old child and his mother who is legally responsible for him, but not his SSI recipient sister even though the mother is also legally responsible for her.

3. Child Under 21 Living Away From Home

A child under age 21 who is living away from home is considered living with his/her parent(s) in the household for family unit composition purposes if:

- the child is not emancipated, and

- the absence is temporary and the child intends to return to the parent's home when the purpose of the absence (such as education, rehabilitation, medical care, vacation, visit) is completed.

Children in medical institutions (facilities) are temporarily absent from home if their stay in the medical facility is less than 30 consecutive days. If the stay has been, or is expected to be, 30 or more consecutive days, go to section M1410.010 to determine if the child is institutionalized in long-term care. A child who is institutionalized in a medical facility or Medicaid waiver services is NOT considered living with his parents for Medicaid eligibility purposes.

Children placed in *Level C PRTFs* are considered absent from their home if their stay in the facility has been **30** days or more. A child who is placed in a *Level C PRTF* is considered NOT living with his parents for Medicaid eligibility purposes as of the first day of the month in which the 30th day of psychiatric residential placement occurs. Long-term care rules do not apply to these children.

If the child is placed in a PRTF, verify that it is a Level C facility on the Department of Medical Assistance Services web site at http://dmasva.dmas.virginia.gov/Content_pgs/obh-home.aspx. If the facility is not a Level C facility, the child is considered not to be living away from his parents.

4. Pregnant Woman

An individual who meets the pregnant woman definition is counted as at least **two persons** when her eligibility is being determined in the MI Pregnant Woman or MN Pregnant Woman covered group. The unborn child (or children, if medical documentation verifies more than one fetus) must be included in the unit with the pregnant woman when determining her eligibility. A separate calculation is required for the other family unit members who do not meet a pregnant woman covered group. This calculation does NOT include the unborn child(ren) as part of the family unit and/or budget unit (BU).

When an individual is pregnant but her eligibility is determined in a covered group other than MI or MN Pregnant Woman, such as blind, disabled or Low Income Families with Children (LIFC), the pregnant woman is counted as just one person.

5. Cohabitant

A cohabitant is not the child(ren)'s parent and is not legally responsible for anyone in the family unit. Therefore, the cohabitant is not included in the family unit. Do not count a cohabitant's income or resources.

C. Examples

1. Household With Excluded Child

EXAMPLE #1: Household listed on application consists of applicant, her disabled spouse, her 15-year old son, and husband's 20-year old daughter. The 20-year old daughter is employed full-time. Medicaid is requested for applicant, her spouse, and her son. She specifies in writing that she wishes to exclude her husband's 20-year old daughter. The family unit consists of:

- the applicant
- her husband, and
- her 15-year old son.

The family unit's income is determined using the F&C income policy and procedures.

2. Household With Acknowledged Father

EXAMPLE #2: Household listed on the Medicaid application consists of pregnant woman applicant, her 5-year old son and her boyfriend, who is the acknowledged father of the 5-year old. They all request Medicaid.

The family unit for the Medicaid eligibility determination for the 5-year old child, and the acknowledged father consists of:

- the woman,
- the 5-year old child and
- the child's acknowledged father.

The family unit for the Medicaid eligibility determination for the pregnant woman consists of:

- the pregnant woman,
- her unborn child,
- the 5-year old child, and
- the child's acknowledged father.

The family unit's income is determined using the F&C income policy and procedures.

M0520.101 MULTIPLE FAMILY UNITS

A. Policy

Multiple family units exist in a household in the following situations:

1. Non-parent Caretaker

When the individual is applying for Medicaid as a non-parent caretaker of a dependent child, multiple family units exist.

2. EWB (Essential to the Well-Being)

When the individual is applying for Medicaid as an individual who is EWB to family with a dependent child, multiple family units exist.

3. Child--No Responsible Relative In Home

When the individual applying is a child under age 21 but has no responsible relative living in the household and is not a sibling of another child(ren) in the household, multiple family units exist.

4. Adult--No Responsible Relative In Home

When the individual applying is age 21 or older and is not legally responsible for the other applicant(s) in the household, multiple family units exist.

5. Foster Care Child

When the individual applying is a foster care child whose parent(s) live in the household and who is placed in his/her home for a trial visit (see M0520.701 below), multiple family units exist.

6. Siblings

Siblings under age 21 are included in the same family unit.

7. SSI Child

A child receiving SSI is always a separate family unit of one person.

B. Procedures

When an applicant applies for a child in the household, begin forming the family unit by identifying the child(ren) who applies and meets an F&C covered group. Divide the household into multiple family units when:

- the household contains an individual(s) who applies for Medicaid but who is not a legally responsible relative of the other individual(s) who has applied; or

- the household contains a foster care child under age 21 who is placed in the home for a trial visit.

Each family unit must contain only those individuals among whom legal responsibility for *financial* support exists.

M0520.102 NON-PARENT CARETAKER IN HOUSEHOLD

A. Policy

An individual who is not the parent of a dependent child who lives in the household, but who meets the definition of a caretaker-relative (subchapter M0310) is called a "non-parent caretaker." Only one **non-parent** caretaker in a household can meet the LIFC covered group. An individual cannot meet the caretaker-relative definition when the child's parent lives in the household.

A non-parent caretaker is in a family unit that is separate from the dependent child(ren) for whom the individual is a caretaker-relative.

B. Family Unit Composition

To determine the non-parent caretaker-relative's family unit, identify the non-parent caretaker-relative who requests Medicaid and meets the LIFC covered group. Include the caretaker-relative's spouse and/or the caretaker-relative's children under age 21 who live in the household in the family unit with the non-parent caretaker-relative. The dependent child(ren) is in a separate family unit.

C. Determine Income Eligibility

Add together all of the countable income received by the members of the non-parent caretaker-relative's family unit. Compare the total countable income to the LIFC 185% and F&C 90% income limits.

If the family unit's income is within the F&C 185% and the 90% limits, the non-parent caretaker-relative is eligible as LIFC. Also, the children under age 18 (or under age 19 if in school) and the spouse in the non-parent caretaker-relative's family unit are eligible regardless of her status as a non-parent caretaker-relative of another child, because her family unit meets the LIFC covered group.

If the family unit's income exceeds the LIFC income limits, determine if the family unit can be broken into BUs units to test the BUs' income against the LIFC limits. See M0520.200 below. If the family unit cannot be broken into BUs, the non-parent caretaker-relative is not eligible for Medicaid as LIFC because of excess income.

D. Examples--Non-Parent Caretaker-Relative Family Units

EXAMPLE #3: Household listed on application consists of applicant (aunt), her 10-year old niece, and her 8-year old nephew, who is not a sibling of the niece. She requests Medicaid for herself and the children.

The household consists of three family units:

1. the 8-year old nephew, who has no legally responsible relatives or siblings living in the household;

2. the *10-year old* niece, who has no legally responsible relatives or siblings living in the household; and

3. the aunt.

The financial eligibility for each family unit is determined using F&C financial policy and procedures and comparing the result to the limits for the covered group(s) for which eligibility is being determined. If each child's countable income is within the MI child income limits for an assistance unit of 1, each child is income eligible. If the aunt's countable income is within the F&C limits for the locality, the aunt is income eligible for the LIFC covered group.

EXAMPLE #4: Household listed on application consists of woman applicant (aunt), her husband (uncle), their 15-year old son, their 10-year-old niece, and their 8-year old nephew who is not a sibling of the niece. They all request Medicaid.

The household consists of three family units:

1. the 8-year old nephew, who has no legally responsible relatives or siblings living in the household;

2. the 10-year old niece, who has no legally responsible relatives or siblings living in the household; and

3. the aunt, uncle, and their son.

The financial eligibility for each family unit is determined using F&C financial policy and procedures and comparing the result to the limits for the covered group(s) for which eligibility is being determined. If the nephew's and niece's countable income is within the MI child income limits for an assistance unit of 1, each child is income eligible. If the aunt, uncle, and their son's countable income is within the F&C limits for the locality, the aunt, uncle, and their son are income eligible for the LIFC covered group. Their son is also income eligible for the MI child covered group.

M0520.103 EWB IN HOUSEHOLD

A. Policy

For applications submitted prior to October 1, 2013, when the household includes an individual who applies for Medicaid who meets the definition of an EWB in subchapter M0310, and the person to whom the EWB provides essential services meets the nonfinancial and income requirements for Medicaid in the LIFC covered group, the EWB is in a separate family unit. An EWB does not exist if the family to whom he/she provides essential services is not eligible for Medicaid as LIFC.

The EWB's financial eligibility for Medicaid is determined by using the income of the EWB's family unit members only. The income of the individual to whom he/she is providing essential services is NOT counted because that individual is not legally responsible for the EWB, nor is the EWB legally responsible for the individual.

Effective October 1, 2013, the LIFC definition no longer includes an EWB.

B. Family Unit Composition

To determine the EWB's family unit, start with the EWB who requests Medicaid and meets the LIFC covered group as an EWB. Include the EWB's spouse and/or the EWB's children under age 21 who live in the household. The dependent child(ren) and the caretaker for whom the EWB is providing essential services are in a separate family unit(s).

C. Determine Income Eligibility

Add together all of the countable income received by the members of the EWB's family unit. Compare the total countable income to the LIFC 185% and F&C 90% income limits.

If the EWB's family unit's income is within the F&C 185% and 90% limits, the EWB is eligible as LIFC, if the family to whom the EWB provides essential services is eligible as LIFC.

If the EWB's family unit's income exceeds the LIFC limit, determine if the family unit can be broken into BUs to test the BUs' income against the limits. See M0520.200 below. If the EWB's family unit cannot be broken into BUs, the EWB is not eligible for Medicaid as LIFC because of excess income.

D. Example--EWB In Household

EXAMPLE #5: Household listed on application consists of an applicant mother, her 6-year old son and her 20-year old niece. They all request Medicaid. Her niece takes care of her son while the mother works. The niece meets the definition of an EWB because she provides child care which enables the mother to work full time.

Because the niece is an EWB, the household contains multiple family units:

1. the 6-year old son and his mother; and

2. the EWB niece, who has no legally responsible relatives in the household.

The mother and son's family unit's income is determined using the F&C income policy and procedures. If their countable income is within the MI income limit for 2 persons, the son is eligible in the MI child covered group. If their countable income is **within** the LIFC income limit for 2 persons, the mother is eligible for Medicaid as LIFC, and her niece meets the LIFC covered group as an EWB. Because the niece has no income, she is eligible for Medicaid as an LIFC EWB.

If the mother's family unit income **exceeds** the LIFC limit, the mother is not eligible for Medicaid because of excess income. She cannot be placed on a spenddown because she does not meet a medically needy covered group. The niece is not eligible for Medicaid because the mother is not eligible as LIFC and the niece does not meet a Medicaid covered group.

M0520.200 BUDGET UNIT RULES

A. Policy

BUs are formed to assure that only the individual's resources and income and the resources and income of those persons legally responsible for the individual are used to determine the individual's Medicaid financial eligibility. If the individual's family unit has resources or income which cannot be verified or which exceed the limit for the individual's covered group, determine if the family unit can be broken into BU. Forming BUs based on resources is only applicable to the F&C MN covered groups. A family unit must be broken into BUs when:

1. a child in the family unit has his/her own income;

2. a child in the family unit has his/her own resources (applicable only for F&C MN covered groups);

3. the child's stepparent is in the family unit;

4. the child's parent with whom he/she lives is a Medicaid minor (under age 21) and they live with the minor parent's parent(s);

5. the child is married and living with his/her spouse and his/her parent(s);

6. the child(ren)'s acknowledged father lives in the household and is not married to the child(ren)'s mother.

All members of a family unit must be placed in a BU when the family unit can be divided into BUs. Although they will be included in a BU, persons found eligible at the family unit level do NOT have their eligibility redetermined at the BU level.

B. Budget Unit Rules

The rules that apply to BU composition are:

1. Member In One Unit

An applicant/recipient can be a member of only one F&C BU.

2. Children With Own Resources *(F&C MN Only)* or Income

The child(ren) with his or her own resources or income is in a separate BU. Deem resources and income from parents. *Resources are deemed and/or counted only when determining eligibility for F&C MN covered groups.*

The parent(s) is/are included in the unit with child(ren) who has no resources or income.

If all of the children have resources or income, the parent(s) is/are in a separate BU. If there is more than one child with resources or income, the resources or income deemed from the parents are divided evenly among the children.

3. Medicaid Minor Caretaker Applicant

When the Medicaid minor parent is not married and lives with his/her parent(s), he or she is included in a BU with his/her parent(s), NOT with his or her child(ren).

When the Medicaid minor parent is married and lives with his/her parent(s) and spouse, he or she is in a BU by himself/herself, NOT with his/her parent(s) and NOT with his or her child(ren) and spouse.

A married Medicaid minor parent is in a separate BU when living with his/her spouse and the minor's parent(s).

4. Married Medicaid Minor

When the Medicaid minor is married and lives with his/her parent(s) and spouse, he or she is in a BU by himself/herself, NOT with his/her parent(s) and NOT with his or her child(ren) and spouse. A married Medicaid minor is in a separate BU when living with his/her spouse and the minor's parent(s).

5. Stepparent In Household

A stepparent is not included in a BU with his/her stepchild(ren). A married parent **(except a Medicaid minor parent who lives with his/her parents)** is included in a BU with his/her spouse and their child(ren)-in-common. The parent's other child(ren) who are not the child(ren) of his/her spouse are in a separate BU.

6. Deeming From Parents

When determining how much of the child's parent's income or *resources* are deemed available to the child's BU, any income or *resources* deemed to the parent from the parent's spouse who is not the child's parent, is NOT counted in the deeming calculation.

No income or resources deemed from the parent(s) of a minor child are deemed to the minor child's spouse or the minor's child.

7. Acknowledged Father

An acknowledged father who lives in the household and is not married to the child(ren)'s mother is in a BU separate from the mother. Their child(ren)-in-common is NOT included in the BU with the father; the child(ren)-in-common is in a separate BU.

8. Spenddown Expenses

If a BU is ineligible because of excess income, only the unit's member's medical expenses will count toward the unit's spenddown, unless a BU member is legally liable to pay the medical expenses of another person in the household, whether or not that other person is in another Medicaid BU. If a BU member is legally liable for another person in the household, the other person's medical bills can count toward the BU member's spenddown.

A medical expense can only be used once to meet only one unit's spenddown. A child's medical expenses are first deducted from the child's unit. If the child's unit spenddown is not met, the child's medical expenses can be deducted from the parent's spenddown. If the child's unit's spenddown is met, then the child's medical expenses that were not used to meet the child's spenddown can be deducted from the parent's spenddown, if the medical expenses are not covered by Medicaid or other health insurance.

M0520.201 CHILD(REN) WITH RESOURCES AND/OR INCOME

A. Policy

The child(ren) with his or her own resources *(F&C MN covered groups only)* or income is in a separate BU. *Forming BUs based on resources is only applicable to F&C MN covered groups.* Deem income and resources from the parents *if the child is living with the parents;* and from the child's spouse if the child is married and living with the spouse.

B. *Forming Budget Units*

Place the child who has his/her own resources or income in a BU by himself.

EXAMPLE #6: Household listed on application consists of woman applicant, her disabled spouse, their 15-year old son, and their 20-year old daughter. *They all request Medicaid*.

The family unit consists of:

- the mother,
- her husband, and
- their two children under age 21.

The family unit's LIFC income is then determined using the F&C income policy and procedures.

Because the family unit's income exceeds the LIFC income limit for 4 persons and the son *receives unearned income from a trust fund, the* family unit is broken into BUs:

- BU *#1 = son*
- BU *#2 = mother, her husband, and their daughter*

The parent's BU's countable income is calculated to determine the parents' eligibility as LIFC and to determine how much income is deemed to the son's BU. *The parent's deemed income is added to the son's income to determine the son's BU's countable income for eligibility in the MI child covered group.*

M0520.202 MARRIED MEDICAID MINOR OR MEDICAID MINOR CARETAKER LIVING WITH PARENT

A. Policy

The Medicaid minor parent (caretaker) is included in a BU with his/her parent(s), NOT with his or her child(ren), unless the Medicaid minor caretaker has resources *(F&C MN covered groups only)* or income of his/her own, or is married and living with his/her spouse.

If the Medicaid minor parent (caretaker) has resources or income, or is married and living with a parent(s)and his/her spouse, place the Medicaid minor caretaker in a BU by himself/herself and deem the parents' resources and income (and the spouse's resources and income, when the Medicaid minor caretaker is married and living with his/her spouse) to the Medicaid minor caretaker.

B. Forming Budget Units

1. Medicaid Minor Caretaker

Place the Medicaid minor parent caretaker in a BU with his/her parents when the Medicaid minor parent:

- is not married, or is married but not living with his/her spouse, and
- has no resources or income of his/her own.

EXAMPLE #7: Household listed on application consists of woman applicant, her disabled spouse, their 17-year old daughter and her 2-year old son (woman's grandson). They all request Medicaid.

The family unit consists of :

- *the mother,*
- *her husband,*
- *their daughter, and*
- *the daughter's son.*

The family unit's income is determined using the F&C income policy and procedures. Because the family unit's income exceeds the LIFC and MI child's income limit for 4 persons and daughter is a Medicaid minor parent, the family unit is broken into BUs:

- BU #1 = 2-year old grandson
- BU #2 = the mother, her husband and the 17-year old Medicaid minor parent

The mother and her husband's countable income is calculated to determine their eligibility as LIFC and the Medicaid minor parent's eligibility as MI. Because the Medicaid minor parent has no income of her own, there is no income to deem to her son's BU.

2. Married Medicaid Minor

Place the married Medicaid minor in a BU by himself/herself when the Medicaid minor:

- is married and living with his/her spouse, *or*
- has resources or income of his/her own, *AND*
- lives with his/her parent(s).

Deem a portion of the married Medicaid minor's parent's resources and income to the married minor, and deem a portion of the married minor's spouse's resources and income to the married minor.

EXAMPLE #8: Household listed on application consists of the married Medicaid minor applicant age *17*, her spouse age 25 and her parents. They all request Medicaid.

The family unit consists of:

- *the married Medicaid minor,*
- *her husband, and*
- *her parents.*

The family unit's income is determined using the F&C income policy and procedures. The family unit's income exceeds the LIFC and the MI income limits for 4 persons.

Because the daughter is a married Medicaid minor *who lives wth her parents and her spouse,* the family unit is broken into BUs:

- BU #1 = the married Medicaid minor
- BU #2 = her husband
- BU #3 = her parents

The parent's BU's countable income is calculated to determine the parents' eligibility as LIFC and to determine the amount deemed to the married Medicaid minor. Her husband's countable income is calculated to determine the amount deemed to the married Medicaid minor. The income deemed from the married Medicaid minor's parents and the income deemed from her husband are added to the married Medicaid minor's income to determine her total countable income.

***3.* Medicaid Minor Parent Caretaker Has Resources *(F&C MN Only)* or Income**

Place the Medicaid minor parent caretaker in a BU by himself/herself when the Medicaid minor caretaker has resources or income of his/her own.

EXAMPLE #9: Household listed on application consists of woman applicant, her spouse, their 17-year old daughter and the 17-year old's 2-year old son. They all apply for Medicaid.

The family unit consists of:

- *the mother,*
- *her husband,*
- *their daughter, and*
- *their daughter's 2-year old son.*

The family unit's income is determined using the F&C income policy and procedures. Because the family unit's income exceeds the LIFC and MI income limits for 4 persons, the mother and father are not eligible in the LIFC covered group, and the daughter and her child are not eligible as MI.

Because the Medicaid minor parent caretaker has unearned income from a trust fund, the family unit is broken into BUs:

- BU #1 = the 2-year old
- BU #2 = the Medicaid minor parent
- BU #3 = the mother and father of the minor parent

The mother and father's BU's countable income is calculated to determine their eligibility and to determine the amount of income to deem to their daughter.

The Medicaid minor parent's BU's countable income is first calculated to determine her income. Her income then is added to the amount of income deemed from her parents to determine her eligibility. A separate calculation must be done to determine the amount of the Medicaid minor parent's own income (not including income deemed from her parents) that must be deemed to her 2-year old.

The 2-year old's BU's countable income is the amount of income deemed from his mother since he has no other source of income.

M0520.203 STEPPARENT IN HOUSEHOLD

A. Policy

A stepparent is in a BU separate from his/her stepchild(ren). A married parent (except a minor married parent) is included in a BU with his/her spouse and their child(ren)-in-common. The parent's(s') other child(ren) who are not the child(ren) of his/her spouse are in a separate BU.

Deem resources and income from the parent to his/her child's BU. Do not deem any of the stepparent's resources or income to the parent's child.

B. *Forming Budget Units*

Place a married parent in a BU that is separate from the parent's child(ren); include the married parent's spouse (the child's stepparent) in the BU with the parent. Include the parent's and stepparent's child(ren)-in-common in the BU with the parent and stepparent.

EXAMPLE #10: Household listed on application consists of mother, her spouse, their 6-year old son, and her 8-year old son from another relationship. They all request Medicaid.

The family unit consists of:

- the mother,
- her 8-year old son,
- her spouse (stepparent to her son), and
- their 6-year old son.

The family unit's income is determined using the F&C income policy and procedures. The family unit's countable *income is within the MI income limit*, so the children are eligible as MI children. The family unit's income exceeds the *LIFC* 185% screen, so the unit is not eligible for LIFC Medicaid at the family unit level because of excess income.

BUs are allowed because there is a stepparent in the home:

- BU #1 = 8-year old child
- BU #2 = mother, stepparent, their 6-year old child

BU #2's income is calculated and screened at the LIFC 185% of need. Because the mother and her spouse's BU's income exceeds the LIFC 185% income screen, they are not eligible as LIFC and cannot be placed on a spenddown because they do not meet a medically needy covered group.

M0520.204 ACKNOWLEDGED FATHER IN HOUSEHOLD

A. Policy

An acknowledged father who lives in the household and is not married to the child(ren)'s mother is in a BU separate from the mother. Their child(ren)-in-common is NOT included in the BU with the father; the child(ren)-in-common is in a separate BU.

The mother's own children (who are not the acknowledged father's children) are included in a BU with the mother (unless the child(ren) has resources or income of his/her own).

B. *Forming Budget Units*

When an acknowledged father lives in the household and is not married to the child(ren)'s mother, place the child(ren) and *the acknowledged father* in separate BUs.

EXAMPLE #11: Household listed on application consists of mother, her boyfriend who is the acknowledged father of their 4-year old son, their 4-year old son and her 8-year old daughter. They all request Medicaid.

The family unit consists of:

- the mother,
- her 8-year old daughter,
- the acknowledged father, and
- their 4-year old son.

The family unit's gross income exceeds the income limits for the LIFC and MI child covered groups. Because there is an acknowledged father, BUs are formed:

BU #1 = mother, her 8-year old child
BU #2 = their 4-year old child
BU #3 = acknowledged father

M0520.300 DEEMING FROM SPOUSE

A. Policy

The spouse is included in the F&C spouse's budget unit UNLESS:

- the spouse is an SSI or IV-E recipient (do NOT deem any resources or income from an SSI or IV-E recipient spouse to the F&C spouse);

- the F&C spouse is a Medicaid minor parent and they are living with his/her parent(s);

- the F&C spouse's spouse is under age 21 and they are living with the spouse's parent(s).

B. SSI or IV-E Recipient Spouse

If eligibility is being determined in an F&C covered group that has a resource test, the income and resources owned **solely** by an SSI or IV-E recipient are not considered available to his/her spouse. The pro-rata share of resources owned **jointly** by the F&C spouse and his/her SSI or IV-E recipient spouse is counted available to the F&C spouse when they are living together.

When **not** living together, resources owned jointly with the SSI or IV-E recipient are available only if the SSI or IV-E recipient agrees to sell or liquidate the resource. If the SSI or IV-E recipient agrees, then only 1/2 of the resource's value is counted as available to the F&C spouse.

C. Married Medicaid Minor Living With Parents

Determine how much of the deemor spouse's resources *(F&C MN covered groups only) and income* to deem to the F&C spouse (Medicaid minor) using the following procedures:

1. Deem Resources

a. Determine Countable Resources

Determine the value of the deemor spouse's countable resources owned solely and jointly, according to policy in chapter M06.

b. Subtract Resource Deeming Standard

From the total of the deemor spouse's share of jointly held resources and resources held in his/her name only, subtract the $1,000 resource deeming standard.

c. Deem Remaining Resources

The remaining value, if any, is deemed available to the F&C spouse.

d. Deeming Does Not Reduce Resources

If any of the deemor spouse's resources that are over the resource limit are deemed, this does not make the spouse resource-eligible. Deeming resources does not reduce the deemor's countable resources.

2. Deem Income

To determine how much of the deemor spouse's income to deem to the F&C spouse, use the following procedures:

a. Determine Countable Income

Determine the deemor spouse's gross monthly countable unearned and earned income according to chapter M07.

b. Subtract Earned Income Exclusions

Subtract the applicable earned income exclusions listed in section M0720.500:

- Standard work exclusion of $90 (M0720.520), and
- Child/incapacitated adult care exclusion (M0720.540).

Do NOT subtract the $30 plus 1/3 or $30 earned income exclusions.

c. Subtract Deeming Standard

Subtract the deeming standard. The deeming standard is the F&C 100% income limit for the locality for

- the number of persons in the deemor spouse's BU, **plus**
- the number of deemor's child(ren) under age 21 in the household who are excluded from the Medicaid application (are not included in **any** Medicaid BU) and who are or can be claimed as dependents on the deemor's federal income tax return. If the deemor has not previously filed a return or states that he/she will claim a different number of dependents for the current year, use the number of dependents he/she intends to claim for the current year.

See M0710, Appendix 3, for the F&C 100% income limit.

NOTE: For the deeming calculation, a pregnant woman is only 1 person.

d. Subtract Support Payments Made

Subtract actual support paid to individuals NOT in the home, who are or could be claimed as dependents on the **deemor's** federal tax return.

Subtract actual alimony and/or child support payments made to individuals NOT in the home and not claimed as dependents on the **deemor**'s federal income tax return.

e. Deem Remainder

Deem the remaining balance to the eligible F&C spouse (plus the spouse's F&C child(ren), if any, who is not in the spouse's BU) as unearned income.

NOTE: Deeming income does not reduce the deemor's countable income *for his Medicaid eligibility determination*.

D. Example--Married Minor Living With Parents

EXAMPLE #12: (Using 1999 figures)
A Medicaid minor pregnant woman lives with her husband, their 1-year old child, his 14-year old child from a previous marriage, and her parents. They apply for everyone except her parents. They live in Group I. Her husband earns $3,200 monthly. She has no income. She and her husband own a joint savings account with a balance of $1,600. Her father earns $2,000 monthly; her mother has no income.

1. Family Unit

The Medicaid minor pregnant woman's family unit consists of herself, her unborn child, her husband, their 1-year old child, his 14-year old child, and her parents (a family unit of 7).

$3,200	husband's earnings
+2,000	PG woman's father's earnings
5,200	total earnings
- 180	2 standard work exclusions ($90 x 2 = 180)
5,020	countable income
- 2,789	MI pregnant woman income limit for 7 persons
2,231	excess

The family unit's countable income exceeds the MI pregnant woman income limit for 7 persons, so the pregnant woman is not eligible for Medicaid as MI at the family unit level.

2. Budget Units

Because there is a Medicaid minor parent and a stepparent in the household, the family unit is divided into BUs:

- BU #1 = the minor PG woman *and unborn child (2);*
- BU #2 = her spouse, their 1-year old child (2);
- BU #3 = her spouse's 14-year old child (1);
- BU #4 = her parents (2).

Due to excess income at the BU level, a MN eligibility determination is required. Portions of her spouse's resources *(for F&C MN only)* and income are deemed to her BU according to the spouse deeming procedures.

BU #1 spouse deeming calculations:

a. Resource Deeming

$ 800	husband's ½ of joint savings
-1,000	resource deeming standard
0	excess (no resources deemed to F&C spouse)

b. Income Deeming

$3,200	husband's earnings
- 90	standard work exclusion
3,110	countable income
- 229	deeming standard for deemor's BU (2 persons in Group I)
2,881	excess
÷ 2	PG woman (spouse) and 14-year-old child
$1,440.50	deemed to each

The parents' deemed resources and income to the pregnant woman's BU are calculated according to M0520.400 below. The parents' deemed income is added to the spouse's deemed income to determine the minor PG woman's income eligibility.

M0520.400 DEEMING FROM PARENT

A. Policy

A parent's resources (F&C MN only) and income are considered available (either counted in the unit or deemed) to a child under age 21 living with a parent. The parent's resources and income are deemed to the child when the child is in a separate BU from the parent, unless

- the parent is an SSI recipient or has a 1619b status,
- the parent receives IV-E foster care or adoption assistance,
- the child is living away from home per M0520.001 B.3, or
- the child is a foster care child placed in the home for a trial visit of *6* months or less.

***1.* Deeming Standard**

The deeming standard is the portion of the parent's countable resources or income that is not considered available to the child who is in a separate BU from the parent. The resource deeming standard is $1,000. The income deeming standard is the locality F&C 100% income limit for the deemor parent's BU plus any excluded children.

***2.* Single Parent or Parent and Stepparent with No Child in Common**

When each child in the home has only one parent in the home and the parent is in a separate BU, subtract the whole deeming standard from the parent's countable resources and income.

Note: A stepparent is not a "parent" for deeming purposes.

3. Both Parents In Same BU- Married With Child in Common

a. No Stepchildren

When both parents (at least one child in common) are in the same BU and there are no stepchildren, subtract the whole deeming standard from the parents' resources and income.

b. Stepchildren

When both parents (at least one child in common) are in the same BU and they have at least one child in common in the home who is included in the family unit, subtract one-half of the deeming standard for the parents' BU from deemor parent's resources and income.

When both parents are in the same BU and all their children-in-common are excluded from the family unit, subtract the whole deeming standard for the parents' BU from the deemor parent's resources and income.

4. Both Parents In Different BUs

When both parents (at least one child in common) are in separate BUs, subtract the whole deeming standard from the deemor parent's countable resources and income.

B. Deeming Resources (F&C MN Only)

To determine how much of the deemor parent’s resources to deem to the child, use the following procedures:

1. Determine Countable Resources

Determine the value of countable resources owned solely by the parent and the value of countable resources owned jointly with the parent’s spouse or another person, according to policy in chapter M06. All resources that are in the deemor parent’s name only plus the deemor's share of jointly held resources are counted.

2. Subtract Resource Deeming Standard

a. Single Parent or Parent and Stepparent with No Child in Common

Subtract the whole resource deeming standard of $1,000 from the deemor's total countable resources (those in the deemor’s name only plus the deemor's share of jointly held resources).

Separate deeming calculations for each deemor parent must be done to ensure stepparent resources are not deemed.

b. Both Parents In Same BU With Child in Common

1) Subtract the whole deeming standard of $1,000 from the parents' countable resources when there are children in common and no stepchildren in the home.

When both parents are deeming only to children in common, their resources are combined and only one deeming calculation is done.

2) Subtract one-half of the resource deeming standard ($500) from each deemor parent's countable resources, when there are children in common **and** stepchildren in the home, *and at least one child-in-common in the home is included in the family unit*.

Separate deeming calculations for each deemor parent must be done to ensure stepparent resources are not deemed.

c. Both Parents In Different BUs

When both parents are in the home but in different budget units, subtract the whole resource deeming standard of $1,000 from the deemor's total countable resources (those in the deemor's name only plus the deemor's share of jointly held resources).

Separate deeming calculations must be completed for each deemor parent.

3. Deem Resources Remainder

The remaining value, if any, is deemed available to the non-excluded F&C child(ren) who are not in the parent's BU. If the parent has more than one non-excluded child in the household who is not in the parent's BU, divide the remaining resource value by the number of non-excluded children who are not in the parent's BU.

NOTE: Deeming resources does not reduce countable resources for the deemor's eligibility determination.

4. Example--Resource Deeming From Parent

EXAMPLE #13: A woman lives with her husband, their 5-year old child, her 11- year old and 12-year old children from a previous marriage, and his 14-year old child from a previous marriage. They apply for everyone in the family. They live in Group I. Due to excess income, a medically needy eligibility determination must be done.

The family's resources consist of a savings account of $1,050 owned jointly by the woman and her spouse, one car owned by the husband with an equity value of $1,000 and a second car (owned jointly by the woman and her spouse) with an equity value of $50. Each child owns a U.S. savings bond valued at $100.

The Medicaid family unit is broken into budget units to determine resource eligibility.

- budget unit #1 = her husband's 14-year old child;
- budget unit #2 = their 5 year old child;
- budget unit #3 = her 11 year old child;
- budget unit #4 = her 12 year old child;
- budget unit #5 = the woman, her husband.

Each parent has a child who is not the child of his/her spouse; therefore, separate deeming calculations are used.

a. Mom's Resource Deeming Calculation

The mother's resources are deemed available to each of her children who are not in her BU (including her child-in-common with her husband):

$ 525	½ savings account
+ 25	her ½ equity in the second car (not excluded)
550	countable resources
- 500	½ resource deeming standard (parents in same BU, child in common)
50	deemable resources
÷ 3	number of her children not in her BU
$16.67	deemed to each of her children not in her BU

b. Dad's Resource Deeming Calculation

The Dad's resources are deemed available to each of his children who are not in his BU (including his child-in-common with his wife):

$ 525	½ savings account
+ 25	his ½ equity in the second car (not excluded)
550	countable resources
- 500	½ resource deeming standard (parents in same BU, child in common)
50	deemable resources
÷ 2	number of his children not in his BU
$ 25	deemed to each of his children not in his BU

c. Budget Units #3 and #4

$ 100.00	child's savings bond
+ 16.67	deemed from Mom
$ 116.67	child's countable resources

Each child has total resources of $116.67. Each child's resources are less than the MN resource limit; each is resource-eligible and is placed on an MN spenddown.

d. Budget Unit #1

$ 100.00	child's savings bond
+ 25.00	deemed from Dad
$ 125.00	child's countable resources

The child has total resources of $125. Dad's child's resources are less than the MN resource limit, so the child is resource-eligible and is placed on an MN spenddown.

e. Budget Unit #2

$100.00	child's savings bond
+ 16.67	deemed from Mom
+ 25.00	deemed from Dad
$141.67	child's countable resources

Their child's countable resources are less than the MN resource limit, so their child is resource-eligible and is placed on an MN spenddown.

C. Deeming Income

To determine how much of the deemor parent's income to deem to the F&C child(ren), use the following procedures:

1. Determine Countable Income

Determine the deemor parent's gross monthly countable unearned and earned income according to chapter M07.

2. Subtract Earned Income Exclusions

Subtract the applicable earned income exclusions listed in section M0720.500:

- standard work exclusion of $90 (M0720.520), and
- child/incapacitated adult care exclusion(M0720.540).

Do NOT subtract the $30 plus 1/3 or $30 earned income exclusions.

3. Subtract Income Deeming Standard

a. Single Parent or Parent and Stepparent with No Child in Common

Subtract the whole income deeming standard. The income deeming standard is the F&C 100% income limit for the locality (see M710, Appendix 3) for

- the number of persons in the deemor's BU, **plus**
- the number of children under age 21 in the household who are excluded from the Medicaid application (not included in **any** Medicaid assistance unit) and who are or can be claimed as dependents on the deemor's federal income tax return. If the deemor has not previously filed a tax return or states that he/she will claim a different number of dependents for the current year, use the number of dependents he/she intends to claim for the current year. Do not count children who receive SSI when determining the income deeming standard.

A deeming calculation must be done for each deemor parent.

NOTE: For the deeming calculation, a pregnant woman is only 1 person.

b. Both Parents In Same BU and Child-in-Common

1) Subtract the whole income deeming standard from the parents' income when there *is a* child(ren)-in-common and no stepchildren in the home.

When both parents are deeming only to child(ren)-in-common, only one deeming calculation is done.

2) Subtract one-half of the income deeming standard from the parent's countable income when there are children in common **and** stepchildren in the home, *and at least one child-in-common in the home was included in the family unit*.

Separate deeming calculations for each deemor parent must be done to ensure stepparent income is not deemed.

*3) When both parents are in the same BU and ALL their children-in-common are **excluded** from the family unit, subtract the whole income deeming standard for the parents' BU from the deemor parent's income.*

Separate deeming calculations for each deemor parent must be done to ensure stepparent income is not deemed.

c. Both Parents In Different BUs

Subtract the whole income deeming standard from the deemor parent's countable income.

Separate deeming calculations must be done for each deemor parent.

4. Subtract Support Payments Made

Subtract actual alimony and/or child support payments made to individuals not in the home, *regardless of whether or not the individuals are* claimed as dependents on the deemor's federal income tax return.

5. Deem Remainder

Deem the remaining income as unearned income to the non-excluded F&C child(ren) in the household who are not in the parent's BU. If the parent has more than one non-excluded F&C child in the household who is not in the parent's BU, divide the remaining income by the number of non-excluded children who are not in the parent's BU (plus the parent's minor spouse, if any, who is not in the parent's BU).

NOTE: Deeming income does not reduce the deemor's countable income for the deemor's eligibility determination.

6. Example—Income Deeming From Parent; Stepchildren In Home

EXAMPLE #14: (Using July 2002 figures)
An application is filed for a woman *who* lives with her husband, their 5-year-old child, her 11-year-old and 12-year-old children from a previous marriage, and his 14-year-old child from a previous marriage. They live in Group I. Her husband earns $2,200 monthly. She earns $800 monthly. Her children each receive $150 monthly child support. They have no resources. The Medicaid family unit's countable income exceeds the income limits for all appropriate covered groups.

The Medicaid family unit is broken into budget units because there are stepparents in the home and some of the children have their own income.

- budget unit #1 = Dad's 14-year old child
- budget unit #2 = Mom's 11-year old child
- budget unit #3 = Mom's 12-year old child
- budget unit #4 = Mom, Dad, and their child

Each parent has a child who is not the child of his/her spouse; therefore, separate deeming calculations are used.

a. **Mom's Income Deeming Calculation**

Mom's countable income is deemed to each of her children who are not in her BU.

$ 800.00	Mom's earnings
- 90.00	standard work exclusion
710.00	countable income
- 156.63	½ deeming standard for 3 in Group I ($313.25)
553.37	deemable income
÷ 2	number of her children not in her BU
$ 276.69	deemed to each child

b. Dad's Income Deeming Calculation

Dad's countable income is deemed to his child.

$2,200.00	Dad's earnings
- 90.00	standard work exclusion
2,110.00	countable income
- 156.63	½ deeming standard for 3 in Group I ($313.25)
$1,953.37	deemable income

c. **BU #1**

$1,953.37 countable income (deemed from Dad) exceeds MI child limit for BU of 1 and child is placed on a MN spenddown.

d. **BUs #2 and #3**

$ 276.69	deemed unearned income from Mom
+ 150.00	child's own income
- 50.00	child support disregard
376.69	countable income is within MI child limit for both BUs of 1

e. **BU #4**

$2,200	husband's earnings
+ 800	woman's earnings
- 180	standard work exclusions ($90 x 2 = 180)
2,820	countable earned income exceeds LIFC income limit

7. Example—Income Deeming From Parent; All Children-in-Common Excluded

EXAMPLE #14a: (Using July 2005 figures)

A woman lives with her husband, their 5-year old child, her 11-year old and 12 year-old children from a previous marriage, and his 14-year old child from a previous marriage. They exclude their child, and apply for themselves and the other 3 children. They live in Group III. Her husband earns $2,200 monthly. She earns $800 monthly. Her children each receive $150 monthly child support. They have no resources. The Medicaid family unit's countable income exceeds the income limits for all appropriate covered groups.

The Medicaid family unit is broken into budget units because there are stepparents in the home and Mom's two children have their own income.

- *budget unit #1 = Dad's 14-year old child*
- *budget unit #2 = Mom's 11-year old child*
- *budget unit #3 = Mom's 12-year old child*
- *budget unit #4 = Mom and Dad*

Their excluded child is not included in the parents' BU, but is counted when determining the deeming standard. Each parent has a child who is not the child of his/her spouse; therefore, separate deeming calculations are used.

a. Mom's Income Deeming Calculation

Mom's countable income is deemed to each of her children who are not in her BU.

$ 800.00	*Mom's earnings*
- 90.00	*standard work exclusion*
710.00	*countable income*
- 437.58	*whole deeming standard for 3 in Group III*
272.42	*deemable income*
÷ 2	*number of her children not in her BU*
$136.21	*deemed to each child*

b. Dad's Income Deeming Calculation

Dad's countable income is deemed to his child.

$2,200.00	*Dad's earnings*
- 90.00	*standard work exclusion*
2,110.00	*countable income*
- 437.58	*whole deeming standard for 3 in Group III*
$1,672.42	*deemable income*

c. BU #1

$1,672.42 countable income (deemed from Dad) exceeds MI child limit for BU of 1 and child is placed on a MN spenddown.

d. BUs #2 and #3

$ 136.21 deemed income from Mom
+ 150.00 child's own income
- 50.00 child support disregard
236.21 countable income is within MI 133% FPL limit for1 person

Mom's children are eligible for Medicaid as MI children under age 19.

e. BU #4

$2,200 Dad's earnings
+ 800 Mom's earnings
- 180 standard work exclusions ($90 x 2 = 180)
2,820 countable income exceeds LIFC income limit for 2

Mom and Dad are not eligible for Medicaid because their income exceeds the LIFC income limit and they do not meet any other covered group.

M0520.500 CHANGES IN STATUS

A. Policy

When the household composition changes, or the circumstances of the household members change, the F&C family and budget unit may change, and the requirements to deem a spouse's or parent's resources *(F&C MN only)* and income may change.

B. Procedure

See M0520.501 for Family/Budget Unit Changes.
See M0520.502 for Deeming Changes.

M0520.501 FAMILY/BUDGET UNIT CHANGES

A. Introduction

Some changes in the household composition which require changes in the family unit or budget units are listed and described in this section.

B. Spouses Separate or Divorce

If a married F&C individual and his/her spouse separate or divorce and no longer live together, the spouse is not included in the F&C individual's family or budget unit beginning the month after the month in which the separation or the divorce occurred. If a married F&C individual and his/her spouse divorce but they remain living in the same household, the divorced father is considered an acknowledged father beginning the month after the month in which the divorce occurred.

C. Individual Begins Living With A Spouse

For applicants, if an F&C individual or deemor begins living with a spouse, the spouse is included in the family or budget unit beginning with the month in which they begin living together.

For recipients, if an F&C individual or deemor begins living with a spouse, the spouse is included in the family or budget unit beginning with the month after the month they begin living together.

D. Parent and Child Begin Living in Same Household

For applicants, if an F&C child begins living with a parent in the same household (e.g., a child comes from aunt's home to live in mother's home), the child and parent are included in the family unit for purposes of determining eligibility beginning the month in which they begin living together.

For recipients, if an F&C child begins living with a parent in the same household (e.g., a child comes from aunt's home to live in mother's home), the child and parent are included in the family unit for purposes of determining eligibility beginning the month **after** the month they begin living together.

NOTE: A newborn child is considered living with the parent(s) as of the date the child is born, unless the child is entrusted into foster care on that date.

E. Spouse or Parent Dies

If a spouse or parent dies, the spouse or parent is deleted from the family or budget unit effective with the month following the month of death.

F. Individual Becomes Institutionalized

If an F&C individual becomes institutionalized, either in a medical facility or in Medicaid CBC waiver services, the individual is a separate family unit effective with the first month in which the individual is institutionalized.

G. Individual Leaves Home

If an F&C individual leaves the household, the individual is deleted from the family or budget unit beginning with the month following the month in which he left the household.

NOTE: If a spouse, parent or child was temporarily absent from the household, this rule applies effective with the month after the month the spouse's, parent's or child's absence is no longer considered temporary.

H. Child Attains Age 21

Effective the month following the month in which a child attains age 21, the child is removed from the family or budget unit. An individual attains age 21 on the day preceding the anniversary of his/her birth.

M0520.502 DEEMING CHANGES

A. Introduction

Some changes in the circumstances of the household members which require changes in the deeming procedures are listed and described in this section.

B. Spouses Separate or Divorce

If a married F&C individual and his/her spouse separate or divorce and no longer live together, or their marriage ends in divorce but they remain living in the same household, the spouse's resources *(F&C MN only)* and income are not deemed to the F&C spouse's family or budget unit beginning the month after the month in which the separation or the divorce occurred. The divorced father who lives in the household with his child(ren) and ex-wife is treated like an acknowledged father.

NOTE: If an application is filed in the month of separation or divorce, deeming applies that month even if the application is filed on or after the date of separation or divorce.

C. Individual Begins Living With A Spouse

If an F&C individual begins living with a spouse, deeming of the spouse's resources *(F&C MN only)* and income to the F&C spouse's BU begins effective with the month after the month they begin living together.

D. Spouse Or Parent Dies

If a spouse or parent dies, deeming stops for purposes of determining eligibility effective with the month following the month of death. If the child lives with two parents and one dies, deeming continues from the surviving parent to determine eligibility.

E. Individual Becomes Institutionalized

If an F&C individual becomes institutionalized, either in a medical facility or in Medicaid CBC waiver services, deeming stops for purposes of determining eligibility effective with the first month in which the individual is institutionalized.

F. Individual Leaves Home

If a spouse, parent or child no longer live in the same household, deeming of that spouse's or parent's resources *(F&C MN only)* and income stops effective the month after the month the spouse, parent or child leaves the household for purposes of determining eligibility, except for a foster care child. When a child is removed from the home and placed in foster care, the child becomes an FU of 1 person effective the date of commitment or entrustment or non-custodial foster care agreement. The child is deleted from the family's FU effective the end of the month during which the child was placed in foster care.

NOTE: If a spouse, parent or child was temporarily absent from the household, this rule applies effective with the month after the month the spouse's, parent's or child's absence is no longer considered temporary.

G. Parent and Child Begin Living in Same Household

If an F&C child begins living with a parent in the same household (e.g., a newborn child comes home from a hospital), the parent's income is deemed to the child's BU for purposes of determining eligibility beginning the month after the month they begin living together.

H. Child Attains Age 21

Deeming stops effective the month following the month in which a child attains age 21. An individual attains age 21 on the day preceding the anniversary of his/her birth. Eligibility is determined using only the individual's own income after the child attains age 21. The individual's income for the current month and subsequent months must include any income in the form of cash provided by the parents.

M0520.600 PREGNANT WOMAN BUDGET UNIT

A. Policy

A pregnant woman's family or budget unit always consists of at least 2 persons--herself and the unborn child, or children when it is medically verified that there is more than one fetus.

The other members of the household who are included in the pregnant woman's family or budget unit depend on whether the pregnant woman is under age 21 years, is married and is living with her parent(s) or spouse.

B. Budget Unit

The BU includes her spouse who lives with her unless the spouse receives SSI, or she and/or her spouse are Medicaid minors living with her or his parent(s).

The BU also includes her child(ren) under age 21 living in the home unless:

- the child(ren) has his or her (their) own income (child is separate BU);
- she specifically excludes the child(ren);
- the child(ren)'s acknowledged father is living in the home and is not married to the pregnant woman;
- she is a Medicaid minor and lives with her parent(s);
- she is a married Medicaid minor and lives with her spouse and parent(s); or
- she is married and living with her spouse who is not the father of the child(ren). If she is married, living with her spouse who is not the father of her child(ren), and she does not exclude her child(ren) under

age 21 living in the home, the child(ren) is a separate BU and the pregnant woman's own income and resources deemed available to the child.

M0520.601 UNMARRIED PG WOMAN OVER AGE 21 BUDGET UNIT

A. Policy

An unmarried pregnant woman's family or budget unit always consists of at least 2 persons--herself and the unborn child, or children when it is medically verified that there is more than one fetus. It includes her minor child(ren) under age 21 who live with her unless

- the child has his/her own resource *(F&C MN only)* or income,
- the child's acknowledged father lives in the home, or
- she excludes the child.

B. Example--Unmarried PG Woman Over Age 21

EXAMPLE #15: ***(Using 2/15/00 figures)*** Group II locality. An unmarried pregnant woman age 25 applies for Medicaid for herself and her 10-year old child. She lives with her parents, her 20 year old brother and her 10-year old child. They have no resources. She earns $1,200 per month and her 10-year old child receives $200 monthly child support from his father. Her family unit consists of herself *(pregnant woman counts as two persons for her eligibility)* and her 10-year old, 3 persons. *The 10-year child's family unit consists of the 10-year old and his mother, 2 persons.*

$1,200	PG woman's earnings
- 90	standard work exclusion
1,110	countable earnings

$ 200	monthly child support
- 50	support disregard
150	countable unearned
+1,110	countable earned
1,260	countable monthly income

The pregnant woman's family unit's income is less than the MI pregnant woman's income limit so she is eligible as an MI pregnant woman.

M0520.602 MARRIED PG WOMAN BUDGET UNIT

A. Policy

A married pregnant woman's BU includes her spouse with whom she lives, unless

- she is under age 21 and they live with her parent(s),
- her spouse is under age 21 and they live with his parent(s),
- she has a minor child(ren) living in the household who is not her spouse's child, or
- her spouse has a minor child(ren) living in the household who is not the PG woman's child.

1. PG Woman Is Medicaid Minor Living With Her Parents

When the married PG woman is a Medicaid minor (under age 21 years old) and they live with her parent(s), the BU consists of the Medicaid minor pregnant woman and her unborn child (or children if medically verified). Her spouse and their child(ren) are in a separate BU.

2. PG Woman's Spouse Is Medicaid Minor Living With Spouse's Parents

When the married PG woman's spouse is a Medicaid minor and they live with her spouse's parent(s), the BU consists of the pregnant woman, the unborn child(ren) and their child(ren)-in-common, if any. Her Medicaid minor spouse is in a separate BU and her spouse's parents are in a separate BU.

3. PG Woman And/Or Spouse Have Other Children

When the married PG woman and/or her spouse are age 21 or older, or are under age 21 but do not live with either's parent(s), and have other children in the household who are not their children-in-common, the BU consists of the pregnant woman, her unborn child(ren) and her spouse. Her child(ren) is in a separate BU and his child(ren) is in a separate BU.

B. Example—Married PG Woman Over Age 21, Other Children In Household

EXAMPLE #16: A Medicaid application is filed for a pregnant woman and everyone in her family. She lives with her husband who is not aged, blind, or disabled, her 10-year old child by a former marriage, and his 15-year old child from a former marriage. They have no resources. The family unit's income exceeds the MI pregnant woman income limit for 5 persons, the MI child income limit for 4 persons, and the LIFC 185% standard of need for 4 persons, so BUs are formed because there is a stepparent in the household. Three BUs exist:

- BU #1 = the pregnant woman, her unborn child, and her
- husband (3);
- BU #2 = her husband's 15-year old child (1);
- BU #3 = her 10-year old child (1).

C. Example—Married PG Woman Under Age 21, Living With Spouse's Parents

EXAMPLE #17: *A Medicaid application is filed for a minor pregnant* woman age 19 and everyone in her family. She lives with her husband who is age 19, her 2-year old child by a former relationship, and his parents (6 persons). They have no resources. The *pregnant woman's* family unit's income exceeds the *MI pregnant woman* income limit for 6 persons, so budget units are formed because there are a stepparent and a minor spouse in the household. *Four* budget units exist:

- #1 = the pregnant woman and her unborn child (2);
- #2 = her 2-year old child (1);
- #3 = her husband (1);
- #4 = his parents (2).

M0520.603 UNMARRIED MINOR PG WOMAN BUDGET UNIT

A. Policy

When the Medicaid minor (under age 21 years old) pregnant woman is not married, the budget unit consists of the Medicaid minor pregnant woman and her unborn child (or children if medically verified) and the minor pregnant woman's child(ren) who live with her, unless

- she lives with her parent(s), or
- her child(ren) has resources or income of his/her own.

If the unmarried Medicaid minor pregnant woman lives with her parent(s), the budget unit consists of the Medicaid minor pregnant woman and her unborn child (or children if medically verified) and the Medicaid minor pregnant woman's parent(s). Her child(ren) are in a separate budget unit.

1. Her Stepparent In Household

If the Medicaid minor pregnant woman's parent is married and the spouse lives in the household, the Medicaid minor pregnant woman's parent is NOT included in the budget unit with her. A portion of her parent's own resources and income is deemed to the Medicaid minor pregnant woman.

2. Siblings In Household

If the Medicaid minor pregnant woman has a minor (under age 21) sibling(s) in the household who is listed on the application form, that sibling is included in *the* unit with her parent(s) unless

- the sibling(s) has his/her own resources or income, or
- a stepparent or acknowledged father lives in the home.

If the sibling(s) has resources or income, the parent(s) must be advised of the opportunity to exclude that sibling from the family unit.

3. Medicaid Minor PG Woman Is Also Medicaid Minor Caretaker

If the Medicaid minor pregnant woman lives with her parents and also has a child(ren) of her own living with her for whom Medicaid is requested, she is also a Medicaid minor caretaker. Her child(ren) is in a separate budget unit. The pregnant woman is in a separate budget unit with her parent(s) and minor siblings who live at home, if the Medicaid minor PG woman and her siblings have no income or resources of their own. If the

Medicaid minor PG woman has resources or income of her own, she is in a separate BU and a portion of the pregnant woman's own income and resources is deemed available to her child(ren).

B. Example—Unmarried Medicaid Minor PG Woman

EXAMPLE #18: A Medicaid minor pregnant woman lives with her 2-year old child, her parents, and her 16 year old brother. *A Medicaid application is filed for the* Medicaid minor PG woman and the PG woman's child. The *pregnant woman's* family unit consists of the Medicaid minor pregnant woman, her unborn child, her 2 year old child, her parents and her brother. They have no resources. She has income from part-time work. Her parents earn $2,100 monthly. *Her* family unit's income exceeds the MI *pregnant woman* income limit for 6 persons, so the family unit is broken into budget units because the Medicaid minor PG woman has her own income and she is a minor parent living with her parents. Three budget units exist:

- budget unit #1 = the Medicaid minor PG woman (2);
- budget unit #2 = her 2 year old child (1);
- budget unit #3 = the parents, her 16 year-old brother (3).

M0520.700 INDIVIDUAL UNDER AGE 21 FAMILY UNIT

A. Policy

The family unit of an individual who meets the covered group of "individuals under age 21 who are in foster care, adoption assistance or in ICF/ICF-MR care" is determined using the family unit rules in M0520.100 above when the individual lives with a parent or spouse. If the individual does not live with a parent or spouse, the individual is in a family unit by himself.

If the individual under age 21 is living away from home, see M0520.001 B.3. to determine if the individual is considered living with his/her parents.

B. Procedure

The following sections contain the policy and procedures to use when determining the family/budget unit of an individual under age 21:

- M0520.701 Foster Care Child Family Unit;
- M0520.702 Non IV-E Adoption Assistance Family Unit;
- M0520.703 Special Medical Needs Adoption Assistance Child
- M0520.704 Child In ICF or ICF-MR.

M0520.701 FOSTER CARE CHILD FAMILY UNIT

A. Policy

A foster care child who is not living with his/her parents is a family unit of one person. A child in foster care who is not living with his or her parent(s) is evaluated as a separate family unit, even if the child is living with his or her own siblings in foster care. When a child is removed from his/her home and placed in foster care, the child becomes a family unit of 1 person effective the date of the commitment or entrustment to, or non-custodial agreement with the agency.

1. Child Living With Parents

If the foster child is living with his or her parents and/or siblings NOT on a trial visit basis, the foster care child is included in the family unit with his/her parents and siblings.

If the child's family unit has resources (F&C MN only) or income which exceeds the limit for the child's covered group, determine if the family unit can be broken into BUs. The foster care child is included in a BU with his/her parents UNLESS:

- the child has his/her own resources (F&C MN only);
- the child has his/her own income;
- the child's stepparent is in the family unit;
- the child's parent with whom he/she lives is a minor (under age 21) and they live with the minor parent's parent(s);

- the child(ren)'s acknowledged father lives in the household and is not married to the child(ren)'s mother.

2. Child Placed In Own Home For Trial Visit

A foster care child who is placed in the home with his/her parents and siblings **for a trial visit** is a separate family unit of 1 person. The parent(s)' resources and income are NOT deemed available to the foster care child. Verify the trial visit with the agency's Child Welfare Services staff.

The trial visit is no longer than *6* months for this section's purposes. A child will continue to be a single person BU during a trial visit and only the child's income and resources will be counted in determining the child's Medicaid eligibility.

3. Foster Care Payment Is Excluded

The foster care payment is excluded when determining the family unit's financial eligibility.

B. Examples

1. Trial Visit

EXAMPLE #19: The agency services staff places the foster care child, age 10, with his family for a trial visit. The child does not receive a foster care payment from the agency. The household consists of the foster care child, his mother and father, his 13-year old sister, and his 22-year old brother. The household consists of 2 family units:

- family unit #1 = foster care child (1);
- family unit #2 = foster care child's parents, 13-year old sister (3).

2. Home Placement, Not Trial Visit

EXAMPLE #20: The agency services staff places the foster care child, age 10, with his family. This is NOT a trial visit, but the agency retains custody of the child. The child does not receive a foster care payment from the agency. The household consists of the foster care child, his mother and father, his 13-year old sister, and his 22-year old brother. The household consists of one family unit: the foster care child, his parents and his 13-year old sister (4).

M0520.702 NON IV-E ADOPTION ASSISTANCE CHILD FAMILY UNIT

A. Policy

A non IV-E adoption assistance child who is not living with his/her parents is a family unit of one person.

1. Child Living With Parent(s)

A non IV-E adoption assistance child who is living with his or her parent(s) is evaluated as a separate family unit from placement until the interlocutory or final order of adoption, whichever comes first. The adoptive parents' resources and income are NOT deemed available to the adoption

assistance child until the interlocutory or final order of adoption, whichever comes first, is entered.

After the interlocutory or final order of adoption, whichever comes first, a non IV-E adoption assistance child who is living with his or her parent(s) is included in a the family unit with his/her parent(s). If the family unit has resources *(F&C MN only)* or income which exceeds the limit for the child's covered group, determine if the family unit can be broken into BUs. The non IV-E adoption assistance child is included in a BU with his/her parents UNLESS:

- the child has his/her own resources *(F&C MN only)*;
- the child has his/her own income;
- the child's stepparent is in the family unit.

2. Exclude Adoption Subsidy Payment

The adoption subsidy payment is excluded when determining the unit's financial eligibility.

B. Example –Child Placed With Adoptive Parents

EXAMPLE #21: Mary B. is a 19-year old *non IV-E foster care child* who is in the custody of the local social services agency. On August 5, 1997, she is placed with Mr. and Mrs. G who plan to adopt her. The adoption assistance agreement was signed on August 5, 1997. There is no interlocutory order and the final order will not be signed until February 1998. Mr. and Mrs. G have two children, Tom who is age 17 and Jane who is age 15. Mary receives $575 per month SSA benefits from her deceased father's work record. Mr. G earns $3,000 per month gross earnings. Mrs. G has no income of her own. Mary's continued Medicaid eligibility is determined:

Mary's family unit consists of Mary by herself because she does not live with any responsible relative. The final order of adoption will not be signed until February 1998. Beginning with the month following the month in which the final adoption order is signed. Mary will be in a family unit with her adoptive parents and siblings.

C. Example—Child Living With Adoptive Parents

EXAMPLE #22: John is a 20-year old *non IV-E adoption assistance child* who is in the custody of the local social services agency until August 5, 1997, when the final order of adoption was signed by the judge. His adoptive parents are Mr. and Mrs. T. The adoption assistance agreement was signed on September 15, 1996. Mr. and Mrs. T have two other children, George who is age 17 and Julie who is age 15. John receives $250 per month adoption subsidy. Mr. T earns $3,000 per month gross earnings. Mrs. T has no income of her own. John's continued Medicaid eligibility for September 1997 and subsequent months is determined:

John's family unit consists of himself, his adoptive parents and his two siblings, a family unit of 5 persons.

M0520.703 SPECIAL MEDICAL NEEDS ADOPTION ASSISTANCE CHILD FAMILY UNIT

A. Policy

A non IV-E special medical needs adoption assistance child who is living with his or her parent(s) is evaluated as a separate family unit. **The adoptive parents' income is NOT deemed available to the special medical needs adoption assistance child at any time.**

B. Exclude Adoption Subsidy Payment

The adoption subsidy payment is excluded when determining the child's financial eligibility.

M0520.704 CHILD IN ICF OR ICF-MR FAMILY UNIT

A. Policy

When an individual under age 21 is in an intermediate care facility (ICF) (nursing facility) or ICF-MR (intermediate care facility for the mentally retarded) for 30 consecutive days or more, the child is institutionalized and is considered separated from his/her parents.

Child in medical institutions (facilities) are temporarily absent from home if their stay in the medical facility is less than 30 consecutive days. If the stay has been, or is expected to be, 30 or more consecutive days, go to section M1410.010 to determine if the child is institutionalized in long- term care. A child who is institutionalized in a medical facility or Medicaid waiver services is NOT considered living with his or her parents for Medicaid eligibility purposes.

The child is a family unit of one person, regardless of the child's covered group. The parents' resources and income are **not** deemed available to the child. If the parents give the child any money, that money is counted as income according to the F&C income rules in chapter M07.

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF SOCIAL SERVICES
MEDICAID PROGRAM

MEDICAID F&C RESOURCE/INCOME DEEMING WORKSHEET

CASE NAME: _____ CASE NUMBER: _____

DEEMOR'S NAME: _____ DATE: _____

RESOURCE DEEMING

Reminders:

Deem resources when evaluating LIFC or MN eligibility. Count only the pro-rata share when appropriate.

Deemor's Countable Resources:

Cash	$_____
Checking Account(s)	_____
Savings Account(s)	_____
Other Liquid Resources	_____
Vehicles - excess value (1 is totally excluded in MN)	_____
Real Property	_____
Other Non-Liquid Resources	_____
TOTAL COUNTABLE RESOURCES =	$_____

Minus Resource Deeming Standard -

___ $1,000 or

___ $500 (Use when parents are in the same BU and have a child in common, and at least one parent is deeming to a child who is not the spouse's child.)

DEEMABLE RESOURCES $_____

INCOME DEEMING

Step 1

Deemor's Gross Earned Income (Parent 1 or Applicant's Spouse)	$ _____	(1)
Minus Standard Work Exclusion	90.00	(2)
Sub-total	_____	(3)
Minus Other Exclusions	_____	4)
Sub-total	_____	5)
Add Unearned Income	_____	6)
Countable Income (Parent 1 or Applicant's Spouse)	$ _____	(7)
Deemor's Gross Earned Income (Parent 2)	$ _____	(8)
Minus Standard Work Exclusion	90.00	(9)
Sub-total	_____	(10)
Minus Other Exclusions	_____	(11)
Sub-total	$ _____	(12)
Add Unearned Income	_____	(13)
Parent 2 Countable Income	_____	(14)
TOTAL COUNTABLE INCOME (Line 7 + Line 14)	_____	(15)

Step 2

Determine the Income Deeming Standard. The deeming standard is the F&C 100% Monthly Income Limit for the number of persons in the deemor's BU plus the number of deemor's excluded children in the home who are or could be claimed as tax dependents on the deemor's federal tax income return. Total # of people .

_____Whole income deeming standard, or

_____One-half income deeming standard (Use when parents are in the same BU and have a child in common, and at least one parent is deeming to a child who is not the spouse's child.)

Income Deeming Standard _____(16)

Step 3

Total Countable Income (line 15)	$ _____	(17)
Minus Income Deeming Standard (line 16)	_____	(18)
Minus alimony/support paid by the deemor(s) to individuals not in the home	_____	(19)
DEEMABLE INCOME	$ _____	(20)

DETERMINING AMOUNT OF RESOURCES AND INCOME DEEMED TO EACH PERSON

Divide the DEEMABLE RESOURCES and DEEMABLE INCOME amounts by the **number of persons** for whom the parent is legally responsible who are **in BU's outside** the parent(s) BU.

DEEMABLE RESOURCES $_____divided by _____ = $_____Resources deemed to each person

DEEMABLE INCOME $_____divided by _____ = $_____Income deemed to each person

032-03-813

CHAPTER M05
MEDICAID ASSISTANCE UNIT
SUBCHAPTER 30

M0530 Changes

Changed With	Effective Date	Pages Changed
TN #DMAS-2	10/1/16	Pages 23, 24
TN #DMAS-1	6/1/16	Appendix 1, page 1
TN #100	5/1/15	Pages 14, 16, 29, 30 Appendix 1, page 1
TN #99	1/1/14	Appendix 1, page 1
UP #9	4/1/13	Appendix 1, page 1
UP #6	4/1/12	Appendix 1, page 1
Update (UP) #5	7/1/11	Page 14
TN #95	3/1/11	Page 1 Appendix 1, page 1
TN #93	1/1/10	Pages 11, 19 Appendix 1, page 1

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M0530.000 ABD ASSISTANCE UNIT

M0530.001 OVERVIEW

A. Introduction

This subchapter contains the policy and procedures for determining the assistance unit for a non institutionalized individual who meets an aged, blind or disabled (ABD) covered group. Do not use this subchapter for an institutionalized individual; use subchapter M1460 to determine an institutionalized individual's financial eligibility.

The number of persons in the assistance unit and the individual's covered group determine which resource and income limits apply. The deeming policy and procedures in this subchapter explain how to determine how much of a legally responsible relative's resources and income is deemed to the ABD individual.

Appendix 1 to this chapter lists the deeming allocations used when deeming income of a legally responsible relative.

B. Assistance Unit Composition

When determining composition of the ABD assistance unit, identify the individual who applies for Medicaid, who meets the aged, blind or disabled definition in M0510 and who meets an ABD covered group's requirements.

1. Responsible Relatives

a. Spouse

The unit must include the individual's spouse with whom the individual lives when the spouse applies for Medicaid and meets the aged, blind or disabled definition in M0510, regardless of whether the spouse receives an SSI or IV-E foster care/adoption subsidy payment.

b. Parent of Blind/Disabled Child Under Age 21

The parent(s) with whom the blind or disabled child under age 21 lives is legally responsible to support the child. However, the parent is not included in the child's assistance unit. The parent's resources and income are deemed available to the child.

2. SSI Recipients

The policy in this subchapter applies when determining the **resource** eligibility of individual SSI recipients or of couples when both spouses receive SSI and one or both owns an interest in real property contiguous to the home or undivided interest in heir property, or a former residence.

If the SSI recipient is ineligible for Medicaid in the SSI Medicaid covered group due to excess resources, first determine the individual's eligibility in an F&C covered group, if possible, using the F&C assistance unit and financial eligibility rules. If the individual is not eligible in one of the F&C covered groups, then determine his eligibility as an ABD individual.

This subchapter does **not** apply to the **income eligibility** determination of an SSI recipient because an SSI recipient meets the Medicaid income eligibility requirements just by the fact that he/she receives an SSI payment.

3. Living With Family and Children

If the ABD individual lives with his/her spouse and/or dependent child(ren) who request Medicaid in a families and children covered group, the policy in this subchapter applies only to the ABD individual. Use the assistance unit policy in M0520 and the financial requirements in chapters M06 and M07 for the family members who meet an F&C covered group.

4. Living Arrangement

An ABD individual's, couple's or child's living arrangement on the first day of the month is used to determine the individual's status for the entire month. If they are living together (or child is living with parent) on the first of the month, they are living together for the entire month except when separation due to institutionalization occurs within the month. If they are living apart on the first of the month, they are considered separated for the entire month.

When an individual is admitted to an Adult Care residence (ACR) or other residential facility, he is considered separated and living apart from his spouse (or parent if the individual is under age 21) as of the first of the month following the admission month.

5. Institutionalization

When an individual is institutionalized in a medical facility, he is considered separated and living apart from his spouse (or parent if the individual is under age 21) as of the first day of the month in which he is admitted to a nursing facility or to Medicaid-approved community-based care waiver services. He is considered separated as of the first of the month during which he has been hospitalized in an acute care or rehabilitation hospital for 30 consecutive days.

If an individual is institutionalized, do not use this subchapter. Use the policy and procedures in chapter M14 to determine an institutionalized individual's eligibility.

6. Deeming From Married Parent

When determining how much of the child's parent's income is deemed available to the child's unit, any income of the parent's spouse who is not the child's parent is not counted.

C. Pregnant Blind or Disabled Woman

If the blind or disabled individual also meets the pregnant woman definition, first determine the woman's eligibility in the MI Pregnant Woman covered group using the F&C assistance unit and financial eligibility rules. If she is not eligible as an MI pregnant woman, then determine her eligibility as an ABD individual.

D. Spenddown Expenses

If an ABD assistance unit is ineligible because of excess income, the assistance unit's member(s)'s medical expenses will count toward the spenddown. If an individual in the unit is legally liable for another person in the household who is not in the assistance unit, the other person's medical bills can count toward the unit's spenddown. If the ABD individual's spouse's or parent's income is deemed to the individual, the spouse's or parent's medical expenses are also deducted from the ABD individual's spenddown.

A medical expense can only be used once to meet only one unit's spenddown. A child's medical expenses are first deducted from the child's unit. If the child's unit spenddown is not met, the child's medical expenses

can be deducted from the parent's spenddown. If the child's unit's spenddown is met, then the child's medical expenses that were not used to meet the child's spenddown can be deducted from the parent's spenddown, if the medical expenses are not covered by Medicaid or other health insurance.

M0530.002 DEFINITIONS

A. Introduction

This section contains the definitions of terms used in this subchapter that are applicable to ABD individuals' assistance units and financial eligibility determinations.

B. Child

For ABD assistance unit composition purposes, a child is someone who is not married, is not the head of a household, and is either under age 18 or is under age 22 and a student. For ABD **deeming** purposes, a child is an individual under age 21.

1. Blind/Disabled (BD) Child For Deeming Purposes

A blind/disabled (BD) child who is subject to deeming is a natural or adopted child under age 21, who lives in a household with one or both parents and who meets the blind or disabled definition in M0510. Deeming to the BD child no longer applies beginning the month following the month the child attains age 21. An individual attains a particular age on the day preceding the anniversary of his/her birth. Deeming applies in the month of attainment of age 21 regardless of whether an application is filed before or after the day of attainment.

For purposes of ABD deeming, a blind or disabled (BD) child who does NOT apply for Medicaid is still a BD child for deeming purposes and NO allocation is deducted for a BD child when calculating the NABD spouse's or parent's deemable income.

2. Non Blind/Disabled (NBD) Child For Deeming Purposes

A non blind/disabled (NBD) child, for deeming purposes, means the natural or adopted child of an Medicaid-eligible individual or the individual's spouse, or the natural or adopted child of a parent or the parent's spouse, who

- lives in the same household with the ABD individual or BD child,
- is **not** blind or disabled, and
- is under age 18, or under age **21** and a **student** regularly attending a school, college, or university, or a course of vocational training to prepare him for gainful employment.

3. NBD Child Documentation Requirements

If the parent does not provide the following documentation for an NBD child in the household, do NOT deduct an NBD child allocation for that NBD child from the parent=s income when calculating deemable income:

a. Age

Accept the allegation of an NBD child's age, absent evidence to the contrary.

b. Relationship

Accept an individual's statement that a parent-child relationship exists in both initial application and redeterminations. If there is reason to question the allegation, verify relationship.

c. School Attendance

If an NBD child is alleged to have no earnings, accept the allegation of student status. If an NBD child under age 21 alleges student status and earnings, verify school attendance and document the file according to the instructions in M0530.002, item I, below. Do not redetermine student status unless a change in school attendance is alleged.

C. Parent

For ABD deeming procedures, "parent" means the BD child's natural or adoptive parent who lives with the BD child. Deeming applies from a parent to a child when they live together in the same household.

A stepparent is not considered a parent for ABD deeming purposes. Even if a natural or adoptive parent is deceased or is divorced from the stepparent, and the child is living with the stepparent, the stepparent is **not** a parent of the BD child for deeming purposes.

D. Aged, Blind or Disabled (ABD) Spouse

For ABD deeming procedures, "ABD spouse" means the ABD individual's spouse who meets the aged, blind or disabled definition in M0510, and who applies for Medicaid.

E. Non Aged, Blind or Disabled (NABD) Spouse

For ABD deeming procedures, "NABD spouse" means the ABD individual=s spouse who

- does not meet the aged, blind or disabled definition in M0510, or
- who does not apply for Medicaid.

Deeming applies from a spouse to a spouse when they live together in the same household.

F. Allocation

An allocation is an amount deducted from income subject to deeming which is considered to be set aside for the support of certain individuals other than the ABD individual or BD child. The types and amounts of these allocations are described in this subchapter. Changes in allocations (e.g., due to birth or death, entering or leaving a household, no longer meeting the definition of a child) are effective with the month following the month of change.

1. NBD Child Allocation

An allocation from an Parent's or spouse's income is given for each NBD child living in the same household. The amount of the allocation is equal to the difference between the SSI payment limit for two persons and the SSI payment limit for one person.

The allocation amount increases automatically whenever the SSI payment limit increases. *See Appendix 1 to this subchapter for current amount.*

The allocation for an NBD newborn child is effective the month following the month of birth. An NBD child allocation is given for a child who is away at school if the child is under age 21 and considered to be temporarily absent from the household. Allocations from a spouse's or a parent's income for an NBD child in the household end the month after the month the child attains age 18 or, if a student, age 21.

Each NBD child's allocation is reduced by the amount of his or her own income, including child support payments from an absent parent. (Note, however, that NBD children **do not** receive the one-third child support exclusion).

2. Parent Living Allowance

A living allowance is deducted from a parent's own income when deeming parental income to a BD child. The amount of the living allowance depends upon whether one or both parents are living in the household. The living allowance for one parent living with the child in the household *is* the SSI payment limit for one person. The living allowance for both parents living with the child in the household *is* the SSI payment limit for a couple.

The living allowance increases automatically whenever the SSI payment limit increases. *See Appendix 1 to this subchapter for current amounts.*

G. Household

A household is common living quarters and facilities under such domestic arrangements and circumstances as to create a single economic unit or establishment. For the purposes of deeming, the household comprises

- the ABD individual, the spouse and any children of the couple or either member of the couple; or
- the BD child, the parent(s), and other children of the parent(s).

Deeming only applies in household situations. Unless temporarily absent, only those individuals residing in the household are a part of the household for deeming purposes. An individual is not a member of the household for deeming purposes if he/she is absent from home for a

period which is not a temporary absence as defined below in item I. (for example, military service or confinement in a public institution).

If a child is born in an institution (e.g., a hospital) the child is not a member of a household until the **month after the month** the child goes home. A child born at home is a member of the household the month of birth.

NOTE: Deeming does not apply when an ABD individual and NABD spouse are living in an institution even when they are sharing a room. Deeming **does** apply in noninstitutional care situations (e.g., adult foster care) if the ABD individual is placed with a deemor spouse or parent.

H. Student Child

A student child is an individual who

- is neither married nor head of a household,
- is under age 21 years, and
- regularly attends school or college or training designed to prepare him/her for a paying job.

1. Regular Attendance

Regular attendance means that the individual takes one or more courses of study and attends classes

- in a college or university for at least 8 hours a week under a semester or quarter system;
- in grades 7-12 for at least 12 hours a week;
- in a course of training designed to prepare him/her for a paying job for at least 15 hours a week if the course involves shop practice or 12 hours a week if the course does not involve shop practice. This type of training includes anti-poverty programs such as the Job Corps and government-supported courses in self-improvement; or
- for less than the amount of time indicated above for reasons beyond the student's control, such as illness, if the circumstances justify the reduced credit load or attendance.

NOTE: Attendance at an elementary school does not satisfy the student child requirement.

2. Homebound Students

An individual may be a student when he/she has to stay home because of a disability, and

- studies a course or courses given by a school (grades 7-12), college, university or government agency, or
- a home visitor or tutor from school directs the study or training.

3. Periods of Nonattendance

a. Vacation

An individual remains a student when classes are out if he/she actually attends classes regularly just before the time classes are out and:

- tells the agency that he/she intends to resume attending regularly when school reopens; or
- actually does resume attending regularly when school reopens.

b. Recommendation of Teacher or Counselor

A student=s counselor or teacher may believe the student needs to stay out of class for a short time during the course or between courses to enable him/her to continue study or training. Consider the individual to be a student regularly attending school, college, or training to prepare him/her for a paying job if he/she is in a course:

- designed to prepare disabled people for work; or
- to prepare the individual for a job that is specially set up for people who cannot work at ordinary jobs.

c. Last Month of School

An individual is a student regularly attending school for the month in which he/she completes or stops the course of study or training.

4. Development

Develop school attendance for a child between the ages of 18-21 who is not blind or disabled and could be included in the parent-to-child and spouse-to-spouse deeming calculations.

a. Basic Information

Obtain the following information:

- Name and address of the school or institution furnishing the training:
- Name and telephone number of the person to contact for verification, if necessary; and
- Information on the course or courses of study, dates of enrollment, number of hours of attendance, other activities of the child.

b. School Enrollment

Verify enrollment by:

- examining a school record such as an ID card, tuition receipt, or other comparable evidence; or

- contacting the school or agency, but only if the individual does not have the evidence.

Document the file with enrollment information. If you contact the school or agency, accept either a written statement from the contact or an oral statement recorded in the file.

c. Student's Allegation of Number of Hours of Attendance

Accept the student's allegation without requesting school certification of attendance, if the allegation of attendance meets the regular attendance requirements above. If the student alleges a reduced credit load or attendance due to circumstances beyond his or her control, obtain an explanation from the student and place it in the file.

d. Special Education

If a student indicates he/she is enrolled in special education for the disabled which does not satisfy the standard academic or vocational training requirements, develop to determine whether the course contains training to prepare him/her for a paying job.

e. Vocational or Technical Training

Absent evidence to the contrary, accept the school or agency's allegation that the course includes some formalized instruction.

I. Temporary Absence

For the purposes of deeming, a temporary absence exists when an individual (ABD individual or BD child, NABD spouse or parent, or NBD child) leaves the household but intends to, and does, return in the same month or the following month. If the absence is temporary, deeming continues to apply.

1. Child Subject To Parental Control

A child who is away at school but returns home on some weekends, holidays, or vacations and **is** subject to parental control is considered temporarily absent from the parents' household, regardless of the duration of the absence. If a child is away at school and is **not** subject to parental control, he/she is **not** living in the parents' household.

2. Operating Procedures

A child who is away at school is one who is participating in an educational or vocational training program. The rule above only applies to a child who is away at an educational or vocational training facility.

When a child resides at a facility and the facility is not an educational or vocational training facility, the rule above does not apply. When a child resides in a facility and leaves the facility for brief visits to the parents' home, do not deem the parents' income and resources for any month if the absence from the facility is temporary. An individual is considered

temporarily absent from a facility for deeming purposes if the absence is not intended to and does not exceed a full calendar month.

Certain evidence may indicate that a child away at school is not subject to parental control. Such evidence includes an existing agreement, a court order, or the signed statements of the parents and the school authorities. In the absence of such evidence, assume that a child is subject to parental control. Parental control is the authority of the parent(s) to make decisions on the child's behalf, whether or not the control is actually exercised.

M0530.010 EXCLUDED RESOURCES

A. Policy

Assets which are not resources to an ABD individual are not resources to an NABD spouse or NBD child (See S1120).

In addition to assets which are not resources, there are certain resources which are excluded from the resources of an individual whose resources are deemed to an applicant/recipient. These exclusions from resources used in the resource deeming calculation correspond to exclusions of an ABD individual's own resources.

B. Related Policies

1. Resource Determination

To determine the NABD spouse's or parent's resources, see chapter S11. See S1120 for assets that are not, or may not be, resources. See S1130 for the list of resource exclusions. See S1140 for countable resources. See S0830.605 concerning Home Energy Assistance funds and Support and Maintenance Assistance funds that are retained beyond the month of receipt.

2. Pension Funds

a. Excluded Pension Funds

Pension funds owned by the NABD spouse or parent are excluded from deeming. Pension funds are defined as funds held in an individual retirement account (IRA) as described by the Internal Revenue Service (IRS) code, or funds held in work-related pension plans (including such plans for self-employed individuals, sometimes referred to as Keough plans). However, amounts distributed from a pension fund to the NABD spouse or parent will count as income that can be deemed to the ABD spouse or BD child.

b. Countable Pension Funds

IRA's, Keough plans, 401-K plans, and similar pension funds owned by the applicant/recipient and/or his/her ABD spouse or parent are **countable resources**, and amounts distributed from the funds are countable income, since these types of pension funds may be withdrawn by the owner.

c. Development Procedures

1) If an NABD spouse or parent alleges having money in a pension fund, accept the allegation.

2) Develop interest income from excluded pension funds per M0830.500.

3) If an NABD spouse or parent withdraws monies he or she had contributed to a pension fund, treat the withdrawal as a conversion of a resource.

3. Other Resource Exclusions

All resource exclusions that apply to an ABD individual's resources apply to the combined resources of an ABD individual and an NABD spouse or parent who lives with him or her.

4. Burial Fund Exclusion

For treatment of the burial fund exclusion, see M1130.410.

5. Burial Space Exclusion

For treatment of the burial space exclusion, see M1130.400.

M0530.020 EXCLUDED INCOME

A. Policy

Receipts which are not income to an ABD individual are not income to an NABD spouse or NBD child (See S0815).

In addition to items which are not income, there are certain items which are excluded from the income of an individual whose income is deemed to an applicant/recipient. Furthermore, an NBD child's allocation is not reduced by any of these excluded items. These exclusions from income used in the deeming calculation correspond to exclusions of an ABD individual's own income AND include some additional exclusions. For example, one-third of child support payments from an absent parent is excluded for a BD child, but is NOT excluded from an NBD child's income in the deeming calculation.

B. Excluded Income

The following types of income are excluded when determining countable income of an NABD spouse or parent subject to deeming. These types of income are also excluded from the income of an NBD child in a household for purposes of reducing the NBD child allocations:

1. Income Excluded In S08

Income excluded by policy in chapter S08 is also excluded from the income of an NABD spouse or parent.

2. Grant, Scholarship or Fellowship

Exclude any portion of any grant, scholarship, or fellowship which is used to pay the cost of tuition and fees at an educational institution or costs of vocational technical training designed to prepare the individual for gainful employment.

3. *SNAP*

Exclude the bonus value of *Supplemental Nutrition Assistance Program (SNAP) benefits* (*formerly* Food Stamps) and the value of USDA donated foods.

4. Support Paid

Exclude any portion of the NABD individual's income paid to the Division of Child Support Enforcement (DCSE), court, ex-spouse, or child(ren) as court-ordered or DCSE-ordered support.

a. Ask whether any of the income received by the NABD spouse or parent is used to make any support payments. If such payments are alleged:

- Document the allegation that such support payments are made;
- Request a copy of the court order or State agreement which shows the amount of the payments and the beginning and ending dates of the payments. Exclude the amount specified in the court order or State agreement, or the actual payment, **whichever is less**. A deemor's own records may be used to document the amount of support payments made.

b. Deduct the amount of the support payment from the income of the NABD spouse or parent **before** determining the amount of income to be deemed. Deduct the amount of such payments from the income of an NBD child (if the child **pays** support payments) before reducing the NBD child's allocation.

- Deduct the support amount first from the NABD spouse=s, parent=s or NBD child=s unearned income.
- Use any remaining balance of the support obligation to reduce the NABD spouse’s, parent’s or NBD child’s earned income.

5. Student Earnings

Exclude income earned by an NBD child in the home who is a student (unless the child actually makes the income available to the family).

If an NBD child is a student (M0530.002 I.), the child's earned income up to $400 a month but not more than $1,620 per year does **not** reduce the allocation for the NBD child.

a. If an NBD child has earnings, verify that the NBD child is a student (see M0530.002 I.). If a child's student status ends, stop applying the student earned income exclusion beginning with the month after the month in which the student status ended.

b. Verify the NBD child's wages. Verify the wages even if alleged to be $65 or less per month.

c. Allocate the student earned income exclusion beginning with January, or the first month the NBD child has earnings or the month in which

the ABD individual becomes eligible for Medicaid, whichever is later in a calendar year. See S0820.510 for additional information on this exclusion.

d. The exclusion may be applied during a period of nonattendance at school if the requirements in M0530.002 I. are met.

6. Blind Work Expenses

Expenses of an NABD spouse, parent or NBD child who is blind and working are used to reduce earned income before it is deemed or before using the earnings to reduce the NBD child allocation. See S0820.535 for instructions on applying this exclusion.

7. Impairment Related Work Expenses

The impairment-related work expenses (IRWE) incurred and paid by a deemor who meets the Medicaid disability definition will be deducted from the deemor's earned income prior to considering the income available for deeming. See S0820.540 for instructions on determining the amount of IRWE.

8. In-Home Supportive Services Payments

Payments made by programs funded under title XX of the Social Security Act or other State funding sources for in-home supportive services necessary to enable an individual who needs these services to live in his or her home are “in-home supportive services payments.” The payments are made either to the individual to pay for the services or to the person performing the services. The Veterans Administration also pays an allowance for medically qualified veterans, widows, or widowers in need of the aid and attendance of another person. This aid and attendance payment is included in the pension or compensation payment to the veteran or widow(er).

In-home supportive services (chore, attendant, homemaker) payments are medical or social services and are not income when paid directly to an ABD individual to pay for the services (S0815.050). However, the payment **is income** to the individual who is providing the care or services.

Payments provided under title XX or other Federal, State, or local governmental programs to an ABD individual and **paid** by the individual to his/her NABD spouse or NBD child living in the same household in return for in-home supportive (chore, attendant, homemaker) services, are excluded from the NABD spouse’s, parent’s or NBD child’s income for deeming purposes. Such payments, made directly to the NABD spouse or parent or NBD child to provide the services to the ABD individual, are also excluded from income for deeming purposes.

NOTE: If an NABD spouse or parent receives in-home supportive services payments for services provided to anyone other than his/her ABD spouse or BD child, the payments are included as income subject to deeming.

M0530.100 UNMARRIED INDIVIDUAL (AGE 21 OR OLDER)

A. Policy

An unmarried ABD individual's assistance unit consists of one person--the individual. The individual's child(ren) living with him or her are NOT included in the ABD individual's assistance unit, nor is any of the individual's resources or income allocated for the child(ren) when determining countable resources and countable income.

B. Assistance Unit

Resources Determination - unit of one.

Income Determination - unit of one.

M0530.200 MARRIED INDIVIDUAL LIVING WITH SPOUSE

A. Introduction

A married individual living with his/her spouse is always an ABD couple assistance unit (2 persons) for the **resource** eligibility determination. For the **income** eligibility determination, a married individual living with his/her spouse is an ABD couple assistance unit (2 persons) when the NABD spouse has deemable income, or an assistance unit of 1 person when the NABD spouse has no deemable income.

An aged, blind, or disabled individual or couple found guilty of Medicaid fraud by a court is ineligible for Medicaid benefits for a period of twelve months from conviction. If only one member of an aged, blind, or disabled couple is found guilty, the innocent spouse's eligibility is not affected. The assistance unit remains the same. The guilty spouse is ineligible for twelve months *(see M1700.200)*.

B. Procedure

For an ABD couple, see M0530.201.

For an ABD individual with an NABD spouse, see M0530.202 and 203 below.

M0530.201 ABD COUPLE ASSISTANCE UNIT

A. Policy

This section contains the policy and procedures for determining an ABD couple's assistance unit.

When a married couple is living together and each individual in the couple meets the Aged, Blind or Disabled definition in M0510, AND each

individual applies for Medicaid, their financial eligibility is determined as an ABD couple--an assistance unit of two persons (see M0530.201 below). If one spouse receives SSI, this spouse must be included in the unit with the spouse who does not receive SSI. The resources and income (other than the SSI payment) of the SSI recipient spouse must be considered available along with those of the spouse who does not receive SSI.

EXCEPTION: When

- a member of the ABD couple is a Medicaid minor spouse (under age 21),
- the ABD couple lives with the minor spouse's parent(s), and
- the parent's(s') deemed resources or income makes the ABD couple ineligible,

recalculate each spouse's resource and income eligibility as a separate assistance unit (1 person in each). Deem the parent's(s') resources and income to the Medicaid minor spouse. Do NOT deem the spouses' resources and income to each other.

B. Resource Determination

Determine the couple's countable resources according to chapter S11. NOTE: Some resources' values are calculated differently *depending on the* ABD covered *group*. If a spouse also has Medicare Part A, determine a resource's value using both the MN and *Categorically Needy (CN)* methods.

1. Compare To Couple's Resource Limit

Total the couple's countable resources and compare to the resource limit appropriate to each individual's covered group. The ABD resource limits are contained in M1110.003.

2. Resources Meet Limit

If the couple's resources are less than or equal to the resource limit, the couple meets the resource requirements for the covered group whose resource limit was met.

3. Resources Exceed Limit

If the couple's resources exceed the resource limit, the couple is not eligible for Medicaid in that covered group. If the couple's resources exceed both resource limits, the couple is not eligible for Medicaid in any ABD covered group. Deny Medicaid because of excess resources. If the wife is pregnant, determine her eligibility as a pregnant woman.

EXCEPTION: When

- a member of the ABD couple is a Medicaid minor spouse (under age 21),
- the ABD couple lives with the minor spouse's parent(s), and

- the parent's(s') deemed resources makes the ABD couple ineligible,

recalculate each spouse's resource eligibility as a separate assistance unit (1 person in each). Deem the parent's(s') resources to the Medicaid minor spouse. Do NOT deem the spouses= resources to each other. If a spouse is resource-eligible after this recalculation, determine the spouse's income eligibility as an ABD individual (assistance unit of 1 person); see M0530.100.

C. Income Determination

Determine the couple's countable income according to chapter S08. Total the couple's countable income.

NOTE: In calculating an ABD couple's countable income, **do not** allocate or deduct any amount for a child.

1. Compare To Income Limit

Compare the couple's total countable income to the income limit for two persons appropriate to each individual's covered group. See M0810.002 for the income limits.

2. Income Meets Limit

If the couple's income is less than or equal to the income limit, the couple meets the income requirements for the covered group whose income limit was met. See chapter M15 for Medicaid entitlement policy.

3. Income Exceeds Limit

If the couple's income exceeds the income limit, the couple is not eligible for Medicaid in that covered group. If the couple's resources meet the MN requirements and the MN resource limit, the couple may become eligible for a limited period of MN coverage if they meet a spenddown. See *chapter M13* for spenddown policy. If the wife is pregnant, determine her eligibility as a pregnant woman.

D. Examples

1. ABD Couple--One Spouse Receives SSI

EXAMPLE #2: (*Using 1999 figures)*
A husband and wife, each 67 years old, live together in a Group II locality. The wife receives SSA of *$391* and SSI of $109 per month. The husband receives *$455* SSA and $100 VA pension per month. Both have Medicare Part A and both apply for Medicaid. The husband and wife are an ABD assistance unit of two for Medicaid resource eligibility purposes. Their countable resources are within the Medicaid resource limit for 2 persons. The wife is income-eligible because she receives SSI. The husband's income eligibility is based on an assistance unit of two. All of the husband's income is counted; only the wife's SSA benefit is counted because SSI payments are excluded. The husband=s income eligibility is calculated:

$*455* husband's SSA
+100 husband's VA pension
+391 wife's SSA
946 couple's unearned income
- 20 general income exclusion
$926 couple's countable income

$ 920 couple's countable income
- 922 QMB income limit for 2
0 excess

$ 920 couple's countable income
x 6 months
$5,520 6 month's income
- 1,850 Group II income limit for 2
$3,670 excess

The couple's income is compared to the *CN limits* for two persons, since the husband has Medicare Part A, and to the MN income limit for two persons in Group II. Because the couple's income does not exceed the QMB limit for 2 persons, the husband is eligible for QMB Medicaid. The couple's countable income exceeds the MN limit for two; only the husband is placed on spenddown. The wife is eligible as a CN SSI recipient.

2. ABD Couple With NBD Child

EXAMPLE #3: (Using 1999 figures)
Mr. and Mrs D live in a Group I locality with their 18 year-old daughter. Mr. D is 67 years old. Mrs. D is 58 years old and disabled, but she works part-time. Her impairment-related work expenses (IRWE) are $50 per month. Mr. D receives SSA of $475 per month and $100 gross earnings per month. Mrs. D receives $150 SSA and $300 gross earnings per month. Their daughter has no income. Mr. and Mrs. D both have Medicare Part A and both apply for Medicaid. They are an assistance unit of two for Medicaid resource eligibility purposes. Their countable resources are within the Medicaid resource limit for 2 persons. Their income eligibility is calculated (NOTE: no allocation is subtracted for their NBD child because they are an ABD couple):

$475 Mr. D's SSA
+150 Mrs. D's SSA
625 couple's unearned income
- 20 general income exclusion
$605 couple's countable unearned income

$300 Mrs. D's gross earned income
- 50 Mrs. D's IRWE exclusion
250 Mrs. D's net earnings
+100 Mr. D's gross earned income
350 couple's gross earnings
- 65 exclusion
285
2 2 remainder earnings exclusion
142.50 couple's countable earned income
+605.00 couple's countable unearned income
$747.50 couple's countable monthly income
- *922*.00 QMB income limit for 2
0 excess

$747.50 couple's countable monthly income
x 6 months
4485 6-month income
-1700 Group I limit for 2
$2785 excess

Because the couple's income is less than the QMB limit for 2 persons, they are eligible for QMB Medicaid. Their income exceeds the medically needy limit for two and they are placed on a spenddown.

M0530.202 DEEMING RESOURCES FROM NABD SPOUSE

A. Policy

When a married couple is living together BUT

- only one spouse applies for Medicaid, or
- only one spouse meets the Aged, Blind or Disabled definition in M0510,

the individual spouse's resource eligibility is determined as a couple--an ABD assistance unit of 2 persons, and the NABD spouse's resources are counted available to the ABD individual.

The resources of one spouse are considered available to the other whether or not they are actually made available. Resource eligibility exists if the value of the couple's combined resources does not exceed the resource limit for two persons. **The resources of an SSI recipient spouse must be counted available even if SSI recipient spouse does not apply for Medicaid.**

Verify and document the NABD spouse's resources as required for an ABD individual.

***B.* Excluded Resources**

When determining the NABD spouse's resources, do not include the resources listed in section M0530.010 above.

***C.* Countable Resources**

Total countable resources are the combination of the resources of the ABD individual and the NABD spouse after all applicable resource exclusions are applied.

Total countable resources are compared to the resource limit for a couple. If the amount of the resources does not exceed the limit, the applicant/recipient meets the resource eligibility requirement. If countable resources exceed the limit, the applicant/recipient is ineligible because of excess resources.

***D.* Example--No Resources Excluded**

EXAMPLE #4: Mr. and Mrs. Daley live together. Mr. Daley, who is age 65, applies for Medicaid on February 4, 1997. His wife is under age 65 and neither blind nor disabled, nor does she meet any Medicaid

covered group. Mr. Daley has no resources of his own. However, Mrs. Daley has $1,900 in a savings account and owns a vacant lot valued at $500 which does not produce income.

The couple's countable resources are as follows:

$1,900 - Mrs. Daley's savings account
+ 500 - Mrs. Daley's lot
$2,400 - couple's combined resources
- 0 - applicable exclusions
$2,400 - couple's countable resources
- 3,000 - couple's resource limit
0 excess

Mr. Daley meets the resource eligibility requirements.

***E*. Example--Some Resources Excluded**

EXAMPLE #5: Mr. and Mrs. Sands live together. Mr. Sands, who is disabled, applies for Medicaid on October 2, 1997. Mrs. Sands does not meet a Medicaid covered group. She works for a company with a pension plan and states she has accumulated $5,000 in her pension fund which she can withdraw at any time. Mr. and Mrs. Sands jointly own two grave sites worth $500 each and have a joint bank account with a balance of $ 1,000.

The couple's resources are as follows:

Excluded Resources:
$5,000 - pension fund
+ 1,000 - grave sites
$6,000 - excluded resources

Countable Resources:
$1,000 - joint bank account

$1,000 - couple's countable resources
- 3,000 - couple's resource limit
0 excess

Mr. Sands meets the resource eligibility requirements.

***F*. Example--Some Resources Excluded--Individual is Ineligible**

EXAMPLE #6: Mr. Smith, who is 69 years old, applies for Medicaid on October 15, 1997. He lives with his wife who is age 62, neither blind nor disabled, nor does she meet a Medicaid covered group. They have the following resources: a joint checking account of $250; United States savings bonds (in both their names) worth $400, and two automobiles--one with a current market and equity value of $6,000, and the other with a current market value and equity value of $3,000. In addition, Mrs. Smith owns a plot of land which produces no income and has an equity value of $2,000. Mr. Smith owns a life insurance policy on his own life with a face value of $5,000 and a cash surrender value (CSV) of $897.

Mrs. Smith owns a life insurance policy on her life with a face value of $1,000 and a CSV of $900.

Excluded Resources:
$6,000 - one automobile
+ 900 - CSV of life insurance of Mrs. Smith with face value not over $1,500
$ 6,900 - excluded resources.

Countable Resources:

$ 250 - joint checking account
400 - savings bonds
3,000 - second automobile
2,000 - Mrs. Smith's real estate
+ 897 - CSV of Mr. Smith's life insurance (face value > $1,500)
$6,547 - couple's countable resources
-3,000 - couple's resource limit
$3,547 - excess resources

Mr. Smith is ineligible because of excess resources.

M0530.203 DEEMING INCOME FROM NABD SPOUSE

A. Policy

When a married couple is living together BUT

- only one spouse applies for Medicaid, or
- only one spouse meets the Aged, Blind or Disabled definition in M0510,

the individual's income eligibility is determined as an individual--an ABD assistance unit of one person--if the NABD spouse has no deemable income. If the NABD spouse has deemable income, the individual=s income eligibility is determined as an ABD couple. The NABD spouse=s income is deemed available to the ABD individual applicant UNLESS the NABD spouse receives SSI or other income based on need.

The income of the NABD spouse, after applying the applicable deeming procedures in this section, is considered to be the ABD individual's own unearned income, and is called deemed income. This deemed income is added to the individual's own earned and unearned income in order to determine the individual's income eligibility.

B. Do Not Deem If Spouse Receives Benefits Based On Individual Need

If the NABD spouse receives assistance or a benefit paid by a government agency which is based on economic need, none of the NABD spouse's income is deemed available to the applicant/recipient. Government benefits based on need include SSI, TANF, Veterans Administration pensions, General Relief payments, etc., but do not include *SNAP*,

fuel assistance, or any benefit based on the entire household's needs. If the NABD spouse does not receive a government benefit which is based on need, the spouse's income is deemed available.

The government benefits based on need are those payments made under:

1. TANF — Title IV-A of the Social Security Act, Temporary Assistance to Needy Families with Children (TANF);

2. SSI and AG — Title XVI of the Social Security Act (Supplemental Security Income (SSI), including Virginia's Auxiliary Grants program payments (state-administered mandatory supplements);

3. Refugee Assistance — The Refugee Act of 1980 (those payments based on need);

4. Disaster Relief — The Disaster Relief Act of 1974;

5. BIA Assistance — General assistance programs of the Bureau of Indian Affairs;

6. State or Local Assistance — State or local government assistance programs based on need; and

7. VA Assistance Based On Need — U.S. Veterans Administration programs (those payments based on need).

C. Excluded Income — When determining the NABD spouse's income, do not include the income listed in section M0530.020 above.

D. Deeming Process — When an NABD spouse lives in the same household as the ABD individual, these deeming rules are applied in the following order:

- Determine the NABD spouse's earned and unearned income in the month;
- Deduct an allocation for each NBD child in the household (item E below);
- Compare the remainder to the deeming standard (item F below).

First, determine the NABD spouse's countable earned and unearned income in the month.

E. Subtract NBD Child Allocation — Deduct an allocation for each NBD child who lives in the household is deducted. **Exception:** no allocation is given for any children who are receiving public assistance maintenance payments, such as TANF.

1. NBD Child Allocation

The allocation for each NBD child is the difference between the SSI payment limit for two persons and the SSI payment limit for one person.

The allocation amount automatically increases whenever the SSI limits increase. *See Appendix 1 to this subchapter for current amount.*

2. Reduce NBD Child Allocation

Each NBD child's allocation is reduced by the amount of his or her own income. The items listed in section M0530.020 above are not included as income to the NBD child for purposes of reducing the allocation.

If any NBD children in the household have income, verify the NBD child's income. However, when the alleged income exceeds the amount of the NBD child allocation amount (i.e., no NBD child allocation will apply for that NBD child), document the allegation in the file but do not verify the income. Document an allegation in the file when any NBD child living in the household has no income. Do not redevelop the NBD child's income unless a change is alleged or there is a reason to believe a change has occurred.

3. Subtract NBD Child Allocation Amount

Subtract the allocations for NBD children first from the NABD spouse's **unearned** income. If the NABD spouse does not have enough unearned income to cover the allocations, the allocation balance is subtracted from the NABD spouse's **earned** income.

F. Compare Remainder To Deeming Standard

Compare the NABD spouse's remaining income to the deeming standard (the difference between the SSI payment limit for two persons and the SSI payment limit for one person). *See Appendix 1 to this subchapter for current amount.*

G. Result (To Deem or Not To Deem...)

1. Less Than or Equal To Deeming Standard

If the NABD spouse's remaining income is equal to or less than the deeming standard, there is no income to deem to the ABD individual. In this situation, the ABD individual's own countable income is determined and subtracted from the appropriate income limit for one person to determine eligibility. See S0810.002 for the income limits.

2. More Than Deeming Standard

If the remaining income of the NABD spouse is more than the deeming standard, the ABD individual and the NABD spouse are treated as a couple, using the procedures in H "Couple Calculation" below.

NOTE: The $20 general exclusion has not been deducted from the ABD individual's income at this point.

H. Couple Calculation

The ABD individual and the NABD spouse are treated as a couple using the following procedures:

1. Combine Income

Combine the amount of the NABD spouse's unearned income remaining after NBD child allocation(s) with the ABD individual's own unearned income. Combine the amount of the NABD spouse's earned income remaining after NBD child allocation(s) with the ABD individual's earned income.

2. Subtract Exclusions

Subtract the appropriate income exclusions *from the remaining income*:

- the first $20 of the couple's unearned income (if less than $20 of unearned income in a month, any remaining portion of the $20 exclusion is applied to the couple's earned income in the month),
- $65 of the couple's earned income in a month, and one-half of remaining earned income in a month.

The result is the couple's monthly countable income. When determining MN eligibility, multiply the couple's monthly countable income by 6.

3. Compare To Income Limit

Compare the couple's countable income to the income limit for two persons appropriate to the ABD individual's covered group. See M0810.002 for the income limits.

4. Income Meets Limit

If the couple's countable income is less than or equal to the income limit, the ABD individual meets the income requirements for the covered group whose income limit was met. See chapter M15 for Medicaid entitlement policy.

5. Income Exceeds Limit

If the couple's countable income exceeds the income limit, the ABD individual is not eligible for Medicaid in that covered group. If the couple's resources meet the MN requirements and the MN resource limit, the ABD individual may become eligible for a limited period of MN coverage if he/she meets a spenddown. See *chapter M13* for spenddown policy.

I. Examples

The examples below illustrate application of the spouse-to-spouse deeming rules in the ABD income eligibility calculation.

1. No Deemed Income After NBD Child Allocation

EXAMPLE #7: *(Using January 2000 figures)*
Ms. Wilson, an aged individual, applied for Medicaid. She lives with her NABD spouse Mr. Wilson and their 20 year old NBD child, Mike, in Group II. Their resources are within the resource limit. Mr. Wilson receives a $80 monthly benefit (unearned income) per month. He has no earned income. Mike receives $20 monthly unearned income. Ms. Wilson's income is *$800* monthly SSA. She has Medicare Part A. Her assistance unit is one person with income deemed from her NABD spouse. The deeming calculation is:

$257	NBD child allocation amount
- 20	Mike' income
237	NBD child allocation

$ 80	Mr. Wilson's unearned income
- 237	NBD child allocation
- 157	remainder NBD child allocation
+ 0	Mr. Wilson's earned income
$ 0	NBD spouse's total income after allocation

Since Mr. Wilson has no remaining income, and $0 is less than the *$257* deeming standard, no income is deemed to Mrs. Wilson. Instead, only her own countable income is compared to the MN, QMB, SLMB *and QI* income limits for one person to determine whether she is eligible. Mrs. Wilson's own countable income is *$780*, which exceeds the MN and the QMB income limit for one person. However, it is within the SLMB income limit. She is eligible for SLMB coverage beginning *January 1, 2000*. She is also placed on a spenddown of *$3,180* (*$780* x 6 months = *4,680 -1500 = $3180*) for the period *January 1* through *June 30*.

2. Spouse Has Earned and Unearned Income After Allocation

EXAMPLE #8: ***(Using January 2000 figures)***
Mr. Jack Ingalls, a disabled individual, applies for Medicaid. He lives with his NABD spouse and NBD 19 year old child, Cathy, in a Group I locality. Mr. And Mrs. Ingalls' resources are within the resource limit. Mr. Ingalls receives $100 unearned income monthly; he does not have Medicare Part A. Cathy has no income. Mrs. Ingalls has earned income of $450 a month and unearned income of $285 a month. Mr. Ingalls' assistance unit is one person with income deemed from his NABD spouse. The deeming calculation is:

$285	Mrs. Ingalls' unearned income
-257	NBD child allocation
28	remainder unearned income
+450	Mrs. Ingalls' earned income
$478	NBD spouse's total income after allocation

Mrs. Ingalls' total income is more than the *$257* deeming standard. Therefore, Mrs. Ingalls' income is deemed to Mr. Ingalls by combining Mrs. Ingalls' income after allocation with Mr. Ingalls' income to determine his MN eligibility:

$285	Mrs. Ingalls' unearned income
-257	NBD child allocation
28	remainder unearned income
+100	Mr. Ingalls' unearned income
128	combined unearned income
- 20	general income exclusion
108	couple's countable unearned income

$450	Mrs. Ingalls' earned income
+ 0	Mr. Ingalls' earned income
450	couple's earned income
- 65	earned income exclusion
385	

385
÷ 2 1/2 remainder earned income exclusion
192.50 couple's countable earned income
+*108.00* couple's countable unearned income
300.50 couple's total countable monthly income
x 6 months
1,803.00 countable monthly income
-1,700.00 income limit 2 in Group I
$ *103.00* *excess*

The couple's countable monthly income exceeds the medically needy income limit for a couple. Mr. Ingalls is placed on a spenddown of *$103* for the 6-month period *January 1* through *June 30.*

3. Both ABD Individual and NABD Spouse Have Income--Individual Is Eligible

EXAMPLE #9: *(Using January 2000 figures)*
Harold Bergman, a disabled individual, applies for Medicaid. He lives in Group III with his NABD spouse, who earns $259 per month. They have no children. Mr. Bergman receives a pension (unearned income) of $165 a month and earns $100 gross per month. He does not have Medicare Part A. The couple's resources are within the Medicaid limit. Because Mrs. Bergman's income exceeds the deeming standard of *$257*, Mrs. Bergman's income is deemed to Mr. Bergman by combining Mrs. Bergman's income with Mr. Bergman's income to calculate his MN eligibility:

$165.00 Mr. Bergman's unearned income
+ 0 Mrs. Bergman's unearned income
$165.00 couple's unearned income
- 20.00 general income exclusion
$145.00 couple's countable unearned income

$259.00 Mrs. Bergman's earned income
+100.00 Mr. Bergman's earned income
359.00 couple's earned income
- 65.00 earned income exclusion
294.00
)÷ 2 ½ remainder earned income exclusion
147.00 couple's countable earned income
+145.00 couple's countable unearned income
$292.00 couple's total countable monthly income
x 6 months
$1752.00 countable income
- 2400.00 income limit for 2 in Group III
0 excess

The couple's countable income is within the MN income limit for 2 persons, so Mr. Bergman is eligible for Medicaid as medically needy beginning *January 1*.

M0530.204 CHANGES IN STATUS--MARRIED COUPLES

A. Introduction

There are several events which can change deeming status. All such changes affect deeming the month after the month in which the change

occurs, except as described below. This section contains the rules that apply when there is a change of status.

NOTE: These status changes are effective, for deeming purposes, the month after the month the change occurs. For example, if an NBD child moves out of the household in May, no allocation is given for that child beginning with June for purposes of determining eligibility.

B. NABD Spouse Becomes ABD

If an NABD spouse becomes an ABD spouse, the individual and spouse are treated as an ABD couple effective with the month the spouse becomes an ABD spouse. Eligibility is based on the couple's income for that month.

C. Individual Begins Living With an NABD Spouse

If an ABD individual begins living with an NABD spouse, deeming of the NABD spouse’s income begins effective with the month after the month they begin living together.

D. NABD Spouse Dies

If an NABD spouse dies, deeming stops for purposes of determining eligibility effective with the month following the month of death.

E. Spouses Separate or Divorce--Not Due To Institutionalization

If an NABD spouse and ABD spouse separate, or their marriage ends in divorce, the NABD spouse's income is no longer deemed to determine eligibility effective with the month after the month of separation or divorce. In the month following the month in which separation occurred, the ABD individual is an assistance unit of one person with nothing deemed from the separated spouse.

NOTE: If an application is filed in the month of separation or divorce, deeming applies that month even if the application is filed on or after the date of separation or divorce.

1. Both Meet ABD Group and Both Apply

Financial eligibility is determined as an ABD couple assistance unit (two persons) through the month in which the couple separated. Each is a unit of one starting the month **after** the month in which they separated.

2. Only One Spouse Meets ABD Group or Applies

The ABD applicant spouse is an assistance unit of one person if the NABD spouse has no deemable income. Count the NABD spouse=s resources and deem income to the ABD applicant only in the month in which the couple separated. Starting the month after the month of separation, do NOT count any resources or deem any income from the separated spouse.

F. One Spouse Becomes Institutionalized

If an ABD individual becomes institutionalized, either in a medical facility or in Medicaid CBC waiver services, deeming stops for purposes of determining eligibility for the institutionalized spouse effective with the first month in which the individual is institutionalized. Deeming stops for purposes of determining eligibility for the community spouse effective the month **following** the month of separation due to institutionalization.

1. Both Meet ABD Group and Apply

a. The Non Institutionalized Spouse

When determining the non institutionalized spouse's financial eligibility, the non institutionalized spouse is an assistance unit of one person beginning the first day of the month **following** the month in which the spouse was institutionalized. Do not deem the institutionalized spouse's resources or income to the non institutionalized spouse beginning the month following the month of separation.

b. The Institutionalized Spouse

For the institutionalized spouse who began institutionalization **before** September 30, 1989, the institutionalized spouse is an assistance unit of one person beginning the first day of the month in which the spouse was institutionalized.

For the institutionalized spouse who began institutionalization **on or after September 30, 1989**, *who has no community spouse*, see *subchapter M1460* to determine the institutionalized spouse's financial eligibility. *For the institutionalized spouse who began institutionalization* ***on or after September 30, 1989****, who has a community spouse, see subchapter M1480 to determine the institutionalized spouse's financial eligibility.*

2. Only One Spouse Meets Covered Group or Only One Applies

a. The Non Institutionalized Spouse

When determining the non institutionalized spouse's financial eligibility, the non institutionalized spouse is an ABD couple assistance unit of one person beginning the first day of the month **following** the month in which the spouse was institutionalized. Do not deem the institutionalized spouse=s resources or income to the non institutionalized spouse begining the month following the month of separation.

b. The Institutionalized Spouse

For the institutionalized spouse who began institutionalization **before** September 30, 1989, the institutionalized spouse is an assistance unit of one person beginning the first day of the month in which the spouse was institutionalized.

For the institutionalized spouse who began institutionalization **on or after September 30, 1989**, *who has no community spouse*, see *subchapter M1460* to determine the institutionalized spouse's financial eligibility. *For the institutionalized spouse who began institutionalization* ***on or after September 30, 1989****, who has a community spouse, see subchapter M1480 to determine the institutionalized spouse's financial eligibility.*

G. Non Institutionalized Examples

1. NABD Spouse Becomes ABD

EXAMPLE #10: In November 1997, Mrs. Manners, a disabled individual, lives with her NABD spouse. Mrs. Manners has no income and Mr. Manners receives a monthly private company retirement benefit of

$310 (he is not disabled according to the Medicaid definition). Mrs. Manners is eligible for Medicaid in November; her eligibility is determined using deemed income from Mr. Manners. On December 1, 1997, Mr. Manners becomes age 65 and applies for Medicaid. Effective with December, the deeming rules no longer apply. The Mannerses are an ABD couple. Eligibility is determined using their combined income in December.

2. NABD Spouse and ABD Individual Separate

EXAMPLE #11: On September 15, 1997, Mrs. Ellen Bowers, a disabled individual, and her NABD spouse separate. They live in Group II. Mrs. Bowers' only income is a title II benefit of $150 per month. Mr. Bowers works and is paid a salary of $405 per month. To determine Mrs. Bowers' eligibility for September, the couple's unearned income is reduced by the general exclusion ($150 - $20 = $130). The couple's earned income is reduced by the earned income exclusion ($405 - $65 = $340)÷ 2 = $170). The couple's total countable income ($130 countable unearned + $170 countable earned = $300 monthly x 6 months = $1800) is compared to the income limit for an ABD couple ($1850 semi-annual). Mrs. Bowers is eligible in September. Effective with October, the deeming rules no longer apply when redetermining her eligibility. Her countable income is recalculated: $150 SSA - $20 general exclusion = $130 monthly countable x 6 months = $780. Because $780 is less than the income limit for 1 person in Group II, Mrs. Bowers remains eligible.

3. ABD Individual Begins Living With NABD Spouse

EXAMPLE #12: On August 2, 1997, Mrs. Barbara Rogers, an NABD spouse, returns to live with her ABD husband in Group III. She is working and earns $700 per month. In August, Mr. Rogers is eligible for Medicaid based on his own unearned income of $68. Effective September 1997, the deeming rules are applied to determine his eligibility. Mr. Rogers' $68 unearned income is reduced by the $20 general income exclusion, leaving $48. Mrs. Rogers' earned income is reduced by the earned income exclusion ($65 plus one-half the remainder), leaving $317.50. The total countable income ($365.50 x 6 = $2193) is within the income limit for a couple in Group III, so Mr. Rogers remains eligible.

4. NABD Spouse Dies

EXAMPLE #13: Mrs. Pauline Pinot is a disabled recipient who receives $150 a month in worker's compensation. She lived with her NABD husband until he died on August 15, 1997. He had been working part-time and received gross wages of $400 in July and $200 in August. Effective September 1997, Mrs. Pinot is eligible as an individual without a spouse and the income limit for an individual applies.

D. Institutionalized Examples

1. ABD Individual Becomes Institutionalized

EXAMPLE #14: Mr. Malaga was admitted to a nursing facility on September 5, 1997. His NABD spouse is working and receives gross wages of $900 a month. Mr. Malaga is institutionalized beginning September 1997 and August is the last month in which income from his NABD spouse is deemed to him.

2. Individual Institutionalized Before 9-30-89

EXAMPLE #15: An institutionalized aged individual applies for Medicaid in August 1997. He has a 58-year-old spouse at home who is neither blind nor disabled. He was admitted to the institution from their home in February 1989. He is an assistance unit of one for both resource and income determinations because he is not living with his spouse and he was institutionalized before September 30, 1989. There may be an expected contribution from the spouse as a legally responsible relative.

3. ABD Couple--One Becomes Institutionalized

EXAMPLE #16: In October 1997, Mrs. B, a disabled individual, applies for Medicaid for herself and her husband. She lives in Group III. She separated from her ABD spouse, Mr. B, in October 1997 when he was admitted to a nursing facility. Mrs. B earns $459 per month. Mr. B receives a pension (unearned income) of $165 a month and earned $200 gross in October; he does not have Medicare Part A. Mr. B's financial eligibility is determined using the policy and procedures for married institutionalized individuals in *subchapter M1480.*

To determine Mrs. B's eligibility: the couple's combined resources are within the Medicaid limit in October 1997. Her income eligibility is calculated for October:

$165.00	Mr. B's unearned income
+ 0	Mrs. B's unearned income
$165.00	couple's unearned income
- 20.00	general income exclusion
$145.00	couple's countable unearned income in October

$459.00	Mrs. B's earned income
+200.00	Mr. B's earned income
659.00	couple's earned income
- 65.00	earned income exclusion
594.00	
)÷ 2	½ remainder earned income exclusion
297.00	couple's countable earned income
+145.00	couple's countable unearned income
$442.00	couple's total countable monthly income for October
400.00	income limit for 2 for 1 month Group III

November 1997 through March 1998:

$459.00	Mrs. B's earned income
- 20.00	general income exclusion
$439.00	
- 65.00	earned income exclusion
374.00	
) ÷ 2	½ remainder earned income exclusion
187.00	countable earned income
+ 0	countable unearned income
$187.00	total countable monthly income
x 5	months (November - March)

$ 935.00	countable income November - March
+442.00	countable income for October
1377.00	total countable income for 6 months
- 2025.00	income limit for October - March ($325 x 5=$1625 +$400 = $2025)
0	no excess for 6 months

Mrs. B's countable income for the 6-month period October 1997 through March 1998 is within the MN income limit for the period and she is eligible as a disabled medically needy individual beginning 10-1-97.

M0530.300 BLIND/DISABLED CHILD UNDER AGE 21

A. Introduction

When determining the Medicaid eligibility of a blind/disabled (BD) child who is under age 19 years, first determine the child's *CN* eligibility because the *CN* covered group has no resource limit and a higher income limit. If the child's income exceeds the *CN limits*, then determine the child's MN eligibility using the resource and income deeming policy and procedures in this section.

B. Policy

An unmarried blind or disabled child is always an assistance unit of one person, even when he/she lives with siblings who are blind or disabled and also apply for Medicaid. The parent's(s') resources and income are deemed available to a blind or disabled child under age 21 years when the child lives with the parent(s) and when the parent(s) is not eligible for Medicaid. Do NOT deem a stepparent's resources or income to a BD child.

A married blind or disabled (BD) child under age 21 who does not live with his/her spouse is an assistance unit of one person. If the married BD child lives with his/her spouse, resources and income are deemed from the spouse according to section M0530.200 above. If the married BD child lives with his/her spouse **and** his/her parent(s), the parent(s) resources and income are deemed to the BD child **before** calculating the spouse's resources and income.

C. Child Under 21 Living Away From Home

A blind or disabled child under age 21 who is living away from home is considered living with his/her parent(s) for deeming purposes if:

- the child is not emancipated, and
- the absence is temporary and the child intends to return to the parent's home when the purpose of the absence (such as education, rehabilitation, medical care, vacation, visit) is completed.

Children living in foster homes or non medical (residential) institutions are NOT temporarily absent from home. They are indefinitely absent from home and are NOT living with their parents or siblings for Medicaid purposes.

Children in medical institutions (facilities) are temporarily absent from home if their stay in the medical facility is less than 30 consecutive days. *If the stay has been 30 or more consecutive days,* go to section M1410.010 to determine if the child is institutionalized in long-term care. A child who is institutionalized in a medical facility or Medicaid waiver services is NOT considered living with his or her parents for Medicaid eligibility purposes.

D. Deeming

A parent's income and resources are deemed to an BD child beginning:

- the month following the month the child comes home;
- the month following the month a child born in a hospital comes home from the hospital;
- the month of birth when a child is born in the parent's home;
- the month after the month of adoption; the month of adoption in Virginia is the month the interlocutory order or final adoption order, whichever comes first, is entered.

E. BD Child Assistance Unit Examples

EXAMPLE #17: A blind 16-year-old child lives with his 65-year-old father and 52-year-old mother. His mother is neither blind, disabled, nor pregnant. His father does not apply for Medicaid for himself. The child is an assistance unit of one for both resource and income determinations. A portion of his parents' resources and income is deemed available to him.

EXAMPLE #18: A 19-year-old disabled child lives with his mother and his two brothers who are under age 18. The children's father died. The mother applies for Medicaid for herself and all children. She is not eligible in the LIFC group and she meets no other covered group. When determining the disabled child's eligibility, the disabled child is not included in an assistance unit with his mother and brothers; the disabled child is an assistance unit of one, with deemed income and resources from the mother.

M0530.301 DEEMING RESOURCES FROM PARENTS

A. Policy

In determining eligibility of a BD child under 21 who lives with his parent(s), the resources of the child include the value of the countable resources of the parent(s), to the extent that the resources of the parent(s) exceed the resource limit of:

- an individual, if one parent lives in the household; or
- a couple, if two parents live in the household.

The value of parental resources is subject to deeming whether or not those resources are actually made available to the child.

B. More Than One BD Child In Household

If there is more than one blind or disabled BD child under age 21 in the household, equally divide the value of the deemed resources among those children.

If an BD child is later determined ineligible for Medicaid for any reason or is no longer subject to deeming (e.g., after attainment of age 21), divide the value of the deemed resources among the remaining BD children, effective with the first month the child is ineligible or no longer subject to deeming.

C. Excluded Resources

When determining the parent's resources, do not include the resources listed in section M0530.010 above.

D. Countable Resources

Total countable resources are the combination of the resources of the parents after all applicable resource exclusions are applied.

1. Subtract Resource Limit

From the parent's(s') total countable resources, subtract the resource limit of

- **$2,000** (one person) when one parent lives in the home, or
- **$3,000** (a couple) when both parents live in the home.

2. Deem Excess To BD Child

Deem the amount of the resources over the limit to the BD child. If more than one BD child lives in the household, divide the amount of resources over the limit equally among the number of BD children in the household.

E. Child's Total Countable Resources

A child's total countable resources are the combination of the value of the deemed resources from the parent(s) and the nonexcluded resources of the child.

F. Resource Limit

Compare the BD child's countable resources to the resource limit for one person. If the resources do not exceed the limit, the child meets the Medicaid resource eligibility requirement. If countable resources exceed the limit, the child is ineligible for Medicaid because of excess resources.

G. Example--BD Child Living With Parents- Child Meets Resource Requirement

EXAMPLE #19: Mr. and Mrs. Blake live together with their son, Thomas, who is age 16 and blind. Thomas has no resources of his own. Mr. and Mrs. Blake applied for Medicaid on behalf of Thomas on January 23, 1997.

The parents' resources are as follows:

$4,150 - savings belonging to both Mr. and Mrs. Blake

The resource calculation follows:

$4,150 parent's countable resources subject to deeming
- 3,000 couple resource limit
$1,150 deemed resources to Thomas
+ 0 child's resources
$1,150 child's countable resources

Since Thomas's countable resources do not exceed the resource limit for an individual, Thomas meets the resource eligibility requirement.

H. Example--Two BD Children Living With Parent and Stepparent - Children Meet Resource Requirements

EXAMPLE #20: John and Joan Goode, ages 15 and 16, are both disabled and live with their mother and stepfather. John's only resources are three U.S. savings bonds worth $25 each. Joan's resources are a $100 savings account and a stamp collection valued at $400. The parents own:

one automobile valued at $3,000
joint savings account with balance of $5,000
Mrs. Smith's cash on hand = $200

Mrs. Smith, John and Joan's mother, applies for Medicaid on their behalf on September 17, 1997. The parent's (mother's) resource calculation follows:

Parent's Excluded Resources: one automobile

Parent's Countable Resources:
$2,500 ½ savings account (mother's share of joint account)
+ 200 cash on hand
$2,700 parent's total countable resources
-2,000 individual resource limit
$ 700 value of deemed resources ($350 resources deemed to each .....

John's Resources (no excluded resources)
$ 75 savings bonds
+ 350 deemed from parent
$ 425 countable resources

Joan's Resources (stamp collection excluded)
$ 100 savings account
+ 350 resource value deemed
$ 450 countable resources

Since neither John's nor Joan's countable resources exceed the resource limit, they both meet the Medicaid resource eligibility requirement.

I. Example--Two Children Living with Parent and Stepparent - One Child Found NBD First and Other Child Becomes NBD as a Result

EXAMPLE #21: The same situation exists as described in Example #20 above except that Joan also owns four savings bonds worth $450 each, and John also owns a savings account worth $1,500.

Joan's resources (stamp collection excluded):

$ 100 savings account
1,800 savings bonds
+ 350 deemed from parent
$2,250 countable resources

John's resources:

$1,500 savings account
75 savings bonds
+ 350 deemed from parent
$1,925 countable resources

John initially meets the resource eligibility requirement because his countable resources do not exceed the resource limit. But Joan does not meet the resource eligibility requirement because her countable resources exceed the resource limit. Since Joan is ineligible, the parent's resources must all be deemed to John.

John's Resources (no excluded resources):

$ 75 savings bonds 1,500 savings account
+ 700 parent=s deemed resources
$ 2,275 countable resources

Because John's countable resources now exceed the limit for 1 person, he is not eligible for Medicaid because of excess resources. Both John and Joan are ineligible because of excess resources.

M0530.302 DEEMING INCOME FROM ONE PARENT

A. Policy

A BD child (blind or disabled child) under age 21 who resides in the same household with a parent is considered to share in the parent's income. A BD child living in the same household with a parent is subject to the deeming provisions as long as he/she is under age 21, if the individual meets the definition of a child in M0530.002 above. A child who is away at school may be considered to be temporarily absent from the parents' household and would also be subject to deeming.

The following subsections explain the rules to follow when deeming income from one parent when

- only one parent lives in the household, or
- the parent is married and living with his/her spouse who is not the BD child's parent (is the BD child's stepparent). Do NOT deem any of the stepparent's resources or income to the BD child(ren).

B. Excluded Income

When determining the parent's income, do not include the income listed in section M0530.020 above.

C. Deeming Rules

When a BD child lives in the same household with his/her parent, these deeming rules are applied in the following order:

1. Determine Parent=s Income

Determine the monthly amount of the Parent's earned and unearned income, applying the appropriate exclusions in M0530.020.

2. Determine NBD Child Allocation

a. Parent Is Not Living With Spouse

The allocation for each NBD child is the difference between the SSI payment limit for two persons and the SSI payment limit for one person.

The allocation amount automatically increases whenever the SSI limits increase. *See Appendix 1 to this subchapter for current amount.*

b. Parent Is Living With Spouse (BD Child's Stepparent)

1) Parent's own NBD child(ren): the allocation for each NBD child is the difference between the SSI payment limit for two persons and the SSI payment limit for one person. *See Appendix 1 to this subchapter for current amount.*

2) Parent's child(ren)-in-common with stepparent: calculate the stepparent's ability to meet the needs of the child(ren)-in-common. If the stepparent refuses to verify his/her income, **do not allocate any amount of the parent's income for the child(ren)-in-common**:

   a) **Step 1:** Determine the stepparent's earned and unearned income, applying the appropriate exclusions in M0530.020.

   b) **Step 2:** Deduct an allocation for each of the stepparent's own children living in the household who are **not** the children of the Parent. Reduce the allocation by the amount of the child's own countable income.

   c) **Step 3:** Subtract the unearned and earned income exclusions from the stepparent's income remaining after deducting allocations.

   d) **Step 4:** Deduct a **living allowance** for the stepparent. *See Appendix 1 to this subchapter for current amount.*

   e) **Step 5:** Subtract the NBD child allocation from the remaining income after deducting the living allowance. (If only one

child-in-common lives in the household, the allocation is *the amount of the NBD child allocation.* If there *is* more than 1 child-in-common, multiply the allocation by the number of children-in-common). The result is the stepparent's contribution to the child(ren)-in-common.

(1) If the stepparent's contribution is **less than or equal to** the allocation amount, the stepparent is not able to fully meet the child(ren)-in-common's needs. **Use the allocation amount when calculating the parent's allocation for the child(ren)-in-common, and count the stepparent's contribution as income to the child(ren)-in-common**. If more than one child-in-common lives in the household, divide the stepparent's contribution by the number of children-in-common living in the household.

(2) If the remainder is **more than** the allocation amount, the stepparent is able to meet the child(ren)-in-common's needs. **DO NOT allocate any** of the parent's income for the child(ren)-in-common. .

3. Reduce NBD Child Allocation

Each NBD child's allocation is reduced by the amount of his or her own income. The items listed in section M0530.020 above are not included as income to the NBD child for purposes of reducing the allocation.

If any NBD children in the household have income, verify the NBD child's income. However, when the alleged income exceeds the amount of the NBD child allocation amount (i.e., no NBD child allocation will apply for that NBD child), document the allegation in the file but do not verify the income. Document an allegation in the file when any NBD child living in the household has no income. Do not redevelop the NBD child=s income unless a change is alleged or there is a reason to believe a change has occurred.

4. Subtract NBD Child Allocation Amount

Subtract the allocations for NBD children first from the parent's **unearned** income. If the parent does not have enough unearned income to cover the allocations, the allocation balance is subtracted from the parent's **earned** income.

5. Subtract Unearned and Earned Income Exclusions

a. All Remaining Parental Income Is Earned

If all of the income of the parent that remains after applying the NBD child allocations is earned:

- Subtract $85 (the sum of the $20 general income exclusion and the $65 earned income exclusion);
- Subtract ½ of the remaining earned income.

b. All Remaining Parental Income is Unearned

If all of the income of the parent that remains after applying the NBD child allocations is unearned:

- subtract the $20 general income exclusion.

c. Parental Income is Both Earned and Unearned

If all of the income of the parent that remains after applying the NBD child allocations is both earned and unearned:

1) subtract $20 from the parent's unearned income. If the total unearned income is less than $20, subtract the balance of the $20 from the parent's earned income;

2) subtract $65 plus one-half the remainder from the earned income (after subtracting any of the remaining $20 exclusion).

6. Subtract Living Allowance for Parent

Subtract a living allowance for the parent from any remaining parental income, unless the parent receives a public assistance payment such as TANF. No living allowance is given to a parent who is receiving public assistance payments. The parental living allowance, even if the parent is married and living with his/her spouse who is not the BD child's parent, is the SSI monthly payment limit for an individual.

7. Result = Deemable Income

Any positive remainder, after subtracting the living allowance for the parent, is the parent's deemable income.

8. One BD Child in Household

If only one BD child lives in the household, the parent's deemable income is deemed to the child as unearned income.

Add the deemed income to the BD child's own unearned income. Subtract the appropriate unearned income exclusions, including the $20 general exclusion, to determine the child's countable unearned income in the month. Add the countable unearned income to any countable earned income the child has. Subtract the total countable income from the appropriate income limit for 1 person to determine whether or not the child is eligible for Medicaid, or to determine the amount of the child's medically needy spenddown.

9. Two or More BD Children in Household

If two or more BD children live in the household, divide the parent's deemable income equally among them.

To determine each BD child's income eligibility, add the deemed income to each BD child's own unearned income. Apply the appropriate unearned income exclusions, including the $20 general exclusion, to determine the child's countable unearned income in the month. Add the countable

unearned income to any countable earned income the child has. Subtract the total countable income from the appropriate income limit for 1 person to determine whether or not each child is eligible for Medicaid, or to determine the amount of the child's medically needy spenddown.

D. Examples

1. Two BD Children

EXAMPLE #22: ***(Using January 2000 figures)***
James and Janet Jackson are disabled children age 19 and 20 who live with their mother in a Group I locality. Their mother applied for Medicaid for them in *January.* The children have no income but their mother receives $640 in unemployment compensation each month. Since all of Mrs. Jackson's income is unearned and she has no NBD child allocation, her deemed income is calculated:

$640	parent's unearned income
- 20	general income exclusion
620	countable unearned
- 512	parent's living allowance
108	remainder deemed to BD children
)÷ 2	BD children
$54	deemed to each child

When the $20 general income exclusion is applied to each child's income, each child has *$34* monthly countable income.

$34	countable monthly income for each child
x 6	months
204	6 months' income
- 1300	income limit for 1 person Group I
0	excess

Because each child's countable income is within the income limit for 1 person, each child is eligible for Medicaid as an MN disabled individual.

2. Two BD Children; One Has Excess Income

EXAMPLE #23: ***(Using January 2000 figures)***
In *January*, Mrs. Jones applied for Medicaid for her 2 disabled children, John age 19 and James age 20. Also living in the household is her husband who is not the father of the BD children. They live in a Group III locality. Mrs. Jones receives $960 in unemployment compensation per month and James receives $200 from his grandparents each month. John has no income. Mrs. Jones has no resources to deem. Since all of Mrs. Jones's income is unearned and she has no NBD child allocation, her deemed income is calculated:

$960	parent's unearned income
- 20	general income exclusion
940	countable unearned
- 512	parent's living allowance
428	remainder deemed to BD children
)÷ 2	BD children
214	deemed to each child

James's income is calculated:

$200	unearned income from grandparents
+214	deemed from parent
414	James's total unearned income
- 20	general income exclusion
394	monthly countable income
x 6	months
2364	6 months' income
-1950	income limit for 1 Group III
$414	excess for James (spenddown)

James is ineligible for Medicaid because of excess income. He is placed on spenddown. John's income is calculated:

$214	deemed from parent
- 20	general income exclusion
194	monthly countable income
x 6	months
1164	6 months' income
- 1950	income limit for 1 Group III
0	excess for John

John is eligible for Medicaid as an MN disabled individual.

3. One BD Child; Stepparent In Home

EXAMPLE #24: ***(Using January 2000 figures)***
Jerry Smith is a 19 year-old disabled child who lives with his mother, stepfather, his 15 year-old sister, his 3 year-old half brother and his 2 step-siblings in a Group II locality. His mother, Mrs. Green, applied for Medicaid for him in *January*. Jerry has no income. His mother receives $540 in unemployment compensation each month. Mr. Green, his stepfather, earns $2,300 per month. Jerry's 15 year old sister and his 3 year old half brother have no income of their own. Jerry's step-siblings receive $50 a month each from their grandparents.

a. Mrs. Green's deemed income is calculated:

Stepparent's contribution to children-in-common:
Each step-sibling's allocation:

$*257*	allocation standard
- 50	each child's income
207	each child's allocation from stepparent=s income
x 2	children
414	total allocation for step-children

$2,300	Mr. Green's earnings
- 414	allocation for his 2 children
1,886	remainder
- 512	living allowance for Mr. Green
1,374	remainder

$1,374 remainder
- 257 allocation standard for 1 child-in-common
$1,117 stepparent's contribution to child-in-common

Because *$1,117* is greater than the allocation standard for 1 child-in-common, NONE of Mrs. Green's income is allocated for the 3-year old child-in-common.

NBD Child allocation calculation:

$ *257* allocation standard for 15 year old sister
- 0 income of child
257 allocation for NBD 15 year old child

$ 540 Mrs. Green's unearned income
- 257 allocation for her NBD child
283 remainder
- 20 general income exclusion
263 countable unearned
- 512 parent's living allowance
0 remainder to deem to BD child

Mrs. Green has no income deemed to Jerry. Because he has no income of his own, he is eligible for Medicaid as an MN disabled individual.

M0530.303 DEEMING INCOME FROM TWO PARENTS

A. Introduction

This section explains the rules to follow when deeming income from both of the BD child(ren)'s parents who live in the household with the BD child(ren).

B. Excluded Income

When determining the parents' income, exclude the income listed in section M0530.020 above.

C. Deeming Rules

These deeming rules are applied in the following order:

1. Determine Parent's Income

The monthly amount of the parents' earned and unearned income is determined, applying the appropriate exclusions in M0530.020.

2. NBD Child Allocation

a. NBD Child Allocation Amount

An allocation for each NBD child who lives in the household is deducted from the **NBD child's parent's** income. Exception: no allocation is given for any children who are receiving public assistance payments such as TANF payments.

The allocation for each NBD child is the difference between the SSI payment limit for two persons and the SSI payment limit for one person.

The allocation amount automatically increases whenever the SSI limits increase. *See Appendix 1 to this subchapter for current amount.*

b. Reduce NBD Child Allocation

Each NBD child's allocation is reduced by the amount of his or her own income. The items listed in section M0530.020 above are not included as income to the NBD child for purposes of reducing the allocation.

If any NBD children in the household have income, verify the NBD child's income. However, when the alleged income exceeds the amount of the NBD child allocation amount (i.e., no NBD child allocation will apply for that NBD child), document the allegation in the file but do not verify the income. Document an allegation in the file when any NBD child living in the household has no income. Do not redevelop the NBD child's income unless a change is alleged or there is a reason to believe a change has occurred.

c. Subtract NBD Child Allocation

1) **Step 1, Parent #1:** determine the NBD child allocation(s) for the NBD child(ren) of only one of the parents (Parent #1) when Parent #1 has an NBD child(ren) who is not the child(ren) of the other parent (Parent #2).

   a) Determine the NBD child's own income,

   b) Subtract the NBD child's income from the NBD child allocation amount,

   c) any positive remainder is the NBD child allocation for that child;

   d) repeat a), b) and c) for each of Parent #1's NBD children.

   e) total all of the Parent #1's NBD child(ren) allocations; the result is Parent #1's NBD child allocation for his/her own child(ren);

   f) subtract the Parent #1's NBD child(ren) allocation first from the Parent #1's **unearned** income. If Parent #1 does not have enough unearned income to cover the allocation, subtract the allocation balance from Parent #1's **earned** income.

2) **Step 2, Parent #2:** determine the NBD child allocation(s) for the NBD child(ren) of Parent #2 when Parent #2 has an NBD child(ren) who is not the child(ren) of the Parent #1.

   a) Determine the NBD child's own income,

b) Subtract the NBD child's income from the NBD child's allocation amount,

c) any positive remainder is the NBD child allocation for that child;

d) repeat a), b) and c) for each of Parent #2's NBD children.

e) total all of the Parent #2's NBD child(ren) allocations; the result is Parent #2's NBD child allocation for his/her own child(ren);

f) subtract the Parent #2's NBD child(ren) allocation first from the Parent #2's **unearned** income. If Parent #2 does not have enough unearned income to cover the allocation, subtract the allocation balance from Parent #2's **earned** income.

3) **Step 3, Parents' child(ren)-in-common:** when the parents have an NBD child(ren)-in-common (both parents are NBD child's parents):

a) Determine the NBD child-in-common's own income,

b) Subtract the NBD child's income from the NBD child-in-common's allocation amount,

c) any positive remainder is the NBD child allocation for the child-in-common;

d) repeat a), b) and c) for each of the parents' NBD children-in-common;

e) total all of the NBD child(ren)-in-common allocations; the result is the parents' NBD child-in-common allocation for their child(ren)-in-common;

f) combine the Parents' unearned income that remains after deducting each parent's NBD child allocations;

g) combine the parents' earned income that remains after deducting each parent's NBD child allocations;

h) subtract the Parents' NBD child(ren)-in-common allocation first from the Parents' **combined unearned** income.

If the Parents do not have enough unearned income left to cover the NBD child(ren)-in-common allocation, subtract the NBD child(ren) in-common allocation balance from the Parents' **combined earned** income.

3. Subtract Unearned and Earned Income Exclusions

a. All Remaining Parental Income Is Earned

If all of the income of the parents that remains after applying the NBD child-in-common allocation is earned:

- Subtract $85 (the sum of the $20 general income exclusion and the $65 earned income exclusion);
- Subtract ½ of the remaining earned income.

b. All Parental Income is Unearned

If all of the income of the parents that remains after applying the NBD child-in-common allocation is unearned:

- subtract the $20 general income exclusion.

c. Parental Income is Both Earned and Unearned

If all of the income of the parents that remains after applying the NBD child-in-common allocation is both earned and unearned:

1) subtract $20 from the parents' remaining unearned income. If the remaining unearned income is less than $20, the balance of the $20 is subtracted from the parents' remaining earned income;

2) subtract $65 plus one-half the remainder from the remaining earned income (after subtracting any of the remaining $20 exclusion).

4. Subtract Living Allowance for Parents

Deduct a living allowance for the parents from any remaining parental income, unless the parents receive a public assistance payment such as TANF. No living allowance is given to parents who receive public assistance payments. The parental living allowance is the SSI monthly payment limit for a couple (2 persons).

5. Result = Deemable Income

Any positive remainder, after subtracting the living allowance for the parents, is the parents' deemable income.

6. One BD Child in Household

If only one BD child lives in the household, the parents' deemable income is deemed to the child as unearned income.

Add the deemed income to the BD child's own unearned income. Subtract the appropriate unearned income exclusions, including the $20 general exclusion, to determine the child's countable unearned income in the month. Add the countable unearned income to any countable earned income the child has. Subtract the total countable income from the

appropriate income limit for 1 person to determine whether or not the child is eligible for Medicaid, or to determine the amount of the child's medically needy spenddown.

7. Two or More BD Children in Household

If two or more BD children live in the household, **divide** the parents' deemable income equally among the BD children.

To determine the income eligibility of the BD child(ren) who apply for Medicaid, add the deemed income to the BD child's own unearned income. Subtract the appropriate unearned income exclusions, including the $20 general exclusion, to determine the child's countable unearned income in the month. Add the countable unearned income to any countable earned income the child has. Subtract the total countable income from the appropriate income limit for 1 person to determine whether or not the child is eligible for Medicaid, or to determine the amount of the child's medically needy spenddown.

D. Examples

1. One NBD Child in Common; Parents Have Both Earned and Unearned Income

EXAMPLE #25: ***(Using January 2000 figures)***
Bobby Miller, a disabled child age 19, lives with his mother and father and a 10-year-old NBD brother in a Group II locality. On *January 3*, his mother applies for Medicaid for him. She receives an annuity payment of $285 and his father earns $1,025. Bobby receives $250 per month from a trust fund set up for him by his deceased grandmother. His brother has no income.

Parents' deeming calculation:

$285	mother's unearned income
-257	NBD child allocation
28	unearned income to deem from mother
- 20	general income exclusion
8	parents' countable unearned income

$1025	father's earned income
- 65	earned income exclusion
960	
)÷ 2	½ remainder earned income exclusion
480	countable earned income
+ *8*	countable unearned income
488	
-769	living allowance for the parents
0	excess to deem

None of his parents' income is deemed to Bobby. Bobby's MN income eligibility is calculated:

$250	monthly unearned income
- 20	general exclusion
230	countable income
x 6	months
$1380	countable 6 months' income

1380 countable 6 months= income
-1500 income limit for 1 Group II
0 excess

Bobby is eligible for Medicaid as an MN disabled individual.

2. One NBD Child in Common; Parents Have NBD Children Of Their Own

EXAMPLE #26: ***(Using January 2000 figures)***
Billie Barty, a disabled child age 19, lives with her mother, father, her twin brother age 19, her mother's 20-year-old NBD son and her father's 20 year-old daughter in a Group III locality. On *January 4*, her mother applies for Medicaid for Billie. Her mother receives an annuity payment of $585 per month and her father earns $3,000 per month. Billie receives $150 per month from a trust fund set up for her by her deceased grandmother. Her half-siblings have no income.

a. Parent #1's (mother's) deeming calculation:

$585 mother's unearned income
-257 NBD child allocation (20 year old)
328 remainder unearned income

b. Parent #2's (father's) deeming calculation:

$3000 father's earned income
- 257 NBD child allocation (20 year old)
2743 remainder earned income

c. Parents= child-in-common allocation and deeming calculations:

$ *328* mother's remainder unearned income
+ 0 father's remainder unearned income
328 parents' total remainder unearned income
- 257 NBD child-in-common allocation
71 parents' countable unearned income
- 20 general income exclusion
51 parents' countable unearned income

$2,743 father's remainder earned income
- 65 earned income exclusion
2,678
)÷ 2 ½ remainder earned income exclusion
1,339 countable earned income
+ *51* countable unearned income
1,390 total countable income
- *769* living allowance for parents
621 deemed to Billie

d. Billie's income calculation:

$150 monthly unearned income
+ 621 deemed from parents
771 total unearned income

771	total unearned income
- 20	general exclusion
751	countable income
x 6	months
$ *4,506*	countable 6 months' income
- 1,950	income limit for 1 Group III
2,556	excess (spenddown)

Billie is not eligible for Medicaid because of excess income and is placed on a spenddown.

M0530.304 CHANGES IN STATUSc PARENTS OF CHILDREN

A. Introduction

Deeming of a parent's income to an BD child can begin or end when there has been a change in the family's situation. Except where noted below, all changes in status are effective with the month following the month the change occurs. The rules that apply when such a change of status occurs are listed below.

NOTE: There are other status changes in addition to the ones described in B. These other changes are effective, for deeming purposes, the month after the month the change occurs. For example, if an NBD child moves out of the household in May, no allocation is given for that child beginning with June (for purposes of determining eligibility of a blind or disabled child).

B. Policy

1. Parent Dies

If a parent dies, deeming stops from that parent beginning with the month following the month of death. If the child lives with two parents and one dies, deeming continues from the surviving parent to determine eligibility. Only the surviving parent's income is used, and one parental living allowance is subtracted.

2. Parent and BD Child No Longer Lives in Same Household

If a parent and BD child no longer live in the same household, deeming of that parent's income stops effective the month after the month the parent (or child) leaves the household for purposes of determining eligibility.

NOTE: If a parent (or child) was temporarily absent from the household, this rule applies effective with the month after the month the parent's (or child's) absence is no longer considered temporary.

3. Parent and BD Child Begin Living in Same Household

If an BD child begins living with a parent in the same household (e.g., a newborn child comes home from a hospital), the parent's income is deemed to the child for purposes of determining eligibility beginning the month after the month they begin living together.

NOTE: An BD child born at home is subject to deeming effective with the month of birth.

4. BD Child Becomes Institution-alized

If an BD child becomes institutionalized, either in a medical facility or under a Medicaid CBC waiver, deeming stops for purposes of determining eligibility effective the month in which institutionalization began.

5. Child Attains Age 21

Deeming stops effective the month following the month in which a child attains age 21. An individual attains age 21 on the day preceding the anniversary of his/her birth. Eligibility is determined using only the individual's own income. The individual's income for the current month and subsequent months must include any income in the form of cash provided by the parents.

C. Examples

1. Parent Dies

EXAMPLE #27: ***(Using January 2000 figures)***
Henry Walden is a disabled child who lives with his parents in Group III. On *January 4*, Mrs. Walden died. She had been working and received gross wages of $981 in January. Mr. Walden's only income is a pension check of $450. Henry has no income. There are no NBD children living in the household. In *January*, Henry's eligibility is determined by calculating deemed income from both his parents. His father's unearned income of $450 is reduced by $20, leaving $430. His mother's earned income of $981 is reduced by the earned income exclusion ($65 plus one-half the remainder) leaving $458. The total income remaining ($888) is then reduced by the parents' living allowance ($*769*), which leaves deemed income of *$119*. The $20 general income exclusion is subtracted from Henry's income, which leaves him with *$99* countable income. Beginning with *February*, Henry's eligibility is determined using only his father's income, since Henry has no income of his own and his mother died in *January*.

2. BD Child Begins Living With Parent

EXAMPLE #28: Gene Prescott, a disabled child age 19, is a Medicaid recipient who lives in a private residential facility. In October, he is discharged from the facility and goes home to live with his mother and his NBD sister. Beginning with November, his mother's resources and income are deemed to Gene to determine his eligibility.

M0530.400 MULTIPLE DEEMING

A. Introduction

When more than one ABD individual lives in the same household and there is a parent-child relationship, a multiple deeming situation may exist. The following sections provide the rules to follow in parent-child multiple deeming situations. When this type of deeming is involved, it may or may not be necessary to recalculate eligibility, depending on the situation.

M0530.401 DEEMING INCOME FROM AN NABD SPOUSE TO AN ABD INDIVIDUAL AND A BD CHILD

A. Policy

If a BD child (or children) under age 21 lives in the same household with his/her parents who are an ABD individual (spouse) and an NABD spouse, income is always deemed first to the ABD individual (i.e., the parent who is aged, blind or disabled). Then, any remaining income is deemed to the BD child(ren).

B. Determining the Spouse's and Child's Eligibility

The steps below are followed to determine eligibility for Medicaid when both an ABD individual (spouse) and a BD child under age 21 live in the same household with an NABD spouse/parent.

1. Determine the amount of the NABD spouse's earned and unearned income using the appropriate exclusions in M0530.020.

2. Deduct an allocation for each NBD child in the household from the NABD spouse's income as described in M0530.203.

3. Follow the rules in M0530.203 to determine if any of the NABD spouse's income is deemed to the individual, and if so, to determine countable income for a couple. Follow the rules in M0530.301 and 302 to determine the BD child's eligibility.

   NOTE: Excess income, if any, is determined from the "couple" calculation.

4. If the ABD spouse/parent **is eligible** for Medicaid after the NABD spouse's income has been deemed, **no** income is deemed to the BD child from his/her parents. To determine the child's eligibility, compare the child's own countable income (without income deemed from his/her parents) to the income limit for 1 person.

5. If the ABD individual (parent) is **not** eligible for Medicaid after the NABD spouse's income has been deemed, deem any excess monthly income to the BD child.

   When the couple's countable income exceeds the income limit, the ABD spouse/parent is **not** eligible for Medicaid and is placed on a spenddown. The spenddown amount is based on the amount of the monthly excess income which was deemed to the BD child. Deeming income does not reduce the ABD spouse/parent's countable income.

C. Examples

1. Parents' Income Less Than Couple Limit

EXAMPLE #29: Mrs. Crowley, a blind individual, lives with her husband and their disabled child, John in Group III. Mrs. Crowley has been receiving Medicaid for 4 months. She and John have no income. Mr. Crowley is employed and earns $825 in August 1997. First

determine Mrs. Crowley's eligibility. Since Mr. Crowley's income exceeds the deeming standard, the $825 is treated as the earned income available to Mr. and Mrs. Crowley as a couple. Because they have no unearned income, reduce the $825 by the $20 general income exclusion, and then by the earned income exclusion ($65 plus one-half the remainder). This leaves $370 in countable income, which is less than the $400 income limit in Group III for a couple, so Mrs. Crowley is eligible for Medicaid. Therefore, no income is deemed to John. Since John's total countable income (zero) is less than the income limit for an individual, John is also eligible for Medicaid.

2. Parents' Income Exceeds the Couple Limit

EXAMPLE #30: Mr. Potter, a disabled individual, resides with his NABD spouse and their disabled son, Dwayne who is age 19, in Group II. Mr. Potter and Dwayne have no income. Mrs. Potter works and earned $1,195 in September 1997. Since Mrs. Potter's income is more than the deeming standard, the $1,195 earned income is treated as income available to Mr. and Mrs. Potter as a couple. Next, the income is reduced by the $20 general income exclusion and then by the $65 plus one-half the remainder (earned income exclusion), leaving $555 in countable income. This exceeds the monthly income limit in Group II by $246.67. Mr. Potter is ineligible because the couple's $555 countable income exceeds the Group II income limit for a couple. His spenddown amount is $1480 ($555 x 6 = 3330 - 1850 = 1480).

Since Mr. Potter is ineligible, $246.67 is deemed to Dwayne. Treat the $246.67 deemed to Dwayne as unearned income, and apply the $20 general income exclusion, reducing Dwayne's countable income to $226.67. Multiply his monthly countable income by 6 months. Compare Dwayne's 6 months' countable income to the semi-annual income limit for 1 person in Group II. Because his countable income does not exceed the income limit. Dwayne is eligible for Medicaid as an MN disabled individual.

Deeming Allocations

The deeming policy determines how much of a legally responsible relative's income is deemed to the applicant/recipient. The allocation amount increases automatically whenever the SSI payment limit increases.

NBD (Non-blind/disabled) Child Allocation

The NBD child allocation is equal to the difference between the SSI payment for two persons and the SSI payment for one person.

SSI payment for couple - SSI payment for one person = NBD child allocation

2016 (no change): $1,100 - $733 = $367
2015: $1,100 - $733 = $367 ....

Parental Living Allowance

The living allowance for one parent living with the child is the SSI payment for one person.

SSI payment for one person = *$733 for 2016 (no change)*; $733 for 2015
The living allowance for both parents living with the child is the SSI payment for a couple.

SSI payment for both parents = *$1,100 for 2016 (no change)*; $1,100 for 2015.

Deeming Standard

The NABD (non-age/blind/disabled) spouse deeming standard is the difference between the SSI payment for two persons and the SSI payment for one person.

SSI payment for couple - SSI payment for one person = deeming standard

2016 (no change): $1,100 - $733 = $367
2015: $1,100 - $733 = $367