

# **DMA**

## **CHANGE NOTICE 14-01, Poverty Level Based Income Limits**

**DATE:** FEBRUARY 23, 2001

**Manual:** Aged, Blind and Disabled Medicaid

**Change No.:** 14-01

**To:** County Directors of Social Services

**Effective:** April 1, 2001

### **I. CONTENT OF THE CHANGE**

The purpose of this change notice is to issue the new poverty level income limits and provide implementation instructions for pending applications, new applications and ongoing cases.

Manual sections have also been updated to reflect the new Medicare deductibles, premiums and co-insurance amounts that were effective January 1, 2001.

Finally, the manual is updated to include the new QI2 benefit amounts that were effective January 1, 2001. Also, the QI2 policy is clarified to state that enrollment in Medicare Part B is a requirement to qualify for QI2 benefits.

### **II. IMPLEMENTATION OF QI2 CHANGES**

The change applies to all applications taken on or after January 1, 2001, and all re-enrollments for the year 2001. Review each QI2 application and re-enrollment for 2001 benefits to verify that the individual has Medicare Part B. If the individual does not have Medicare Part B, send a denial notice.

### **III. EFFECTIVE DATE OF NEW INCOME LIMITS**

#### **A. Income Limits**

Income limits for MAABD-N, MQB-Q, MQB-B, MQB-E, QI2 and MWD are revised effective April 1, 2001 to reflect the increase in the federal poverty level. The income limits were updated in EIS the night of February 23, 2001. You can now enter the new income limits.

Use the new income limits to determine eligibility beginning April 2001. Use the 2000 income limits for months prior to April 2001.

#### **B. End of COLA Disregard**

The exclusion of the RSDI cost-of-living allowance (COLA) for MAABD-N, MQB-Q, MQB-B, MQB-E, QI2 and MWD ends with the implementation of the new income limits. Begin counting the full RSDI amount, including the 2001 COLA effective April 1, 2001. Continue to disregard the COLA for January, February and March 2001.

The COLA will not be automated because verification of the actual benefit amount is available through Bendex, SDX and SOLQ.

### **IV. IMPLEMENTATION INSTRUCTIONS FOR NEW INCOME LIMITS**

#### **A. Pending MAABD PLA Applications Dated Prior to April 1, 2001**

1. If the budget unit's countable income is within the MAABD-N income limit prior to 4/1/01 and all other criteria are met, approve effective the first month of eligibility. However, please note that to enter the case in EIS, when months April 2001 or later are covered, you must enter the income limits effective 4/1/01.
2. If the budget unit's countable income prior to 4/1/01 exceeded the MAABD-N income limit, but effective 4/1/01 it is within the MAABD-N income limit and the budget unit is otherwise eligible:
  - a. Recalculate the Medically Needy deductible for the number of months in the c.p. prior to 4/1/01. When the deductible is met, authorize the case as Medically Needy from the date the deductible is met through 3/31/01.

**NOTE:** When calculating the deductible, do not disregard the COLA. The COLA disregard does not apply to Medically Needy.

- b. Authorize the case with an N classification effective 4/1/01. The certification period will be 12 months beginning with the month of application.

NOTE: Remember that for MAABD-N, income producing property must meet the \$6,000/6% test. For any of the property to be excluded, the property must produce a net annual income of at least 6% of the equity. Additionally, any equity in property in excess of \$6,000 is a countable resource. If resources exceed the MAABD resource limit at the first moment of the month (Refer to MA-2230), the applicant is ineligible for MAABD-N for the entire month. He must be evaluated as medically needy.

3. If the budget unit's countable income prior to 4/1/01 exceeded the MAABD-N income limit and it still exceeds the increased N income limit, there is no change in processing.

### **B. Pending MAABD LTC Applications Dated Prior to April 1, 2001**

There is no change in processing except for classification. If countable income is above the MAABD-N income limit prior to 4/1/01 but is within the limit effective 4/1/01, and all other MAABD-N criteria are met, classify the case as N effective 4/1/01.

### **C. Pending MQB Applications Dated Prior to April 1, 2001**

1. If the classification effective 4/1/01 is different than that prior to 4/1/01 and all other criteria were met, approve effective 4/1/01 in the new classification. Enter the income limit effective 4/1/01 in EIS. The certification from date must equal the first day of the month of application. Authorize months prior to 4/1/01 on the DB/PML screen. This means due to the increased income limit an MQB-E case is now MQB-B or MQB-B case is now MQB-Q.
2. If the applicant is eligible for MQB prior to 4/1/01 and eligible for MAABD effective 4/1/01:
  - a. Approve the MQB as open/shut for the months prior to 4/1/01.
  - b. Enter a new administrative MAABD application and approve as MAABD effective 4/1/01. Enter in EIS the income limit effective 4/1/01. The certification from date must equal the first day of the month of application.

EXAMPLE: Applicant applies for MQB on March 1, 2001. His countable income is \$700. You determine he is eligible for MAABD-Q effective April 1, 2001 based on the new income limits and he is eligible for MQB-B for March. Approve the MQB application open/shut for March 2001. Then enter a new administrative MAABD application and approve as MAABD-Q effective 4/1/01. Remember, authorization for Q classification always begins the month following the month of disposition.

3. If the case's countable income prior to 4/1/01 makes the case ineligible for MQB-Q, B or E, but will be eligible based on the new income limits, approve the application in the appropriate classification with a Medicaid effective date of 4/1/01. (See F, below, for QI2 instructions.) The certification from date must equal the first day of the month of application.

**D. Applications Dated 4/1/01 or Later.**

1. Apply the new income limits to establish eligibility for the ongoing certification period.
2. Use the old income limits to establish eligibility for the retro months prior to April 1, 2001.

**E. Ongoing Adult Medicaid (MAABD-N, Q & B, MQB-Q, B & E Cases) See F, below, for QI2 instructions.**

Apply the new income limits and 2001 RSDI amounts at the next redetermination or change in situation after 4/1/01.

**F. QI2**

1. If an individual has already been “approved” on the log for QI2 using the old income limit, no further action is required at this time.
2. New or Pending Applications
  - a. Continue to disregard the COLA and use the income limits effective April 2000 when determining eligibility for months prior to April 2001.
  - b. Include the RSDI COLA as countable income and compare the countable income to the increased QI2 income level when determining eligibility for QI2 effective April 1, 2001.
  - c. Evaluate any pending QI2 applications for MQB-E using the new income limits effective 4/1/01.
    - (1) Continue to process as QI2 if the income exceeds the limit effective 4/1/01.
    - (2) If eligible for MQB-E:
      - (a) Key a DSS-8124. The date of application is the same as the QI-2 application. Key the application as administrative.
      - (b) Process the application according to III.C.3.

**IV. INSTRUCTIONS FOR MAINTENANCE OF THE MANUAL**

**A. Remove MA-400, Figure 1.**

**B. Insert attached MA-400, Figure 1, effective 4/1/01.**

**C. Remove MA-2100, pages 1 & 2.**

**D. Insert attached MA-2100, pages 1 & 2, effective 4/1/01.**

**E. Remove MA-2165, pages 1 & 2 and 7 & 8.**

**F. Insert attached MA-2165, pages 1 & 2 and 7 & 8, effective 4/1/01.**

**G. Remove MA-2260, pages 14 & 15.**

**H. Insert attached MA-2260, pages 14 & 15, effective 4/1/01.**

**I. Remove MA-2360, pages 11-12, 15-16 and 19-20.**

**J. Insert attached MA-2360, pages 11-12, 15-16 and 19-20, effective 4/1/01.**

If you have any questions, please contact your Medicaid Program Representative.

Paul R. Perruzzi  
Director

This material was researched and written by Renee Boston, Policy Consultant, Medicaid Eligibility Unit.