

CHANGE NOTICE FOR MANUAL NO. 14-04, POVERTY LEVEL INCOME LIMITS

DATE: FEBRUARY 23, 2004

Manual: Aged, Blind, and Disabled Medicaid

Change No: 14-04

To: County Directors of Social Services

Effective: April 1, 2004

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.

MA-2360, Medicaid Deductible, has also been updated to reflect the new medical reimbursement rate for medically related transportation.

II. EFFECTIVE DATE OF NEW INCOME LIMITS

A. Income Limits

Income limits for MAABD-N, MQB-Q, MQB-B, MQB-E, and MWD are revised effective April 1, 2004, to reflect the increase in the federal poverty level. The income limits were updated in EIS effective Wednesday, February 25, 2004. You can now enter the new income limits.

Use the new income limits to determine eligibility beginning April 2004. Use the 2003 income limits for months prior to April 2004.

B. End of COLA Disregard

The exclusion of the RSDI cost-of-living allowance (COLA) for MAABD-N, MQB-Q, MQB-B, MQB-E, and MWD ends with the implementation of the new income limits. Begin counting the full RSDI amount, including the 2004 COLA effective April 1, 2004. Continue to disregard the COLA for January, February and March 2004.

III. IMPLEMENTATION INSTRUCTIONS FOR PENDING APPLICATIONS

A. Pending MAABD PLA Applications Dated Prior to April 1, 2004

1. For the months prior to April 2004, use the income limits and countable income for those months. For months April 2004 and later, use the income limits effective April 1, 2004, and the countable income effective for those months.

For MAABD-N cases, the RSDI COLA was disregarded through March. Begin counting it in April.

2. If the budget unit's countable income is within the MAABD-N limit for months in the certification period prior to April 2004 and for months April 2004 and later, approve the application effective the first month of eligibility through the end of the certification period. Enter the April 1, 2004, income limits and countable income.
3. If the budget unit's countable income prior to 04/01/04 exceeded the MAABD-N income limit, but effective 04/01/04 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 04/01/04. When the deductible is met, authorize the case as medically needy from the date the deductible is met through 3/31/04.

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 04/01/04. The certification period will be 12 months beginning with the month of application.

NOTE: Remember that for MAABD-N, if resources exceed the MAABD resource limit at the first moment of the month, the applicant is ineligible for MAABD-N for the entire month. He must be evaluated as medically needy. Refer to MA-2230, Financial Resources.

4. If the budget unit's countable income prior to 4/1/04 exceeded the MAABD-N income limit and it still exceeds the increased N income limit, evaluate the case for medically needy. Use the 04/01/04 income limits and the current COLA amount for any certification period that includes 04/01/04 or later, regardless of the begin date. If it is established that the deductible can be met or projected expenses are within \$300.00, pend in deductible status. If it is determined that the deductible cannot be met, deny the application.

B. Pending MAABD LTC Applications Dated Prior to April 1, 2004

If countable income is above the MAABD-N income limit prior to 04/01/04 but is within the limit effective 04/01/04, and all other MAABD-N criteria are met, classify the case as N effective 04/01/04. For months prior to 04/01/04 classify as medically needy if all other eligibility factors are met.

C. Pending MQB Applications Dated Prior to April 1, 2004

1. If the classification effective 4/01/04 is different than that prior to 4/01/04 and all other criteria were met, approve effective 4/01/04 in the new classification. Enter the income limit effective 4/01/04 in EIS. The certification from date must equal the first day of the month of application. Authorize months prior to 4/01/04 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 4/01/04 and eligible for MAABD effective 4/01/04:
 - a. Approve the MQB as open/shut for the months prior to 4/01/04. Complete a manual DMA-5004, Buy - In Clerical Action, for the open/shut case.
 - b. Enter a new administrative MAABD application and approve as MAABD effective 4/01/04. Enter in EIS the income limit effective 4/01/04. The certification from date must equal the first day of the month of application.

EXAMPLE: Applicant applies for MQB on March 1, 2004. His countable income is \$760. The application is processed on March 15, 2004. You determine he is eligible for MAABD-Q effective April 1, 2004 based on the new income limits and he is eligible for MQB-B for March. Approve the MQB-B application open/shut for March 2004. Then enter a new administrative MAABD application and approve as MAABD effective 04/01/04. Remember that authorization for Q classification always begins the month following the month of disposition.

3. If the case's countable income prior to 4/01/04 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 4/01/04. The certification from date must equal the first day of the month of application.

D. Applications Dated 4/01/04 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, 2004.

IV. IMPLEMENTATION INSTRUCTIONS FOR ONGOING ADULT MEDICAID (MAABD-N, F, G, H, Q & B, MQB-Q, B & E CASES)

A. For 4/01/04 or later, apply the new income limits and 2004 RSDI amounts to establish eligibility for the ongoing certification period.

1. A report will display on NCXPTR. Title of the report is *Poverty Potential Eligibles for Program Review*. To view the report in XPTR, type: '**DHREJA POV POT ELIG FOR PROG REV**'. This report compares the new Social Security amount to the new poverty level for the Aid Program/Category and Medicaid classification. If the new total countable monthly income is greater than the new poverty amount, the individual's information will be printed on this report.
2. EIS will not automatically update the cases on this report.
3. **If there is no amount in the RSDI field in EIS, the increase could not be calculated correctly. These cases will also show on the new report.** They will show on the report with zeroes in the EIS RSDI field. Special care should be taken when reviewing these cases to assure that countable income is calculated correctly.
4. The caseworker is to pull the cases on this report and complete an SOLQ to verify the RSDI amount. Compare the income with the new poverty level.
5. React to the change in the case by the pull cutoff date in April. If the poverty level increase causes a change in the case, take appropriate action and send a timely notice. Evaluate for Medicaid under all other aid program/categories.
 - a. If an individual who is dually eligible (MAABD with Medicaid class B or Q) must have a deductible, he must be transferred to MQB-B. Refer to MA-2355, *MAABD/MQB Program Transfers*.
 - b. If the individual is not entitled to Medicare, change to deductible status if it is established that the deductible can be met or projected expenses are within \$300.00 of meeting the deductible. If the deductible cannot be met, send a timely notice to terminate the case.

B. For 4/01/04 or earlier, apply the new income limits and 2004 RSDI amounts to establish eligibility for ongoing certification period.

If the budget unit's countable income is within the MAABD-N income limit prior to 4/01/04 and all other criteria are met, approve effective the first month of eligibility.

Use the 4/01/04 income limits and the current COLA amount for any certification period that includes 4/01/04 or later, regardless of the begin date. Please note that to enter the case in EIS, when months April 2004 or later are covered, you must enter the income limits effective 4/01/04.

EXAMPLE: You are completing a February 2004 review. The total countable income is \$740.00, due to your disregarding the RSDI COLA. You determine he is eligible for MAABD for March 2004 using the 2003 income limits. For April 2004 and later, you must include the RSDI COLA as countable income. Therefore, the new total countable income is \$760.00. You determine he remains eligible for MAABD effective with April 1, 2004 based on the new income limits. The new certification period is March 2004-August 2004. To enter April 2004 and later months into EIS, you must enter the income limits effective 04/01/04.

V. INSTRUCTIONS FOR MAINTENANCE OF THE MANUAL

A. Remove MA-400, Introduction to Medicaid, Figure 1.

B. Insert attached [MA-400, Figure 1](#), Introduction to Medicaid, effective 4/01/04.

C. Remove MA-2260, Financial Eligibility Requirements/PLA, pages 14-15.

D. Insert attached MA-2260, Financial Eligibility Requirements/PLA, pages [14-15](#), effective 4/01/04.

E. Remove MA-2360, Medicaid Deductible, pages 7-8.

F. Insert attached [MA-2360](#), Medicaid Deductible, pages 7-8, effective 4/01/04.

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

Gary H. Fuquay
Director

(This material was researched and written by Angela Saddler, Policy Consultant, Medicaid Eligibility Unit.)