



Iowa Department of Human Services

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GENERAL LETTER NO. 8-F-90

ISSUED BY: Bureau of Financial, Health and Works Supports
Division of Adult, Children and Family Services

SUBJECT: Employees' Manual, Title 8, Chapter F, **COVERAGE GROUPS**, pages 33, 164, 165, 166, 169, 171, 174, 178, 189, and 214, revised.

Summary

Chapter 8-F is revised to update the:

- ◆ Iowa Family Planning Network Monthly Income Limits: 300% of Federal Poverty table.
- ◆ Income limits of the following coverage groups:
 - Qualified Disabled Working Persons (QDWP)
 - Qualified Medicare Beneficiaries (QMB)
 - Specified Low-Income Medicare Beneficiaries (SLMB)
 - Expanded Specified Low-Income Medicare Beneficiaries (E-SLMB)
 - Medicaid for Employed People with Disabilities (MEPD)
 - Medicaid for Kids with Special Needs (MKSNS)

Effective Date

March 1, 2016, for QDWP, QMB, SLMB, E-SLMB, and MEPD.

April 1, 2016, for MKSN.

Material Superseded

This material replaces the following pages from Employees' Manual, Title 8, Chapter F:

<u>Page</u>	<u>Date</u>
33	July 10, 2015
164	April 17, 2015
165, 166	January 30, 2015
169	April 17, 2015
171	April 4, 2014
174, 178	April 17, 2015
189	January 1, 2016
214	April 17, 2015

Additional Information

Refer questions about this general letter to your area income maintenance administrator.

Income

Legal reference: 441 IAC 75.1(41)"c"

In determining IFPN eligibility, the household's countable monthly income shall not exceed the amounts shown in the chart below for a household of the same size.

Iowa Family Planning Network Monthly Income Limits: 300% of Poverty								
HH Size	1	2	3	4	5	6	7	Additional
Limit	\$2970	\$4005	\$5040	\$6075	\$7110	\$8145	\$9183	\$1045 each

NOTE: The income limit does not apply if a woman qualifies because she was receiving Medicaid when her pregnancy ended.

The gross income (before taxes and other deductions) received by any person included in the household size must be counted. Income received by a parent for a teen (e.g. child support, social security benefits) is not counted for the teen's eligibility unless the parent makes it available to the teen.

Proof of income shall be documented in the case record. Proof may include copies of pay stubs, an employer's statement, an award letter, an income tax return, etc.

Countable Income

Legal reference: 441 IAC 75.1(41)"c"(2) and (3)

Count only the following income in determining IFPN eligibility:

- ◆ Money, wages or salary: Count wages according to [8-E, TYPES OF FMAP-RELATED INCOME](#). Lump-sum income received due to employment is not counted. Project income according to [8-E, Budgeting for FMAP-Related Households](#).
- ◆ Self-employment: Calculate countable self-employment income according to policies at [8-E, FMAP-RELATED SELF-EMPLOYMENT INCOME](#).
- ◆ Unemployment insurance benefits: If unemployment insurance benefits are reduced, count the actual amount the person receives.
- ◆ Child support: Count the actual monthly amount paid. The \$50 exemption is not allowable.

Size of Family	200% of Poverty Level
Individual	\$1,980
Couple	\$2,670

Compare the net countable income to the individual limit when income is not deemed from the ineligible spouse to the eligible spouse.

To determine net countable monthly income, follow SSI policies. See [8-E, INCOME POLICIES FOR SSI-RELATED COVERAGE GROUPS](#). Allow the earned and unearned deductions. Consider the income prospectively.

- ◆ The person is **not** eligible for any other Medicaid benefits. If a person is eligible under another coverage group, the person is not eligible for QDWP.
- ◆ The person meets all other general eligibility requirements as other SSI-related Medicaid members (except for substantial gainful activity).

1. Mr. Z, aged 45, is currently receiving Medicare Part A benefits. His income does not exceed 200% of poverty, and his resources do not exceed twice the SSI resource limit. If all other program requirements are met, Mr. Z's application may be approved for the QDWP group.
2. Ms. Y, aged 42, had been receiving social security disability benefits since age 30. She was found not to be disabled four years ago when her income from earnings exceeded the substantial gainful activity level, even though her medical condition remained unchanged. Her disability benefits stopped three years ago, but her Medicare coverage continued without any charge for Part A.

Her extended Medicare Part A without a premium is now ending. Ms. Y chooses to purchase Medicare Part A after her extended benefits end. She applies for Medicaid under QDWP. She has her three minor children living with her.

The worker determines that Ms. Y would be eligible for Medicaid under FMAP-related Medically Needy with no spenddown. She is not eligible for the QDWP coverage group. The application is processed for Medically Needy. Medicaid does not provide for payment of the Medicare Part A premium.

The Social Security Administration verifies that a person is entitled to Medicare Part A through the continuing disability review procedures. When a person is no longer entitled to Medicare Part A, Social Security will notify the Centers for Medicare and Medicaid Services (CMS). CMS then notifies the state of the person's termination.

Mr. J, aged 31, has a disabling medical condition and continues to work. The Social Security Administration has notified him that he can continue with Medicare Part A coverage, but that he will have a premium to pay. Social Security also notifies him about the QDWP program and the general guidelines for eligibility.

Mr. J applies for QDWP. He has \$2,200 in gross monthly earnings. Mrs. J, aged 30, has \$1,500 in gross earnings. They have one child, aged 10, who has no income.

Step 1: Determine if Mr. J is eligible.

\$ 2,200.00	Gross monthly earnings
— <u>20.00</u>	Income exclusion
\$ 2,180.00	
— <u>65.00</u>	Work exclusion
\$ 2,115.00	
— <u>1,057.50</u>	1/2 remainder
\$ 1,057.50	Mr. J's net countable income is below 200% of the poverty level for a household size of one

Step 2: To determine income eligibility for Mr. J, income is diverted to the ineligible child. A maximum of \$367 may be allowed to meet the child's needs. Mrs. J is an ineligible spouse because she is not disabled and is not entitled to Medicare Part A.

\$ 2,500	Mrs. J's gross earned income
— <u>367</u>	Allocated for the ineligible child
\$ 2,133	Amount of income to deem from Mrs. J, the ineligible spouse, to Mr. J.

Step 3: Mr. and Mrs. J's earned income is added together:

\$ 2,133.00	Mrs. J's earned income after the deeming
+ <u>2,200.00</u>	Mr. J's gross earned income
\$ 4,333.00	
- <u>20.00</u>	Income exclusion
\$ 4,313.00	
- <u>65.00</u>	Work exclusion
\$ 4,248.00	
- <u>2,124.00</u>	1/2 remainder
\$ 2,124.00	Net countable income

The \$2,124.00 is compared to 200% of the poverty level for Mr. and Mrs. J, a two-person household. Mr. J is income-eligible under the QDWP group.

The effective date of assistance for this coverage group is either the first day of the month in which application is filed or an eligibility decision is made, whichever is earlier. Determine eligibility for retroactive Medicaid benefits after checking that there is no retroactive eligibility under another coverage group.

Complete a review of eligibility factors for QDWP cases at a minimum of every 12 months. Complete a redetermination when changes are reported or made known.

Terminate eligibility no later than the first of the month in which the client turns age 65 or when the person is no longer entitled to Part A Medicare.

Mr. V, age 36, files an application on April 13. The date of decision is April 25. The effective date of eligibility for QDWP is April 1.

Qualified Medicare Beneficiaries (QMBs)

Legal reference: P. L. 100-360, 441 IAC 75.1(29)

People who are entitled to hospital insurance under Medicare Part A may be eligible for benefits through the "qualified Medicare beneficiary" (QMB) coverage group. Medicare refers to the QMB group as a "Medicare Savings Program." People applying for QMB may refer to the coverage group as the Medicare Savings Program.

4. Ms. W, age 78, applies for Medicaid on February 1. She is living in her own home. She receives social security benefits but never applied for Medicare. Since Ms. W has a work history, she is eligible to enroll in Part A at any time.

The IM worker refers Ms. W to the Social Security Administration to apply for Medicare Parts A and B. If Ms. W enrolls for Medicare, the worker continues determining eligibility for Medicaid.

Determine the person's net countable income following SSI policies. Allow the earned and unearned income exclusions. Consider income prospectively. Compare the person's net countable income to 100% of the federal poverty level. Current monthly limits are:

Size of Family	100% of Poverty Level
Individual	\$990
Couple	\$1,335

Exclude the social security cost-of-living (COLA) increase received in the current calendar year for January through the month following the month in which the federal poverty level is published. Central office will notify you when to recalculate the poverty level using the social security COLA increases received in January.

Mrs. J receives \$671 from social security and \$175 gross earned income per month. On January 1, her social security increases to \$710 and her gross earned income increases to \$175 due to increased hours. The federal poverty level is published in January. For the months of January and February, Mrs. J's social security COLA increase is disregarded.

Income is considered as follows for January and February (the social security COLA is disregarded):

\$ 671	Gross social security income
— <u>20</u>	Income exclusion
\$ 651	Countable social security income

1. Mrs. G and her three children receive MAGI medical. Mr. G (stepparent) receives \$988 monthly in social security disability benefits and is entitled to Medicare. To determine Mr. G's QMB eligibility, the income is computed as follows:

QMB Determination

\$ 988	Gross SS income
— 20	General income exclusion
\$ 968	Compared to 100% of the poverty level

Mr. G is eligible for QMB coverage, provided all other eligibility factors are met. In the QMB determination, deeming of income does not apply to Mr. G because he does not have an ineligible spouse.

2. Mr. K files an application on April 1. His monthly income is:

\$ 846	Gross social security
+ 200	Retirement pension
\$1,046	
— 20	General income exclusion
\$1,026	Countable monthly income

Since the monthly net income exceeds 100% of the poverty level, Mr. K is not eligible for QMB. However, he is potentially eligible for Medically Needy. Eligibility for SLMB is also examined.

3. Mr. and Mrs. B file an application July 20. Mr. B receives \$677 social security benefits, and Mrs. B receives \$476 social security benefits each month. Both are entitled to Medicare Part A. Their countable resources are \$4,000. Their income is considered as follows:

\$ 677	Mr. B's gross social security
+ 476	Mrs. B's gross social security
\$1,153	Total income
— 20	General income exclusion
\$1,133	Countable monthly net income

The Bs could qualify for the Medically Needy program with a spenddown and have eligibility for the limited Medicaid services under the QMB program until spenddown is met. Medicaid will cover the cost of the couple's Medicare premiums, deductibles, and coinsurance until spenddown is met.

Relationship Between QMB and Other Coverage Groups

Legal reference: P. L. 100-360, 441 IAC 75.1(29), 76.2(2)

An applicant who is eligible under more than one coverage group can choose under which coverage group eligibility is determined. Screen all applications for QMB and for eligibility under another coverage group.

Explain the options under each group so the applicant can make an informed choice. Medicaid provides for some services not covered under Medicare, such as dental expenses and some prescription drugs.

When a person is approved for an SSI or FIP cash grant, and is entitled to Medicare Part A, the person is eligible for QMB the following month.

Because QMB provides only limited Medicaid coverage, the relationship between QMB and other coverage groups is complex, especially in two areas:

- ◆ When a client is concurrently eligible for QMB and Medically Needy, the client is entitled only to QMB benefits until spenddown is met. Once spenddown is met, the client is entitled to all Medicaid benefits that are payable under Medically Needy.
- ◆ When a QMB client is also eligible for full Medicaid benefits and is living in a skilled nursing facility, client participation is not charged until Medicare coverage is exhausted. See [8-1, Client Participation](#).

Specified Low-Income Medicare Beneficiaries (SLMBs)

Legal reference: 441 IAC 75.1(34)

Limited Medicaid benefits are available to a person who meets all of these conditions:

- ◆ Is entitled to Medicare Part A, which provides benefits for hospital care.
- ◆ Has net countable monthly income that exceeds 100% of the federal poverty level for the family size but is less than 120% of this level.

For family size:	Income is over:	But is less than:
Individual	\$990	\$1,188
Couple	\$1,335	\$1,602

Expanded Specified Low-Income Medicare Beneficiaries (QI-1)

Legal reference: 441 IAC 75.1(36)

Medicaid will pay the cost of the Medicare Part B premiums for “expanded specified low-income Medicare beneficiaries” (expanded SLMBs). NOTE: Medicare refers to the E-SLMB group as “qualifying individuals 1” (QI-1) or a “Medicare Savings Program.” People applying for E-SLMB may refer to the coverage group as QI-1 or as the Medicare Savings Program.

Part B premiums are the **only** service Medicaid covers for this group. Medicare copayments, deductibles, and Part A premiums are not covered. People eligible only for the E-SLMB coverage group do not receive a *Medical Assistance Eligibility Card*.

These limited Medicaid benefits are available to a person who meets all of the following conditions:

- ◆ Is entitled to Medicare Part A, which provides benefits for hospital care.
- ◆ Has net countable monthly income of at least 120% of the federal poverty level for the family size but less than 135% of this level.

For family size:	Income is at least:	But is less than:
Individual	\$1,188	\$1,337
Couple	\$1,602	\$1,803

To determine net countable monthly income, follow SSI policies. See [8-E, INCOME POLICIES FOR SSI-RELATED COVERAGE GROUPS](#). Allow the earned and unearned deductions. Consider the income prospectively.

- ◆ Has resources that do not exceed twice the maximum allowed by the SSI program. Resources are treated according to SSI policies. The resource limits for the SLMB group are \$7,280 for an individual and \$10,930 for a couple. (See [8-D, General SSI-Related Resource Policies](#).)
- ◆ Meets all other SSI-related Medicaid nonfinancial eligibility requirements except for disability determination and age.
- ◆ Is not eligible for any other Medicaid coverage group. (If a person is approved for Medically Needy with a spenddown, the person can receive E-SLMB until the spenddown is met.)

Allow all disregards and exemptions that are allowed for other SSI-related Medicaid coverage groups, including:

- ◆ \$20 general income deduction,
- ◆ \$65 earnings income deduction, and
- ◆ 50% exclusion from the balance of earned income.

Exclude the social security cost-of-living (COLA) increase received in the current calendar year for January through the month following the month in which the federal poverty level is published. Central office will notify you when to recalculate the poverty level using the social security COLA increases received in January.

MEPD Monthly Income Limits: 250% of Poverty Level								
HH Size	1	2	3	4	5	6	7	8
Limit	\$2,475	\$3,338	\$4,200	\$5,063	\$5,925	\$6,788	\$7,653	\$8,519
Additional person: \$866 each								

Procedure:

Always use form 470-3686, *MEPD Income Worksheet*, to determine if the family monthly income is less than 250% of the federal poverty level (FPL). Entries in the Automated Benefits Calculation (ABC) system will **not** calculate income for MEPD.

Convert weekly income to monthly income by multiplying by 4.3. Convert biweekly income to monthly income by multiplying by 2.15. The *MEPD Income Worksheet* template will:

- ◆ Total the unearned income of all family members and allow one \$20 general income deduction.
- ◆ Total the earned income of all family members and allow the \$65 earnings income deduction, and then make a 50% remainder deduction from the total earned income.
- ◆ Subtract any other applicable deductions, including impairment-related work expenses, as entered on the worksheet.

4. If the review is overdue:
 - ◆ Immediately request form 470-3912, *Disability Report for Children*, form 470-4459 or 470-4459(S), *Authorization to Disclose Information to the Iowa Department of Human Services*, and supporting documents from the parents.
 - ◆ After the information is received, make the referral for a disability determination to DDS.

When the child has not been determined to be disabled by the Social Security Administration, the Department must complete the disability determination process. See the *Disability Determination Checklist*, RC-0103, and procedures in [8-C](#), *When the Department Determines Disability*, for instructions on making the referral.

Family Income Limits

Legal reference: 441 IAC 75.1(43)

Policy:

“Family” includes the MKSN child and family members who **live** with the MKSN child and who are **not** on full Medicaid under another case. Family members include:

- ◆ The parents of the MKSN unmarried child, including stepparents.
- ◆ All siblings under 19 and unmarried.
- ◆ Any children of the MKSN child.
- ◆ The spouse of the MKSN child.

Follow SSI-related income policy to determine income. If the MKSN child is married, do not count the parents’ income. Monthly income limits are:

Household Size	300% of Poverty	Household Size	300% of Poverty
1	2,970	5	7,110
2	4,005	6	8,145
3	5,040	7	9,183
4	6,075	8	10,223

If the family size is over 8, add \$1,040 for each additional member.