



Iowa Department of Human Services

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GENERAL LETTER NO. 8-F-84

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, 76, 99, 125, 164, 169, 171, 174, 178, 189, 191, and 214, revised.

Summary

Chapter 8-F is revised to update the income limits for IFPN, transitional Medicaid, MAC, MIYA, QDWP, QMB, SLMB, E-SLMB, MEPD, and MКСN coverage groups based on the new federal poverty levels.

Effective Date

April 1, 2014

Material Superseded

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

<u>Page</u>	<u>Date</u>
33, 76, 99, 125, 164, 169	March 29, 2013
171	September 10, 2010
174	March 29, 2013
178	February 21, 2014
189	March 29, 2013
191	July 22, 2011
214	March 29, 2013

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	\$2918	\$3933	\$4948	\$5963	\$6978	\$7993	\$9008	\$1015 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.

Cancel Medicaid if countable income is more than 185% of the federal poverty level for a family of the same size. Consider only people in the transitional Medicaid group for this comparison. Do not divert income to meet the needs of ineligible people or for adult care expenses.

The ABC system calculates continuing transitional Medicaid eligibility when entries are made timely. However, if eligibility must be calculated manually, the formula to determine the average amount of countable earned income to compare to 185% of poverty is:

$\frac{(\text{Total quarterly gross earned income of eligible group} - \text{Total quarterly actual child care paid})}{3} = \text{Countable average monthly income to compare to 185\% of poverty}$

Transitional Medicaid Monthly Income Limit: 185% of Poverty								
HH Size	1	2	3	4	5	6	7	8
Limit	\$1,800	\$2,426	\$3,051	\$3,677	\$4,303	\$4,929	\$5,555	\$6,181
For each additional person, add \$626.								

Consider only earned income of people who are included in the transitional Medicaid eligible group according to FMAP policy. This includes people who are "considered" people.

Do not use the income of a stepparent who is not a part of the transitional Medicaid eligible group.

MAC Income Limits

Legal reference: 441 IAC 75.1(28)"a"

Policy:

When determining initial and ongoing eligibility for MAC, the income limits are:

- ◆ 300% of the federal poverty level for pregnant women and infants.
- ◆ 133% of the federal poverty level for children ages 1 through 18.

<u>Household Size</u>	Monthly Income Limit	
	Children 1 through 18: <u>133% of Poverty</u>	Pregnant Women and Infants: <u>300% of Poverty</u>
1	\$1,294	\$2,918
2	\$1,744	\$3,933
3	\$2,194	\$4,948
4	\$2,644	\$5,963
5	\$3,094	\$6,978
6	\$3,544	\$7,993
7	\$3,994	\$9,008
8	\$4,444	\$10,023
Add for each additional:	\$450	\$1,015

Procedure:

Complete an automatic redetermination whenever the net countable income exceeds the established limits under the MAC coverage group.

Comment:

When there are people on the same case who are Medicaid-eligible or "considered" at 133% of poverty and 300% of poverty, the *Notice of Decision* will show only the 133% calculation. However, the system does do a calculation for 300% of poverty for eligibility purposes.

The following examples are people who have aged out of foster care:

1. Ms. M, age 18, returned to live with her parents. She has no spouse and no children. Her household size is one.
2. Ms. S, age 19, has a child age one, and they return to live with her parents. Ms. S is not eligible for Medicaid with her child. Her child receives Medicaid under another coverage group. The household size for Ms. S is one.
3. Mrs. F, age 19, lives with her spouse who receives SSI. Her household size is one.
4. Mrs. H, age 19, lives with her spouse and two children, ages 5 months and 2. One child receives SSI; the other child receives MAC. Her household size is two.
5. Mrs. K, age 20, lives with her spouse and his child, age 5. The spouse and child do not receive Medicaid. The MIYA household size is three.

MIYA Income Limits

Legal reference: 441 IAC 75.1(42)"d"

When determining initial and ongoing eligibility for MIYA, countable income must be less than 200% of the federal poverty level.

MIYA Monthly Income Limits: 200% of Poverty								
HH Size	1	2	3	4	5	6	7	8
Limit	\$1,945	\$2,622	\$3,299	\$3,975	\$4,652	\$5,329	\$6,005	\$6,682
Additional person: \$677 each								

At time of application or review determination, when the net countable income exceeds the established limits under the MIYA coverage group, determine eligibility under the Medically Needy program.

Size of Family	200% of Poverty Level
Individual	\$1,945
Couple	\$2,622

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.

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	\$973
Couple	\$1,311

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 FMAP. Mr. G (stepparent) receives \$688 monthly in social security disability benefits and is entitled to Medicare. To determine Mr. G's QMB eligibility, the income is computed as follows:

<u>FMAP Determination</u>		<u>QMB Determination</u>	
\$ 688	Gross SS income	\$ 688	Gross SS income
- 365	Standard of need for Mr. G	- 20	General income exclusion
\$ 323	Diverted to FMAP eligible group	\$ 668	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	\$973	\$1,167
Couple	\$1,311	\$1,573

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	\$1,167	\$1,313
Couple	\$1,573	\$1,770

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 \$7,160 for an individual and \$10,750 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.

MEPD Monthly Income Limits: 250% of Poverty Level								
HH Size	1	2	3	4	5	6	7	8
Limit	\$2,432	\$3,278	\$4,123	\$4,969	\$5,815	\$6,661	\$7,507	\$8,353
Additional person: \$846 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.
- ◆ Add the net unearned income and net earned income, and compare the sum to 250% of the federal poverty level for the family size. After you click on the "Calculate" button, the following information will display:
 - The total countable family income.
 - The amount of FPL for the family size (not eligible if over 250%).
 - Monthly MEPD premium amount.
 - MEPD poverty level (as calculated for MEPD eligibility).
 - Whether the person is income eligible.

Add all earned income of the family:

\$ 600.00	For Mr. F
+ 1,000.00	For Mrs. F
<u>\$ 1,600.00</u>	Earned income
- 65.00	Earned income deduction
<u>\$ 1,535.00</u>	One half remainder
- 767.50	Net countable earned income
<u>\$ 767.50</u>	

Add the net unearned and net earned income of the family:

\$ 980.00	Net countable unearned income
+ 767.50	Net countable earned income
<u>\$ 1,747.50</u>	Total net income

Since the net income for Mr. F's family is less than 250% of the poverty level for five, Mr. F meets MEPD income eligibility criteria.

Premiums

Legal reference: 441 IAC 75.1(39)"a"(6), sec. 5006 of ARRA

Policy:

When the applicant or member's gross income is at or below 150% of the federal poverty level, no premium is assessed. The member will **not** have Medicaid eligibility for a month with a premium owed until the premium is paid.

Use only the gross income of the disabled person to determine the amount of the premium. The premium amount established for the 12-month period will never be increased during that period due to an increase in income. The premium may decrease if the member reports an income decrease resulting in a lower premium.

People who have identified themselves with race or ethnicity of 'Indian' are excluded from being assessed MEPD premiums.

See 8-G, [Premium Change for Current or Past System Months](#).

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

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

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

Household Size	300% of Poverty	Household Size	300% of Poverty
1	2,918	5	6,978
2	3,933	6	7,993
3	4,948	7	9,008
4	5,963	8	10,023

If the family size is over 8, add \$1,015 for each additional member.