



Iowa Department of Human Services

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GENERAL LETTER NO. 8-F-89

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
189, 190, and 191, revised.

Summary

Chapter 8-F is revised to add language regarding the COLA disregard for the Medicaid for Employed People with Disabilities (MEPD) program.

Effective Date

January 1, 2016

Material Superseded

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

<u>Page</u>	<u>Date</u>
189	April 17, 2015
190	September 10, 2010
191	April 4, 2014

Additional Information

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

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	\$2,453	\$3,319	\$4,186	\$5,053	\$5,919	\$6,786	\$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.

- ◆ 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.

If the family's income is over 250% of the FPL, enter the denial or cancellation in the ABC system with zeros in the notice reason. Send a copy of form 470-3686 to the applicant or member to show how the income was calculated for eligibility, along with a manually issued *Notice of Decision* stating that the person is over income for MEPD. Keep a copy of form 470-3686 in the case file.

NOTE: If the income is over 250% of the FPL, before denying or canceling the case, contact the applicant or member to determine if any impairment-related work expenses were not reported. Send questions about impairment-related work expenses to the DHS, SPIRS Help Desk.

Comment:

See [8-C, Household Size](#)

See [8-E, Determining if a Client is Self-Employed](#)

See [8-E, Determining Income from Self-Employment](#)

See [8-E, Projecting Future Income](#)

Mr. F lives with his wife and their three children, who are all unmarried and under age 18. The household size is five. Mr. F has \$600 in social security disability income and earned income of \$600 per month. Mrs. F has \$1,000 in earned income. She and each child receive \$100 a month in Social Security benefits due to Mr. F's disability.

To calculate income for the 250% income test, the *MEPD Income Worksheet* will:

Add all the unearned income:

\$ 600.00	For Mr. F
+ 100.00	For Mrs. F
+ <u>300.00</u>	For children (\$100 each child)
\$ 1,000.00	Unearned income
- <u>20.00</u>	General income deduction
\$ 980.00	Net countable unearned income

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. 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.) 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](#).