

	<b>GEORGIA DIVISION OF FAMILY AND CHILDREN SERVICES MEDICAID POLICY MANUAL</b>			
	<b>Chapter:</b>	<b>2600</b>	<b>Effective Date:</b>	<b>June 2020</b>
	<b>Policy Title:</b>	<b>Penalized Individuals</b>		
<b>Policy Number:</b>	<b>2657</b>	<b>Previous Policy Update:</b>	<b>MT 40</b>	

## REQUIREMENTS

An adult who fails to meet certain Family Medicaid program requirements, without Good Cause, is penalized.

## BASIC CONSIDERATIONS

An adult is penalized for failure to meet, without Good Cause, any of the following Basic Eligibility Requirements:

- enumeration
- cooperation with Division of Child Support Services
- cooperation with Third Party Resources
- verification of citizenship or alienage

The countable income of a penalized individual is considered when determining financial eligibility.

Income of a penalized individual receives all allowable deductions.

Do not allocate to a penalized individual.

Countable resources of a penalized individual are considered in their entirety.

A child is **never** penalized, however, the child may be excluded. If an adult fails to comply with the enumeration requirement or citizenship/alienage requirement for a child, exclude the child from the AU. The child may be included or excluded in the BG at the option of the A/R. If an adult fails to comply with application for other benefits for a child, the child(ren) for whom the requirement is not met are excluded from the AU, not penalized. If the potential benefit is for a parent, exclude the parent **and** everyone that s/he is financially responsible for.

**NOTE:** A minor caretaker and a minor applying for Medical Assistance due to pregnancy are

**BASIC CONSIDERATIONS (cont.)**

considered a child.

A child is never penalized or excluded for the adult's failure to cooperate with TPR or Child Support Services for the child.

Penalties are applied to recipients effective the month following the expiration of timely notice.

Penalties are applied to applicants effective the month of refusal.

**MAGI**

For MAGI COA AUs, if the individual for whom this requirement is not met, without Good Cause, is a child or non-parent relative, exclude the individual and his/her income from the budget.

If the individual for whom this requirement is not met, without Good Cause, is a parent, the parent is penalized. Include the income of the penalized parent in the budget. Include the following individuals in the MAGI AU:

- Spouse
- biological/natural, adopted and step-child(ren) under the age of 19 (including unborn)
- any other eligible child(ren).

**Non-MAGI**

In Non-MAGI AUs, a penalized individual is an adult who fails to comply with one of the following Basic Eligibility Criteria, without Good Cause:

- failure to cooperate with DCSS

**EXCEPTION:** Cooperation with DCSS is not a requirement for child-only Medical Assistance cases. Also Pregnant Woman receiving Pregnant Women COA is not required to cooperate with DCSS for the unborn or any existing child.

- failure to cooperate with his/her own enumeration requirement (adult AU member only)
- failure to cooperate with TPR requirements
- failure to cooperate with citizenship/alienage verification. (adult AU member only)

**BASIC CONSIDERATIONS (cont.)**

A penalized adult remains in the BG, but is not included in the AU.

Refer to Chart 2657.1, Penalized Individual Budgeting in this Section.

For each penalized individual, determine the amount of income to count in the budgeting process.

**MAGI Budgeting Procedures for a Penalized Individual**

Follow the steps in [Section 2661](#), Responsibility Budgeting, for budgeting procedures when a parent fails to verify citizenship. Follow the budgeting steps below when a MAGI AU member is penalized for any other reason:

- Step 1** Determine all countable earned income of the penalized individual.
- Step 2** Add countable unearned income of the penalized adult.
- Step 3** Allow all appropriate income deductions:
- Pre-tax deductions
  - 1040 deductions
  - For self-employed individuals, deduct allowable IRS deductions (Refer to Section 2415)
- Step 4** Do not include the penalized individual when selecting the appropriate income limit for the AU.

**Non-MAGI Budgeting Procedures for a Penalized Individual**

For each penalized individual, determine the amount of income to count in the budgeting process.

Follow the steps below to budget a Non-MAGI penalized individual:

- Step 1** Determine all countable earned income of the penalized individual.
- Step 2** Allow all appropriate earned income deductions.
- \$90 standard work deduction

**BASIC CONSIDERATIONS (cont.)**

- \$30 earned income deduction, if allowable
- 1/3 of the remaining earned income, if allowable
- Dependent care expenses

**Step 3** Add countable unearned income of the penalized adult and allow the \$50 child support deduction, if appropriate.

**Step 4** Include the penalized individual when selecting the appropriate income (and resource, for FM-MN) limit for the BG. Do not include the penalized individual in the AU.

Use the chart below to determine whom to penalize for failure to comply with certain eligibility requirements.

<b>CHART 2657.1 – PENALTIES</b>		
<b>IF A PENALTY IS IMPOSED FOR:</b>	<b>THEN APPLY THE PENALTY TO:</b>	
	<b>MAGI</b>	<b>Non-MAGI</b>
a parent's failure or refusal to comply with his/her enumeration requirements	The parent.  If an adult fails to comply with a child's enumeration requirement, without good cause, exclude the child from the AU.	The parent.  If an adult fails to comply with the enumeration requirement for a child, exclude the child from the AU. The child may, however, be included in or excluded from the BG, at the option of the A/R
a parent's failure or refusal to verify his/her citizenship/alienage/id entity status	The parent.  If an adult fails to comply with verification of a child's citizenship, alienage, or identity exclude the child from the AU.	The parent.  If an adult fails to comply with verification of a child's citizenship, alienage, or identity exclude the child from the AU. The child may be included in or excluded from the BG, at the option of the A/R.

<b>CHART 2657.1 – PENALTIES</b>		
<b>IF A PENALTY IS IMPOSED FOR:</b>	<b>THEN APPLY THE PENALTY TO:</b>	
	<b>MAGI</b>	<b>Non-MAGI</b>
failure to cooperate with DCSS.	<p>The parent.</p> <p>A child is neither penalized nor excluded for an adult's failure to cooperate with DCSS.</p> <p>*A pregnant woman is not required to cooperate with DCSS for the unborn child. Cooperation is also not required for child-only Medical Assistance cases.</p>	<p>No penalties applied.</p> <p>A child is neither penalized nor excluded for an adult's failure to cooperate with DCSS.</p>
failure to cooperate with TPR requirements.	<p>The parent.</p> <p><b>NOTE:</b> A woman receiving Pregnant Women Medicaid or PG-MN would be penalized for not cooperating with TPR.</p> <p>A child is neither penalized nor excluded for an adult's failure to cooperate with TPR.</p>	<p>The parent.</p> <p>A child is neither penalized nor excluded for an adult's failure to cooperate with TPR.</p>
<p>failure to cooperate with application for other benefits.</p> <p>Refer to Section 2210 for exceptions to the application for other benefits requirement.</p>	<p>If the benefit is for the parent, the parent and everyone for whom they are financially responsible is excluded from the AU, not penalized. If the benefit is for a child, only the child is excluded from the AU.</p> <p>A pregnant woman who is applying for or receiving Medicaid under Pregnant Women COA is not required to comply with the application for other benefits requirement.</p>	<p>If the benefit is for the parent, the parent and everyone for whom they are financially responsible is <b>excluded</b> from the AU, not penalized. If the benefit is for a child, only the child is excluded from the AU. The child may, however, be included in or excluded from the BG at the option of the A/R.</p>

<b>CHART 2657.1 – PENALTIES</b>		
<b>IF A PENALTY IS IMPOSED FOR:</b>	<b>THEN APPLY THE PENALTY TO:</b>	
	<b>MAGI</b>	<b>Non-MAGI</b>
	A pregnant woman who is applying for or receiving Medicaid under any COA other than Pregnant Women Medicaid and who is in her 2nd or 3rd trimester of pregnancy is not required to apply for UCB.	