

2663 - LOW INCOME MEDICAID BUDGETING

POLICY STATEMENT	<p>Low Income Medicaid (LIM) budgets are calculated to determine the LIM Assistance Unit's (AU) financial eligibility.</p> <p>LIM budgets are also completed when determining eligibility under Family Medicaid Classes of Assistance (COAs) which use LIM income limits.</p>
BASIC CONSIDERATIONS	<p>The Gross Income Ceiling (GIC) and Standard of Need (SON) are used to budget all Family Medicaid COAs except RSM, TMA and FM-MN. Refer to Appendix A2, Financial Limits for Family Medicaid.</p> <p>The GIC test is used to determine financial eligibility based on the AU's gross countable income.</p> <p>Gross countable income is the AU's income after deducting the following:</p> <ul style="list-style-type: none"> • \$50 child support deduction, if applicable • allocated income • any other income excluded by law (refer to Chapter 2400, Income) • earned income of a child. <p>EXCEPTION: Earned income of a pregnant minor applying for or receiving RSM PgW and earned income of a minor parent treated as an adult are not excluded.</p> <ul style="list-style-type: none"> • cost of doing business for self-employed individuals <p>NOTE: Gross countable income includes deemed income. Refer to Section 2661, Responsibility Budgeting.</p> <p>Any income deemed to a LIM AU is not used in another Family Medicaid budget unless the LIM AU members are included in the other Family Medicaid BG.</p> <p>Any income allocated from a LIM AU to another Family Medicaid budget is counted in the Family Medicaid budget unless the LIM AU members are included in the other Family Medicaid BG.</p> <p>A SSI recipient's income and resources are not considered in determining Family Medicaid eligibility.</p>

**BASIC
CONSIDERATIONS
(cont.)**

All countable income and resources of the AU members, including a penalized parent, are considered in determining financial eligibility.

An individual's income and resources are not considered in two separate LIM budgets simultaneously.

The Standard of Need (SON) is used to determine financial eligibility and an employed individual's need for the \$30 + 1/3 deduction. Refer to Section 2655, Deductions, for procedures used in applying the \$30 + 1/3 deduction.

The SON is used to determine financial eligibility based on the AU's net countable income.

The GIC test is used to determine financial eligibility based on the AU's gross countable income. Refer to [Section 2655](#), Family Medicaid Deductions.

PROCEDURES

**Determining Financial
Eligibility**

Follow the steps below to establish the LIM AU's financial eligibility.

- Step 1** Determine the AU members. Refer to [Section 2610](#), LIM Assistance Units.
- Step 2** Identify non-AU members whose income and resources are considered in determining financial eligibility. Refer to [Sections 2661](#), Responsibility Budgeting, and [2657](#), Penalized Individuals.
- Step 3** Determine the allowable expenses and countable income and resources of those identified in Steps 1 and 2. Refer to [Section 2653](#), Prospective Budgeting.
- Step 4** Determine that the AU's total countable resources are less than or equal to the LIM resource limit and proceed to Step 5. If the AU's total countable resources exceed the LIM resource limit, complete a CMD, deny or terminate LIM and notify the AU.
- Step 5** Complete a LIM budget to determine LIM financial eligibility.

**PROCEDURES
(cont.)****LIM Budget**

Follow the steps below to complete a LIM budget.

Step 1

Complete the GIC test by comparing the gross countable income of the AU to the GIC for the AU size.

If the gross countable income is equal to or less than the GIC, proceed to Step 2.

If the gross countable income is greater than the GIC, complete a CMD, deny or terminate LIM and notify the AU.

Step 2

Complete a trial SON budget to determine if the AU's net countable income is less than the SON.

The AU's net countable income includes the following:

- gross wages less the \$90 standard work deduction and dependent care expenses
- plus unearned income (including deemed income) less the \$50 child support deduction, if applicable
- less allocation

If the AU's net countable income is less than the SON, skip to Step 5.

If the AU's net countable income is greater than or equal to the SON and includes earned income, proceed to Step 3.

If the AU's net countable income is greater than or equal to the SON and does not include earned income, complete a CMD, deny or terminate LIM, and notify the AU.

Step 3

Determine if an employed individual(s) is eligible to receive the \$30 + 1/3 deduction. Refer to [Section 2655](#), Deductions.

If the employed individual(s) is not eligible to receive the \$30 + 1/3 deduction, complete a CMD, deny or terminate LIM and notify the AU.

If the employed individual(s) is eligible to receive the \$30 + 1/3 deduction, proceed to Step 4.

PROCEDURES**LIM Budget
(cont.)**

Step 4 Complete a SON budget including the \$30 + 1/3 deduction. The \$30 + 1/3 deduction is applied only to earned income and is applied after the \$90 standard work deduction.

If the AU's net countable income is less than the SON, proceed to Step 5.

If the AU's net countable income is greater than or equal to the SON, complete a CMD, deny/terminate LIM and notify the AU.

Step 5 Approve LIM and notify the AU.