

2714 – FAMILY MEDICAID AU/BG COMPOSITION CHANGES

POLICY STATEMENT	Medicaid eligibility must be established upon any change in assistance unit (AU) or budget group (BG) composition.
BASIC CONSIDERATIONS	<p>Individuals who are added to an AU must meet all eligibility requirements.</p> <p>A Declaration of Citizenship/Alien Status is required if there is no previous Declaration or Application for the person being added to the AU. This is not required if a person is being added to the BG only.</p>
PROCEDURES	
New AU Member	Complete the following procedures when an individual is added to the AU.
Step 1	Obtain a signed application and accept client statement, unless questionable, of the new AU member. Verify his/her income, citizenship and resources, if applicable for the COA.
Step 2	<p>Complete a trial budget.</p> <p>If the income and/or resources (if applicable) of a new AU member are required to be included but cannot to be established, allow timely notice and terminate Medicaid for the AU.</p>
Step 3	<p>If the AU is eligible based on the trial budget, complete the following procedures.</p> <ul style="list-style-type: none"> • establish all points of eligibility • request any required verification • complete any mandatory forms
Step 4	<p>If the AU is eligible based on the addition of the new AU member, add the individual and his/her income and resources (if required) to the AU effective the month s/he began living with the AU.</p> <p>If the AU is ineligible based on the trial budget, complete a CMD and terminate Medicaid the month following the expiration of timely notice.</p> <p>EXCEPTION: Do not terminate Medicaid for a pregnant woman if eligible under Continuous Coverage. Refer to Section 2720, Continuous Coverage for Pregnant Women.</p>

PROCEDURES
(cont.)

Step 5	Determine eligibility for the new AU member for any prior months requested.
Step 6	Notify the AU.
New BG Member	Complete the following procedures when an individual is added to the BG.
Step 1	<p>Accept client statement, unless questionable, of the new BG member. A new application is not required to add a new BG member. Verify his/her income and resources, if applicable for the COA.</p> <p>If the income and/or resources (if applicable) of a new BG member are required to be included but cannot to be established, allow timely notice and terminate Medicaid for the AU.</p>
Step 2	Complete a trial budget.
Step 3	<p>If the AU is eligible based on the trial budget, complete the following procedures.</p> <ul style="list-style-type: none"> • establish all points of eligibility • request any required verification • complete any mandatory forms
Step 4	<p>If the AU is eligible based on the addition of the new BG member, add the individual and his/her income and resources (if required) to the BG the month following expiration of timely notice.</p> <p>If the AU is ineligible based on the trial budget, complete a CMD and terminate Medicaid the month following the expiration of timely notice.</p> <ul style="list-style-type: none"> • complete a CMD • terminate Medicaid • notify the AU <p>EXCEPTION: Do not terminate Medicaid if for a pregnant woman eligible under Continuous Coverage. Refer to Section 2720, Continuous Coverage for Pregnant Women.</p>
Step 5	Provide notification to the AU.

PROCEDURES

(cont.)

Birth of a Child**Step 1** Document the following:

- the child's name and date of birth
- the date the change is reported to the agency
- the name of the individual reporting the birth

Step 2 Establish that the child continues to live with the mother. The mother's statement is acceptable verification.**Step 3** Approve LIM, if eligible.

If ineligible for LIM, approve Newborn Medicaid effective the month of the child's birth and ongoing, pending contact with the mother.

**Non-Custodial
Parent (NCP)
Returns Home**

Follow procedures, in this Section, for adding a new AU or BG member.

Notify Child Support Enforcement (CSE) that the NCP has returned home.

**AU Member is
Penalized**

Apply the penalty the month following the expiration of timely notice.

Notify the AU of the penalty and the effect on Medicaid eligibility.

Budget the income and resources of the penalized individual according to the guidelines in [Section 2657](#), Penalized Individuals.

Remove the penalized individual effective the month following the month the agency determines the penalty. Allow timely notice.

The penalized adult remains in the BG but not the AU unless she is a pregnant woman.

Reinstate Medicaid beginning with the month of compliance.

PROCEDURES
(cont.)

**AU Member
Becomes
SSI Eligible**

Document the following:

- the name of the individual receiving SSI
- the date SSI was approved
- the date the change was reported to the agency
- the amount of the SSI benefit and whether RSDI is received
- method of verification (client statement or other verification)

If RSDI is received, determine if dependents of the SSI individual also receive or are potentially eligible to receive RSDI.

Provide adequate notice and make the SSI recipient ineligible effective the month after the change is reported.

NOTE: Do NOT consider the income and resources of the SSI individual in the Family Medicaid budget.

**AU Member
Reports a Marriage**

Document the following:

- the name of the AU member who married
- the name of the individual s/he married
- the date of the marriage
- the date the marriage was reported to the agency

Determine the relationship of all AU members to the new spouse and determine if s/he is required to be included in the AU.

If the new spouse is the parent of an AU child, follow the procedures in “NCP Returns Home”, in this section

If the new spouse is a stepparent or the spouse of a minor in the AU, complete a trial budget to determine ongoing eligibility. Refer to [Section 2661](#), Responsibility Budgeting.

If the new spouse is eligible based on the trial budget, add him/her to the AU effective the month of the marriage.

If the AU is ineligible based on the trial budget, complete a CMD and terminate Medicaid the month following the expiration of timely notice.

Notify the AU.

PROCEDURES**(cont.)****AU or BG Member
Moves out of the
Home**

Document the following:

- the name of the individual who left the home
- the date the individual left the home
- the date the change was reported to the agency

Complete a trial budget based on the new AU or BG composition.

If removing the individual causes ineligibility of the entire AU, complete a CMD. If no COA exists under which the remaining AU members are eligible, terminate Medicaid the month following the expiration of timely notice. Otherwise, remove the individual from the AU effective the month after the change is reported.

Notify the AU.