

## 2667 - TRANSITIONAL MEDICAL ASSISTANCE BUDGETING

<b>POLICY STATEMENT</b>	Transitional Medical Assistance (TMA) Budgeting procedures are used to determine continued financial eligibility for TMA during the Additional six-Month Extension.
<b>BASIC CONSIDERATIONS</b>	<p>An AU must have correctly received LIM in three of the six months preceding the first month of TMA eligibility. Refer to <a href="#">Section 2162</a>, Low Income Medicaid.</p> <p>A TMA AU must have received TMA in each of the six months of the initial six-month TMA period and must have provided information in the 4<sup>th</sup> month of TMA eligibility to qualify for the additional six-month extension of TMA.</p> <p>The TMA budgeting procedure is used to budget earnings and incurred child care expenses reported on the TMA Quarterly Report Form (QRF) returned to the EW in the seventh and tenth months of TMA eligibility.</p> <p>All income reported on the QRF must be verified. The A/R is not required to send back the actual QRF. A written statement of the required 3 months income and child care expense with appropriate verification is acceptable. Refer to <a href="#">Section 2653</a>, Prospective Budgeting, for minimum verification requirements. Accept A/R statement for any child care expense that is incurred, unless questionable.</p> <p>If the gross countable earnings of the AU are less than the TMA income limit for the AU size, the incurred child care costs do not have to be considered.</p> <p><b>NOTE:</b> Refer to <a href="#">Section 2166</a>, Transitional Medical Assistance, for the time frames for processing the QRF, budgeting for the first six month extension, and other policy information.</p>
<b>PROCEDURES</b>	
<b>TMA Budgeting</b>	Follow the steps below to budget the three months of earnings and child care costs reported on the TMA Quarterly Report Form (QRF) in the 4 <sup>th</sup> , 7 <sup>th</sup> and 10 <sup>th</sup> months.
<b>Step 1</b>	Determine the AU's total gross earned income for each month reported on the QRF. Do not include unearned income. Income must be verified. Refer to <a href="#">Section 2653</a> , Prospective Budgeting, for minimum verification requirements.
<b>Step 2</b>	Determine the total incurred child care expense for each month reported on the QRF if the gross countable earned income is greater than the TMA income limit. Client statement is acceptable verification, unless questionable.

**PROCEDURES****TMA Budgeting  
(cont.)**

**Step 3** Budget each month individually. Subtract the child care expense from the gross earned income, if necessary.

**Step 4** Add the amounts determined in Step 3 and divide by 3 to obtain the average net monthly earnings.

**Step 5** Compare the average net monthly earnings to the TMA income limit for the AU size. Refer to Appendix A2, Financial Limits for Family Medicaid.

- If the average net monthly earnings from Step 4 are less than or equal to the TMA income limit for the AU size, continue TMA coverage.
- If the average net monthly earnings from Step 4 exceed the TMA income limit, discontinue TMA eligibility after giving adequate notice. Complete a CMD.

**When the TMA  
Annual Adjustment  
Occurs**

Follow the steps below when the TMA income limit changes because of the annual adjustment.

**Step 1** Add the earned income for each month together, subtract allowable child care expenses and divide by three.

**Step 2** Compare the average net earnings from the three-month period to the average TMA income level for the three-month period.

- If the average net monthly earnings are less than or equal to the average TMA income limit for the AU size, continue TMA coverage.
- If the average net monthly earnings exceed the average TMA income limit, discontinue TMA eligibility after giving adequate notice. Complete a CMD.