

**2500 – ABD FINANCIAL RESPONSIBILITY AND BUDGETING OVERVIEW**

<b>POLICY STATEMENT</b>	<p>Financial responsibility implies that a parent or spouse's income and resources are available to the Medicaid A/R as long as the A/R and the parent or spouse lives together in the same household.</p> <p>Eligibility budgeting is the process in determining the A/R's income eligibility for ABD Medicaid by applying allowable deductions to the countable income of the A/R and financially responsible person.</p>
<b>BASIC CONSIDERATIONS</b>	<p>The following factors must be taken into consideration in order to determine whether to consider the income and resources of persons other than the A/R, the correct budget to be completed and the correct income limit to use:</p> <ul style="list-style-type: none"> <li>• the A/R's living arrangement (LA)</li> <li>• the adult A/R's marital relationship</li> <li>• the financial responsibility of the A/R's spouse or parent</li> <li>• the class of assistance under which the ABD Medicaid application will be processed.</li> </ul>
<b>PROCEDURES</b>	<p>Follow the steps below to determine financial responsibility and income eligibility for ABD Medicaid by completion of the correct eligibility target.</p> <p><b>Step 1</b> Determine the A/R's LA, class of assistance and the financial responsibility of the A/R's spouse or parent(s).</p> <ul style="list-style-type: none"> <li>• Refer to Section 2430, Living Arrangements and In-Kind Support and Maintenance, for procedures on determining the A/R's LA.</li> <li>• Refer to Chapter 2100, Classes of Assistance, for procedures on determining the COA most advantageous to the A/R.</li> <li>• Refer to the Chapter 2500, ABD Financial Responsibility and Budgeting, for procedures on the following: <ul style="list-style-type: none"> <li>- When to include the income of the A/R's spouse or parent in the budget.</li> <li>- The correct budgeting procedures for determining income eligibility.</li> </ul> </li> </ul>

**PROCEDURES  
(cont.)**

- If the A/R is an adult, determine if the A/R is currently in a marital relationship. Refer to Section 2501, Marital Relationship.
  - If the A/R is a child under age 18 living with his/her parent(s) in LA-C, refer to Section 2502, Deeming, for procedures on considering the income and resources of the parent(s).
- Step 2** Determine countable income to be included in the eligibility budget. Refer to Section 2504, Determining Countable Income, Section 2405, “Treatment of Income” and Section 2499, “Treatment of Income in Medicaid Chart”.
- Step 3** Enter income in the system, allowing the correct deductions and income limit for the A/R’s LA and COA to be appropriately applied in the budgeting process.
- Refer to Section 2505, Income Deductions, for information on deductions allowed in the eligibility budget.
  - Refer to Appendix A for current income limits.