

2661 – RESPONSIBILITY BUDGETING (FAMILY MEDICAID)

POLICY STATEMENT	Responsibility budgeting is used to determine the financial responsibility of an individual(s) who is ineligible to be included in the Family Medicaid AU (deemor) or to determine the financial need (allocation) of an individual(s) who is ineligible to be included in the AU.
BASIC CONSIDERATIONS	<p>A responsibility budget is completed to determine if a deemor has excess income available to be deemed in the following situations:</p> <ul style="list-style-type: none"> • the amount of income to deem from an ineligible parent to a Family Medicaid AU (excluding RSM) • the amount of income to deem from a non-AU stepparent to a Family Medicaid AU (excluding RSM) • the amount of income to deem from a minor caretaker's parent(s) to a Family Medicaid AU (excluding RSM) • the amount of income to deem from a non-parent caretaker's spouse to a Family Medicaid AU (excluding RSM) • the amount of income to deem from a married minor's spouse, when living with parents, to a Family Medicaid AU • the amount of income to deem from a married minor's spouse, not living with parents, to a Family Medicaid AU. <p>A responsibility budget is completed to determine if income may be allocated from an AU member to a non-AU member in the following situations:</p> <ul style="list-style-type: none"> • the amount of income to allocate from an adult in a LIM AU to his/her ineligible spouse • the amount of income to allocate from an adult in a LIM AU to his/her ineligible child • the amount of income to allocate from an adult in a Family Medicaid BG (other than LIM) to his/her ineligible spouse
Deductions	<p>Allowable deductions for responsibility budgeting include the following:</p> <ul style="list-style-type: none"> • \$90 Standard Work Expense • For LIM and LIM-related COAs, the Standard of Need (SON) for the number of non-AU dependents living in the home who are or could be claimed as federal tax dependents of the ineligible adult.

**BASIC
CONSIDERATIONS****Deductions
(cont.)**

- For RSM, the FPL based on:
 - the number of non-AU dependents living in the home (including the ineligible adult) who are or could be claimed as federal tax dependents of the ineligible adult
 - and
 - the age(s) of the children for whom Medicaid is requested
- For FM-MN, the appropriate FM-MNIL for the number of dependents living in the home who are or could be claimed as federal tax dependents of the ineligible adult
 - actual amounts paid to individuals outside the home who are or can be claimed as federal tax dependents
 - actual amount of alimony and/or child support paid to individuals living outside the home.

PROCEDURES**Responsibility
Budget**

Use only the income of the ineligible adult when completing a responsibility budget. Ineligible adults include the following:

- an ineligible parent
- a non-AU stepparent
- a minor caretaker's parent(s)
- a non-parent caretaker's spouse
- a married minor's spouse

Do not include income received by a dependent child of the ineligible adult.

Follow the steps below to complete a responsibility budget:

Step 1 Determine the gross monthly earned income of the ineligible adult.

Step 2 Deduct the first \$90 from the monthly gross earned income of the ineligible adult.

PROCEDURES**Responsibility
Budget (cont.)**

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

Step 4 Determine the number of individuals living in the home with the ineligible adult who are or could be claimed as federal tax dependents of the ineligible adult and are not included in the AU.. Include the ineligible adult.

NOTE: Include a SSI adult or child, disregarding his/her income. Exclude penalized individuals.

Step 5 Subtract the SON, FPL or MNIL for the number of individuals determined in Step 4 from the income calculated in Step 3.

Step 6 Subtract from the income remaining after Step 5 any amounts paid by the ineligible adult to individuals outside the home who are or could be claimed as federal tax dependents.

Step 7 Subtract from the income remaining after Step 6 any alimony and/or child support paid by the ineligible adult to individuals not living in the home.

NOTE: Do **not** include child support or alimony already subtracted in Step 6.

Step 8 If a surplus exists, deem as follows:

- from an ineligible parent to a LIM, LIM-related or FM-MN AU deem the total excess income.
- from a non-AU stepparent to a LIM, LIM-related or FM-MN AU deem excess income up to the SON for one.
- from a minor caretaker's parent to a LIM, LIM-related or FM-MN AU deem the excess income up to the SON for one.
- from a non-parent caretaker's spouse to a LIM, LIM-related or FM-MN AU deem up to the SON for one
- from a married minor's spouse to a LIM, LIM-related or FM-MN AU deem up to the SON for one
- from a married minor's spouse to a RSM BG deem the total excess income.

If a deficit exists, there is no income to be deemed to the AU or BG from the ineligible adult. Consider allocation. Refer to Allocation in this section.

PROCEDURES
(cont.)**Ineligible Parent
(Deeming)**

An ineligible parent is a parent who cannot be included in a Family Medicaid AU (excluding RSM) with his/her dependent children for one of the following reasons:

- a parent who does not meet the citizenship/alienage requirement
- a parent who is unable to verify his/her citizenship/alienage status.

NOTE: This list is all-inclusive.

The amount of income of an ineligible parent to consider in determining eligibility for the AU is calculated by completing a responsibility budget.

Include the following individuals in the AU:

- the dependent child(ren), including any minor siblings, half-siblings and married minor siblings residing in the home
- other eligible adult(s), if applicable. Do **not** include the ineligible parent
- other eligible children.

Complete a responsibility budget to determine the amount of income that must be deemed, if any, from an ineligible parent to the Family Medicaid AU (excluding RSM). Refer to Responsibility Budgeting Procedures in this section.

**Stepparent
(Deeming)**

Stepparent budgeting applies when the dependent child lives in the home with a biological parent and/or the biological parent's spouse by a subsequent marriage.

The amount of income of a non-AU stepparent to consider in determining eligibility for a Family Medicaid AU (excluding RSM) is calculated by completing a responsibility budget.

PROCEDURES
(cont.)

**Stepparent
(Deeming)
(cont.)**

If a child(ren) lives with a stepparent and the biological parent is not in the home or if the biological parent in the home receives SSI, the stepparent may choose one of the following options:

- elect to be excluded and have his/her income deemed through the responsibility budgeting process
- OR
- elect to be included as a caretaker relative and have his/her income and resources budgeted in their entirety.

Include the following individuals in the AU when there is a stepparent and a biological parent in the home:

- dependent child(ren), including any minor siblings, half-siblings and married minor siblings residing in the home.

EXCEPTION: Do **not** include a half-sibling who is a mutual child of the stepparent and biological parent.

- the biological parent

EXCEPTION: Do **not** include a SSI recipient.

- other eligible adult (other than the stepparent), if applicable
- other eligible child(ren)

Complete a responsibility budget to determine the amount of income that must be deemed, if any, from a non-AU stepparent to the Family Medicaid AU (excluding RSM). Refer to Responsibility Budgeting Procedures in this section.

PROCEDURES

(cont.)

**Minor Caretaker
(Deeming)**

Minor caretaker budgeting applies when a child is under age 18, has a child and lives in the home with his/her parents.

A minor parent, whether married, divorced or widowed, who lives with his/her parent(s) is considered a dependent child and remains the financial responsibility of his/her parent(s).

NOTE: Do not consider the income of a stepparent.

A minor parent living with her/his parents may apply for LIM (as minor caretaker) and his/her child unless the minor's parent(s) receive LIM for the siblings or half-siblings of the minor parent.

If the minor parent's siblings are receiving LIM, the minor parent must be included in the same LIM AU in order to be LIM-eligible. The minor parent's child may be included in the LIM AU also, but cannot receive a separate LIM AU. This child, however, may receive in a separate RSM AU. If the minor's child receives RSM, the income of the minor's parent(s) is not considered in the RSM budget.

If the minor parent is married and the spouse lives in the home, only the minor parent is potentially eligible to receive LIM in an AU with his/her siblings. Income from the spouse of the minor parent is deemed to this AU. The spouse of the minor parent, if under age 19, and the child of the minor parent may be considered for RSM.

Include the following in a minor caretaker's LIM AU:

- the minor parent, as the caretaker
- the dependent child(ren) of the minor parent
- the spouse of the minor caretaker

Exclude the parent and siblings of the minor parent from this AU.

Deem the income of the minor's parent(s) to the LIM AU **only** when a minor parent applies as a caretaker **and** is included in the LIM AU.

EXCEPTION: Do **not** deem to the LIM AU if the minor parent is receiving SSI, is penalized or is ineligible to be included in the AU for any other reason.

Complete a responsibility budget to determine the amount of income that must be deemed, if any, the from minor caretaker's parent(s) to the Family Medicaid AU (excluding RSM). Refer to Responsibility Budgeting in this section.

PROCEDURES
(cont.)**Spouse of a
Non-Parent Caretaker
(Deeming)**

Spouse of a non-parent caretaker budgeting applies when a married non-parent is eligible to, and elects to be included in the Family Medicaid AU (excluding RSM). Refer to [Section 2245](#), Living with a Specified Relative.

Include the following in a Family Medicaid AU (excluding RSM) when a married non-parent caretaker elects to be included in the AU:

- the children for whom Medicaid is requested
- the non-parent as the grantee relative, if determined eligible to be included by relationship and who chooses to be included
- other eligible child(ren) of the grantee relative, if requested.

The child(ren) of the non-parent caretaker does not have to be included in the AU. This child(ren), however, cannot be included in any other AU in which the non-parent caretaker is included.

If the non-parent caretaker requests a separate eligibility determination for his/her child(ren), the non-parent caretaker must apply for his/her children separately and be included **only** in the BG with his/her children.

If the non-parent caretaker does not elect to be included in the Family Medicaid AU (excluding RSM) and requests a separate eligibility determination for his/her child(ren), the non-parent caretaker **is** eligible to be included in the AU with his/her children.

Complete a responsibility budget to determine the amount of income that must be deemed, if any, from the spouse of a non-parent caretaker to the Family Medicaid AU (**excluding** RSM). Refer to Responsibility Budgeting in this section.

PROCEDURES**(cont.)****Spouse of a
Married Minor
Living with Parents
(Deeming)**

Spouse of a Married Minor - Living with Parents budgeting applies when a married minor lives in the home with his/her parent(s) and spouse.

A married minor who lives with his/her parents and his/her spouse is considered a dependent child and remains the financial responsibility of the parent(s).

EXCEPTION: For RSM, the minor can be budgeted as an adult if she is pregnant. If the minor has an existing child, he/she can also be budgeted as a minor parent/caretaker. Neither of these situations requires deeming from the married minor's parents.

A married minor who lives with his/her parents and his/her spouse is also the financial responsibility of the spouse.

This policy continues to apply for an 18 year old who is eligible for RSM.

Include the following in the Family Medicaid AU for a married minor living with his/her parents and spouse:

- The married minor
- The parent(s) of the married minor
- Siblings and/or half-siblings of the married minor, if applicable.

Include the following in the RSM BG for a pregnant married minor living with her parents and spouse:

- The pregnant married minor
- The married minor's spouse
- The unborn child(ren)

Complete a responsibility budget to determine the amount of income that must be deemed, if any, from a married minor's spouse to the Family Medicaid AU (**including** RSM). Refer to Responsibility Budgeting Procedures in this section.

PROCEDURES**(cont.)****Spouse of a
Married Minor - Not
Living with Parents
(Deeming)**

Spouse of a Married Minor - Not Living with Parents budgeting applies when a married minor lives with his/her spouse and there are no parents in the home.

If the married minor applies for RSM-Child for him/herself, complete a responsibility budget to determine the amount of income that must be deemed, if any, from the minor's spouse, regardless of the age of the minor's spouse.

If both the married minor and his/her spouse apply for RSM-Child, eligibility is determined separately. If responsibility budgeting results in a deficit for each minor, each is RSM-Child eligible and deeming does not apply.

Refer to Responsibility Budgeting Procedures in this section.

If the married minor applies for RSM PgW, a responsibility budget is not necessary as the spouse and his income is included in the RSM-PgW BG.

If the married minor and his/her spouse apply for RSM for their child(ren), a responsibility budget is not necessary as both the married minor and the spouse are included in the RSM-Child BG.

**Ineligible Spouse or
Ineligible Child
(Allocation - LIM)**

Income may be allocated from a LIM AU member to his/her ineligible spouse and/or ineligible child.

Income is allocated to the ineligible spouse and/or child when the spouse or child is not eligible to be included in the LIM AU and when the spouse or child are any of the following:

- the spouse of a married minor
- a stepparent
- the spouse of a non-parent caretaker
- an ineligible alien or an individual for whom citizenship/legal alien status cannot be verified (spouse or child).

PROCEDURES**Ineligible Spouse or
Ineligible Child
(Allocation – LIM)
(cont.)**

Income is **not** allocated when the spouse or child is one of the following:

- penalized for one of the following reasons:
 - cooperation with CSE
 - enumeration
 - cooperation with TPR requirements
- excluded for failure to comply with application for other benefits
- receives SSI
- a child ineligible because of age
- a child for whom relationship or living arrangements is not established
- a child who is eligible to be included in the AU but was voluntarily excluded
- a child for whom the LIM-eligible adult is a relative other than a parent.

Allocation to an ineligible spouse is calculated using only the income of the spouse in the LIM AU.

Allocation to an ineligible child(ren) is calculated using only the income of the parent in the LIM AU.

NOTE: Income received for or by a child in a LIM AU may not be considered in determining the amount to allocate to an ineligible individual.

Complete a responsibility budget to determine if income may be allocated to an ineligible spouse. It is not necessary to complete a responsibility budget if allocation is considered for a child(ren) only, as the child's income is not considered when completing a responsibility budget.

PROCEDURES**Ineligible Spouse or
Ineligible Child
(Allocation - LIM)
(cont.)**

Follow the steps below to determine the amount of income, if any, to allocate to the ineligible spouse and/or child.

Step 1 If the ineligible spouse has income, complete a responsibility budget based on his income, using the appropriate SON.

- If a surplus exists, deem as indicated in the responsibility budget

AND

do **not** allocate to the ineligible spouse from the LIM AU. Proceed to Step 3 and allocate for any ineligible child(ren) only.

- If a deficit exists, do not deem any income from the ineligible spouse to the LIM AU. Proceed to Step 2.

Step 2 If the ineligible spouse has no income **or** if a deficit exists, allocate to the ineligible spouse and/or child from the LIM caretaker.

Step 3 Determine the Standard of Need (SON) for the number of ineligible individuals for whom allocation can be made.

Step 4 Determine the amount of income to allocate from the LIM caretaker to the ineligible individual(s) based on the following:

- If the only income in the LIM AU belongs to the parent, allocate up to the SON for the number of ineligible individuals. Do not exceed the parent's net income.
- If the income in the LIM AU belongs to the parents **and** others, allocate up to the SON for the number of ineligible individuals. Do not exceed the **parent's** net income.

Step 5 Subtract the allocated amount from the BG's income and continue with the eligibility determination.

PROCEDURES

(cont.)

**Ineligible Spouse
(Allocation: other
than LIM)**

Income may be allocated from a Family Medicaid (other than LIM) BG to his/her ineligible spouse.

Income allocated to the ineligible spouse when the spouse is not eligible to be included in the Family Medicaid (other than LIM) BG and when the spouse is one of the following:

- a stepparent, unless s/he has biological children in the BG
- the spouse of a non-parent caretaker.

The income of a child is never allocated to any individual.

Income is never allocated to a child who is not included in the BG, whether voluntarily or involuntarily excluded.

Income is not allocated to a spouse if s/he is a SSI recipient.

The amount of income that may be allocated to an ineligible spouse is determined by completing a responsibility budget using the appropriate RSM FPL or the MNIL.

Follow the steps below to determine the amount of income, if any, to allocate to the ineligible spouse.

Step 1

If the ineligible spouse has income, complete a responsibility budget based on his/her income using the appropriate RSM FPL or the MNIL.

- If the ineligible spouse has income, complete a responsibility budget based on the FPL or MNIL for one. Do not deem any of the surplus to a RSM BG
AND
do **not** allocate to the ineligible spouse from the RSM or FM-MN BG.
- If a deficit exists, do not deem any income from the ineligible spouse to the RSM or FM-MN BG. Proceed to Step 2.

PROCEDURES**Ineligible Spouse
(Allocation: other
than LIM)
(cont.)**

- Step 2** If the ineligible spouse has no income **or** if a deficit exists, allocate to the ineligible spouse from the RSM or FM-MN BG.
- For RSM, the amount of allocation is determined by the FPL for 1, based on the age(s) of the child for whom RSM is being determined. This may require multiple allocation budgets for children of different ages.
- For FM-MN, the amount of allocation is determined by the MNIL for one.
- Step 3** Subtract the allocated amount from the BG's income and continue with the eligibility determination.