

## 2166 - TRANSITIONAL MEDICAL ASSISTANCE (TMA)

<b>POLICY STATEMENT</b>	Transitional Medical Assistance (TMA) provides continued Medicaid coverage for up to 12 months for Low Income Medicaid (LIM) AUs that become ineligible because of changes related to earned income.
<b>BASIC CONSIDERATIONS</b>	<p>To be eligible for continued Medicaid coverage under TMA, the AU must have correctly received LIM in three of the six months preceding the first month of LIM ineligibility. An AU is potentially eligible to receive TMA for 12 months beginning with the first month following the last month of LIM.</p> <p>To be eligible for continued Medicaid coverage under TMA, LIM ineligibility must result exclusively from one of the following reasons:</p> <ul style="list-style-type: none"> <li>• New or increased earnings of an adult AU member</li> </ul> <p>Increased earnings includes any of the following</p> <ul style="list-style-type: none"> <li>- new employment</li> <li>- increase in earnings as a result of an increase in hours worked</li> <li>- increase in salary or hourly wage</li> <li>- earnings of an eligible adult added to the LIM AU</li> </ul> <p><b>NOTE:</b> LIM ineligibility may be caused by new or increased earnings <b>and</b> a <b>concurrent</b> change. If the concurrent change <b>alone</b> caused LIM ineligibility, the AU is <b>ineligible</b> for TMA</p> <ul style="list-style-type: none"> <li>• the expiration of the four month \$30 + 1/3 earned income deduction for an AU member</li> <li>• the expiration of the eight month \$30 earned income deduction for an AU member</li> </ul> <p>Cooperation with Third Party Resources (TPR) is required at approval for TMA as well as during both 6-month review periods. Refer to <a href="#">Section 2230</a>, Third Party Resources.</p> <p>Referral to Child Support Services is not required.</p>
<b>TMA AU</b>	<p>TMA is available <b>only</b> to the individuals whose needs were included in the LIM AU at the time of LIM ineligibility.</p> <p>Any individual who moves into the home during the TMA eligibility period is ineligible for TMA, however s/he may qualify for another Medicaid COA.</p> <p><b>EXCEPTION:</b> If the individual who moves into the home was previously a member of the TMA AU, the individual may be added.</p>

**BASIC  
CONSIDERATIONS  
(cont.)**
**Eligibility  
Period**

An AU is potentially eligible to receive TMA for 12 months, beginning with the first month following the last month of LIM. The last month of LIM is the 1<sup>st</sup> or 2<sup>nd</sup> month after the financial change occurs, depending on the effective date of the change, when the eligibility worker (EW) takes action based on the change, and the expiration of timely notice.

The AU must report increased earned income within 10 days of receipt of the income. If the AU fails to report the change within 10 days, the EW must determine when the change should have been effective, based on the 10 day reporting requirement.

The TMA period of eligibility consists of the following:

- the initial 6-month extension
- an additional 6-month extension.

Each of the 6-month periods has specific and distinct eligibility requirements.

**Financial Eligibility**

There is no income requirement for the first 6 months of TMA. To remain eligible for the second 6 months of TMA, the AU's income must be below 185% of the Federal Poverty Level (FPL).

There is no resource requirement for TMA.

Allowable child care costs are limited to those necessary for the employment of the caretaker or other adult AU member(s).

**Reporting**

To remain eligible for TMA, the AU must report gross income on a quarterly basis. The Quarterly Report Form (QRF) is mailed by the agency to the AU.

**NOTE:** All income reported on the QRF must be verified. Refer to [Section 2653](#), Prospective Budgeting, for minimum verification requirements. Accept A/R statement for any child care expense that is incurred, unless questionable.

During the initial 6-month TMA eligibility period, if the AU does not comply with QRF reporting requirements for the QRF due in the 4<sup>th</sup> month, TMA eligibility terminates effective the first month after the initial extension (7<sup>th</sup> month).

If the AU does not comply with QRF requirements for the QRF due in the 7<sup>th</sup> month, eligibility terminates effective the 8<sup>th</sup> month.

If the AU does not comply with QRF requirements for the QRF due in the 10<sup>th</sup> month of TMA, eligibility terminates effective the 11<sup>th</sup> month.

**BASIC  
CONSIDERATIONS  
(cont.)**

**Initial Six Months  
Extension**

To be eligible to **begin** the **initial** six months of TMA, the AU must meet **ALL** of the following requirements:

- must be financially ineligible for LIM based on one of the reasons listed previously in this Section
- must have correctly received LIM during three of the six months preceding the first month of LIM ineligibility
- must include a child under 18 years of age

**Additional Six  
Months Extension**

To be eligible to **begin** the **additional** six month extension the AU must meet **ALL** of the following requirements:

- must have received TMA for each month of the initial six month extension
- must have met the QRF reporting requirement in the 4<sup>th</sup> month of TMA
- must include a child under 18 years of age.

To **remain** TMA eligible for the additional six-month extension, the AU must meet **ALL** of the following requirements:

- must comply with the 7<sup>th</sup> and 10<sup>th</sup> month QRF reporting requirements by the 5<sup>th</sup> day of the 7<sup>th</sup> and 10<sup>th</sup> months of TMA
- must meet TMA income eligibility requirements
- must include the caretaker or other eligible adult who was employed for at least part of each of the months included in the 7<sup>th</sup> and 10<sup>th</sup> months QRFs.

**NOTE:** Any eligible adult in the AU can meet the employment criteria, even if s/he was not employed when the AU became eligible for TMA. Employment, for TMA purposes, is defined as working during the month. Receipt of a remaining paycheck from previous employment does not meet this criterion.

- must include a child under 18 years of age

**EXCEPTION:** If the only child in the TMA AU becomes eligible for SSI, the other AU members may continue to receive TMA until the child is 18 years of age, or until the end of the TMA period if all of the above is met, whichever occurs first.

**BASIC****CONSIDERATIONS****Good Cause  
(cont.)**

Good Cause may be claimed for unemployment during one or more of the specified months. Refer to Special Considerations in this section.

If the TMA case is terminated because of unemployment of the caretaker or other eligible adult, without Good Cause, TMA cannot be reinstated, even if employment is subsequently obtained.

TMA cannot be reinstated if terminated because of excess earnings, even if the AU's countable income later falls below the TMA income limit. The A/R may, however, reapply for LIM. If LIM is approved and subsequently terminated, TMA eligibility may be approved only if the LIM termination qualifies the AU for a new period of TMA.

**PROCEDURES****Initial Six Month  
Extension**

Follow the steps below to establish the initial six-month TMA extension.

**Step 1**

Establish that the AU is financially ineligible for LIM based on the criteria listed previously in this Section. All income must be verified. Refer to [Section 2653](#), Prospective Budgeting, for minimum verification requirements.

**Step 2**

Establish that the AU correctly received LIM in three of the six months preceding the first month of LIM ineligibility. Refer to [Section 2162](#), Low Income Medicaid.

**Step 3**

Determine the last month of LIM, based on the date of the change, date the caseworker took action and the expiration of timely notice. If the AU fails to report the change within 10 days of receipt of the increase, determine when the change should have been effective, based on the 10-day reporting requirement. All income must be verified. Refer to [Section 2653](#), Prospective Budgeting, for minimum verification requirements.

**Step 4**

Notify the AU of the following:

- termination of LIM eligibility
- approval of the initial six months of TMA
- reporting requirements of continued TMA eligibility

**Step 5**

Mail QRF by the 15<sup>th</sup> of the third month of TMA. The QRF must request the AU's actual gross income and child care expenses paid, if any, for the first three months of TMA.

**Step 6**

Use Chart 2166.1, Processing QRF Due in the Fourth Month of TMA, to process the QRF or information received, or to determine the appropriate action to be taken if QRF reporting requirements are not met.

**PROCEDURES****(cont.)**

**NOTE:** All income reported on the QRF must be verified. Refer to [Section 2653](#), Prospective Budgeting, for minimum verification requirements. Accept A/R statement for any child care expense that is incurred, unless questionable.

**Additional Six Month Extension**

Follow the steps below to continue eligibility for the additional six-month extension of TMA.

**Step 1**

Send QRF by the 15<sup>th</sup> day of the sixth month of TMA if the recipient complied with fourth month reporting and received all six months of TMA during the initial extension. Request gross income and child care expenses paid for the fourth, fifth and sixth months of TMA.

**NOTE:** All income reported on the QRF must be verified. Refer to [Section 2653](#), Prospective Budgeting, for minimum verification requirements. Accept A/R statement for any child care expense that is incurred, unless questionable. The QRF is due by the 5<sup>th</sup> day of the seventh month.

**Step 2**

Complete TMA budgeting procedures in the seventh month after the QRF is returned by the AU. Refer to [Section 2667](#), TMA Budgeting and Chart 2166.2, TMA QRF Processing for the Seventh and Tenth Months.

If the AU remains eligible based on the TMA budget, continue TMA.

If the AU is TMA ineligible because of earnings reported on the QRF, or if ineligible for any other reason, complete a Continuing Medicaid Determination (CMD) prior to termination of TMA and notify the AU.

**Step 3**

Send QRF by the 15<sup>th</sup> day of the ninth month of TMA if the recipient complied with the seventh month QRF. Request gross income and child care expenses paid for the seventh, eighth and ninth months of TMA.

**NOTE:** All income reported on the QRF must be verified. Refer to [Section 2653](#), Prospective Budgeting, for minimum verification requirements. Accept A/R statement for any child care expense that is incurred, unless questionable. The QRF is due by the 5<sup>th</sup> day of the tenth month.

**Step 4**

Complete a TMA budget in the tenth month after the QRF is returned by the AU. Refer to [Section 2667](#), TMA Budgeting, and Chart 2166.2, TMA QRF Processing for the Seventh and Tenth Months.

If the AU remains eligible based on the TMA budget, continue TMA.

**Additional Six Month Extension (cont.)**

If the AU is TMA ineligible because of earnings reported on the QRF, or if ineligible for any other reason, complete a CMD prior to termination of TMA and notify the AU.

**Step 5**

Complete a CMD during the 12<sup>th</sup> (final) month of TMA eligibility and notify the AU prior to termination of TMA.

**TMA SPECIAL CONSIDERATIONS****Procedures to Determine if a QRF is Complete**

Use the following criteria to determine if a QRF is complete:

- The QRF is signed by the recipient and dated on or after the last day of the last month for which information is being reported.
- All items (except Question No. 3) are completed. All **yes/no** blocks are checked. Note: Question No. 3 is used only for CMD purposes if the family is ineligible for TMA.
- All income reported on the QRF, due in the fourth, seventh and tenth months, must be verified. Refer to [Section 2653](#), Prospective Budgeting, for minimum verification requirements. Accept A/R statement for any child care expense that is incurred, unless questionable.

If the QRF is incomplete, request the information in writing or in person. The A/R is not required to send back the actual QRF form. A written statement of the total income for the months listed on the QRF along with the appropriate verification is sufficient. If information regarding child care deductions is missing, the information can be gathered via telephone contact. Document the contact.

**Procedures to Determine Good Cause for Failure to Meet Work Requirements**

Use the following information to determine if Good Cause exists for failure to meet the work requirements because of the termination of employment of a caretaker or other eligible adult:

- Explore the reason for termination of employment with the A/R.
- Use the following list as examples in determining if Good Cause exists. This list is not inclusive.
  - involuntary loss of employment, e.g., layoff
  - illness of the recipient or an immediate family member
  - family emergency
  - child care not available
  - transportation not available

**NOTE:** If Good Cause exists, the reporting requirement is met. Obtain the information needed to determine continued eligibility.

Document the case decision.

**TMA SPECIAL  
CONSIDERATIONS  
(cont.)****Procedures to  
Determine Good  
Cause for Failure  
to Comply with  
QRF Requirements**

Good Cause for untimely or incomplete submission of QRF or QRF information may be granted.

The following are examples of Good Cause. This list is not all-inclusive.

- The recipient did not receive the QRF or received it untimely.
- The recipient or an immediate family member was ill or in the hospital.
- The recipient is illiterate.
- There was a serious family crisis such as death.
- There was a natural disaster.
- The recipient was out of town.
- The return envelope was postmarked in time to reach the county department but did not. The QRF is considered timely if postmarked at least one day prior to the deadline.
- The AU was ineligible for TMA when the report was due but the reason for ineligibility no longer exists. This is applicable only to AUs who were ineligible for TMA because of any of the following reasons:
  - the AU moved out of state
  - the only child ceased to live with the family
  - the individual who qualified the AU for TMA ceased to live with the AU.

**NOTE:** If Good Cause exists, the reporting requirement is met. Obtain the information needed to determine continued eligibility.

Document the decision.

Use the following chart to process the QRF due in the fourth month of TMA.

<b>CHART 2166.1, PROCESSING QRF DUE IN FOURTH MONTH OF TMA</b>	
<b>IF</b>	<b>THEN</b>
The completed QRF or QRF information is received by the 5 <sup>th</sup> calendar day of the report month	Begin the additional six-month extension of TMA in the seventh month.
The QRF or QRF information is not received by the 5 <sup>th</sup> calendar day of the fourth month of TMA (or by the following workday if the 5 <sup>th</sup> is a weekend or holiday)	Send TMA Quarterly Report Follow-up Notice (SUCCESS sends this automatically), giving the AU until the 21 <sup>st</sup> to provide the completed QRF or QRF information.
The completed QRF or QRF information is received by the 21 <sup>st</sup>	Begin the additional six-month extension of TMA in the seventh month.
The QRF or QRF information is not received by the 21 <sup>st</sup>	Determine if Good Cause exists. Refer to Special Considerations in this Section.
The completed QRF or QRF information is not received by the 21 <sup>st</sup> and Good Cause does not exist	Complete a CMD and terminate TMA effective the seventh month of eligibility. Provide adequate notice.
The QRF or QRF information is received by the 21 <sup>st</sup> but is not complete.	Send a verification checklist requesting the missing information within 5 calendar days. Allow an additional 10 days or until the 21 <sup>st</sup> , whichever is later, to provide the information.
The completed QRF or QRF information is received by the second deadline.	Begin the additional six-month extension of TMA in the seventh month.
The QRF or QRF information is not received by the second deadline.	Complete a CMD and terminate TMA effective the seventh month of eligibility. Allow adequate notice.
The QRF or QRF information is received by the second deadline but is not complete.	Send another verification checklist. Allow an additional 10 days for response. <ul style="list-style-type: none"> <li>• If the completed QRF or QRF information is received by the extended deadline, the report requirement is met.</li> <li>• If the completed QRF or QRF information is not received by the extended deadline, complete a CMD and terminate TMA effective the 7<sup>th</sup> month. Allow adequate notice.</li> </ul>

**NOTE:** Refer to Section 2166-6, TMA Special Considerations, for information on determining if a QRF is complete and determining Good Cause for not complying with reporting requirements.



Use the following chart to process the QRFs due in the seventh and tenth months of TMA.

<b>CHART 2166.2, TMA QRF PROCESSING PROCEDURES FOR THE SEVENTH AND TENTH MONTHS</b>	
<b>IF</b>	<b>THEN</b>
The completed QRF or QRF information is received by the 5 <sup>th</sup> calendar day of the report month	Continue TMA eligibility.
The QRF or QRF information is not received by the 5 <sup>th</sup> calendar day of the report month (or by the following workday if the 5 <sup>th</sup> is a weekend or holiday)	Send TMA Quarterly Report Follow-up Notice (SUCCESS does this automatically), giving the AU until the 21 <sup>st</sup> to provide the completed QRF or QRF information.
The completed QRF or QRF information is received by the 21 <sup>st</sup>	Continue TMA eligibility.
The QRF or QRF information is not received by the 21 <sup>st</sup>	Determine if Good Cause exists. Refer to Special Considerations in this Section.
The completed QRF or QRF information is not received by the 21 <sup>st</sup> and Good Cause does not exist	Complete a CMD and terminate TMA effective the eight or eleventh month of TMA. Provide adequate notice.
The QRF or QRF information is received by the 21 <sup>st</sup> but is not complete.	Send a verification checklist requesting the missing information. Allow an additional 10 days or until the 21 <sup>st</sup> , whichever is later, for the AU to provide the information.
The completed QRF or QRF information is received by the second deadline.	Continue TMA eligibility.
The QRF or QRF information is not received by the second deadline.	Complete a CMD and terminate TMA effective the eight or eleventh month. Provide adequate notice.
The QRF or QRF information is received by the second deadline but is not complete.	Send another verification checklist. Allow an additional 10 days for response. <ul style="list-style-type: none"> <li>• If the completed QRF is received by the extended deadline, the reporting requirement is met. Continue TMA eligibility.</li> <li>• If the completed QRF is not received by the extended deadline, complete a CMD and terminate TMA effective the eight or eleventh month. Provide adequate notice.</li> </ul>

**NOTE:** Refer to Section 2166-6, TMA, Special Considerations, for information on determining if a QRF is complete and determining good cause for not complying with reporting requirements.