

2401 – MEDICAID INCOME OVERVIEW

POLICY STATEMENT	<p>All money, earned or unearned, received from any source by the Assistance Unit (AU) or the Medicaid Budget Group (BG) is considered in determining financial eligibility and benefit level.</p> <p>EXCEPTION: Medically Needy uses an income level to determine the A/R's excess income, or spenddown.</p>
BASIC CONSIDERATIONS	<p>Income is anything an A/R receives in cash or in-kind that can be used to meet basic needs for food, clothing or shelter.</p> <p>Income is considered on a monthly basis.</p> <p>Income is considered the month it is received by the A/R or becomes available without encumbrances to the A/R.</p> <p>An asset can never be considered as both income and a resource in the same month.</p> <p>Any income retained after the month of receipt becomes a resource on the first day of the month following the month of receipt.</p> <p>All lump sum payments are income in the month of receipt.</p> <p>NOTE: Any portion of a lump sum payment retained after the month of receipt is a resource. Refer to Section 2399, Chart 2399.2, Resource Treatment of Income Retained after the Month of Receipt, for instructions on how to treat any portion of an RSDI or SSI lump sum payment retained after the month of receipt.</p> <p>Income is considered to be one of the following:</p> <ul style="list-style-type: none">• earned• unearned <p>Specific deductions apply to income based on whether it is earned or unearned. For ABD Medicaid refer to Section 2505, Income Deductions. For Family Medicaid, refer to Section 2655, Family Medicaid Deductions.</p>

PROCEDURES

Follow the steps below to determine whether to consider a particular source of income in determining financial eligibility:

Step 1 Determine who owns the income. Refer to Section 2403, Ownership of Income.

Step 2 Determine if the income is included or excluded in the Medicaid eligibility budget and in the ABD Medicaid patient liability/cost share budget if appropriate. Refer to Section 2405, Treatment of Income.

NOTE: If the income being considered is earned income, in-kind support and maintenance (ISM), rental income or self-employment income, refer to the special sections on these types of income in this chapter.