

## 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 Parent/Caretaker with Child(ren) in three of the six months preceding the first month of TMA eligibility. Refer to <a href="#">Section 2162</a>, Parent/Caretaker with Child(ren)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 taxable earnings reported on the TMA Quarterly Report Form (QRF) returned to the EW in the seventh and tenth months of TMA eligibility.</p> <p>All taxable income reported on the QRF must be verified. Data sources or related active program(s)'s verification will be used prior to requesting any verification. Refer to Section 2051, Verification. The A/R is not required to send back the actual QRF.</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 taxable earnings 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 net taxable income for each month reported on the QRF. Do not include unearned income.
<b>Step 2</b>	Budget each month individually.

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## PROCEDURES

**TMA Budgeting  
(cont.)**

**Step 3** Add the amounts determined in Step 2 and divide by 3 to obtain the average net monthly earnings.

**Step 4** 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 net taxable income for each month together, subtract allowable child care expenses and divide by three.

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

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