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Division of Health Care Access and Accountability
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To: Medicaid Eligibility Handbook (MEH) Users

From: Amy Mendel-Clemens, Section Chief
Technical Assistance, Training, and Education

Re: **Medicaid Eligibility Handbook Release 10-01**

Release Date: 04/02/10
Effective Date: 04/02/10

EFFECTIVE DATE

The following policy additions or changes are effective 04/02/10, unless otherwise noted. **Bold text denotes new text. Text with a strike through it in the old policy section denotes deleted text.**

CHANGES

Apps and Reviews (Chs. 2-3) > 2 Applications > 2.6 Filing Date > 2.6.5 Low Income Subsidy (LIS) Program of Medicare Savings Programs (MSPs)

Subsections were added and a new 2.6.5 was added as new policy, as written in Ops Memo 10-07.

New Text:

2.6.5 Low Income Subsidy (LIS) Program of Medicare Savings Programs (MSPs)

Effective January 1, 2010, LIS data sent electronically to CARES from the SSA is considered a request for MSP and must be processed using the same processing guidelines that would be followed if a request for MSP was submitted directly by the applicant.

Because the data sent by SSA is not sufficient to determine Medicaid or MSP eligibility, the data from the LIS application will be used to establish a Request for Assistance (RFA) in CARES. The contact date on the RFA is the date the LIS data was received by DHS from SSA. The filing date for the MSP request is the filing date for LIS application set by SSA.

A completed, timely application will have to be submitted by the applicant to the local agency in order to determine Medicaid and MSP eligibility for the person. If an application is not submitted within 30 days of the RFA contact date, the RFA will be automatically withdrawn and a notice generated.

Nonfinancial (Chs. 4 - 14) > 5 Elderly, Blind, or Disabled (EBD) > 5.3 Disability Application Process > 5.3.2 Agency Form Processing

New Text:

See Process Help 12 Automated Medicaid Disability Determination.

When completed MADA forms are received by the local agency, the IM worker must:

Determine if the applicant meets all other Medicaid eligibility requirements, with the exception of the disability determination and income. Do not send the MADA to DDB if the applicant does not meet all other Medicaid eligibility requirements aside from disability and income, **with one exception:**

If a non-qualifying immigrant would qualify for Emergency Services Medicaid only if s/he was disabled, send the MADA to DDB.

**Nonfinancial (Chs. 4 - 14) > 7
U.S. Citizen or Qualifying
Immigrant > 7.3 Immigrants >
7.3.4 Immigration Status Chart**

Three new rows were added to immigration status chart.

New Text:

CARES TCTZ Code	Alien Status	Arrived Before 08/22/96	Veteran*/ Amerasian Arrived before 8-22-96	Arrived on or after 8-22-96	Veteran*/ Amerasian Arrived on or after 8-22-96	Children under 19 and pregnant women
17	Amerasian	Eligible	Eligible	Eligible	Eligible	Eligible
18	Foreign-born American Indian	Eligible	Eligible	Eligible	Eligible	Eligible
19	Victims of Trafficking	Eligible	Eligible	Eligible	Eligible	Eligible

**Nonfinancial (Chs. 4 - 14) > 7
U.S. Citizen or Qualifying
Immigrant > 7.4 Non-
Immigrant, Non-Citizens**

This new section was added. The changes are too numerous to list. The information was taken from Ops Memo 10-10.

**Financial (Chs. 15 - 19) > 15
Income > 15.4 Unearned
Income**

New Text:

Unearned income is income that the member receives from sources other than employment. Unless it is disregarded income (15.3 Disregarded Income) or an income deduction (15.7 Income Deductions), count **gross unearned income** in the person's income total.

When two payments from the same income source are received the same month due to mailing cycle adjustments, count each payment only for the month it is intended. Income sources commonly affected by such mailing cycle fluctuations include general assistance, other public assistance programs, SSI, and SSA benefits.

Note: Occasionally, a regular periodic payment (e.g., title II, or VA benefits) is received in a month other than the month of normal receipt. As long as there is no intent to interrupt the regular payment schedule, consider the funds to be income in the normal month of receipt.

**Financial (Chs. 15 - 19) > 15
Income > 15.4 Unearned
Income > 15.4.20 First Time
Home Buyer Tax Credits**

This new section was added.

New Text:

Effective 01/01/10

15.4.20 First Time Home Buyer Tax Credits

Count actual payments made to the member as unearned income in the month of receipt.

**Financial (Chs. 15 - 19) > 15
Income > 15.5 Earned Income**

New Text:

Earned income is income from gainful employment. **The gross earned income before any deductions are taken out is counted. Count earned income only for the month in which it is received, except when the average number of payments increase due to mailing cycle adjustments.**

Note: Occasionally, a regular periodic payment (e.g., wages, title II, or VA benefits) is received in a month other than the month of normal receipt. As long as there is no intent to interrupt the regular payment schedule, consider the funds to be income in the normal month of receipt.

**Financial (Chs. 15 - 19) > 15
Income > 15.5 Earned Income >
15.5.8 Income Tax Refunds,**

Old Text:

~~See 16.7.7 Income Tax Refunds and 16.7.8 Earned Income Tax Credit (EITC).~~

EITC and First Time Home Buyer Tax Credits

New Text:
Effective 01/01/10

15.5.8 Income Tax Refunds
Income tax refunds are disregarded income. See 16.7.7 Income Tax Refunds.

Financial (Chs. 15 - 19) > 15 Income > 15.5 Earned Income> 15.5.16 Earned Income Tax Credit (EITC)

This new section was added.

New Text:
Effective 01/01/10
15.5.16 Earned Income Tax Credit (EITC)
Disregard EITC payments.

Financial (Chs. 15 - 19) > 15 Income > 15.5 Earned Income> Financial (Chs. 15 - 19) > 15 Income > 15.5 Earned Income> 15.5.17 Make Work Pay Credit

This new section was added.

New Text:
Effective 01/01/10
15.5.17 Make Work Pay Credit
Disregard actual payments made under Make Work Pay.

Financial (Chs. 15 - 19) > 15 Income > 15.5 Earned Income> 15.5.18 Special Tax Credit for Certain Government Retirees

This new section was added.

New Text:
Effective 01/01/10
15.5.18 Special Tax Credit for Certain Government Retirees
Disregard actual payments made under the Special Tax Credit for Certain Government Retirees.

Financial (Chs. 15 - 19) > 15 Income > 15.6 Self Employment Income> 15.6.3 Self Employment Income and Assets

This section was renamed “15.6.3 Self Employment Income, Assets, and Disallowed Expenses” and subsection “15.6.3.3 Disallowed Expenses was added.”

New Text:
15.6.3.3 Disallowed Expenses

Expenses that are allowed self-employment deductions on the IRS business tax forms are allowed expenses for Medicaid. Some specific expenses that have been identified as not allowed in the calculation of Self Employment Income on the IRS tax forms and therefore not allowed for Medicaid are:

1. Net loss carryover from previous periods,
2. Federal, State, and local income taxes,
3. Charitable donations,
4. Work-related personal expenses, such as transportation to and from work,
5. Work-related personal expenses such as pensions, employee benefit and retirement programs and/or profit sharing expenses (Business expenses for employees' pensions, benefits, retirement programs, and profit sharing expenses are allowable, but the work-related personal expenses of the employer are not), or
6. Principal payments on loans for the purchase price of income producing real estate, capital assets/equipment, and durable goods.

Financial (Chs. 15 - 19) > 15 Income > 15.7 Income Deductions> 15.7.2 Special Exempt Income> 15.7.2.3 Fees

This section was clarified to emphasize that all three conditions must exist by adding “and” after the first two items.

New Text:

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to Guardians or Attorneys>
15.7.2.3.1 Countable

Exception: Deduct this third party prepayment if:

1.
 - a. The third party was the county acting as guardian ad litem. A guardian ad litem is someone appointed by the court to represent the best interests of a juvenile or disabled person during a particular court proceeding, **and**
 - b. The prepayment was to an attorney who was not a county employee at the time the services were delivered, **and**
 - c. A court ordered the institutionalized person to reimburse the county's prepayment.

Financial (Chs. 15 - 19) > 16
Assets > 16.7 Liquid Assets>
16.7.5 Life Insurance

Old Text:

~~Note: VA Term Life Insurance Policies were assigned a cash value as of 2000. The cash value amount is a countable asset.~~

New Text:

Note: In calendar year 2000, some VA Term Life Insurance Policies were assigned a cash value. The Department of Veteran's Affairs put into effect a regulation to provide paid-up life insurance on term policies. When the veteran chooses this option to purchase paid-up insurance with their term insurance, the policy at that point has a cash surrender value. The cash value amount is a countable asset.

Financial (Chs. 15 - 19) > 16
Assets > 16.7 Liquid Assets>
16.7.8 Earned Income Tax
Credit (EITC) and First Time
Home Buyer's Tax Credit

Old Text:

16.7.8 Earned Income Tax Credit (EITC)

~~Disregard all Earned Income Tax Credit (EITC) payments in the month received and in the month after receipt.~~

~~After the "month received" and the "month after receipt" have passed, count the EITC payment as an available asset.~~

New Text:

Effective 01/01/10

16.7.8 Earned Income Tax Credit (EITC)

Disregard all Earned Income Tax Credit (EITC) in the month received **and for 9 months following the month of receipt.**

After the 9 month disregard period has passed, count any remaining EITC payments as available, non-exempt assets.

Financial (Chs. 15 - 19) > 16
Assets > 16.7 Liquid Assets>
16.7.24 Make Work Pay

This new subsection was added.

16.7.24 Make Work Pay

Disregard Make Work Pay payments as income and disregard them as an asset for the month of receipt and 2 months following the month of receipt.

Financial (Chs. 15 - 19) > 16
Assets > 16.7 Liquid Assets>
16.7.28 Uniform Gifts to
Minors Act

Old Text:

~~Count funds held in an account for the benefit of a minor that are the result of transfers under the Uniform Gifts to Minors Act. This act is also called the Uniform Transfers to Minors Act. The funds are available when determining eligibility for the minor unless a court determines otherwise.~~

New Text:

Do not count funds held in an account for the benefit of a minor that are the

result of transfers under the Uniform Gifts to Minors Act. This act is also called the Uniform Transfers to Minors Act. **There is no asset test for minors for EBD eligibility determinations.**

Financial (Chs. 15 - 19) > 16
Assets > 16.7 Liquid Assets>
16.7.32 First Time Home
Buyer's Tax Credit

This new subsection was added.

16.7.32 First Time Home Buyer's Tax Credit

Count the First Time Home Buyer's Tax Credit payments as unearned income in the month of receipt. Any amount that is retained is counted as a non-exempt asset starting with the month following the month of receipt.

Financial (Chs. 15 - 19) > 16
Assets > 16.7 Liquid Assets>
16.7.33 Special Tax Credit for
Certain Government Retirees

This new subsection was added.

16.7.33 Special Tax Credit for Certain Government Retirees

Disregard the Special Tax Credit for Certain Government Retirees as an asset for the month of receipt and 2 months following the month of receipt.

Financial (Chs. 15 - 19) > 17
Divestment > 17.1 Divestment
Introduction

New Text:

Divestment can affect the eligibility for Long Term Care Medicaid. If it is determined that divestment occurred some time in the past, the *applicant* or recipient may be found ineligible for Long Term Care Medicaid for a period of time. Divestment does not affect eligibility for Medicaid card services.

Note: Effective 10/1/09, assets are no longer counted for disabled or institutionalized children. Since assets are disregarded, there can be no divestment in a Medicaid case for a child.

Subprograms (Chs. 24- 38) >
26 Medicaid Purchase Plan
(MAPP) > 26.3 MAPP
Nonfinancial Requirements>
26.3.4 Work Requirement
Exemption

New Text:

If there is a serious illness or hospitalization that causes the member to be unable to work, the work requirement can be suspended for up to six months. S/he can continue to be MAPP eligible. The member must contact the IM agency to request the exemption. Have the member complete the Medicaid Purchase Plan (MAPP) Work Requirement Exemption (F-10127). This provision is not available unless s/he:

1. Has been enrolled in MAPP for six months and has paid any applicable premiums prior to the request of an exemption.
2. Is expected to return to work in the next six months.
3. Provides an expected date of recovery.
4. Provides the reason that an exemption is needed (i.e., illness or hospitalization).
5. Has had no more than two exemptions (maximum of six months each) to the work requirement in a three-year time period. **The two exemptions cannot be consecutive.**

Subprograms (Chs. 24- 38) >
28 Home and Community
Based Waivers Long Term
Care (HCBWLTC) > 28.4
HCBWLTC Divestment

New Text:

Effective 10/01/09

When requested, assist the case manager in assessing divestment. See 17.1 Divestment Introduction.

Note: Effective 10/01/09, assets are no longer counted for disabled or institutionalized children. Since assets are disregarded, there can be no divestment in a Medicaid case for a child.

Subprograms (Chs. 24- 38) >
28 Home and Community
Based Waivers Long Term
Care (HCBWLTC) > 28.8

New Text:

The Personal Maintenance Allowance is an income deduction used primarily when calculating a cost share for a Group B waiver member. However, it is also used in the cost share calculation of a Group C waiver

HCBWLTC Instructions>
28.8.3 Group B> 28.8.3.1
Personal Maintenance
Allowance

Subprograms (Chs. 24- 38) >
32 Medicare Beneficiaries >
32.1 Medicare Beneficiaries
Introduction> 32.1.1 Medicare
Savings Introduction

member when completing Section C of the Spousal Impoverishment
Income Allocation Worksheet (18.6.4).

This section was renamed to “Medicare Savings Programs” to use the same language that CMS (Centers for Medicare and Medicaid Services) uses. Any instance of Medicare Beneficiaries in Ch. 32 were changed to “Medicare Savings Programs.”

New Text:

32.1.1 Medicare Savings Introduction

Medicare is the health insurance program administered by the federal Centers for Medicare & Medicaid Services (CMS) for people over 65 and for certain younger disabled people. **People who receive Medicare are referred to as Medicare beneficiaries.**

Medicare is divided into **three** types of health coverage. Hospitalization Insurance (Part A) pays hospital bills and certain skilled nursing facility expenses. Medical Insurance (Part B) pays doctors' bills and certain other charges. **Drug Insurance (Part D) pays for prescription drug charges.**

Medicare, being an insurance program, charges coinsurance, deductibles and monthly premiums. These out-of-pocket charges to Medicare beneficiaries are generally referred to as “Medicare cost-sharing.” For certain Medicare beneficiaries participating in the programs described below, Wisconsin Medicaid pays some or all of their Medicare cost-sharing. These programs are called “Medicare Savings Programs.” (They are also referred to as “Medicare Premium Assistance,” or “Medicare Buy-In” programs.)

Use the same rules for determining financial eligibility as you do for Medicaid.

The following are **types of Medicare beneficiaries that receive the Medicaid benefits described in 32.1.3:**

1. Qualified Medicare Beneficiary (QMB). See 32.2 QMB.
2. Specified Low-Income Medicare Beneficiary (SLMB). See 32.3 SLMB.
3. Specified Low-Income Medicare Beneficiary Plus (SLMB+), also known as Qualifying Individuals – 1 (QI-1). See 32.4 SLMB+.
4. Qualified Disabled and Working Individuals (QDWI). See 32.5 QDWI.

If a member is also eligible for Medicaid, they will receive a ForwardHealth card. The ForwardHealth card will indicate that they are Medicare Beneficiaries.

Members eligible for QMB will receive a forward card even if s/he is not eligible for any other subprograms of Medicaid.

Subprograms (Chs. 24- 38) >
32 Medicare Beneficiaries >
32.1 Medicare Beneficiaries
Introduction> 32.1.3 Medicare
Savings Program Benefits

This section was renamed to “Medicare Savings Programs Benefits” to use the same language that CMS (Centers for Medicare and Medicaid Services) uses.

New Text:

32.1.3 Medicare Savings Program Benefits

1. QMB Medicaid pays Medicare Part A & B premiums and Medicare deductibles and **coinsurance**.
2. SLMB Medicaid pays Medicare Part B premiums.
3. SLMB +. Medicaid pays Medicare Part B premiums.
4. QDWI Medicaid pays Medicare Part A premiums.

**Subprograms (Chs. 24- 38) >
32 Medicare Beneficiaries >
32.1 Medicare Beneficiaries
Introduction> 32.1.4 LIS
Requests**

This new subsection was added.

**New Text:
32.1.4 LIS Requests**

See 2.6.5 Low Income Subsidy (LIS) Program of Medicare Savings Programs (MSPs) for information on LIS Requests for MSP.

**Subprograms (Chs. 24- 38) >
32 Medicare Beneficiaries >
32.6 Medicare Beneficiaries
Asset Limit**

The Medicare Beneficiaries Asset Limit increased.

Old Text:

~~QMB, SLMB, SLMB+, and QDWI have the same asset limit. The asset limit is twice the Medicaid asset limit:~~

Group Size	Asset Limit
1	\$4,000
2	\$6,000

Divestment of assets has no effect on QMB, SLMB, SLMB+, or QDWI eligibility.

New Text:

QDWI

Group Size	Asset Limit
1	\$4,000
2	\$6,000

QMB, **SLMB**, and SLMB+ have the same asset limit.

Group Size	Asset Limit
1	\$6,600
2	\$9,910

Divestment of assets has no effect on QMB, SLMB, SLMB+, or QDWI eligibility.

Glossary

These terms were added to the Glossary:

LIS - Low Income Subsidy of Medicare Part D. This is also called "Extra Help" by the SSA. It helps people with limited resources pay for a portion of Part D costs.

MSP - Medicare Savings Programs. In Wisconsin, these are known as Medicare Premium Assistance Programs for Medicare Beneficiaries. These include Qualified Medicare Beneficiaries (QMB), Specified Low-Income Medicare Beneficiaries (SLMB), Specified Low-Income Medicare Beneficiaries Plus (SLMB+) and Qualified Disabled and Working Individuals (QDWI).