

0334**DETERMINING INCOME ELIGIBILITY****0334.05****INTRODUCTION**

REV:01/2002

Families applying for Medical Assistance are treated as financial units. Treating a family as a financial unit recognizes the reality that families do indeed function as a single economic unit. While not required to apply, an individual family member **MUST** be included when determining Medical Assistance eligibility for other family members if the individual has financial responsibility for another Medical Assistance applicant.

Certain types of income are excluded, i.e., not considered, under the rules of the Medical Assistance Program. For a list of the types of income excluded from Medical Assistance financial determinations, see Section 0330.20 of the Rhode Island Department of Human Services Manual.

In addition to excludable income, a portion of an individual's income may be disregarded (deducted). The Medical Assistance Program recognizes the \$90 work expense disregard, the dependent care disregard, and the \$50 child support disregard. The dependent care disregard (DHS Day Care Subsidy plus the individual's copayment) allows a disregard not to exceed \$175 per month per child, age two years and older or an incapacitated adult. For a child under the age of two years, this disregard may not exceed \$200 per month. Payments actually made for dependent care must be verified. Consideration of the dependent care expense is only given when the care is provided by a person not living in the child's or incapacitated adult's household.

When determining countable income, first eliminate excludable income. Next apply the \$90 work expense disregard to the earned income of each employed individual. If applicable, next apply the dependent care disregard to the family's income and finally, apply the \$50.00 child support disregard to the family's income.

The balance of the earned income together with any unearned income is the countable income.

In Medical Assistance family-related income eligibility determinations, the amount of countable income must first be determined and then compared to the appropriate income standard.

- o Requires a characteristic of program eligibility.

0334.10.10 MA Applicant Unit

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The Applicant Unit is used to identify those members of the Household Unit who are applying for Medical Assistance. The members of the Applicant Unit will form the foundation on which the third component, the Financial Unit, will be constructed.

0334.10.15 Financial Unit

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The Financial Unit has two elements; the TOTAL NUMBER OF INDIVIDUALS in the financial unit and the TOTAL AMOUNT OF COUNTABLE INCOME those individuals bring to the financial unit.

The Financial Unit is used to determine the amount of the family's countable income and the size of the Medical Assistance standard against which that income will be tested.

The Financial Unit draws its members only from the Household Unit. No consideration is given for support for individuals who do not live in the applicant household. A referral to Child Support Enforcement(CSE) initiates the process of obtaining support from absent members.

When constructing the Financial Unit, include the following household members and their countable income.

FIRST include:

- o All Medical Assistance applicants; and,
- o All household members for whom an applicant has financial responsibility.

NEXT include:

- o All household members who have financial responsibility for an applicant;
- o Any other household member for whom such individual has financial responsibility.

FINALLY, include, if not already included:

- o Determine the individual's APPROPRIATE Medical Assistance income standard, e.g., one of the federal poverty level standards if the applicant is a poverty level pregnant woman or a poverty level child, or the categorically needy standard, or the medically needy standard;
- o Determine the amount of the standard to be tested based on a group size comparable to the TOTAL number of individuals in the Financial Unit;
- o Compare the TOTAL amount of countable income of the Financial Unit to the MA standard for the group size comparable to the total number of individuals in the Financial Unit.
- o Certify each ELIGIBLE APPLICANT for the correct scope of Medical Assistance benefits.