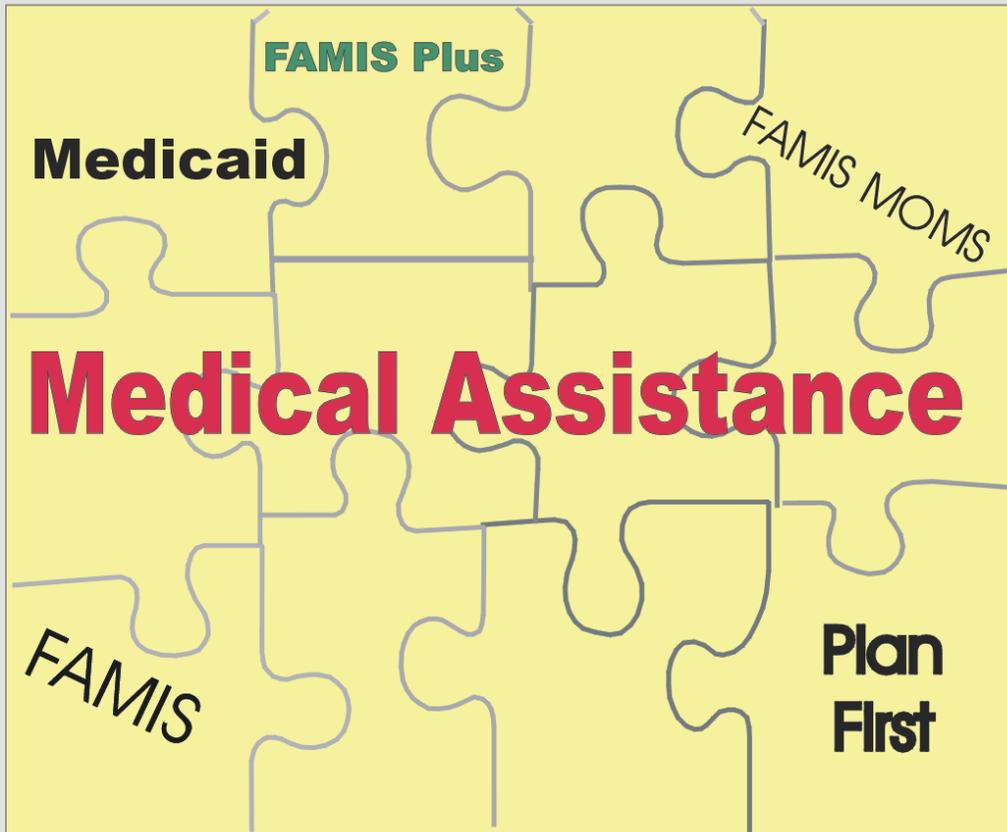


Putting It All Together



This document is designed to provide a broad overview of the policy for determining eligibility for Medicaid and FAMIS for children under age 19 and pregnant women, and for determining eligibility Plan First, Medicaid coverage for family planning services. The overview describes the eligibility factors and notice requirements, and puts it all together. It is not intended to replace the Medicaid Eligibility Manual, but should be viewed as a guide and a supplemental reference. There may also be situations that the eligibility worker encounters which are not addressed in this guide or the Medicaid Eligibility Manual with a medical assistance program consultant.

Eligibility for FAMIS Plus, FAMIS, Medicaid for Pregnant Women, and FAMIS MOMS can be determined in the Application Benefit Delivery Automation Project (ADAPT) system. Eligible individuals will be auto-enrolled in the Medicaid Management Information System (MMIS). Eligibility for Plan First is not in ADAPT and must be determined outside of the system. Individuals who meet the requirements for Plan First must be manually enrolled in the MMIS.

The continuing process of policy development is dictated by federal and state legislative initiatives and by guidance from the Centers for Medicare and Medicaid Services (CMS). The eligibility determination requires a review of objective criteria and the consistent application of policy and procedures as they are developed. To the extent that this document integrates the policy and procedures into a simplified guide that illustrates the eligibility determination process, it will have served its purpose.

Questions/Comments?

Medicaid, FAMIS Plus, FAMIS, FAMIS MOMS, and Plan First Eligibility

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Putting it All Together

Determining Eligibility for the Child Under Age 19

Introduction

In most cases, the application provides much of the information needed to determine eligibility for Medicaid and FAMIS for a child under age 19. The application collects identifying information used to determine covered group, relationship of household members, assistance unit, sources of income, child care expenses, student status, and with the exception of citizenship or alien status, provides the acceptable documentation of the non-financial requirements. In addition to the information provided on the application, verification of citizenship or alien status and countable income must be obtained. For children who meet all eligibility requirements except income, resource information must be obtained to determine eligibility for a medically needy (MN) Medicaid spenddown.

Applications

The following forms have been approved as application forms for medical assistance for children under age 19:

- Health Insurance for Children and Pregnant Women, form FAMIS-1 (see M0120, Appendix 6)
- Application for Benefits, form 03-032-824
- Signed ADAPT Statement of Facts (SOF). If any additional information is necessary (individual requires a resource evaluation), the appropriate pages from an Application for Benefits can be used to collect the information. The pages must be signed by the applicant and attached to the SOF.
- On-line FAMIS application at: www.famis.org
- On-line FAMIS application at health departments or VCU Medical Center (printed version)

An applicant may choose which application to file and must not be required to use a specific application. The Application for Benefits is required only when resource information is needed for a medically needy eligibility determination or the family wishes to apply for another assistance program.

Application Processing

Applications must be processed within 45 calendar days from the date of receipt of the signed application. The worker must send a written request for any needed verifications and allow 10 days for return of the information. The mailing of the Notice of Action and

enrollment into the Medicaid Management Information System (MMIS) must also be completed within the 45-day timeframe for the processing to be considered timely.

Hierarchy

The hierarchy for determining eligibility for medical assistance for the child under age 19 is as follows:

1. Medically Indigent (MI) Medicaid, also referred to as FAMIS Plus
2. FAMIS
3. Medically Needy (MN) Medicaid

The hierarchy for determining eligibility begins with MI Medicaid because federal law limits eligibility for FAMIS to those uninsured children who are not eligible for Medicaid due to income. The MN evaluation is last because it requires a resource test and incurred medical expenses to establish eligibility for the limited spenddown period.

Financial Eligibility

While Medicaid and FAMIS count the same sources of income, the composition of the assistance unit and the procedures for determining monthly countable income differ. Medicaid begins with gross monthly income and subtracts allowable disregards to determine countable income. FAMIS counts gross monthly income and permits no disregards. For Medicaid (MI and MN), the assistance unit can be a family unit (FU) which consists of all individuals living in the home among whom legal responsibility for financial supports exists or if ineligible in the FU, a budget unit (BU) which consists only of an individual who meets certain requirements. BUs are formed to prevent ineligibility based on counting the income or resources (MN only) of someone other than a parent for a child or a spouse for a spouse. For FAMIS, the assistance unit consists of the child, his siblings (including half and step), parent and stepparent. If the FAMIS assistance unit is ineligible, then a Medicaid MN evaluation can be completed, provided resource information is obtained and verified.

Documentation

All information used to make the eligibility determination for both Medicaid and FAMIS must be documented. The date and method of verifying information must be included in the documentation. The agency must utilize available on-line systems to verify required information and must limit requests for additional information/verifications from the family to information that is needed for the determination of eligibility for the child.

Agencies must only ask for information that is required to determine eligibility. The child must never be denied eligibility for failure to provide information when that information is not required for the eligibility determination (Social Security number and date of birth for individuals who are not applicants, residency forms, grandparent's income, etc.).

MI-FAMIS Plus Eligibility Determination

MI or FAMIS Plus covers low-income children under age 19 who have countable income less than or equal to 133% of the federal poverty level (FPL). MI-FAMIS Plus eligibility can begin as early as three months prior to the month of application as long as all other eligibility requirements are met.

Step 1 Determine who is in the Medicaid family unit (FU). The FU includes the child(ren) for whom assistance is requested and

- parent(s)
- child's spouse
- other children under age 21 of the spouse or parent

who are living in the home. SSI and IV-E recipients and children who the parent has chosen to exclude (must be in writing) are not included in the FU.

Step 2 Determine the monthly countable income (gross income minus allowable deductions). Monthly countable income is the total amount of earned and unearned income after all allowable deductions have been subtracted. For months in the past, use actual gross income received during the month minus allowable deductions. For future months, use income received during the month prior to the month of application or the most current equivalent (last four weekly pays) to estimate future income. Average and convert income that is received more frequently than monthly to a monthly amount. To convert to a monthly basis, multiply the weekly average by 4.3, the bi-weekly average by 2.15, or the semi-monthly average by 2.

Earned income includes gross wages and profits from self-employment. Income from rental property, small business/cash crops, room and board, and child care can be considered self-employment when the individual produces the income from his own efforts.

Earned income disregards include the first \$90 of monthly earned income for each employed individual and child/adult care expenses based on the number of hours of employment and the age of the individual requiring care. Child/adult care expenses must be converted to a monthly amount using the same conversion methods used to determine monthly income. For full-time employment, the anticipated cost of care up to a maximum of \$175/month for each child age 2 or over and \$200 for each child under age 2 is disregarded. For part-time employment, the anticipated cost of care up to a maximum of \$120/month (regardless of age) is disregarded. For two-parent households, child care expenses are only allowed when both parents have earned income

Unearned income includes funds from benefit programs, pensions, annuities, child/spousal support, rental income, gifts, contribution, lump sum payments and royalties.

Unearned income disregard is limited to the first \$50 of child/spousal support for the FU.

Step 3 Compare the monthly amount of countable income (gross income minus allowable deductions) to the income limit for the number of persons in the family unit. If the income is within the limit, go to Step 8 for the non-financial evaluation. If countable income exceeds the limit, go to Step 4.

Step 4 Determine if BUs can be formed to ensure that only the income of persons legally responsible for financial support is counted in the eligibility determination. For Medicaid purposes, legal responsibility for financial support is limited to parent for child under age 21 and spouse for spouse. Children are not responsible for the support of parents and/or other children. Stepparents are not responsible for the support of their stepchildren.

BUs are formed when:

- a child has income;
- there is a stepparent in the FU;
- there is an acknowledged father in the FU;
- the child is married and both the spouse and parent(s) are in the home;
- the child's parent is a minor and they live with the minor's parent(s).

If none of the conditions above exist, determine eligibility for FAMIS. If any of the conditions above exist, go to Step 5.

The following rules apply to BU composition:

- all FU members must be placed in a BU and an individual can only be in one BU;
- each child with income is in a separate BU;
- spouses are in the same BU unless one is a minor and they live with the minor's parent(s);
- a stepparent is included with his spouse and their child(ren)-in- common;
- each stepchild is placed in his own BU;
- an acknowledged parent is in a separate BU;
- a minor parent living with a parent(s) is included with her parent(s) and her child is in a separate BU;
- a married minor who lives with her spouse and with her parents is in her own BU.

Examples:

- Application lists child, his mother and her spouse. FU consists of all three. Because there is a stepparent in the home, two BUs can be formed- one which includes only the child and the other which includes Mom and her spouse.

- Application lists two children and Mom. One child receives child support. Because one child has income, two BUs are formed - one for the child with income and one for Mom and the other child.
- Application lists two children and Mom. Both children receive child support. Because both children have income, three BUs are formed-one for each child with income and one for Mom.
- Application lists two children, Mom and her spouse. Because there is a stepparent, three BUs are formed - one for each stepchild and one for Mom and her spouse.
- Application lists minor parent, minor parent's child and minor parent's parent. Because there is a minor parent, two BUs are formed – one for the minor parent's child and one for the minor parent and her parent.
- Application lists minor parent with income, minor parent's child, minor parent's parent and minor parent's siblings. Because the minor parent has income, three BUs are formed – one for the minor parent who is a child with income, one for the child of the minor parent and one for Mom and the siblings.
- Application lists married minor parent, her spouse, their child, minor parent's parent and minor parent's siblings. Because there is a married minor parent, three BUs are formed – one for the married minor parent, one for the married minor's child and spouse, and one for the married minor's parents and siblings.

Step 5 Deeming is process of counting income and when applicable, the resources of a responsible person(s) who lives in the home, but is not in the assistance unit for the financial eligibility determination. All of the countable income and resources, including those “deemed” to be available are used to determine financial eligibility.

Determine the deemable income from the parent(s) and/or spouse. Income is not deemed when the parent/spouse is an SSI or a IV-E recipient or from a stepparent. Income is deemed to a child/spouse when the child/spouse is not in the same BU as the deemor parent/spouse. Deeming does not reduce the deemor's countable income for the deemor's eligibility determination.

Deemable income is the deemor's gross income minus allowable deductions (\$90 earned income and child/adult care used to determine countable income in Step 2 above) minus the deeming standard for the deemor's BU minus any child/spousal support paid to someone not living in the home.

The deeming standard is that portion of the deemor's countable income that is not considered available to a child/spouse who is in a separate BU. The income deeming standard is the locality (Group I, II, or III see M0710,

Appendix 2) F&C 100% income limit (see M0710, Appendix 3) for the number of individuals in the deemor's BU, including children who were excluded in writing and not included in the FU determination.

Subtract the whole deeming standard from countable income when: 1) there is a single parent or a parent and stepparent and no child in common for whom medical assistance has been requested, 2) both parents (child in common) are in the same BU and there are no stepchildren, 3) both parents (child in common) are in different BUs, and (4) when the deemor is a spouse.

Subtract one-half of the deeming standard from countable income when both parents are in the same BU and they have at least one child-in-common who is included in the family unit (not an excluded child).

Subtract actual child/spousal support payments made to individuals not living in the home.

The amount of deemable income is divided by the number of non-excluded individuals who are in BUs separate from the deemor and added as unearned income (no disregards) to the BU's own income to determine countable income for the BU.

Step 6 Compare the monthly amount of the BUs countable income (total of gross income minus allowable deductions and deemed income) to the income limit for the number of persons in BU. If the income is within the limit, go to Step 8 for an evaluation of the Medicaid non-financial requirements. If countable income exceeds the limit, the child is not MI - FAMIS Plus eligible and must have a FAMIS eligibility determination.

Step 7 Non-financial requirements, with the exception of citizenship or alien status, can be evaluated based on the information included on a completed valid application. The application contains information to evaluate the following non-financial requirements:

- Virginia residency (M0230)
- Social Security number (if child does not have number, proof of an application for a number must be provided) (M0240)
- Institutional status (M0280)
- Assignment of rights (M0250)

Non-financial requirements that require information not included on the application include:

- Citizenship and alien requirements (M220)

For citizens, citizenship and identity (C&I) must be declared and documented. Effective March 2010, Virginia elected to use a data match between MMIS and the Social Security Administration (SSA) to

document C&I (M0220.100 D.). If the data in MMIS does not match SSA records, the individual must be given a reasonable opportunity period of 90 days to provide original documentation of C&I.

For non-citizens, alien status must be verified and evaluated using the policy in M0220.200 to determine if the individual was lawfully admitted and is eligible based on his alien status. Children who do not meet the alienage requirements may be eligible for Medicaid payments for emergency services.

Children are not subject to the legal presence, pursuit of support from an absent parent, or application for other benefits requirements.

- Step 8** The information used for the eligibility determination and the result of the findings must be documented. Information that is not recorded in ADAPT must be recorded on the eligibility evaluation form. The eligibility worker must sign and date the evaluation form and file it in the case record.
- Step 9** Eligible individuals must be enrolled in the MMIS. If eligibility is determined through ADAPT, the child will be auto-enrolled in MMIS. If eligibility is determined outside of ADAPT, the worker will have to enter the enrollment information in MMIS and determine the aid category based on the child's age, countable income, and insured status.
- Step 10** Notice of the findings of the evaluation must be mailed to the parent, caretaker/relative, or authorized representative for the child. The notice must include:
- Case identifying information (case name and number)
 - Action taken (approval, denial, delay)
 - Effective date for approvals
 - Policy citation for denials or negative actions
 - Date renewal is due
 - Appeal rights and instructions for filing an appeal
 - Eligibility worker's name and telephone number
 - Date notice was completed

A copy of the notice must be retained in the case record.

FAMIS Eligibility Determination

FAMIS covers low-income uninsured children under age 19 who have countable income greater than (>) the MI-FAMIS Plus income limits, but whose families have gross income less than or equal to (≤) 200% of the federal poverty level (FPL).

While the process for determining eligibility for FAMIS is similar to the process for determining eligibility for MI-FAMIS Plus, the FAMIS assistance unit composition and

the non-financial requirements differ. Additionally, there is no retroactive coverage in FAMIS.

Step 1 Determine who is in the FAMIS assistance unit. The FAMIS assistance unit includes the child under age 19 for whom assistance is requested and

- the parent(s) and stepparent
- any siblings, including half and step, under age 19

who live in the home.

The FAMIS assistance unit includes SSI and IV-E recipients who are siblings or parents of the applicant. The FAMIS assistance unit does not include the child applicant's child or spouse, if any.

Step 2 Determine the gross monthly income. There are no income disregards in FAMIS. The source and amount of all income must be verified and counted except Workforce Investment Act, SSI, Title IV-E, and the earned income of a student under age 19. For future months, use income received during the month prior to the month of application or the most current equivalent (last four weekly pays) to estimate income to be received in the future. Average and convert income that is received more frequently than monthly to a monthly amount. To convert to a monthly basis, multiply the weekly average by 4.3, the bi-weekly average by 2.15, or the semi-monthly average by 2.

Earned income includes gross wages and profits from self-employment. Income from rental property, small business/cash crops, room and board, and child care can be considered self-employment when the individual produces the income from his own efforts.

Unearned income includes funds from benefit programs, pensions, annuities, child/spousal support, rental income, gifts, contributions, lump sum payments and royalties.

Step 3 Compare the monthly amount of the gross income (earned and unearned) to the income limit (200% FPL) for the number of persons in the FAMIS assistance unit.

If the gross income exceeds the limit, the child is not eligible for FAMIS. There are no budget units in FAMIS. A child who is ineligible for FAMIS must be given the opportunity for an evaluation for all other Medicaid covered groups for which he meets the definition. If he is under age 18, he must be given the opportunity to provide the information needed to be evaluated as a Medicaid medically needy (MN) child.

If the gross income is within 200% of the FPL, determine if the child meets the non-financial requirements.

Step 4

The non-financial requirements for FAMIS are not exactly the same as the non-financial requirements for Medicaid. Most of the information needed to evaluate the following FAMIS non-financial requirements is collected on the application:

- Virginia residency (M0230)
- Institutional status (M0280)
- Assignment of rights (M0250)
- Age (M2120.100 D. 1)
- Must be uninsured** (M2120.100 D. 2)
- Must not be eligible for health insurance coverage under the Virginia State Employee Insurance Plan based on the employment of a family member who lives in the home (M2120.100 D. 3)
- Must not be an inpatient in an IMD (M2120.100 D. 4)

Non-financial requirements that require information not included on the application include:

- Citizenship and alien requirements (M2120.100 C. 1)

For citizens, citizenship and identity (C&I) must be declared and documented. Effective March 2010, Virginia elected to use a data match between MMIS and the Social Security Administration (SSA) to document C&I (M0220.100 D.) for individuals who provide a Social Security number (SSN). If the data in MMIS does not match SSA records, the individual must be given a reasonable opportunity period of 90 days to provide original documentation of C&I. If an SSN has not been provided, a reasonable opportunity period of up to the first annual renewal to provide original documentation of C&I must be given.

For non-citizens, alien status must be verified and evaluated using the policy in M21 to determine alien status and M2120.100 C. to determine if the child meets the alienage requirements for eligibility. Children who do not meet the FAMIS alienage requirements are ineligible for FAMIS, but may be eligible as an MN Medicaid child.

- ** FAMIS requires that a child be uninsured and that health insurance was not dropped, without good cause, within the 4 months prior to the month of application. The application collects information about insured status and if insurance was dropped, the reason. This requirement is not applicable to a child who is pregnant.

If the insurance was dropped because:

- family member's employment ended and no other family member's employer contributes to cost of family health insurance;
- the employer stopped contributing to the cost of family coverage;
- the insurance company cancelled coverage for reasons of uninsurability;

- the child was insured under a COBRA policy and no other family member's employer contributes to the cost of insurance; or
- the insurance was discontinued by someone other than the child who is over age 18. If the child is under age 18, the insurance was discontinued by someone other than the parent who lives in the home. (i.e. coverage discontinued by an absent parent, grandparents, aunts, etc.)

good cause exists based on the parent's declaration on the application.

Good cause can also be established if the insurance was dropped due to affordability and the monthly premium exceeds 10 % of the current income. If the cost of the insurance was less than 10% of the current income, then the parent must be asked to declare the amount of income the family received at the time the insurance was dropped. If the cost (must be verified) of the insurance was greater than 10% of the family income at the time the insurance was dropped, good cause exists. If the cost of the insurance was less than 10% of the family income, the child is ineligible for FAMIS for four months following the cancellation of the coverage, but may be eligible as an MN child.

Children are not subject to the legal presence, pursuit of support, or application for other benefits.

Step 5 The information used for the eligibility determination and the result of the findings must be documented. Information that is not recorded in ADAPT must be recorded on the eligibility evaluation form. The eligibility worker must sign and date the evaluation form and file it in the case record.

Step 6 Eligible individuals must be enrolled in the MMIS. If eligibility is determined through ADAPT, the child will be auto-enrolled in MMIS. If eligibility is determined outside of ADAPT, the eligibility worker will have to enter the enrollment information in MMIS and determine the aid category based on the child's age, and percentage of the FPL.

Step 7 Notice of the findings of the evaluation must be mailed to the parent, caretaker/relative, or authorized representative for the child. The notice must include:

- Case identifying information (case name and number)
- Action taken (approval, denial, delay) for both Medicaid and FAMIS
- Effective date for approval for FAMIS
- Policy citation for denials for both Medicaid and FAMIS,
- Appeal rights and instructions for filing an appeal
- Name of eligibility worker's name and telephone number
- Date notice was completed

If ineligible for FAMIS, the child must be given the opportunity for an evaluation for all Medicaid covered groups for which he meets the definition. If additional information is needed, an Application for Benefits must be sent

to the family to collect the information needed and a timeframe must be given for returning the completed application.

A copy of the notice must be retained in the case record.

Step 8 Approved FAMIS cases must be transferred to the FAMIS CPU, FIPS 976, the day of enrollment or the following day (see M2140.100 D. 2).

MN Eligibility Determination for a Child Under Age 18

The MN evaluation is available to children under age 18 who are ineligible for MI-FAMIS Plus and FAMIS. In addition to income and non-financial requirements, for the MN eligibility determination all real and personal property legally owned by each member of the family unit/budget unit (FU/BU) is evaluated and the countable value is considered in determining resource eligibility.

Step 1 Determine countable resources for the family unit. Resources are cash and other real and personal property that a member of the FU/BU owns, can convert to cash, and is not legally restricted from using for support and maintenance. Countable resources are resources that are not specifically excluded by policy.

Countable resources include:

- non-home real property (including remainder interest);
- cash and liquid resources
 - bank accounts, CD, money market accounts, etc.
 - stocks
 - bonds
 - IRA, pension funds, annuities that can be surrendered, etc.
- vehicles
- life insurance for individual over age 21
- revocable burial arrangements
- trusts, unless AAG determines it is not countable
- mobile home not used as applicant/recipient's home

Excluded resources include:

- home and all contiguous property
- real property where reasonable effort to sell is made
- life estates
- vehicle with highest equity value
- income producing farm or business equipment
- tools and equipment
- life insurance for individuals under age 21
- burial plots
- \$3,500 burial set aside

- \$5,000 savings account for self-sufficiency per family unit
- resources owned solely by an SSI recipient
- loans, the month of receipt
- Walker V. Bayer Settlement Payments-cannot be commingled
- certain government benefits and payments
- casualty property loss payments
- educational assistance
- Indian tribe funds and land

Step 2 Determine resource limit for family unit. The resource limit is \$2,000 for one person, \$3,000 for two persons, and \$100 for each additional person in the FU/BU.

Step 3 Compare the countable resources for the family unit. If the countable resources are less than or equal to the resource limit, go to Step 11 to determine income eligibility.

Step 4 If the countable resources exceed the resource limit, determine if BUs can be formed to ensure only the resources of persons legally responsible for financial support are counted in the eligibility determination. For Medicaid purposes, legal responsibility for financial support is limited to parent for child under age 21 and spouse for spouse. Children are not responsible for the support of parents and/or other children.

BUs are formed when:

- a child has resources and/or income;
- there is a stepparent in the FU;
- there is an acknowledged father in the FU;
- the child is married and both the spouse and parent(s) are in the home;
- the child's parent is a minor and they live with the minor parent's parent(s).

If none of the conditions above exist, the child is not eligible for Medicaid. If any of the conditions above exist, go to Step 5 to form budget units.

The following rules apply to BU composition:

- all FU members must be placed in a BU and an individual can only be in one BU;
- each child with income is in a separate BU;
- spouses are in the same BU unless one is a minor and they live with the minor's parent(s);
- a stepparent is included with his spouse and their child(ren)-in- common;
- each stepchild is placed in his own BU;
- an acknowledged parent is in a separate BU;

- a minor parent living with a parent(s) is included with her parent(s) and her child is in a separate BU;
- married minor who lives her spouse and her parents is in her own BU

Examples:

- Application lists child, his mother and her spouse. FU consists of all three. Because there is a stepparent in the home, two BUs can be formed- one which includes only the child and the other which includes Mom and her spouse.
- Application lists two children and Mom. One child receives child support or has resources. Because one child has income and/or resources, two BUs are formed - one for the child with income and one for Mom and the other child.
- Application lists two children and Mom. Both children receive child support or have resources. Because both children have income or resources, three BUs are formed- one for each child with income and one for Mom.
- Application lists two children, Mom and her spouse. Because there is a stepparent, three BUs are formed - one for each stepchild and one for Mom and her spouse.
- Application lists minor parent, minor parent's child and minor parent's parent. Because there is a minor parent, two Bus are formed – one for the minor parent's child and one for the minor parent and her parent.
- Application lists minor parent with income, minor parent's child, minor parent's parent and minor parent's siblings. Because the minor parent has income, three BUs are formed – one for the minor parent who is a child with income, one for the child of the minor parent and one for Mom and the siblings.
- Application lists married minor parent, her spouse, their child, minor parent's parent and minor parent's siblings. Because there is a married minor parent, three BUs are formed – one for the married minor parent, one for the married minor's child and spouse, and one for the married minor's parents and siblings.

Step 5 Deeming is process of counting income and when applicable, the resources of a responsible person(s) who lives in the home, but is not in the assistance unit for the financial eligibility determination.

Determine the deemable resources from the parent(s) and/or spouse. Resources are not deemed when the parent/spouse is an SSI or a IV-E recipient or from a stepparent. Resources are deemed to a child/spouse when

the child/spouse is not the same BU as the deemor parent/spouse. Deeming does not reduce the deemor's countable resources for the deemor's eligibility determination.

Deemable resources are the deemor's countable resources (sole ownership and proportionate share of jointly owned property) minus the whole deeming standard of:

- \$1,000 if a single parent, parent and stepparent with no child in common or parents are in separate BUs, or
- \$500 if both parents have children in common and stepchildren in the home and at least one child is an applicant.

Step 6 Deem remaining resources. If deeming to more than one child, divide the remaining resource value by the number of non-excluded children who are not in the parent's BU.

Step 7 Add the deemed resource to the individual's own resources to determine the total countable resources.

Step 8 Compare the BU's total countable resources to the resource limit for the size of the BU. If total of the countable resources exceed the resource limit, the child is not eligible for Medicaid. If the total of the countable resources are within the limit, an evaluation of income and non-financial requirements must be completed.

Step 9 Determine the deemable income from the parent(s) and/or spouse. Income is not deemed when the parent/spouse is an SSI or IV-E recipient or from a stepparent. Income is deemed to a child/spouse when the child/spouse is not the same BU as the deemor parent/spouse. Deeming does not reduce the deemor's countable income for the deemor's eligibility determination.

Deemable income is the deemor's gross income minus allowable deductions (\$90 earned income and child/adult care used to determine countable income in Step 2 above) minus the deeming standard for the deemor's BU minus any child/spousal support paid to someone not living in the home.

The deeming standard is that portion of the deemor's countable income that is not considered available to a child/spouse who is in a separate BU. The income deeming standard is the locality (Group I, II, or III see M710, Appendix 2) F&C 100% income limit (see M710, Appendix 3) for the number of individuals in the deemor's BU, including, children who were excluded in writing and not included in the FU determination.

Subtract the whole deeming standard from countable income when: 1) there is a single parent or a parent and stepparent and no child in common for whom medical assistance has been requested, 2) both parents (child in common) are

in the same BU and there are no stepchildren, 3) both parents (child in common) are in different BUs and (4) when the deemor is a spouse. Subtract one-half of the deeming standard from countable income when both parents are in the same BU and they have at least one child-in-common who is included in the family unit (not an excluded child).

Subtract actual child/spousal support payments made to individuals not living in the home.

The amount of deemable income is divided by the number of non-excluded individuals who are in BUs separate from the deemor and added as unearned income (no disregards) to the BU's own income to determine countable income for the BU.

Step 10 Determine the countable income (total of gross income minus allowable deductions and deemed income) to the MN income limit for the number of persons in FU/BU. The spenddown liability is the amount by which the individual's countable income exceeds the medically needy income limit (MNIL) for the budget period. Go to Step 12 for an evaluation of the Medicaid non-financial requirements.

Step 11 Non-financial requirements, with the exception of citizenship (effective 7/01/06) or alien status, can be evaluated based on the information included on a completed valid application. The application contains information to evaluate the following non-financial requirements:

- Virginia residency (M0230)
- Social Security number (if child does not have number, proof of an application for a number must be provided) (M0240)
- Institutional status (M0280)
- Assignment of rights (M0250)

Non-financial requirements that may require information not included on the application include:

- Citizenship and alien requirements (M0220)

For citizens, citizenship and identity (C&I) must be declared and documented. Effective March 2010, Virginia elected to use a data match between MMIS and the Social Security Administration (SSA) to document C&I (M0220.100 D.). If the data in MMIS does not match SSA records, the individual must be given a reasonable opportunity period of 90 days to provide original documentation of C&I.

For non-citizens, alien status must be verified and evaluated using the policy in M0220 to determine if the individual was lawfully admitted and is eligible based on his alien status. Pregnant women who do not meet the

alienage requirements for Medicaid, may be eligible for Medicaid payments for emergency services.

- Application for other benefits (M0270)

Children are not subject to the legal presence, pursuit of support, or application for other benefits.

Step 12 The information used for the eligibility determination and the result of the findings must be documented. Information that is not recorded in ADAPT must be recorded on the eligibility evaluation form. The eligibility worker must sign and date the evaluation form and file it in the case record.

Step 13 The worker will have to enter the enrollment information in MMIS when the individual meets the spenddown.

Step 14 Notice of the findings of the evaluation must be mailed to the parent, caretaker/relative, or authorized representative for the child. The notice must include:

- Case identifying information (case name and number)
- Action taken (approval, denial, delay)
- Effective date for approvals
- Policy citation for denials or negative actions
- Date renewal is due
- Appeal rights and instructions for filing an appeal
- Eligibility worker's name and telephone number
- Date notice was completed

A copy of the notice must be retained in the case record.

Determining Eligibility for the Pregnant Woman

Introduction

In most cases, the application provides much of the information needed for the Medicaid and FAMIS eligibility determination for a pregnant woman. The application collects the information used to determine covered group, relationship of household members, assistance unit, sources of income, and child care expenses. In addition to the information provided on the application, verification of pregnancy, citizenship or alien status, and countable income must be obtained. For those pregnant women who meet all eligibility requirements except income, resource information must be obtained to determine if the pregnant woman is eligible for a Medicaid medically needy (MN) spenddown.

The timeframe for processing applications for medically indigent (MI) pregnant women and FAMIS MOMS is **10 working days**. If all necessary verifications are not provided to determine eligibility by the 10th working day or an MN eligibility determination is needed, a Notice of Action to extend the application processing timeframe must be sent.

The application can continue to pend until the necessary verifications are received or the 45 day processing limit is met, whichever comes first.

Applications

The following forms have been approved as application forms for medical assistance for pregnant women:

- Health Insurance for Children and Pregnant Women, form FAMIS-2 (see M0120, Appendix 6);
- Application for Benefits, form 032-03-824;
- Signed ADAPT Statement of Facts (SOF) (If any additional information is necessary (individual requires a resource evaluation), the appropriate pages from an Application for Benefits can be used to collect the information. The pages must be signed by the applicant and attached to the SOF.);
- Medicaid Application for Medically Indigent Pregnant Women, form 032-03-040;
- On-line application at: www.famis.org ;
- On-line application at health departments or VCU Medical Center (printed version).

An applicant can choose which application to file and must not be required to use a specific application. The Application for Benefits must be required only when resource information is needed for a medically needy eligibility determination or the family wishes to apply for other assistance.

Application Processing

An application for Medicaid or FAMIS MOMS must be processed within 10 working days, unless the agency does not receive the verifications necessary for processing the application. If the agency cannot process the application within 10 working days because not all verifications have been received for the pregnant woman, the timeframe will extend to forty-five (45) days. A Notice of Action must be sent to the pregnant woman advising her that her application was not processed within 10 working days and indicate which verification(s) is missing.

Upon receipt of the missing verification(s), the application must be processed immediately. If the pregnant woman has applied for Medicaid for other individuals, do not delay processing the application for those individuals if all verifications necessary for processing their application has been received.

Hierarchy

The hierarchy for determining eligibility for medical assistance for pregnant women is as follows:

1. MI Medicaid pregnant woman
2. FAMIS MOMS
3. MN Medicaid pregnant woman

The hierarchy for determining eligibility begins with MI Medicaid because federal law limits eligibility for FAMIS MOMS to those uninsured pregnant women who are not eligible for Medicaid due to income. The MN evaluation is last because it requires a resource test and incurred medical expenses to establish eligibility for the limited spenddown period.

Financial Eligibility

Medicaid and FAMIS MOMS use the same assistance unit policy and the same rules for determining countable income. The assistance unit can be a family unit (FU) which consists of all individuals living in the home among whom legal responsibility for financial supports exists or if ineligible in the FU, a budget unit (BU) which consists only of an individual who meets certain requirements. BUs are formed to prevent ineligibility based on counting the income or resources (MN only) of someone other than a parent for a child or a spouse for a spouse.

If the pregnant woman is ineligible for both MI and FAMIS MOMS, then she must be given an opportunity to provide resource information so an MN evaluation can be completed.

Documentation

All information used to make the eligibility determination for both Medicaid and FAMIS MOMS must be documented. The date and method of verifying information must be included in the documentation. The agency must utilize available on-line systems to verify required information and must limit requests for additional information/verifications from the family to information that is needed for the determination of eligibility for the pregnant woman.

Agencies must only ask for information that is required to determine eligibility. The pregnant woman must never be denied eligibility for failure to provide information when that information is not required for the eligibility determination (Social Security number and date of birth for individuals who are not applicants, residency forms, grandparent's income, etc.).

MI Medicaid Pregnant Woman Eligibility Determination

MI Medicaid covers low-income pregnant women who have countable income less than or equal to (\leq) 133% of the federal poverty level (FPL). Pregnancy must be verified by a medical practitioner.

Step 1 Determine who is in the Medicaid family unit (FU). The FU includes the pregnant woman for whom assistance is requested and

- her spouse,
- her children, and
- if under age 21, her parent(s)

who live in the home. SSI and IV-E recipients and children who the parent has chosen to exclude (must be in writing) are not included in the FU.

The unborn child (or children if medical documentation verifies more than one fetus) is counted when determining eligibility for the pregnant woman. A separate calculation that does not count the unborn child must be done for other family members who are also applying for medical assistance.

Step 2 Determine the monthly countable income (gross income minus allowable deductions). Monthly countable income is the total amount of earned and unearned income after all allowable deductions have been subtracted. For months in the past, use actual gross income received during the month minus allowable deductions. For future months, use income received during the prior month or the most current equivalent (last four weekly pays) to estimate income to be received in the future. Average and convert income that is received more frequently than monthly to a monthly amount. To convert to a monthly basis, multiply the weekly average by 4.3, the bi-weekly average by 2.15, or the semi-monthly average by 2.

Earned income includes gross wages and profits from self-employment. Income from rental property, small business/cash crops, room and board, and child care can be considered self-employment when the individual produces the income from his own efforts.

Earned income disregards include the first \$90 of monthly earned income for each employed individual and child/adult care expenses based on the number of hours of employment and the age of the individual requiring care. Child/adult care expenses must be converted to a monthly amount using the same conversion methods used to determine monthly income. For full-time employment, the anticipated cost of care up to a maximum of \$175/month for each child age 2 or over and \$200 for each child under age 2 is disregarded. For part-time employment, the anticipated cost of care up to a maximum of \$120 (regardless of age) is disregarded. For two-parent households, child care expenses are only allowed when both parents have earned income

Unearned income includes funds from benefit programs, pensions, annuities, child/spousal support, rental income, gifts, contribution, lump sum payments and royalties.

Unearned income disregard is limited to the first \$50 of child/spousal support for the FU.

Step 3 Compare the monthly amount of countable income (gross income minus allowable deductions) to the income limit for the number of persons in the family unit. If the income is within the limit, go to Step 8 for the non-financial evaluation. If the countable income exceeds the limit, go to Step 4.

Step 4 Determine if BUs must be formed to ensure that only the income of persons legally responsible for financial support is counted in the eligibility determination. For Medicaid purposes, legal responsibility for financial support is limited to parent for child under age 21 and spouse for spouse. Children are not responsible for the support of parents and/or other children. Stepparents are not responsible for the support of their stepchildren.

BUs are formed when:

- a child has income;
- there is a stepparent in the FU;
- there is an acknowledged father in the FU;
- the child is married and both the spouse and parent(s) are in the home;
- the child's parent is a minor and they live with the minor's parent(s).

If none of the conditions above exist, the pregnant woman is not eligible as an MI pregnant woman. Determine her eligibility for FAMIS MOMS. If any of the conditions above exist, go to Step 5.

The following rules apply to BU composition:

- all FU members must be placed in a BU and an individual can only be in one BU;
- each child with income is in a separate BU;
- spouses are in the same BU unless one is a minor and they live with the minor's parent(s);
- a stepparent is included with his spouse and their child(ren)-in- common;
- each stepchild is placed in his own BU;
- an acknowledged parent is in a separate BU;
- a minor parent living with a parent(s) is included with her parent(s) and her child is in a separate BU;
- married minor who lives her spouse and her parents is in her own BU
- the BU of a pregnant woman includes her unborn child

Examples:

- Application lists a pregnant woman under age 21, her mother and her stepparent. The FU consists of all three. Because there is a stepparent in the home, two BUs can be formed - one which includes only the pregnant woman and her unborn child and the other which includes Mom and her spouse.

- Application lists pregnant woman and her child who receives child support. Because her child has income, two BUs are formed - one for the child with income and one for Mom and the unborn child.
- Application lists two children and Mom who is pregnant. Both children receive child support. Because both children have income, three BUs are formed - one for each child with income and one for Mom and the unborn child.
- Application lists minor parent who is pregnant, minor parent's child and minor parent's parent. Because there is a minor parent, two BUs are formed – one for the minor parent's child and one for the minor parent, her unborn child, and her parent.
- Application lists married minor parent who is pregnant, her spouse, their child, minor parent's parent and minor parent's siblings. Because there is a married minor parent, three BUs are formed – one for the married minor parent and her unborn child, one for her spouse and their child, and one for the married minor's parents and siblings.

Step 5 Deeming is process of counting income of a responsible person(s) who lives in the home, but is not in the assistance unit for the financial eligibility determination.

Determine the deemable income from the parent(s) and/or spouse. Income is not deemed when the parent/spouse is an SSI or IV-E recipient or from a stepparent. Income is deemed to a child/spouse when the child/spouse is not the same BU as the deemor parent/spouse. Deeming does not reduce the deemor's countable income for the deemor's eligibility determination.

Deemable income is the deemor's gross income minus allowable deductions (\$90 earned income and child/adult care used to determine countable income in Step 2 above) minus the deeming standard for the deemor's BU minus any child/spousal support paid to someone not living in the home.

The deeming standard is that portion of the deemor's countable income that is not considered available to a child/spouse who is in a separate BU. The income deeming standard is the locality (Group I, II, or III see M0710, Appendix 2) F&C 100% income limit (see M0710, Appendix 3) for the number of individuals in the deemor's BU, including, children who were excluded in writing and not included in the FU determination.

Subtract the whole deeming standard from countable income when: 1) there is a single parent or a parent and stepparent and no child in common for whom medical assistance has been requested, 2) both parents (child in common) are in the same BU and there are no stepchildren, 3) both parents (child in common) are in different BUs and (4) when the deemor is a spouse.

Subtract one-half of the deeming standard from countable income when both parents are in the same BU and they have at least one child-in-common who is included in the family unit (not an excluded child).

Subtract actual child/spousal support payments made to individuals not living in the home.

The amount of deemable income is divided by the number of non-excluded individuals who are in BUs separate from the deemor and added as unearned income (no disregards) to the BU's own income to determine countable income for the BU.

Step 6 Compare the monthly amount of the BUs countable income (total of gross income minus allowable deductions and deemed income) to the income limit for the number of persons in BU. If the income is within the limit, go to Step 8 for an evaluation of the Medicaid non-financial requirements. If countable income exceeds the limit, the pregnant woman is not MI Medicaid eligible and must have a FAMIS MOMS eligibility determination.

Step 7 Non-financial requirements, with the exception of citizenship or alien status, can be evaluated based on the information included on a completed valid application. The application contains information to evaluate the following non-financial requirements:

- Virginia residency (M0230)
- Social Security number (if pregnant woman does not have number, proof of an application for a number must be provided) (M0240)
- Institutional status (M0280)
- Assignment of rights (M0250)
- Legal presence (M0120.200 E.) for individuals over age 19

Non-financial requirements that may require information not included on the application include:

- Citizenship and alien requirements (M0220)

For citizens, citizenship and identity (C&I) must be declared and documented. Effective March 2010, Virginia elected to use a data match between MMIS and the Social Security Administration (SSA) to document C&I (M0220.100 D.). If the data in MMIS does not match SSA records, the individual must be given a reasonable opportunity period of 90 days to provide original documentation of C&I.

For non-citizens, alien status must be verified and evaluated using the policy in M0220 to determine if the individual was lawfully admitted and is eligible based on his alien status. Pregnant women who do not meet the alienage requirements for Medicaid, may be eligible for Medicaid payments for emergency services.

- Cooperation with the Division of Child Support Enforcement (DCSE) in the pursuit of support from an absent parent who was born while the pregnant woman was married. MI pregnant women are not required to cooperate with DCSE in the pursuit of support for children who were born out of wedlock.
- Application for other benefits (M0270)

Step 8 The information used for the eligibility determination and the result of the findings must be documented. Information that is not recorded in ADAPT must be recorded on the eligibility evaluation form. The eligibility worker must sign and date the evaluation form and file it in the case record.

Step 9 Eligible pregnant women must be enrolled in the MMIS. If eligibility is determined through ADAPT, the pregnant woman will be auto-enrolled in MMIS. If eligibility is determined outside of ADAPT, the worker will have to enter the enrollment information in MMIS.

Step 10 Notice of the findings of the evaluation must be mailed to the pregnant woman. The notice must include:

- Case identifying information (case name and number)
- Action taken (approval, denial, delay)
- Effective date for approvals
- Policy citation for denials or negative actions
- Appeal rights and instructions for filing an appeal
- Eligibility worker's name and telephone number
- Date notice was completed

A copy of the notice must be retained in the case record.

FAMIS MOMS Eligibility Determination

FAMIS MOMS covers low-income uninsured pregnant women who have countable income greater than (>) 133% of the federal poverty level (FPL), but less than or equal to (\leq) 200% of FPL.

Eligibility for FAMIS MOMS is determined using the Medicaid assistance unit policy and methods for determining countable income and FAMIS non-financial requirements.

Step 1 Using the information from the MI pregnant woman's eligibility determination; compare the monthly amount of countable income (gross income minus allowable deductions) to the income limit for the number of persons in the family unit. If the income is within 200% of the FPL for the size of the family unit, go to Step 3 for the non-financial requirements. If the countable income exceeds the limit, go to Step 2.

Step 2 Using the information from the MI evaluation, determine if BUs were formed. If BUs were formed, compare the monthly amount of countable income (gross income minus allowable deductions) for the budget unit to the income limit for the number of persons in the pregnant woman's BU. If the countable income for the BU is within 200% of the FPL for the number of persons in the BU, go to Step 3 for the non-financial requirements. If the BUs could not be formed or the BU's countable income exceeds 200% of the FPL, the pregnant woman must be given an opportunity to provide the resource information needed for an MN pregnant woman eligibility determination.

Step 3 The non-financial requirements for FAMIS MOMS are not exactly the same as the non-financial requirements for Medicaid. Most of the information needed to evaluate the following FAMIS non-financial requirements is collected on the application:

- Virginia residency (M0230)
- Institutional status (M0280)
- Assignment of rights (M0250)
- Must be uninsured** (M2220.200)
- Must not be eligible for health insurance coverage under the Virginia State Employee Insurance Plan based on the employment of a family member who lives in the home (M2120.100 D. 3)
- Must not be an inpatient in an IMD (M2120.100 D. 4)

Non-financial requirements that require information not included on the application include:

- Citizenship and alien requirements (M2120.100 C. 1)

For citizens, citizenship and identity (C&I) must be declared and documented. Effective March 2010, Virginia elected to use a data match between MMIS and the Social Security Administration (SSA) to document C&I (M0220.100 D.) for individuals who provide a Social Security number (SSN). If the data in MMIS does not match SSA records, the individual must be given a reasonable opportunity period of 90 days to provide original documentation of C&I. If an SSN has not been provided, a reasonable opportunity to provide original documentation of C&I must be given.

For non-citizens, alien status must be verified and evaluated using the policy in M21 to determine alien status and M2120.100 C to determine if the pregnant woman meets the alienage requirements for eligibility. Pregnant women who do not meet the FAMIS alienage requirements are ineligible for FAMIS, but may be eligible for Medicaid payment for emergency services as an MN Medicaid pregnant woman.

** Prior insurance coverage is not a factor as long as the pregnant woman is uninsured during the month for which FAMIS MOMS eligibility is being determined.

Step 4 The information used for the eligibility determination and the result of the findings must be documented. Information that is not recorded in ADAPT must be recorded on the eligibility evaluation form. The eligibility worker must sign and date the evaluation form and file it in the case record.

Step 5 Eligible individuals must be enrolled in the MMIS. If eligibility is determined through ADAPT, the pregnant woman will be auto-enrolled in MMIS. If eligibility is determined outside of ADAPT, the eligibility worker will have to enter the enrollment information in the MMIS.

Step 6 Notice of the findings of the evaluation must be mailed to the applicant. The notice must include:

- Case identifying information (case name and number)
- Action taken (approval, denial, delay) for both Medicaid and FAMIS MOMS
- Effective date for approval for FAMIS MOMS
- Policy citation for denials or negative actions for both Medicaid and FAMIS MOMS,
- Appeal rights and instructions for filing an appeal
- Name of eligibility worker's name and telephone number
- Date notice was completed

If ineligible for FAMIS MOMS, the pregnant woman must be given the opportunity for an evaluation for a MN evaluation. If additional information is needed, an Application for Benefits must be sent to the family to collect the information needed and a timeframe must be given for returning the completed application.

A copy of the notice must be retained in the case record.

Step 7 Approved FAMIS MOMS cases must be transferred to the FAMIS CPU, FIPS 976, the day of enrollment or the following day.

MN Eligibility Determination for a Pregnant Woman

The MN evaluation is available to pregnant women who are ineligible for MI Medicaid and FAMIS MOMS. In addition to income and non-financial requirements, for the MN eligibility determination all real and personal property legally owned by each member of the family unit/budget unit (FU/BU) is evaluated and the countable value is considered in determining resource eligibility.

Step 1 Determine countable resources for the family unit. Resources are cash and other real and personal property that a member of the FU/BU owns, can

convert to cash, and is not legally restricted from using for support and maintenance. Countable resources are resources that are not specifically excluded by policy.

Countable resources include:

- non-home real property (including remainder interest);
- cash and liquid resources
 - bank accounts, CD, money market accounts, etc.
 - stocks
 - bonds
 - IRA, pension funds, annuities that can be surrendered, etc.;
- vehicles;
- life insurance for individual over age 21;
- revocable burial arrangements ;
- trusts, unless AAG determines it is not countable;
- mobile home not used as applicant/recipient's home.

Excluded resources include:

- home and all contiguous property;
- real property where reasonable effort to sell is made;
- life estates;
- vehicle with highest equity value;
- income producing farm or business equipment;
- tools and equipment;
- life insurance for individuals under age 21;
- burial plots;
- \$3,500 burial set aside;
- \$5,000 savings account for self-sufficiency per family unit;
- resources owned solely by an SSI recipient;
- loans, the month of receipt;
- Walker V. Bayer Settlement Payments-cannot be commingled;
- certain government benefits and payments;
- casualty property loss payments;
- educational assistance;
- Indian tribe funds and land.

Step 2 Determine resource limit for family unit. The resource limit is \$3,000 for two persons (pregnant woman and unborn child), and \$100 for each additional person in the FU/BU.

Step 3 Compare the countable resources for the family unit. If the countable resources are less than or equal to the resource limit, the pregnant woman is resource eligible and requires income and non-financial requirements evaluations.

Step 4 If the countable resources exceed the resource limit, determine if BUs can be formed to ensure only the resources of persons legally responsible for financial support are counted in the eligibility determination. For Medicaid purposes, legal responsibility for financial support is limited to parent for child under age 21 and spouse for spouse. Children are not responsible for the support of parents and/or other children.

BUs are formed when:

- a child has resources and/or income;
- there is a stepparent in the FU;
- there is an acknowledged father in the FU;
- the child is married and both the spouse and parent(s) are in the home;
- the child's parent is a minor and they live in the home with the minor's parent(s).

If none of the conditions above exist, the pregnant woman is not eligible for Medicaid. If any of the conditions above exist, go to Step 5.

The following rules apply to BU composition:

- all FU members must be placed in a BU and an individual can only be in one BU;
- each child with income is in a separate BU;
- spouses are in the same BU unless one is a minor and they live with the minor's parent(s);
- a stepparent is included with his spouse and their child(ren)-in- common;
- each stepchild is placed in his own BU;
- an acknowledged parent is in a separate BU;
- a minor parent living with a parent(s) is included with her parent(s) and her child is in a separate BU;
- married minor who lives her spouse and her parents is in her own BU
- the BU for the pregnant woman includes the unborn child

Examples:

- Application lists a child who is pregnant, her Mom, and Mom's spouse. FU consists of all three. Because there is a stepparent in the home, two BUs can be formed-one which includes only the child who is pregnant and the other which includes Mom and her spouse.
- Application lists two children and Mom. One child receives child support. Because one child has income, two BUs are formed - one for the child with income and one for Mom and the other child

- Application lists two children and Mom. Both children receive child support. Because both children have income, three BUs are formed—one for each child with income and one for Mom.
- Application lists two children, Mom and her spouse. Because there is a stepparent, three BUs are formed - one for each stepchild and one for Mom and her spouse.
- Application lists minor parent, minor parent’s child and minor parent’s parent. Because there is a minor parent, two Bus are formed – one for the minor parent’s child and one for the minor parent and her parent.
- Application lists minor parent with income, minor parent’s child, minor parent’s parent and minor parent’s siblings. Because the minor parent has income, three BUs are formed – one for the minor parent who is a child with income, one for the child of the minor parent and one for Mom and the siblings.
- Application lists married minor parent, her spouse, their child, minor parent’s parent and minor parent’s siblings. Because there is a married minor parent, three BUs are formed – one for the married minor parent, one for the married minor’s child and spouse, and one for the married minor’s parents and siblings.

Step 5

Deeming is process of counting income and when applicable, the resources of a responsible person(s) who lives in the home, but is not in the assistance unit for the financial eligibility determination. All of the countable income and resources, including those “deemed” to be available are used to determine financial eligibility.

Determine the deemable resources from the parent(s) and/or spouse. Resources are not deemed when the parent/spouse is an SSI or IV-E recipient or from a stepparent. Resources are deemed to a child/spouse when the child/spouse is not the same BU as the deemor parent/spouse. Deeming does not reduce the deemor’s countable resources for the deemor’s eligibility determination.

Deemable resources are the deemor’s countable resources (sole ownership and proportionate share of jointly owned property) minus the whole deeming standard of:

- \$1,000 if a single parent, parent and stepparent with no child in common or parents are in separate BUs, or deemor is spouse,
- \$500 if both parents have children in common and stepchildren in the home and at least one child is an applicant.

- Step 6** Deem remaining resources. If deeming to more than one child, divide the remaining resource value by the number of non-excluded children who are not in the parent's BU.
- Step 7** Add the deemed resource to the individual's own resources to determine the total countable resources.
- Step 8** Compare the BU's total countable resources to the resource limit for the size of the BU. If total of the countable resources exceed the resource limit, the pregnant woman is not eligible for Medicaid. If the total of the countable resources are within the limit, an evaluation of income and non-financial requirements must be completed.
- Step 9** Determine the deemable income from the parent(s) and/or spouse. Income is not deemed when the parent/spouse is an SSI or IV-E recipient or from a stepparent. Income is deemed to a child/spouse when the child/spouse is not the same BU as the deemor parent/spouse. Deeming does not reduce the deemor's countable income for the deemor's eligibility determination.

Deemable income is the deemor's gross income minus allowable deductions (\$90 earned income and child/adult care used to determine countable income in Step 2 above) minus the deeming standard for the deemor's BU minus any child/spousal support paid to someone not living in the home.

The deeming standard is that portion of the deemor's countable income that is not considered available to a child/spouse who is in a separate BU. The income deeming standard is the locality (Group I, II, or III see M710, Appendix 2) F&C 100% income limit (see M710, Appendix 3) for the number of individuals in the deemor's BU, including, children who were excluded in writing and not included in the FU determination.

Subtract the whole deeming standard from countable income when: 1) there is a single parent or a parent and stepparent and no child in common for whom medical assistance has been requested, 2) both parents (child in common) are in the same BU and there are no stepchildren, 3) both parents (child in common) are in different BUs and (4) when the deemor is a spouse.

Subtract one-half of the deeming standard from countable income when both parents are in the same BU and they have at least one child-in-common who is included in the family unit (not an excluded child).

Subtract actual child/spousal support payments made to individuals not living in the home.

The amount of deemable income is divided by the number of non-excluded individuals who are in BUs separate from the deemor and added as unearned income (no disregards) to the BU's own income to determine countable income for the BU.

Step 10 Determine the countable income (total of gross income minus allowable deductions and deemed income) to the MN income limit for the number of persons in FU/BU. The spenddown liability is the amount by which the individual's countable income exceeds the medically needy income limit (MNIL) for the budget period. Go to Step 12 for an evaluation of the Medicaid non-financial requirements.

Step 11 Non-financial requirements, with the exception of citizenship and alien status, can be evaluated based on the information included on a completed valid application. The application contains information to evaluate the following non-financial requirements:

- Virginia residency (M0230)
- Social Security number (if pregnant woman does not have number, proof of an application for a number must be provided) (M0240)
- Institutional status (M0280)
- Assignment of rights (M0250)
- Legal presence (M0120.200 E.) for individuals over age 19
- Citizenship and alien requirements (M0220)

For citizens, citizenship and identity (C&I) must be declared and documented. Effective March 2010, Virginia elected to use a data match between MMIS and the Social Security Administration (SSA) to document C&I (M0220.100 D.). If the data in MMIS does not match SSA records, the individual must be given a reasonable opportunity period of 90 days to provide original documentation of C&I.

For non-citizens, alien status must be verified and evaluated using the policy in M0220 to determine if the individual was lawfully admitted and is eligible based on his alien status. Pregnant women, who do not meet the citizenship or alienage requirements for Medicaid, may be eligible for Medicaid payments for emergency services.

- Cooperation with Division of Child Support Enforcement the in the pursuit of support from the absent parent when the pregnant woman is applying for Medicaid herself and on behalf of a child who has an absent parent (exception from cooperation for the MI pregnant woman does not apply to MN pregnant woman evaluation) (M0250)

Step 12 The information used for the eligibility determination and the result of the findings must be documented on the eligibility evaluation form. The eligibility worker must sign and date the evaluation form and file it in the case record.

Step 13 Eligible individuals must be enrolled in the MMIS. The worker will have to enter the enrollment information in MMIS.

Step 14 Notice of the findings of the evaluation must be mailed to the applicant or authorized representative. The notice must include:

- Case identifying information (case name and number)
- Action taken (approval, denial, delay)
- Effective date for approvals
- Policy citation for denials or negative actions
- Date renewal is due
- Appeal rights and instructions for filing an appeal
- Eligibility worker's name and telephone number
- Date notice was completed

A copy of the notice must be retained in the case record.

Plan First Eligibility Determination

Plan First (M0320.302 B. 2) covers family planning services for **uninsured** men and women who have countable income within 133% of the federal poverty level (FPL) and have not had a sterilizations procedure. Plan First eligibility is determined using Medicaid methodology for forming family unit/budget units and determining countable income. There is no separate coverage for family planning under the FAMIS programs or as medically needy (spenddown). There is no retroactive eligibility for Plan First.

MMIS will cancel Plan First coverage if an individual receives a sterilization procedure paid for by Medicaid. The cancellation will be effective at the end of the month, 90 days following the date the sterilization consent form was signed. Plan First coverage will also be automatically cancelled if third-party liability (TPL) insurance is entered into MMIS. MMIS will generate an advance notice when coverage is cancelled.

Applications

The following forms have been approved as application forms for medical assistance for Plan First:

- Plan First Virginia's Family Planning Program for Men and Women in English and Spanish, form DMAS-65 and 65-S, available on-line at:
http://www.dmas.virginia.gov/downloads/pdfs/ch-planfirst_App.pdf
- Application for Benefits, form 03-032-824

An applicant can choose which application to file and must not be required to use a specific application. The Application for Benefits is required if the family wishes to apply for another assistance program.

Application Processing

Applications must be processed within 45 calendar days from the date of receipt of the signed application. The worker must send a written request for any needed verifications and allow 10 days for return of the information. The mailing of the Notice of Action and

enrollment into the Medicaid Management Information System (MMIS) must also be completed within the 45-day timeframe for the processing to be considered timely.

Step 1 Determine who is in the Medicaid family unit (FU). The FU includes the applicant(s), spouse, and children under age 21 who live in the home

SSI and IV-E recipients and children who the parent has chosen to exclude (must be in writing) are not included in the FU.

Step 2 Determine the monthly countable income (gross income minus allowable deductions). Monthly countable income is the total amount of earned and unearned income after all allowable deductions have been subtracted. For months in the past, use actual gross income received during the month minus allowable deductions. For future months, use income received during the month prior to the month of application or the most current equivalent (last four weekly pays) to estimate future income. Average and convert income that is received more frequently than monthly to a monthly amount. To convert to a monthly basis, multiply the weekly average by 4.3, the bi-weekly average by 2.15, or the semi-monthly average by 2.

Earned income includes gross wages and profits from self-employment. Income from rental property, small business/cash crops, room and board, and child care can be considered self-employment when the individual produces the income from his own efforts.

Earned income disregards include the first \$90 of monthly earned income for each employed individual and child/adult care expenses based on the number of hours of employment and the age of the individual requiring care. Child/adult care expenses must be converted to a monthly amount using the same conversion methods used to determine monthly income. For full-time employment, the anticipated cost of care up to a maximum of \$175/month for each child age 2 or over and \$200 for each child under age 2 is disregarded. For part-time employment, the anticipated cost of care up to a maximum of \$120/month (regardless of age) is disregarded. For two-parent households, child care expenses are only allowed when both parents have earned income.

Unearned income includes funds from benefit programs, pensions, annuities, child/spousal support, rental income, gifts, contribution, lump sum payments and royalties.

Unearned income disregard is limited to the first \$50 of child/spousal support for the FU.

Step 3 Compare the monthly amount of countable income (gross income minus allowable deductions) to the income limit for the number of persons in the family unit. If the income is within the limit, go to Step 8 for the non-financial evaluation. If countable income exceeds the limit, go to Step 4.

Step 4 Determine if BUs can be formed to ensure that only the income of persons legally responsible for financial support is counted in the eligibility determination. For Medicaid purposes, legal responsibility for financial support is limited to parent for child under age 21 and spouse for spouse. Children are not responsible for the support of parents and/or other children. Stepparents are not responsible for the support of their stepchildren.

BUs are formed when:

- a child has income;
- there is a stepparent in the FU;
- there is an acknowledged father in the FU;
- the child is married and both the spouse and parent(s) are in the home;
- the child's parent is a minor and they live with the minor's parent(s).

The following rules apply to BU composition:

- all FU members must be placed in a BU and an individual can only be in one BU;
- each child with income is in a separate BU;
- spouses are in the same BU unless one is a minor and they live with the minor's parent(s);
- a stepparent is included with his spouse and their child(ren)-in- common;
- each stepchild is placed in his own BU;
- an acknowledged parent is in a separate BU;
- a minor parent living with a parent(s) is included with her parent(s) and her child is in a separate BU;
- a married minor who lives with her spouse and with her parents is in her own BU.

Examples:

- Application lists two children and Mom. One child receives child support. Because one child has income, two BUs are formed - one for the child with income and one for Mom and the other child.
- Application lists two children and Mom. Both children receive child support. Because both children have income, three BUs are formed-one for each child with income and one for Mom.
- Application lists minor parent with income, minor parent's child, minor parent's parent and minor parent's siblings. Because the minor parent has income, three BUs are formed – one for the minor parent who is a child with income, one for the child of the minor parent and one for Mom and the siblings.

- Application lists married minor parent, her spouse, their child, minor parent's parent and minor parent's siblings. Because there is a married minor parent, three BUs are formed – one for the married minor parent, one for the married minor's child and spouse, and one for the married minor's parents and siblings.

Step 5 Deeming is process of counting income and when applicable, the resources of a responsible person(s) who lives in the home, but is not in the assistance unit for the financial eligibility determination. All of the countable income and resources, including those “deemed” to be available are used to determine financial eligibility.

Determine the deemable income from the parent(s) and/or spouse. Income is not deemed when the parent/spouse is an SSI or a IV-E recipient or from a stepparent. Income is deemed to a child/spouse when the child/spouse is not in the same BU as the deemor parent/spouse. Deeming does not reduce the deemor's countable income for the deemor's eligibility determination.

Deemable income is the deemor's gross income minus allowable deductions (\$90 earned income and child/adult care used to determine countable income in Step 2 above) minus the deeming standard for the deemor's BU minus any child/spousal support paid to someone not living in the home.

The deeming standard is that portion of the deemor's countable income that is not considered available to a child/spouse who is in a separate BU. The income deeming standard is the locality (Group I, II, or III see M0710, Appendix 2) F&C 100% income limit (see M0710, Appendix 3) for the number of individuals in the deemor's BU, including children who were excluded in writing and not included in the FU determination.

Subtract the whole deeming standard from countable income when: 1) there is a single parent or a parent and stepparent and no child in common for whom medical assistance has been requested, 2) both parents (child in common) are in the same BU and there are no stepchildren, 3) both parents (child in common) are in different BUs, and (4) when the deemor is a spouse.

Subtract one-half of the deeming standard from countable income when both parents are in the same BU and they have at least one child-in-common who is included in the family unit (not an excluded child).

Subtract actual child/spousal support payments made to individuals not living in the home.

The amount of deemable income is divided by the number of non-excluded individuals who are in BUs separate from the deemor and added as unearned income (no disregards) to the BU's own income to determine countable income for the BU.

Step 6 Compare the monthly amount of the BUs countable income (total of gross income minus allowable deductions and deemed income) to the income limit for the number of persons in BU. If the income is within the limit, go to Step

8 for an evaluation of the Medicaid non-financial requirements. If countable income exceeds the limit, the individual is not eligible for Plan First. Go to **Steps 8 and 10** for completing the evaluation and notice requirements.

Step 7 Non-financial requirements, with the exception of citizenship or alien status, can be evaluated based on the information included on a completed valid application. The application contains information to evaluate:

- Virginia residency (M0230)
- Social Security number (M0240)
- Institutional status (M0280)
- Assignment of rights (M0250)

Non-financial requirements that may require additional information include

- Citizenship and alien requirements (M220)

For citizens, citizenship and identity (C&I) must be declared and documented. Effective March 2010, Virginia elected to use a data match between MMIS and the Social Security Administration (SSA) to document C&I (M0220.100 D.). If the data in MMIS does not match SSA records, the individual must be given a reasonable opportunity period of 90 days to provide original documentation of C&I.

For non-citizens, alien status must be verified and evaluated using the policy in M0220.200 to determine if the individual was lawfully admitted and is eligible based on his alien status.

Step 8 The information used for the eligibility determination and the result of the findings must be documented. The eligibility worker must sign and date the evaluation form and file it in the case record.

Step 9 Eligible individuals must be enrolled in the MMIS.

Step 10 Notice of the findings of the evaluation must be mailed to the applicant. The notice must include:

- Case identifying information (case name and number)
- Action taken (approval, denial, delay)
- Effective date for approvals
- Policy citation for denials or negative actions
- Date renewal is due
- Appeal rights and instructions for filing an appeal
- Eligibility worker's name and telephone number
- Date notice was completed

A copy of the notice must be retained in the case record.