











#### Resources

- One of the key ways the ABD covered groups differ from the Modified Adjusted Gross Income (MAGI) covered groups (for children, pregnant individuals, and Medicaid Expansion adults) is that ABD groups include a resource test
- Screening someone for eligibility in an ABD category is complex, since it involves assessing:
  - Situation (e.g., institutionalization, Auxiliary Grant or SSI recipient, or former recipient), AND
  - Resources, AND
  - Income

Section 3

30

#### What is a Resource?

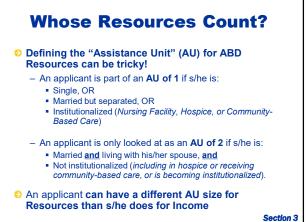
- S Anything that the applicant:
  - Owns, AND
  - Has the ability to convert to cash, AND
  - Is not legally restricted from using.
- This may include:
  - Cash
  - Real Property (with many exceptions/exclusions)
  - Personal Property (with many exceptions/exclusions)
- Most resources are countable in the month following the month in which they are received, and any months thereafter.
- If an applicant is resource-eligible for one day during a month, s/he is resource-eligible for the whole month.

Section 3

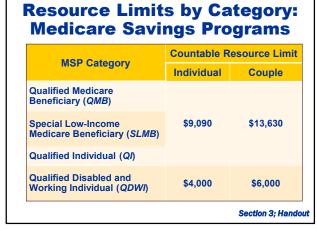
















## **Resources: Exclusions**

- Not all resources are countable, and some are only partially countable.
- Funds transferred from one type of bank account to another do not get "double-counted" in the same month.
- Certain types of property that generate income are excluded from being counted as resources.

Section 3; Handout

36



- Ocontiguous property adjacent to the home is not counted as a resource in ABD≤80% FPL, and the MSPs (QMB, QI, SLMB, and QDWI).
  - Other categories all exclude \$5,000-worth of contiguous property.

Section 3

37





## **Personal Property: Bank Accounts**

Bank Accounts

- Owned by one person: ALL funds in the account count



- Owned by more than one person (joint): funds in the account are divided evenly across owners if all are applying (e.g., spouses).
  - IF only one owner is applying, ALL funds in the account count unless applicant specifies they are unavailable to him/her.

#### Countable Value of a Bank Account

- The LOWER of:
  - Balance before any income is deposited during the month, OR
  - The ending balance, minus any income deposited during the month.

Section 3

39

### **Personal Property:** Life Insurance

- S Life Insurance is counted as a resource ONLY if:
  - The insured person is 21 years old or older, AND
  - The face value of the policy(ies) insuring that person is
  - >\$1,500, AND
  - The applicant is the owner of the policy
- S If all of the above are true, THEN the cash-surrender value of the life insurance (value during insured's lifetime) is counted.
- Solution Note: Term life insurance has no cash-surrender value, so would not be a countable resource.
- If a portion of cash-surrender value is held as a burial trust or fund, \$3,500 of that portion is not a countable resource. Section 3

40

### **Personal Property: Motor Vehicles**

- Vehicles include cars, trucks, boats, and even animals if they are used primarily for transportation
- One vehicle per household is excluded from being counted as a resource.
- If the applicant owns 2+ vehicles, the vehicle with the highest equity value is excluded.
- Sor all other vehicles, the equity value is the countable value: equity value = current market value - amount owed.

Section 3





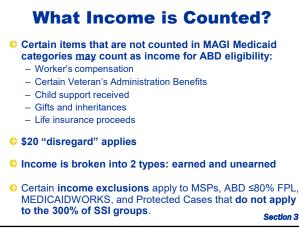
### What is Income?

- Eligibility is based on monthly income. Income is either cash, or cash-related items, including:
  - Checks
  - Money orders
  - Electronic fund transfers

#### S The following are not considered income:

- Medical, personal, and social services
- Capital gains
- Rebates/refunds
- Proceeds on a loan
- Income tax refunds and credits
- Bills paid by a third party
- Erroneous payments (*if refunded in the same or following month*)
  Employer contributions that are not wages (*example: employer contribution to a retirement plan*)

Section 3





## **Earned Income**

- Includes income earned directly from a business or employment:
  - Wages
  - Net earnings from self-employment (NESE)
  - Earnings from work in a sheltered workshop
  - Royalties earned in connection with work
  - Honoraria (payment, reward, or donation in consideration of services rendered, when no payment can be enforced)
- O A significant portion of earned income is <u>automatically</u> <u>excluded</u> from the income eligibility calculation for ABD ≤ 80% FPL and the Medicare Savings Plans:
  - Subtract \$65
  - Divide the remainder in half
  - If any portion of earned income is either infrequent or irregular, subtract \$10 from it.

```
Section 3
```

45

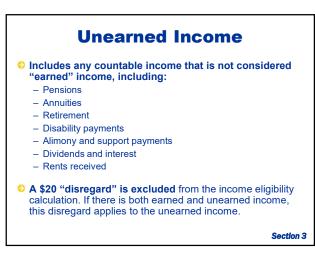
# Determining Monthly Job Income

Apply conversion factors based on pay frequency to calculate monthly income figures.

- If income is weekly, multiply the <u>average weekly income</u> by 4.3
- If income is bi-weekly (every two weeks), multiply the average bi-weekly income by 2.15
- If income is twice monthly (on 1<sup>st</sup> and 15<sup>th</sup>), multiply the average semi-monthly income by 2
- S If income is monthly, use the figure reported
- If income is irregular, use average income over a 3-month period

Section 3

46





#### **Income Exclusions & Deductions** (except for 300% of SSI Groups)

#### Excluded:

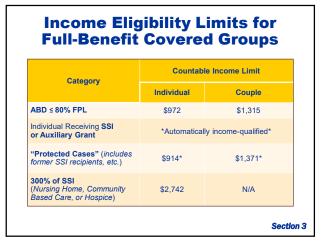
- Supplemental Security Income (SSI) lump sums and monthly payments
- Auxiliary Grant (AG) payments
- Temporary Assistance for Needy Families (TANF) payments
- Foster Care Maintenance payments
- Virginia Fuel Assistance Program payments
- Income Tax Refunds
- Earned Income Tax Credit (EITC)

#### Deducted:

- Blind Work Expenses (BWE)
- Impairment-Related Work Expenses (IRWE)
- Income used to fulfill an approved Plan to Achieve Self-Support (PASS)

```
Section 3; Handout
```

48



49

Income Eligibility Limits for Medicare Savings Plans		
MSP Category	Countable Income Limit*	
	Individual	Couple
Qualified Medicare Beneficiary ( <i>QMB</i> )	\$1,215	\$1,644
Special Low-Income Medicare Beneficiary ( <i>SLMB</i> )	\$1,458	\$1,972
Qualified Individual (QI)	\$1,641	\$2,219
Qualified Disabled and Working Individual ( <i>QDWI</i> )	\$2,430	\$3,287
		Section 3; Han





## Income Example: Jeffrey



Jeffrey, who is blind, receives **\$336 per month** in unearned income. He works part-time and is paid around **\$150 per week**, on average.

He has a service animal, and this animal's expenses, plus his other **Blind Work Expenses total \$100 per month**.

Jeffrey is not institutionalized, and is not in hospice or receiving Community Based Care.

51

## Income Example: Jeffrey



Jeffrey, who is blind, receives **\$336 per month** in unearned income.

This unearned income, unless it is listed in the income exclusions in M0815, is countable, **minus** a \$20 disregard.

So, Jeffrey's countable unearned income is...

\$316/month

#### 52

# Income Example: Jeffrey



He works part-time and is paid around **\$150 per week**, on average.

We need to convert Jeffrey's weekly average income to a monthly figure. To do this, we multiply it by 4.3. This gives Jeffrey a monthly earned income of \$645 before deductions.

BUT WAIT! We need to apply earned income disregards! \$65 Earned Income Disregard: \$580, halved

\$290 in earned income



# Income Example: Jeffrey



He has a service animal, and this animal's expenses, plus his other **Blind Work Expenses** total \$100 per month.

\$290 in earned income, minus \$100 BWE

\$190/month in countable earned income + \$316 in countable unearned income

TOTAL COUNTABLE INCOME: \$506

54

#### Resource Example: Janet and Bob

Janet and Bob have been happily married for 50 years(!). Neither is institutionalized, in hospice, or receiving Community-Based Care.

They both live in their home, valued at \$300,000. They have 2 vehicles: one with an equity value of \$15,000, and the other with equity value of \$800.

They have one bank account, whose countable resource value is \$500. They also have term life insurance policies, each of which has a face-value of \$2,000.

