

**Financial Rules**

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**Eligibility: Who Makes the Call?**

<b>"Screening" for Eligibility</b> <ul style="list-style-type: none"><li>☛ Seeing if someone <i>might</i> qualify</li><li>☛ Anyone can do this</li></ul>	<b>"Determining" Eligibility</b> <ul style="list-style-type: none"><li>☛ Deciding if someone <i>does</i> qualify</li><li>☛ <b>ONLY</b> done by eligibility worker at Local Department of Social Services (LDSS)</li></ul>
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**Financial Rules:  
Resources**

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## 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**

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## What is a Resource?

- ☞ **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.

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## Resource Examples

- ☞ **Cash**
- ☞ **Personal Property**
  - Checking, savings accounts, or Certificates of Deposit (CD)
  - Cash Value of Life Insurance
  - Burial Accounts
  - Annuities, stocks, or bonds
  - Deeds of trust or trust funds
  - Automobiles
  - Jewelry and personal effects
- ☞ **Real Property**
  - Home and/or Mobile Home
  - Land, and Water/Mineral/Timber rights
  - Undivided Estates
  - Life Interests
  - Cemetery Plots

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## Whose Resources Count?

- ☛ Defining the “Assistance Unit” (AU) for ABD Resources can be tricky!
  - An applicant is part of an **AU of 1** if s/he is:
    - Single, OR
    - Married but separated, OR
    - Institutionalized (*Nursing Facility, Hospice, or Community-Based Care*)
  - An applicant is only looked at as an **AU of 2** if s/he is:
    - Married **and** living with his/her spouse, **and**
    - Not institutionalized (*including in hospice or receiving community-based care, or is becoming institutionalized*).
- ☛ An applicant can have a different AU size for Resources than s/he does for Income

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## Resource Limits by Category: Full-Benefit Programs

Category	Countable Resource Limit	
	Individual	Couple
ABD ≤ 80% FPL		
Individual Receiving SSI	\$2,000	\$3,000
300% of SSI (Nursing Home, Community Based Care, or Hospice)		

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## Resource Limits by Category: Medicare Savings Programs

MSP Category	Countable Resource Limit	
	Individual	Couple
Qualified Medicare Beneficiary (QMB)		
Special Low-Income Medicare Beneficiary (SLMB)	\$9,430	\$14,130
Qualified Individual (QI)		
Qualified Disabled and Working Individual (QDWI)	\$4,000	\$6,000

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### 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.

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### Resources: Applicant's Home

- ☛ In most cases, the applicant's home is not considered a countable resource.
- ☛ The **home may become a countable resource ONLY** if:
  - The applicant is **institutionalized** for 6 or more months, AND
  - The applicant **does not** plan to return home, AND
  - The applicant's home is **not occupied** by a spouse or relative.
- ☛ Contiguous property adjacent to the home is **not counted as a resource** in ABDs80% FPL, and the MSPs (*QMB, QI, SLMB, and QDWI*).
  - Other categories all **exclude** \$5,000-worth of contiguous property.

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### Resources: Other Exclusions

- ☛ **Jewelry** and **household goods** are considered "personal effects" and are **not counted** as a resource.
- ☛ **Burial spaces or plots** held for an applicant or family member are **not counted**.
- ☛ Certain **real property may be excluded so long as**:
  - It cannot be sold without undue hardship on other owners, OR
  - An ongoing reasonable efforts are being made to sell it
- ☛ Certain **federal compensation payments** (*for example: due to exposure to radiation and/or Agent Orange*) are excluded from someone's countable resources. They are also excluded from income.

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## 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.

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## Personal Property: Life Insurance

### 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

### If all of the above are true, THEN the cash-surrender value of the life insurance (value during insured's lifetime) is counted.

### 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.

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## 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.

### For all other vehicles, the equity value is the countable value: equity value = current market value – amount owed.

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## Financial Rules: Income

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### What is Income?

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

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### What Income is Counted?

- ☛ **Certain items that are not counted in MAGI Medicaid categories may count as income for ABD eligibility:**
  - Worker’s compensation
  - Certain Veteran’s Administration Benefits
  - Child support received
  - Gifts and inheritances
  - Life insurance proceeds
- ☛ **\$20 “disregard” applies**
- ☛ **Income is broken into 2 types: earned and unearned**
- ☛ **Certain income exclusions apply to MSPs, ABD ≤80% FPL, MEDICAIDWORKS, and Protected Cases that do not apply to the 300% of SSI groups.**

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### 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*)
- ☛ A significant portion of earned income is **automatically excluded** 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.

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### Determining Monthly Job Income

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

- ☛ If income is **weekly**, multiply the average weekly income 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**
- ☛ If income is **monthly**, use the figure reported
- ☛ If income is irregular, use average income over a 3-month period

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### Unearned Income

- ☛ Includes any countable income that is not considered "earned" income, including:
  - Pensions
  - Annuities
  - Retirement
  - Disability payments
  - Alimony and support payments
  - Dividends and interest
  - Rents received
- ☛ A \$20 "disregard" is excluded from the income eligibility calculation. If there is both earned and unearned income, this disregard applies to the unearned income.

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### 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)

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### Income Eligibility Limits for Full-Benefit Covered Groups

Category	Countable Income Limit	
	Individual	Couple
ABD ≤ 80% FPL	\$1,004	\$1,363
Individual Receiving SSI or Auxiliary Grant	Automatically income-qualified	
"Protected Cases" (includes former SSI recipients, etc.)	\$943	\$1,415
300% of SSI (Nursing Home, Community Based Care, or Hospice)	\$2,829	N/A

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### Income Eligibility Limits for Medicare Savings Plans

MSP Category	Countable Income Limit	
	Individual	Couple
Qualified Medicare Beneficiary (QMB)	\$1,255	\$1,704
Special Low-Income Medicare Beneficiary (SLMB)	\$1,506	\$2,044
Qualified Individual (QI)	\$1,695	\$2,300
Qualified Disabled and Working Individual (QDW)	\$2,510	\$3,407

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**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**.

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**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**

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**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.

<b><i>BUT WAIT! We need to apply earned income disregards!</i></b>	\$65 Earned Income Disregard: \$580, halved
	<b>\$290 in earned income</b>

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**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**

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**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**.




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