WISCONSIN DEPARTMENT OF HEALTH SERVICES
Division of Medicaid Services
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To:	Medicaid Eligibility Handbook (MEH) Users
From:	Rebecca McAtee, Bureau Director Bureau of Enrollment Policy and Systems
Re:	**Medicaid Eligibility Handbook Release 17-01**
Release Date:	05/05/2017
Effective Date:	05/05/2017

EFFECTIVE DATE

The following policy additions or changes are **effective 05/05/2017** unless otherwise noted. **Grey highlighted text denotes new text. Text with a strike through it in the old policy section denotes deleted text.**

POLICY UPDATES

3.1.5. Administrative Renewals

This section has been rewritten.

5.7.1 Redetermination Introduction

2. The person is younger than 65 years old and no longer receives OASDI (Social Security) disability benefits.

Note: Disability determinations should not be done for members older than 65 years old, except in some circumstances for MAPP (see ~~Section 26.1 Medicaid Purchase Plan Introduction~~ Section 5.10.2 MAPP Recipients Over Age 65 and Section 26.3.2 Disability).

5.10.1 MAPP Introduction

~~Sections 12 and 13 of the Application for Medicaid Disability form~~ Section V – Work History of the Medicaid – Disability Application (F-10112) must be completed in full detail in all MAPP disability determination requests.

5.10.2 MAPP Members Over Age 65

A MAPP member who loses SSDI benefits solely because he or she turns 65 does not need a disability re-determination until the next scheduled diary date. If there is no scheduled diary date, check with SSA to see if they still consider the person disabled. If not, a MAPP disability determination must be done, and MAPP eligibility must be continued until the MAPP disability determination is made by the DDB.

15.1.4 Elderly, Blind, or Disabled-Related Test

15.1.4 ~~Elderly, Blind, or Disabled~~ Supplemental Security Income-Related Test

The ~~EBD~~ SSI-related categorically needy income limit consists of two components: an income amount plus a shelter or utility amount. The ~~EBD~~ SSI-related fiscal group's total actual shelter, fuel, and utility expenses are compared to a maximum allowance that is found in Section 39.4 Elderly, Blind, or Disabled Assets and Income Tables. The actual shelter or utility costs or the shelter or utility maximum, whichever is less, is added to the categorically needy income amount (Section 39.4 Elderly, Blind, or

Disabled Assets and Income Tables), and this total becomes the ~~EBD~~ SSI-related categorically needy income limit. A fiscal group with income that does not exceed the categorically needy income limit passes the Medicaid ~~EBD~~ SSI-related categorically needy income test (see Section 24.1 SSI-Related Medicaid Introduction for more information).

If an ~~EBD~~ SSI-related fiscal group's income exceeds the categorically needy income limit, their income is then compared to a medically needy limit, which is found in Section 39.4 Elderly, Blind, or Disabled Assets and Income Tables. If the fiscal group's income is between the categorically needy limit and the medically needy limit, the group passes the Medicaid ~~EBD~~ SSI-related medically needy income test.

15.1.6.1 Migrant Workers

Annualize migrant workers income (see ~~Section 25.8~~ Chapter 31 Migrant Workers).

15.6.5.2 Worksheets

If you decide to use IRS tax forms, use them together with the self-employment income worksheets ~~(F-16034, F-16035, F-16036, and F-16037),~~ which identify net income and depreciation by line on the IRS tax forms.

~~The worksheets identify net income and depreciation by line on the IRS tax forms.~~

For each operation, select the worksheet you need and, using the provided tax forms and/or schedule, complete the worksheet. These are:

1. Sole Proprietor - Farm and Other Business
   - IRS Form 4797—Capital & Ordinary Gains (F-01983)
   - IRS Schedule C or C-EZ (Form 1040)~~—Non-farm Business Income~~ Profit or Loss From Business (F-01984)
   - IRS Schedule D (Form 1040)—Personal Capital Gains or Losses (F-01985)
   - IRS Schedule E (Form 1040)—Rental and Royalty Income (F-01986)
   - IRS Schedule F (Form 1040)—Farm Income (F-01987)

2.Partnership (F-16036)
   - a. IRS Form 1065 - Partnership Income
   - b. IRS Schedule K-1 (Form 1065) - Partner's Share of Income

3.Corporation (F-16034)
   IRS Form 1120 - Corporation Income

4.Subchapter S Corporation (F-16035)
   - a. IRS Form - 1120S - Small Business Corporation Income
   - b. IRS Schedule K-1 (Form 1120S - Shareholder's Share of Income

~~Next,~~ If not already calculated on the worksheet, divide IM income by the number of months that the business was in operation during the previous tax year. Sole proprietor worksheets already account for this.

(This was effective February 16, 2017.)

15.7.2.1 Support Payments

A person in the fiscal group who has legal responsibility for a person in a nursing home may be paying that person's patient liability. If so, deduct this amount from the group's income.

Note: Support payments are different from the community spouse income allocation (see Section 18.6.2 Community Spouse Income Allocation for more information).

16.7.28 Crime Victim Restitution Program

Disregard any payments received from a state-established fund to aid victims of a crime. These payments are an excluded resource for nine months following the

	month of ~~member~~ receipt.
16.7.30 Achieving a Better Life Experience Accounts	This section is new.
16.8.1.4 Home Equity over $750,000.00	Effective January 1, 2009, persons who apply for Medicaid coverage of long term care (LTC) services (i.e., Institutional, community waivers, Family Care, Partnership or PACE) are not eligible for LTC services if the equity interest in their home is greater than $750,000. He or she is still eligible for card services if all other eligibility requirements are met. This restriction does not apply if a spouse, minor, or disabled child resides in the home. The $750,000 LTC home equity limit can be waived in situations whereby the imposition of this eligibility requirement results in an "undue hardship" for the individual. When determining whether or not an undue hardship exists, follow the same undue hardship guidelines outlined in Section ~~17.17~~ 22.4 Undue Hardship. This policy applies regardless of whether or not the applicant or member lists the home for sale.
17.5.2 Calculating the Penalty Period	For divestments on or after January 1, 2009, the divestment penalties are calculated in days. Use the average daily nursing home private pay rate of $~~252.95~~259.08 per day. (This rate was effective July 1, 2016. The rate may be updated annually.) Example 1 was updated.
17.5.3 Penalty Period Begin Date for Applicants	Example 2 was updated.
17.5.4 Penalty Period Begin Date for Members	*Example 7* When a member divests, the IM worker must enter the ~~date the divestment was reported as the transfer date on the Transfer/Divestment of Assets page~~ correct divestment penalty period start date. CARES will close the person using adverse action logic. The actual penalty period should be calculated based on the first day of the month of closure. Those dates should be entered in case comments to be adjusted with the monthly Divestment Report completed by the CARES Call Center.
17.5.5.1 Full Refund	Example 8 was updated. **Full Refund for Multiple Divestments Occurring in the Lookback Period** A divestment penalty period resulting from multiple divestments that occurred during the lookback period can be cured when the applicant or member has demonstrated that all of the assets divested during the lookback period, or cash equal to the value of those assets, have been returned (Wis. Stat. § 49.453[8][a][1]).
17.5.5.3 Divestments During a Penalty Period	Example 10 was updated.
17.6 Multiple Divestments	Example 1 was updated. *(This was effective July 1, 2016.)*

17.11.2.1 Irrevocable Annuities That Are Not Considered Divestment

This section has been rewritten.

17.17 Undue Hardship

17.17 ~~Undue Hardship~~ Reserved

This section has been rewritten and moved to Section 22.4.

18.4.3 Calculate the Community Spouse Asset Share

The table has been updated with values that were effective January 1, 2017.

18.4.5 Undue Hardship

An institutionalized person will not be denied Medicaid if the IM agency determines that the ineligibility caused by excess assets creates undue hardship for him or her (see Section 22.4 Undue Hardship for more information). ~~Undue hardship means an immediate, serious impairment to the institutionalized person's health.~~

18.6.2 Community Spouse Income Allocation

To determine how much of the institutionalized spouse's income to allocate:

1. The community spouse maximum income allocation is one of the following:
   a. $~~2,655.00~~2,670.00 plus excess shelter allowance (see Section 39.4.2 Elderly, Blind, or Disabled Deductions and Allowances) up to a maximum of $2,980.50.

      "Excess shelter allowance" means shelter expenses above $~~796.50~~801.00. Subtract $~~796.50~~801.00 from the community spouse's shelter costs. If there is a remainder, add the remainder to $~~2,655.00~~2,670.00 (see Section 39.4.2 Elderly, Blind, or Disabled Deductions and Allowances).

   b. A larger amount ordered by a fair hearing decision or a court order. A court or fair hearing can increase the community spouse income allocation if it determines the spouse is not able to provide for his or her necessary and basic maintenance needs with the amount allocated.

(This was effective July 1, 2016.)

18.6.3 Family Member Income Allowance

The institutionalized person can allocate up to $~~663.75~~667.50 per month to each dependent family member who lives with the community spouse.

The allocated amount is the difference between $~~663.75~~667.50 and the actual monthly income of the dependent family member.

(This was effective July 1, 2016.)

22.4 Undue Hardship

This section is new.

24.1 SSI-Related Medicaid Introduction

SSI-related Medicaid is the original, basic Medicaid program for individuals who are elderly, blind, or disabled. SSI-related individuals must meet all appropriate Medicaid nonfinancial eligibility requirements. SSI-related Medicaid has the lowest income and asset limits of all EBD Medicaid programs/categories. It has two income limits which are referred to as the categorically needy limit and the medically needy limit.

Allow the following income disregards to the fiscal group's income in the order below to determine the countable net income.

- The 65 & ½ earned income disregard ,
- Special exempt income (15.7.2 Special Exempt Income),

- $20.00 SSI general income disregard.

The ~~EBD~~ SSI-related categorically needy income limit consists of two components; an income amount plus a shelter/utility amount. The ~~EBD~~ SSI-related fiscal group's total actual shelter, fuel, and utility expenses are compared to a maximum allowance that is found in Section 39.4 Elderly, Blind, or Disabled Assets and Income Tables. The actual shelter/utility costs or the shelter/utility maximum, whichever is less, is added to the categorically needy income amount (see Section 39.4 Elderly, Blind, or Disabled Assets and Income Tables), and this total becomes the ~~EBD~~ SSI-related categorically needy income limit. A fiscal group with countable net income that does not exceed the categorically needy income limit passes the Medicaid ~~EBD~~ SSI-related categorically needy income test.

If an ~~EBD~~ SSI-related fiscal group's income exceeds the categorically needy income limit, their income is then compared to a medically needy limit, which is found in Section 39.4 Elderly, Blind, or Disabled Assets and Income Tables. If the fiscal group's income is between the categorically needy limit and the medically needy limit, the group passes the Medicaid ~~EBD~~ SSI-related medically needy income test.

If an ~~EBD~~ SSI-related fiscal group fails the medically needy income test because their net income exceeds the medically needy income limit, they can still qualify for Medicaid if they can meet a Medicaid Deductible. Refer to chapter 24.2 Medicaid Deductible Introduction for more information about Medicaid Deductibles and to chapter 24.5 Calculating the Deductible for instructions on how to calculate a Medicaid Deductible.

See Section 39.4 Elderly, Blind, or Disabled Assets and Income Tables for more information.

24.5.2.2 Deductible

2. To meet a deductible. The deductible period begins in the backdate month that he or she chooses, and extends 6 months. Calculate the deductible for the full 6-month deductible period. Calculate the deductible by comparing his or her monthly income for each of the 6 months to the ~~EBD~~ SSI-related medically needy income limit, not the institutional income limit.

25.0 Special Status Medicaid

25.0 Special Status Medicaid Introduction

This section has been rewritten.

25.1.1 "503" Introduction

Federal law requires that the IM agency provide Medicaid eligibility to any ~~applicant~~ person for whom the following conditions exist:

- He or she is receiving OASDI benefits.
- He or she was receiving SSI concurrently with OASDI but became ineligible for SSI **for any reason**.
- Total countable income, excluding the "503" disregarded income, is ~~within the program limits~~ less than or equal to the categorical income limits for SSI-related Medicaid.
- Total countable assets must be below the categorical asset limits for SSI-related Medicaid.

Note: "Concurrent" includes situations in which OASDI eligibility is granted retroactively for months in which the person was also receiving SSI. It also includes situations in which SSA recovers the SSI payment because the OASDI payment covers the same time period for which the person received SSI. On the other hand, "concurrent" does not include situations in which SSI eligibility is granted retroactively for a period in which the person was also receiving OASDI benefits.

An assistance group with these two characteristics is often referred to as a "503"

assistance group. The name comes from Section 503 of the ~~Medicaid Law~~ law that implemented this policy [Public Law 94-566].

The example is new.

25.1.2 Identifying a "503" Assistance Group

This section has been rewritten.

25.2.1 Disabled Adult Child Introduction

A DAC is:

- At least 18 years old at the time SSI was lost.
- Classified by the Social Security Administration as disabled before age 22.
- Receives an OASDI (DAC) payment that is based on the earnings of a parent who is disabled, retired, or deceased.

Note: Receipt of Railroad Retirement is not considered OASDI for this policy.

- Was receiving SSI, but lost SSI eligibility because the OASDI (DAC) payment or an increase in the OASDI (DAC) payment exceeded the SSI income limits.

Federal law requires that the IM agency provide Medicaid eligibility to any DAC for whom the following condition exists:

- Total countable income, excluding the "DAC" disregarded income, is less than or equal to the SSI-related categorical income limits.
- Total countable assets are less than or equal to the categorical asset limit for SSI-related Medicaid.

25.2.2 Disabled Adult Child Payment Disregard

Example 1 is new.

Example 2 has been renumbered and updated.

25.2.3 COLA Disregard

Examples 3 and 4 are new.

25.2.4 Disregards For People Who Lose SSI Eligibility As A Result of Initial Receipt Or An Increase in DAC Benefits

People who lose their SSI eligibility due to the receipt of an initial OASDI (DAC) benefit or increase in their current OASDI (DAC) benefit are entitled to the following disregards when their Medicaid eligibility is being determined ~~determining their eligibility for Medicaid~~:

- The OASDI (DAC) payment—either the initial payment or the increase in payment, whichever made them ineligible for SSI.
- The SSI-E supplement if ~~the individual was~~ they were receiving the E supplement at the time they became ineligible for SSI.
- All COLAs received since the last month that ~~the individual was~~ they were eligible for and received both OASDI (DAC) and SSI benefits.

25.3 Widows and Widowers

A widow or widower who lost SSI remains eligible for Medicaid if he or she meets all of the following conditions:

- Is disabled.
- ~~Age 50 or older~~ Is between the ages of 50 and 65.

25.4 Medicaid Deductible, Cost of Care

25.4 ~~Medicaid Deductible, Cost of Care~~ Reserved

This section has been deleted and marked reserved.

25.6 Katie Beckett

25.6 ~~Katie Beckett~~ Reserved

This section has been moved to Chapter 29.

25.7 Tuberculosis

25.7 ~~Tuberculosis~~ Reserved
This section has been moved to Chapter 30.

25.8 Migrant Workers

25.8 ~~Migrant Workers~~ Reserved

This section has been moved to Chapter 31.

26.3.2 Disability

DDB must certify disability (see Section 5.10 Medicaid Purchase Plan Disability). There is no requirement that a member be a current or former SSI or SSDI beneficiary to qualify for MAPP. Earned income is not used as evidence in MAPP disability determinations.

If a member does not have a disability determination from SSA, ~~a federal agency which administers the SSI, OASDI, and Medicare programs,~~ complete the disability application process outlined in Section 5.3 Disability Application Process. The rest of the MAPP application must be completed at this time, and MAPP eligibility can only be pending ~~only~~ for the disability determination before the MADA will be sent to DDB through the automated process (see Process Help Chapter 12 Automated Medicaid Disability Determination).

Redetermination
Follow the rules in Section 5.7 Redetermination on when to review disability determination.

Members Who Have Lost Their SSDI Due to Exceeding SGA
~~**Note:**~~ A current MAPP member who loses SSDI because he or she exceeds the Substantial Gainful Activity level remains MAPP-eligible until a MAPP disability determination is done by DDB. If DDB determines the individual is not disabled using the MAPP criteria, the MAPP eligibility will terminate with adverse action notice for the reason "not MAPP disabled."

Members Turning 65
A current MAPP member who loses SSDI benefits solely due to turning 65 does not need a disability re-determination until the next scheduled diary date. If there is no scheduled diary date, check with SSA to see if they consider the person disabled. If not, a MAPP disability determination must be done, and MAPP eligibility continued until the MAPP disability determination is made by the DDB.

26.5.1 Calculation

~~f. 503, DAC, widow or widower disregards allowed in eligibility determinations cannot be allowed in premium calculations.~~

The balance is the Adjusted Countable Unearned Income. This number may be a negative number.

Note: 503, DAC, widow or widower disregards allowed in eligibility determinations cannot be allowed in premium calculations.

27.6.1 Intermediate and Long-Term Care Monthly Need Introduction

2. Cost of institutional care (use the private care rate of the institution where the applicant or member resides).

27.7.3 Partial Months

If a member is ~~not Medicaid-eligible and~~ residing in an institution (see Section 27.1 Institutions) and not Medicaid-eligible as of the first of the month, there is no patient liability for that month.

Exceptions:

- There is a patient liability if the reason the person did not reside in the institution for the entire month was due to death or being on therapeutic leave.
- There is a patient liability if the reason the person was not eligible for long-term care services for the entire month is because a divestment penalty period ended in that month.

28.1 Home and Community-Based Waivers Long-Term Care Introduction

- Have a disability determination if he or she is younger than 65 years old. ~~(Disability is a nonfinancial eligibility requirement for community waiver programs for anyone younger than 65 years old.)~~ Exceptions to this include the following:
  - A finding of disability made prior to the person's 18th birthday, which remains in effect on the person's 18th birthday, will be considered to meet the disability requirement until either an adult disability determination can be done or the child's disability determination is no longer in effect, whichever occurs first).
  - People younger than 65 years old who meet both of the following criteria may be enrolled in Family Care, Family Care Partnership, PACE, or IRIS without first obtaining a disability determination from DDB:
    - Functionally eligible for Family Care, Family Care Partnership, PACE, or IRIS at a nursing home level of care
    - Eligible for one of the following Medicaid or BadgerCare Plus categories: BadgerCare Plus Standard Plan, Wisconsin Well Woman Medicaid, Medicaid through adoption assistance, or Foster Care Medicaid

  The Eligibility Results page of the long-term care functional screen indicates Family Care, PACE, Partnership, or IRIS eligibility for people who meet this criteria. Because CARES requires that they have a disability determination, these eligible Family Care Partnership or PACE members should be coded as presumptively disabled as long as they qualify for one of the Medicaid or BadgerCare Plus categories listed above.

Note: A person who is MAPP-disabled may be eligible as a Group A participant even if a regular disability has not been determined by DDB.

28.8.2 Group A

Group A members are waiver functionally eligible and Medicaid eligible via SSI (including SSI-E Supplement and 1619A and B) or a full-benefit Medicaid subprogram (see Section 21.2 Full-Benefit Medicaid). This does not include someone solely eligible for any of the limited benefit Medicaid subprograms (see Section 21.3 Limited Benefit Medicaid).

~~**Note:** Group A members do not have an asset limit if they are Group A eligible via Family Medicaid. Family Medicaid and it subprograms do not have an asset test.~~

Clients who have met a deductible are eligible for community waivers as a Group A. The member remains eligible as a Group A until the end of the deductible period. At the next review the member will be able to make a choice between meeting the deductible to receive Medicaid (remaining a Group A) or becoming eligible for community waivers as a Group B or B Plus with a potential cost share.

Group A members are financially eligible with no cost share. ~~Put a check before Group A in Section I. Then complete Sections II and V on the worksheet.~~

Note: Group A members do not have an asset limit if they are Group A eligible via BadgerCare Plus since BadgerCare Plus does not have an asset test. All Group A members, including those who are eligible for Group A through BadgerCare Plus eligibility, are subject to the divestment policy described in Chapter 17 Divestment.

Chapter 29 Reserved	**Chapter 29 ~~Reserved~~ Katie Beckett** This chapter is new.
Chapter 30 Reserved	**Chapter 30 ~~Reserved~~ Tuberculosis** This chapter is new.
Chapter 31 Reserved	**Chapter 31 ~~Reserved~~ Migrant Workers** This chapter is new.
32.2.1 QMB Introduction	This section has been rewritten.
32.6 Medicare Savings Programs Asset Limits	The Asset Limits for QMB, SLMB, and SLMB+ table has been updated with values that were effective January 1, 2017.
35.1.3.1 Verification of the Qualified LTCIP Policy	A "qualified LTCIP policy" must meet all relevant requirements of federal and state law. Qualified LTCIP policies are certified by the Wisconsin Office of the Commissioner of Insurance (OCI). ~~A more detailed definition of a qualified LTCIP can be found at http://oci.wi.gov/srissues/ltpartnership.htm.~~ OCI certification of the policy must be verified by assuring that the policy is in the "Long-Term Care Insurance Partnership Program (LTCIP)" section of the Long-Term Care page ~~listed~~ on the OCI website.~~, accessible via the following link:~~ ~~http://oci.wi.gov/srissues/ltpartner-qual.htm~~
35.1.3.3 Verification of Benefits Paid	In addition, the amount paid out by a qualified LTCIP policy must be verified before it can be disregarded for Medicaid eligibility or estate recovery purposes. The qualified LTCIP policy carrier must document the amount paid for benefits on or after January 1, 2009 using the appropriate OCI approved form (OCI 26-114) and provide verification of the payout amount upon request. Only benefits paid on or after January 1, 2009 may be disregarded when determining eligibility for Medicaid programs. ~~The OCI approved form is accessible via the following link:~~ ~~http:// oci.wi.gov/ ociforms/26-114.pdf~~
38.5 IRIS	The IRIS program is a fee-for-service alternative to Family Care, Family Care Partnership, or PACE, ~~or Partnership~~ for individuals requesting a long-term care support program in Family Care counties. Under IRIS, the participant has access to an individualized budget which they may use to purchase ~~will be able to access~~ services ~~comparable to those provided~~ under the IRIS Home-and Community-Based Service Waivers (HCB~~W~~S) while managing an individual budget to meet their long-term care service needs.
39.4.1 Elderly, Blind, or Disabled Assets and Income Table	The table has been updated with values that were effective January 1, 2017.
39.4.2 Elderly, Blind, or Disabled Deductions and Allowances	The table has been divided into two tables, which were updated with cost-of-living adjustments that were effective January 1, 2017, and with spousal impoverishment values that were effective July 1, 2016.

39.4.3 Institutional Cost of Care Values	The table has been updated with values that were effective July 1, 2016.
39.5 Federal Poverty Level Table	The table has been updated with values that were effective February 1, 2017.
39.6 Cost-of-Living Adjustment	The table has been updated with values that were effective January 1, 2017.
39.11.1 SeniorCare Income Limits Introduction	The table has been updated with values that were effective February 1, 2017.
39.11.5.1 Level 3: Fiscal Test Group of One	Example 1 has been updated. *(This was effective February 1, 2017.)*
39.11.5.2 Level 3: Fiscal Test Group of Two	Examples 2 and 3 have been updated. *(This was effective February 1, 2017.)*
40.1 Worksheets	The title of Worksheet 06 was updated. *(This was effective March 20, 2017.)*