



## AGED, BLIND, AND DISABLED MEDICAID 901-1 HCBS/Waiver Income Budgeting

**Supersedes:** ABD 901-1 (1/1/2024)

**Reference:** 42 CFR 435.217; ARM 37.40.1401, .1406 through.1408; 37.82.101

**Overview:** Home & Community Based Services (HCBS) Waiver clients can be either categorically needy or medically needy. Determination of categorically needy is out lined in the Categorically Needy Business Process. If the client is ineligible for Categorically Needy coverage, the following Waiver medically needy budgeting policies apply to individuals who meet Level of Care and request HCBS/Waiver coverage under the following programs:

1. Physically Disabled Waiver;
2. Aged Waiver;
3. SDMI Waiver; or
4. Developmental Disabilities Waivers.

**A Waiver applicant's income eligibility is determined using only the waiver applicant's income.**

**NOTE:** Individuals in the Psychiatric Residential Treatment Facility (PRTF) waiver must qualify for Medicaid through non-waiver policies outlined in CMA 601-1 Prospective Budgeting through CMA 603-1 Deeming. **NOTE:** Blind/disabled work expenses are not used in PETI.

When determining the budget for a medically needy waiver applicant, allowable deductions may include:

1. \$20 general disregard;
2. Up to \$65 of gross earned income;
3. One-half remainder of earned income;
4. A community spouse income maintenance allowance (allowed only when institutionalized individual is married);
5. Family maintenance allowance (allowed only when institutionalized individual is married);
6. The waiver applicant's (married or unmarried) incurred medical or remedial care expenses, including health insurance premiums;
7. Court-ordered child support actually paid (CMA 601-1 Prospective Budgeting); and

8. Court-ordered alimony actually paid (CMA 601-1 Prospective Budgeting).

**NOTE:** It is possible for a waiver spouse to be medically needy without a spend down if the spousal income maintenance allowance and/or family maintenance allowance(s) reduces the spend down to zero.

Example: Waiver spouse's income is \$1000 per month Social Security. \$1000 - \$20 general income disregard = \$980 - \$525 MNIL - \$371 MN deduction = \$84. If the spousal income maintenance is calculated to be \$84 or more, this medically needy waiver spouse will have no spend down.

### **SPOUSAL INCOME MAINTENANCE ALLOWANCE (MARRIED INDIVIDUALS):**

The community spouse income maintenance allowance is the lesser of:

1. \$3854 (Effective 01/01/2024) less the community spouse's own total gross monthly income (see Income Attribution in CMA 500 Income Overview); Or

**NOTE:** Total gross income includes all income (including gross SSI) the community spouse receives from all sources; income deductions, exclusions, exemptions or disregards do not apply, except in very few situations. Only those payments excluded from all public assistance determinations by other laws are not considered, these include Native American Income and tax stimulus payments.

2. A combination of:
  - a. Community spouse's shelter expenses (principle residence) that exceeds the \$767 basic (effective 07/01/2024) shelter allowance; plus
  - b. \$2555 (effective 07/01/2024) basic needs standard; less
  - c. Community spouse's total gross income (See 'NOTE' above).

**NOTE:** The community spouse's income and shelter expenses are used to establish the Community Spouse Income Maintenance Allowance. Changes in these values must be reported to the Department within ten (10) days of knowing of the change.

- i. Allow this deduction unless the institutionalized spouse specifically refuses it.
- ii. The deduction is not allowed unless the funds are actually transferred to the community spouse.
- iii. If the applicant/recipient is determined to be categorically needy and has dependent family members, no community spouse income allowance will be calculated, because there is no remainder (Spend Down) from which to deduct the allowance.

**NOTE:** If the community spouse applies for Medicaid coverage (such as MSP or medically needy), the CSIMA is countable income in the eligibility determination.

### **Shelter Expenses:**

Allowable shelter expenses (see Spousal Income Maintenance Allowance above) include:

1. Rent or mortgage (including principal and interest) payments;
2. Property taxes and homeowner's insurance;
3. Condo or co-op maintenance charge or homeowner's association fees; AND
4. Utilities (if paid separately).

When the waiver spouse and non-waiver spouse reside together in the community, one-half of the shelter expenses will be allocated to each spouse for purposes of calculating shelter expenses for the Spousal Income Maintenance Allowance.

When a waiver spouse and a non-waiver spouse reside together in an assisted living facility, the non-waiver spouse's individual expenses (room, board, personal care, etc.) must be itemized by the assisted living facility and only the shelter ("room") charges are considered shelter expenses. Board (food), personal assistance, cable TV, etc., are not shelter expenses.

#### **Utility Expenses:**

Allow the SNAP SUA (standard utility allowance) as defined in SNAP 602-4 Shelter Deductions when the community spouse is responsible for major heating/cooling costs.

Allow the SNAP standard telephone allowance as defined in SNAP 602-4 Shelter Deductions when the community spouse is not responsible for the major heating/cooling but does have a telephone.

Actual utility expenses are never used, whether or not the community spouse is or isn't responsible for major heating/cooling. For example, if the community spouse is responsible for electricity (not related to heating or cooling) and water, but not for heating, cooling or telephone, no utility expense is allowed.

#### **Family Allowance (Married Individuals):**

Only children, parents, or siblings of either the community spouse are eligible to receive a family maintenance allowance; they must live with the community spouse and be eligible to be claimed as dependents for tax purposes. Family members who receive HCBS waiver services or are institutionalized are not eligible for a family maintenance allowance.

Each additional dependent can receive a maximum maintenance needs allowance equal to 1/3 the difference between the \$2,555 (Effective 07/01/2024) basic needs standard and the family member's gross income. **NOTE:** If the applicant/recipient is determined to be categorically needy and has dependent family members, no community spouse income allowance will be calculated, because there is no remainder (Spend Down) from which to deduct the allowance.

#### **Family Contribution to Facility (regardless of who pays):**

When an additional amount is paid directly to the assisted living facility to upgrade the client to a private room, a "nicer" room, or for additional food, the additional charge is considered vendor/in-kind income for shelter or food.

**NOTE:** Room and board charges paid to residential medical facilities such as nursing homes are considered medical expenses. Additional payments paid to an assisted living facility are NOT medical expenses.

**Notice:**

When the waiver individual is married, both spouses must each receive a notice detailing the institutionalized spouse's applicable deductions and each spouse can appeal the allowance determination. An unmarried individual and/or their authorized representative must receive the same notice.

A notice must also be sent to the medical facility stating the client's cost of care liability, even when it is zero.

**Effective Date:** July 1, 2024