

Refer to:

APR 25 2005

Paul Reinhart, Director
Medical Services Administration
Federal Liaison Unit
Michigan Department of Community Health
400 South Pine St.
P. O. Box 30479
Lansing, Michigan 48909

ATTN: Nancy Bishop

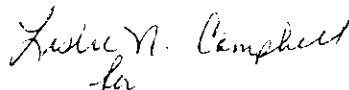
Dear Mr. Reinhart:

Enclosed for your records is an approved copy of the following State Plan Amendment:

Transmittal #05-004 LIF Eligibility – Asset Disregard
--Effective January 1, 2005

If you have any additional questions, please have a member of your staff contact Ms. Samantha Wallack at (312) 353-3701.

Sincerely,



for
Cheryl A. Harris
Associate Regional Administrator
Division of Medicaid & Children's Health

Enclosure

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: 05 - 04	2. STATE: Michigan
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	

TO: REGIONAL ADMINISTRATOR
HEALTH FINANCING ADMINISTRATION
DEPARTMENT OF HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
January 1, 2005

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
Section 1931 of the Social Security Act

7. FEDERAL BUDGET IMPACT:

a. FFY 05 _____ \$ -0- _____

b. FFY 06 _____ \$ -0- _____

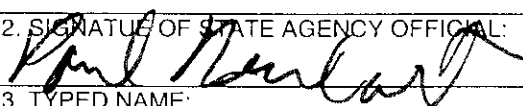
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Supplement 12 to Attachment 2.6-A, page 1

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):
Supplement 12 to Attachment 2.6-A, page 1

10. SUBJECT OF AMENDMENT:
LIF eligibility - asset disregard

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Paul Reinhart, Director
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:


13. TYPED NAME:
Paul Reinhart

14. TITLE:
Director, Medical Services Administration

15. DATE SUBMITTED:
February 23, 2005

16. RETURN TO:
Medical Services Administration
Program/Eligibility Policy Division - Federal Liaison Unit
Capitol Commons Center - 7th Floor
400 South Pine
Lansing, Michigan 48933

Attn: Nancy Bishop

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:
2/24/05

18. DATE APPROVED:
4/25/05

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
1/1/05

20. SIGNATURE OF REGIONAL OFFICIAL:


21. TYPE NAME:
Cheryl A. Harris

22. TITLE:
Associate Regional Administrator'
Division of Medicaid and Children's Health

23. REMARKS:

RECORDED
FEB 24 2005
DMCL

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

Financial Eligibility

ELIGIBILITY UNDER SECTION 1931 OF THE ACT

The State covers low-income families and children under section 1931 of the Act. The following groups were included in the AFDC State plan effective July 16, 1996.

- Pregnant women with no other eligible children.
- AFDC children age 18 who are full-time students in a secondary school or in the equivalent level of vocational or technical training.
- In determining eligibility for Medicaid, the agency uses the AFDC standards and methodologies in effect as of July 16, 1996 without modifications.
- In determining eligibility for Medicaid, the agency uses the AFDC standards and methodologies in effect as of July 16, 1996, with the following modifications:
 - The agency applies lower income standards that are no lower than the AFDC standards in effect on May 1, 1998.
 - The agency applies higher income standards than those in effect as of July 16, 1996, increased by no more than the percentage increases in the CPI-U since July 16, 1996.
 - The agency applies higher resource standards than those in effect as of July 16, 1996, increased by no more than the percentage increases in the CPI-U since July 16, 1996.
 - The agency uses less restrictive income and/or resources methodologies in determining eligibility on or after July 16, 1996 as follows:
 1. Countable resources – only count cash resources. Cash includes:
 - Money/Currency
 - Un-cashed checks
 - Drafts and warrants
 - Checking
 - Savings
 - Draft, share and money market accounts
 - Time deposits such as certificates of deposit; investments such as stocks, bonds and mutual funds; retirement plans such as IRA's Keogh plans, 401K plans, pension plans and annuities; and trusts

Disregard the funds on deposit in an Individual Development Account (IDA), interest earned on an IDA and matching funds deposited in the IDA.

Disregard funds on deposit in a 529 college savings plan (529 plan), interest earned on a 529 plan and matching funds deposited in the 529 plan.

Disregard \$2,000 of cash resources.

TN NO.: 05-04

Approval Date: 2/25/05

Effective Date: 01/01/2005

Supersedes
TN No.: 01-06