March 18, 2009

Steve Fitton, Acting Director
Medical Services Administration
Federal Liaison Unit
Michigan Department of Community Health
400 South Pine
Lansing, Michigan 48913

ATTN: Nancy Bishop

Dear Mr. Fitton:

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

Transmittal #08-13   Census Income Disregard
                   -- Effective October 1, 2008

If you have any additional questions, please have a member of your staff contact Leslie Campbell at (312) 353-1557.

Sincerely,

[Signature]
Verlon Johnson
Associate Regional Administrator
Division of Medicaid & Children’s Health Operations

Enclosure
TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HUMAN SERVICES

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:
42 CFR 436 Subpart C - 1902 (c)(2) of the Act (CG)
Section 1931 of the Act (CG)

7. FEDERAL BUDGET IMPACT:
   a. FFY 09
   b. FFY 10

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
   Supplement 8a to Attachment 2.6-A, page 2
   Attachment 2.2-A, page 14 (CG)

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (if applicable):
   Supplement 8a to Attachment 2.6-A, page 2
   Attachment 2.2-A, page 14 (CG)

10. SUBJECT OF AMENDMENT:
census income disregard

11. GOVERNOR’S REVIEW (Check One):
   ☐ GOVERNOR’S OFFICE REPORTED NO COMMENT
   ☐ COMMENTS OF GOVERNOR’S OFFICE ENCLOSED
   ☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

Π OTHER, AS SPECIFIED:
   Paul Reinhart, Director
   Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:
   Paul Reinhart

13. TYPED NAME:
   Paul Reinhart

14. TITLE:
   Director, Medical Services Administration

15. DATE SUBMITTED:
   December 18, 2008

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

17. DATE RECEIVED:
   December 18, 2008

18. DATE APPROVED:
   March 18, 2009

19. EFFECTIVE DATE OF APPROVED MATERIAL:
   October 1, 2008

20. SIGNATURE OF REGIONAL OFFICIAL:
   [Signature]

21. TYPE NAME:
   Verlon Johnson

22. TITLE:
   Associate Regional Administrator

23. REMARKS:

FOR REGIONAL OFFICE USE ONLY

PLAN APPROVED - ONE COPY ATTACHED

RECEIVED
DEC 1, 2008
DMCH - ANNA
STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

More Liberal Methods of Treating Income under Section 1902(r)(2) of the Act

disabled individual eligible for assistance under 1902(a)(10)(A)(ii)(XV) of the Act. To be eligible for this earned income disregard the income is subject to the following provisions:

- Only earnings that are deposited into a Freedom Account (see Supplement 8b to Attachment 2.6a) can be disregarded for eligibility purposes.

- Only funds earned after an individual's first enrollment in Medicaid under this section can be considered for the disregard.

- All funds deposited and their source will be identified and registered with the Department for which prior approval has been obtained from the Department, and for which the owner authorizes regular monitoring and/or reporting of these earnings and other information deemed necessary by the Department for the proper administration of this provision.

A spouse's income will not be deemed to the applicant when determining whether or not the individual meets the financial eligibility requirements for eligibility under this section.

Earned income is still used to establish a premium.

9) Wages paid by the Census Bureau for temporary employment related to census activities are excluded for the following eligibility groups:

- Poverty level pregnant women and infants (133 – 185% FPL) under 1902(a)(10)(A)(i)(IV).
- Poverty level children under age 5 (133% FPL) under 1902(a)(10)(A)(i)(VI).
- Poverty level children under age 19 (100% FPL) under 1902(a)(10)(A)(i)(VII).
- Optional categorically needy groups under 1902(a)(10)(A)(ii) as listed below:
  - 1902(a)(10)(A)(ii)(I) – financially eligible for cash assistance or AFDC – all categories
  - 1902(a)(10)(A)(ii)(X) – aged/disabled to 100% FPL
  - 1902(a)(10)(A)(ii)(XV) - TWWIIA


- All aged, blind or disabled groups in 209(b) states under 1902(i).
- QMBs, SLMBs and QIs under 1905(p),

TN NO.: 06-13
Supersedes
TN No.: 04-03

Approval Date: MAR 18 2009
Effective Date: 10/01/2008
STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

Groups Covered

B. Optional Groups other than the Medically Needy (continued)

8. A child for whom there is in effect a State adoption assistance agreement (other than under title IV-E of the Act), who, as determined by the State adoption agency, cannot be placed for adoption without medical assistance because the child has special needs for medical rehabilitative care, and who before execution of the agreement -

a. Was eligible for Medicaid under the State’s approved Medicaid plan; or

b. Would have been eligible for Medicaid if the standards and methodologies of the title IV-E foster care program were applied rather than the AFDC standards and methodologies.

The State covers individuals under the age of -

X 21

20

19

18

The State does not consider income or resources for this population.
Eligibility under Section 1931 of the Act (continued)

2. Income –
   • Disregard all income in excess of 185% gross income test for purposes of the 185% test.
   • Disregard the funds on deposit in an Individual Development Account (IDA), interest earned on an IDA and matching funds deposited in the IDA.
   • Disregard wages paid by the Census Bureau for temporary employment related to census activities.

3. Income deductions –
   • Allow purchase of capital assets and payments on the principal of business loans as a business expense.
   • For applicants who have not received LIF in at least one of the past four months, the state will apply an earned income disregard of $200 plus 20% of the remaining earned income.
   • For applicants or recipients who have received LIF in at least one of the past four months, the state will apply an earned income disregard of $30 plus $1/3 of the remaining income or an earned income disregard of $200 plus 20% of the remaining earned income whichever is most beneficial.

4. No time limit for the $30 plus 1/3 income disregard if a family received Medicaid using the Social Security Act 1931 provisions.

5. All income earned by dependent children who are students is excluded from income and resources

The income and/or resource methodologies that the less restrictive methodologies replace (that were in place before July 16, 1996) are as follows:

1. Countable resources included both cash and noncash.
2. All cash resources were considered.
3. Resource eligibility exists if countable resources are equal to or less than the resources standard for each day in the month.
4. All income was considered for purposes of the 185% gross income test.
5. Did not allow as a business expense, purchase of capital assets and payments on the principle of business loans.
6. The $30 plus 1/3 income disregard was time limited.
7. For applicants that did not receive LIF in at least one of the past 4 months, no earned income disregard was available.
   For applicants and beneficiaries that did receive LIF in at least one of the past 4 months, only the $30 plus 1/3 earned income disregard was available.