

Department of Health & Human Services  
Centers for Medicare & Medicaid Services  
233 North Michigan Avenue, Suite 600  
Chicago, Illinois 60601-5519



Refer to:

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,

A handwritten signature in black ink that reads "Verlon Johnson, Acting". The signature is written in a cursive style.

Verlon Johnson  
Associate Regional Administrator  
Division of Medicaid & Children's Health Operations

Enclosure

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>	1. TRANSMITTAL NUMBER: 08 - 13	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 October 1, 2008	

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 435 Subpart G - 1902 (r)(2) of the Act (CG) Section 1931 of the Act (CG)	7. FEDERAL BUDGET IMPACT: a. FFY 09 \$ -0- b. FFY 10 \$ -0-
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Supplement 8a to Attachment 2.6-A, page 2 Supplement 12 to Attachment 2.6-A, page 2 (CG) 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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Supplement 8a to Attachment 2.6-A, page 2 Supplement 12 to Attachment 2.6-A, page 2 (CG) Attachment 2.2-A, page 14 (CG)
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10. SUBJECT OF AMENDMENT:  
census income 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:  
*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 - 7<sup>th</sup> Floor  
400 South Pine  
Lansing, Michigan 48933  
Attn: Nancy Bishop

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED: December 18, 2008	18. DATE APPROVED: March 18, 2009

PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: October 1, 2008	20. SIGNATURE OF REGIONAL OFFICIAL: <i>Ronald W. Bishop</i>
21. TYPE NAME: Verlon Johnson	22. TITLE: Associate Regional Administrator

23. REMARKS:

**RECEIVED**  
 DEC 19 2008  
 DMCH - A71A

**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:

- Qualified children and pregnant women under 1902(a)(10)(A)(i)(III).
- Poverty level pregnant women and infants (133 –185% FPL) under 1902(a)(10)(A)(i)(IV).
- Poverty level children under age 6 (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)(XI) – recipients of optional State supplements
  - 1902(a)(10)(A)(ii)(XV) - TWWIIA

*NOTE: The Special Income Level Group under 1902(a)(10)(A)(ii)(V), the Individuals Who Would be Eligible if In an Institution Group under 1902(a)(10)(A)(ii)(VI) and the Hospice Group under 1902(a)(10)(A)(ii)(VII) cannot be included in this disregard.*

- Medically Needy under 1902(a)(10)(C)(i)(III).
- All aged, blind or disabled groups in 209(b) states under 1902(f).
- QMBs, SLMBs and QIs under 1905(p),

TN NO.: 08-13

Approval Date: MAR 18 2009

Effective Date: 10/01/2008

Supersedes  
TN No.: 04-03

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT**

State of MICHIGAN

***Groups Covered***

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Citation  
1902(a)(10)(A)(ii)(VIII)  
of the Act

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 - -

21  
\_ 20  
\_ 19  
\_ 18

The State does not consider income or resources for this population.

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TN NO.: 08-13

Approval Date: MAR 18 2009

Effective Date: 10/1/2008

Supersedes  
TN No.: 99-12

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

### ***Financial Eligibility***

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Eligibility under Section 1931 of the Act (continued)

Resource eligibility exists for an entire calendar month if countable resources are equal to, or less than, the resources standard at any time during the month.

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.

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Approval Date: MAR 18 2009

Effective Date: 10/01/2008

Supersedes  
TN No.: 01-06