

Bulletin Number: MSA 19-05

Distribution: Bridges Eligibility Manual (BEM) Holders

Issued: April 1, 2019

Subject: Non-Taxable Annuity Income for Modified Adjusted Gross Income (MAGI)-Based Medicaid Programs

Effective: May 1, 2019

Programs Affected: All MAGI-Based Medicaid Programs

This policy provides clarification on how to treat non-taxable annuity payments for MAGI-based Medicaid groups. For MAGI-based Medicaid programs, there is no asset test. However, disbursements from annuities are generally countable as income in the month that they are received. In some cases, such as structured annuities that result from lawsuit settlements, this annuity income may not be taxable. Therefore, part or all of the annuity payments may not be countable toward an individual's MAGI income. In order to determine what parts of an annuity payment may or may not be countable toward an individual's income, follow the process for referrals to the Trusts & Annuities Unit outlined in BEM 401 to have the annuity evaluated. In the case of MAGI-related annuity evaluations, a copy of the lawsuit settlement agreement must be submitted to the Trusts & Annuities Unit in order to make the determination.

Manual Maintenance

Retain this bulletin until the information is incorporated into the Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Health and Human Services, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at ProviderSupport@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, NPI number, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

Approved



Kathy Stiffler, Acting Director
Medical Services Administration