

(2) Spouse Case

If a married couple who is living together apply, take an application on each if both are interested in Medicaid coverage or on the individual if only one is interested in Medicaid coverage. In either instance:

- (a) Consider the gross income of the couple in determining the adjusted income.
- (b) Do not consider the income and expenses of minor children.
- (c) Consider the medical expenses of the couple in determining whether or not the spenddown is met, when applicable.

In those cases where a married couple are living together and one is eligible for Title XIX under SNC, SAB, or SP conversion and the other applies for MA, treat the MA claimant as a single individual; do not consider the income and medical expenses of the spouse. The income limitation amount is that for a single person.

When the spouse of a Medical Assistance claimant is receiving Medicaid under Blind Pension, MAF (with or without a Temporary Assistance cash grant), MC+ or Transitional Medical Assistance, include that spouse's needs and income (including the BP cash grant) in the Medical Assistance eligibility determination.

When a spouse of a Medical Assistance claimant is receiving MAF with a Temporary Assistance cash grant, do not include the cash grant in the Medical Assistance eligibility determination.

This does not change policy regarding medical expenses of the spouse that are not paid by Medicaid (or MC+) being allowed to meet spenddown. In addition, continue to use the income and expenses of the Medical Assistance client in determining MAF, MC+, Temporary Assistance or General Relief eligibility if the person meets criteria for inclusion in that assistance group.

April 2001

c. Gross Earned Income:

Gross earned income, is the total amount of all earned income, minus any allowable overhead expenses for income producing property. Itemize, explain and verify all income and allowable overhead expenses.

If it can be verified that the claimant's gross income will change during the quarter and if the new amount of income can be verified, average the income over the quarter to determine the claimant's gross income.

EXAMPLE: Mr. Jones applies for MA in July, following an automobile accident. Prior to the accident, he was employed and earning \$600.00 per month. The worker verifies with the employer that Mr. Jones earned \$600.00 in July, and that Mr. Jones is not eligible for sick benefits. The gross income figure entered on Line 1 of the IM-30A is \$200.00 [\$600.00 (July) plus 0 (August) plus 0 (September) = \$600.00 divided by 3 = \$200.00].

If the income change cannot be verified, use the gross income amount received by the claimant during the month of application.

d. Gross Earned Income Deductions:

Deduct the following "overhead expenses" for income producing property, when applicable, to arrive at the gross earned income that is recorded on the IM-30A:

- Verifiable cost of ownership:
  - (1) mortgage or contract payments
  - (2) taxes
  - (3) insurance
- Any verifiable expenses relating to the cost of renting property

EXAMPLE: Ms. Jones became disabled and moved in with her daughter. She receives \$200.00 a month OASDI, and rents her home for \$60.00 a month. Since Ms.

April 2001

Jones' son-in-law actually manages the property, this income is considered non-earned income. She does pay taxes of \$240.00 a year and insurance of \$96.00 on the property she rents. Her expense of producing this income is \$28.00 ( $\$240.00 + \$96.00 = \$336.00$  divided by 12 = \$28.00). Her gross income entered on Line 4 of the IM-30A is \$232.00 [ $\$200.00 + \$32.00$  ( $\$60.00 - \$28.00$ )].

- Any verifiable expenses relating to the cost of producing income from farm property: cost of feed, seed, fertilizers, tools, equipment repair and replacement, labor, cost of operation of farm machinery, shipping costs, custom work, and land rental.

Note: To determine the gross cash income received from farming, refer to the procedures outlined in Chapter XI, Section IV, page 1.

Verify and record the expense on the IM-30A.

e. Income Exclusions

- (1) Department of Mental Health Funds
- (2) Compensation received under the Federal Older Americans Volunteer Program - Section 611 of Title VI of Public Law 93-29 dated May 3, 1973, (also called the "Foster Grandparent" and Older Americans Community Service Program) excludes any income received under this program by the individual volunteers, age 60 or over, from being considered on the budget.