

February 9, 2024

**GENERAL LETTER NO. 6-B-45**

ISSUED BY: Iowa Medicaid

SUBJECT: Employees' Manual, Title 6, Chapter B, **State Supplementary Assistance**, 14, 18-22, 24, 28, 35 and 36, 39-41, 50, 52, 53, 55-61, 65-67, revised.**Summary**

This chapter is revised to reflect the 2024 Social Security cost of living adjustment (COLA) of 3.2 percent, which has resulted in the following State Supplementary Assistance increases:

- The income limit and payment standard for a dependent relative is \$490 per month.
- The income limits for dependent relative eligibility are:
  - \$1,433 for an eligible individual.
  - \$1,905 for an eligible couple.
  - The deduction for an ineligible child is \$472.
- The family-life home income limit is \$1,105.
- The maximum family-life home payment is \$982.
- The maximum residential care per diem rate is \$36.82.
- The personal needs allowance for residential care facility and family-life home is \$123.
- The blind supplement remains at \$22, but the income limits are increased due to the increased SSI payments:
  - \$965 for an individual.
  - \$1,437 for a couple, one of whom is blind.
  - \$1,459 for a couple, both of whom are blind.
- The home maintenance allowance for in-home health-related care has increased to the new SSI standard amounts:
  - \$943 for an individual.
  - \$1,415 for a couple.

**Effective Date**

January 1, 2024.

**Material Superseded**

Remove the following pages from Employees' Manual, Title 6, Chapter B, and destroy them:

<u>Page</u>	<u>Date</u>
14, 18-22, 24, 28, 35 and 36, 39-41, 50, 52, 53, 55-61, 65-67	March 31, 2023

**Additional Information**

Refer questions about this general letter to your area income maintenance administrator.

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## **Blind Supplement**

Legal reference: 441 IAC 52.1(4) and 441 IAC 50.2(1)“a”

An SSA blind supplement is available to any person who:

- Meets the SSI program’s definition of blindness, and
- Is either receiving SSI or meets all SSI eligibility requirements but is over income.

The maximum income levels are:

- \$965 for an individual (\$943 + \$22)
- \$1,437 for an eligible couple, one of whom is blind (\$1,415 + \$22)
- \$1,459 for an eligible couple, both of whom are blind (\$1,415 + \$22 + \$22)

The Social Security Administration is responsible for determining eligibility and issuing supplement payments.

A blind supplement is considered as a state-funded assistance payment that is based on the need of the recipient and thus is excluded income for purposes of determining eligibility for non-MAGI-related Medicaid and client participation.

The blind supplement is also excluded income when determining eligibility for other SSA programs the person may be receiving simultaneously. For example, the blind supplement is not countable income to determine client participation or eligibility for the RCF supplement. See 8-E, [Types Of Non-MAGI-Related Income: Assistance Payments](#).

## **Dependent Person Supplement**

Legal reference: Iowa Code Section 249.3(3)

The intent of the dependent person program is to supplement the income of persons who have a special financial need because they have a dependent living with them. Dependent person payments are made to aged, blind, or disabled persons whose income is too low to meet the needs of a dependent relative living with them.

Apply SSI policies in 8-C, [Nonfinancial Eligibility](#); 8-D, [Resources](#); and 8-E, [Income](#) to determine eligibility. Review [Policies Applicable to All State Supplementary Assistance](#) before determining eligibility for a dependent person supplement. Additional criteria that must be met are discussed in this section.

The applicant may be eligible for Medicaid, including retroactive Medicaid if the individual meets a category of eligibility for the retroactive period as defined in 8-A, [Definitions](#). See 8-F, [SSA Recipients](#), and 8-B, [Determining Eligibility for the Retroactive Period](#).

The following persons are **not** considered financially dependent on the recipient:

- A person who is eligible for SSI.
- A person who is eligible to receive FIP.
- A person who is living with a spouse (other than the recipient).
- A person whose countable income is more than \$490 per month. See [Income \(DP\)](#) to calculate a dependent's countable income.

Mrs. A, a disabled client, lives with her daughter and son-in-law. Because she is living with her spouse, Mrs. A's daughter is not considered financially dependent on Mrs. A and is not eligible as a dependent person.

An "eligible child" is a blind or disabled child who is neither married nor the head of a household and is under the age of 18, or is under age 22 and is regularly attending school. If the recipient is an eligible child, the child's parent may be added as a dependent if:

- The parent is ineligible for FIP and SSI;
- The parent is not living with a spouse; and
- The parent has income less than \$490 after diversions to ineligible children, exclusions, and deductions. See [Parent of an Eligible Child](#).

If the recipient is an adult, the recipient's parent may be added as a dependent if the parent:

- Is ineligible for FIP and SSI;
- Is not living with a spouse; and
- Has income less than \$490 after diversions, exclusions, and deductions.

A recipient can receive a dependent person supplement for only one dependent. If there is more than one dependent, the recipient must decide which of the dependents to include.

Mr. D receives \$950 gross monthly social security disability benefits. His wife and baby each receive \$90 social security benefits. The family is ineligible for FIP. Either Mr. D's wife or baby could qualify as a dependent person. It is Mr. D's choice who to include.

A husband and wife who are both receiving SSI are eligible to receive SSA for only one dependent, not one dependent for each of them.

Mr. and Mrs. P are over 65. Their adult children are living with them and are not disabled. Only one child can be a dependent for SSA purposes.

**Income (DP)**

Legal reference: 20 CFR 416.1112(b) and Appendix, 20 CFR 416.1165, 20 CFR 416.1167, 44I IAC 50.2(1), 44I IAC 51.4(1), 44I IAC 52.1(2)

Use SSI policy when determining countable income. Refer to [8-E. Types of Non-MAGI-Related Income](#) for how to treat various types of income.

When a client is an SSI recipient, it is not necessary to verify the client’s income. Rely on the countable income as determined by the Social Security Administration and reported on the SDX. The fields to use on the SDX are:

- Gross earned income
- Gross unearned income
- SSI payment
- Deemed income
- Plan for self-support disregard
- Blind work expense disregard
- Net self-employment

In order for a client to be eligible for a dependent person supplement:

- The dependent must have countable income of less than \$490 per month, and
- The total countable monthly income of the recipient, the spouse, and the dependent relative must be less than the applicable assistance standard established by the Department:

<b>If the family group includes:</b>	<b>The income limit is:</b>
Aged or disabled client and a dependent relative	\$1,433
Aged or disabled client, spouse who is age 65 or older or disabled, and a dependent relative	\$1,905
Blind client and a dependent relative	\$1,455
Blind client, aged or disabled spouse, and a dependent relative	\$1,927
Blind client, blind spouse, and a dependent relative	\$1,949

If SSI is deeming income from the client’s spouse, the spouse is not eligible as a dependent person because the spouse’s income exceeds \$490. Also, if SSI is deeming income from a parent to an eligible child, the parent is not eligible.

Mr. A has four children, one of whom receives SSI. SSI is deeming \$12 of Mr. A’s income to the SSI-eligible child. Mr. A is ineligible for dependent person status.

### **Deductions**

Legal reference: 44I IAC 51.4(1)

When determining income eligibility for the dependent person supplement, apply the following deductions in the order listed:

1. Deduct the first \$20 of earned or unearned income. **EXCEPTION:** Do **not** apply the \$20 disregard to income that is based on need, such as income paid by a federal agency (including veteran's pension) or a charitable organization.

Apply only one \$20 deduction to any dependent-person group. Apply the deduction in the way that is the most advantageous to the client:

- If there is earned income only, apply the deduction to the earnings of the dependent first. Apply any remaining amount of the deduction to the earnings of the eligible person.
- If there is unearned income only, apply the deduction to the combined income of the eligible person and dependent.
- If there is both earned and unearned income, apply the deduction first to the unearned income. Apply any remaining amount of the deduction to the earned income of the eligible person.

2. Deduct \$65 per month of the **recipient's** remaining earned income to cover work expenses, plus one-half of the remaining balance.

Deduct \$65 per month of the **dependent's** earned income, but do **not** apply the deduction of one-half of the balance.

### **Parent of an Eligible Child**

Legal reference: 44I IAC 51.4(1) and 44I IAC 52.1(2)

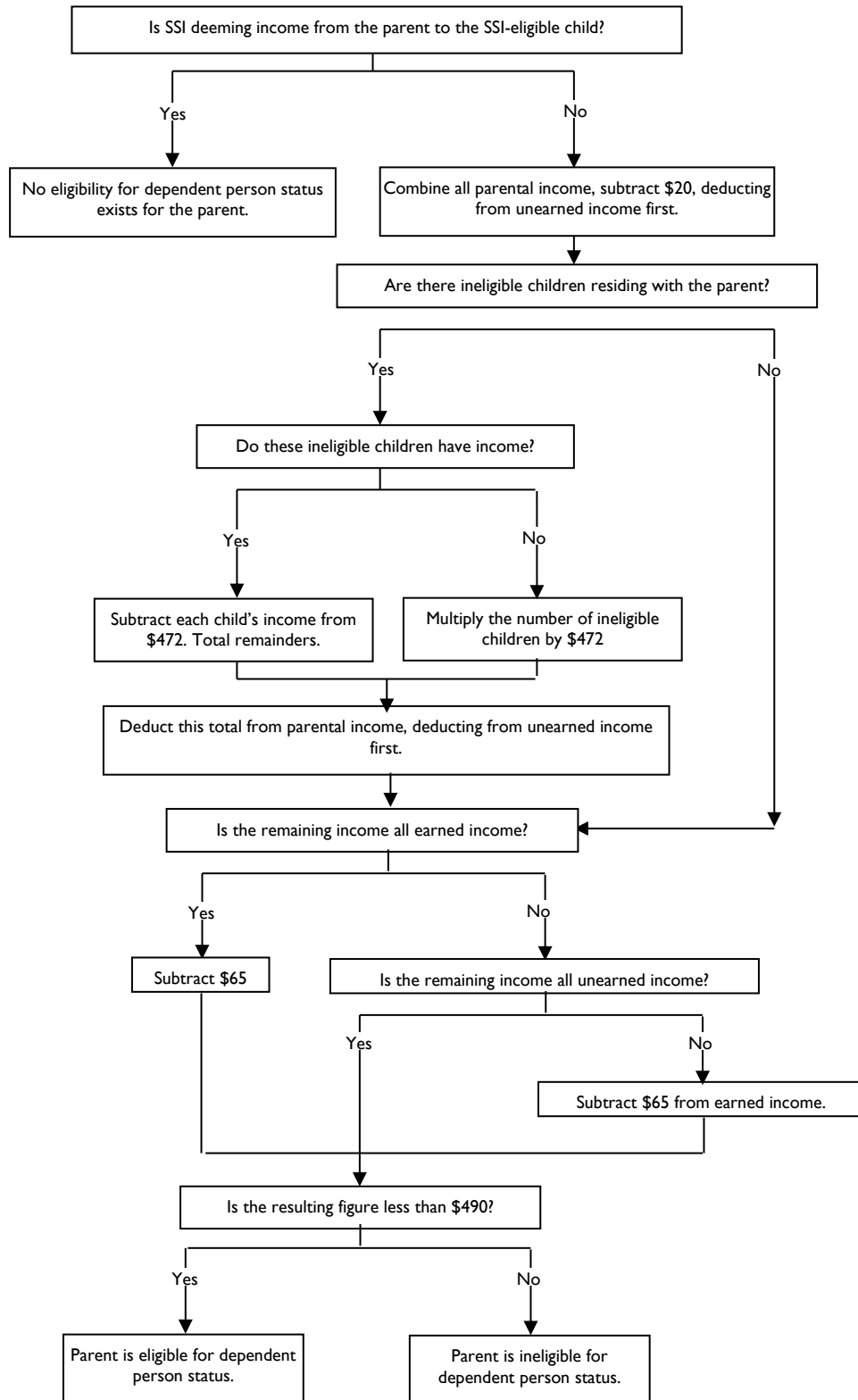
To determine a parent's countable income for dependent person status:

1. Determine the total monthly income of the parent according to SSI policy. See 8-E, [Deeming Non-MAGI-Related Income](#).
2. Subtract the \$20 deduction (first from unearned income, and any remainder from earned income).
3. For each ineligible child, subtract an additional \$472 minus any income of the child. Make this deduction from unearned income first.
4. Subtract \$65 from any remaining earned income. (Do not subtract one-half earned income disregard.)
5. If the balance is less than \$490, the parent is income-eligible as a dependent person.

Mrs. C has three children, one of whom receives SSI. Mrs. C receives \$900 unemployment each month. Each child receives \$50 child support.

\$ 900	Mrs. C's income
- 20	General income exclusion
<u>\$ 880</u>	
- 814	Diversion for ineligible children ( $\$472 - 50 = \$422 \times 2 = \$844$ )
<u>\$ 36</u>	

Since \$36 countable income is less than \$490, Mrs. C can be added as a dependent person of the child who receives SSI.



The **Social Security Administration notifies the recipient** when the supplement is canceled. Complete a Medicaid redetermination and issue a Medicaid notice of decision if applicable.

## **Family-Life Home Supplement**

Legal reference: Iowa Code Section 249.3(2)“a”(1)

A “family-life home” is a private household offering a protective social living arrangement for one or two adult clients who are unable or unwilling to adequately maintain themselves in an independent living arrangement, but are physically capable of caring for themselves.

In such a living arrangement, the family provides the client’s room, board, and laundry services. The family also encourages the client to share in the interests and activities of the household and to participate in the social, cultural, educational, religious, and other activities of the community.

For the family-life home (FLH) supplement, an eligible person’s income is supplemented with a family-life home payment so that the person’s total income (including the family-life home payment) equals \$1,105. Once the person’s income is brought up to \$1,105, the person then pays the family-life home \$982 and retains \$123 for personal needs expenses.

Apply SSI policies in [8-C. Nonfinancial Eligibility](#), [8-D. Resources](#), and [8-E. Income](#), to determine eligibility. Review [Policies Applicable to All State Supplementary Assistance](#) before determining eligibility for a family-life home payment. Additional criteria that must be met are discussed in this section.

The recipients of family-life home payments may be eligible for Medicaid, including retroactive Medicaid if the individual meets a category of eligibility for the retroactive period as defined in [8-A. Definitions](#). See [8-F. SSA Recipients](#), and [8-B. Determining Eligibility for the Retroactive Period](#).

### **Administration (FLH)**

Legal reference: 20 CFR 416.2015, 20 CFR 416.2020, 441 IAC 50.2(249)

The Department and the Social Security Administration jointly administer the family-life home supplement. The Department determines eligibility for the supplement. The Social Security Administration determines the amount of the supplement and makes the payment.

Responsibilities of the income maintenance worker include:

- Explaining to clients:
  - What the scope of SSA and non-MAGI-related Medicaid programs is and what choice of programs is available.
  - That penalties that may be applied for giving false, misleading, or incomplete information; not reporting changes in circumstances; and accepting assistance for which the person is not eligible, as described on forms 470-5170 and 470-5170(S), *Application for Health Coverage and Help Paying Costs*.



### **Income (FLH)**

Legal reference: 44I IAC 52.1(1), 44I IAC 50.2(1)

Determine countable income according to SSI policies. (See [8-E, Income.](#)) **EXCEPTION:** Do not allow the \$20 income disregard.

The countable income of the person must not be more than the standard allowance established by the Department to cover family-life home care, which is \$1,105. If the applicant has enough countable income to cover these needs, the applicant is not eligible for a family-life home payment.

### **Making the Family-Life Home Payment**

Legal reference: 44I IAC 50.2(1), 44I IAC 52.1(1)

The Social Security Administration determines the amount of the family-life home supplement and makes the payments to recipients.

The maximum family-life home supplement a recipient may receive is \$162 (\$1,105 - \$943 SSI standard). However, the Department has instructed the Social Security Administration to make a maximum payment of only \$142.

This is because the Social Security Administration uses SSI policy to calculate countable income and applies the \$20 disregard, even though it is not allowed under the family-life home program.

With a maximum payment of \$142, the recipient's total income, including the family-life home payment, will correctly equal \$1,105 when the Social Security Administration allows the \$20 disregard for recipients who have unearned income other than SSI.

For a recipient who has only SSI and no other income (and hence no \$20 to disregard), an additional \$20 payment is necessary so that the total income is equal to the standard allowance. The \$20 SSA payment administered by the Department will come the month after service is provided, will be paid to the client, and must be paid to the provider. Generate the payment through the ABC system. See [14-B\(9\), State Supplementary Assistance Case Actions: Approving an Application: Automated: Family-Life Home.](#)

All payments are issued to the recipient or the recipient's financial representative. The recipient keeps \$123 for personal needs and pays the certified family-life home \$982. The recipient is responsible for paying the family-life home.

The Social Security Administration:

- Notifies the recipient when a family-life home supplement is approved for payment;
- Informs the Department local office of the approval by returning form 470-0640, *State Supplementary Assistance Certification or Termination*; and
- Notifies the recipient whenever the family-life home supplement is changed or terminated.

The household consists of the recipient, the recipient's spouse, and two children. The spouse has earned income of \$4,500.

\$ 4,500.00	Earnings
- 65.00	
\$ 4,435.00	Divided by 2 = \$2,217.50
\$ 2,217.50	
- 1,415.00	Home maintenance allowance for couple
\$ 802.50	
- 944.00	Home maintenance allowance for children (\$472 x 2)
\$ .00	Client participation

Do not allow the \$20 disregard. Do not count the \$22 special blind allowance when determining client participation.

Do not count children's income when computing the household's gross income.

When the first month of service is less than a full month, client participation is not required for that month. The program will pay for the actual days of service provided according to the agreed-upon rate. If a case is closed and later reopened, it may have more than one partial month.

If the client is receiving VA aid and attendance benefits to assist with home health care costs, consider the aid and attendance benefits as supplementation. See [Policies Applicable to All State Supplementary Assistance: Income](#).

### **Home Maintenance Allowance (IHHRC)**

Legal reference: 441 IAC 177.4(7)"a" and "c"

For home maintenance costs, deduct from the considered income the amount of the basic SSI income standard for an individual, a couple, or a dependent (minus the dependent's countable income). The following standards apply:

\$ 943	Individual
\$ 1,415	Couple
\$ 472	Maximum additional allowance for each dependent

Use these amounts as the home maintenance allowance both when the recipient receives an SSI payment and when the recipient's income exceeds SSI standards. When a married couple lives together, give the couple allowance even if only one spouse receives in-home health-related care.

Subtract a dependent's income from the additional home maintenance allowance for a dependent maximum.

1.	Ms. A lives alone and receives social security and SSI:
	\$ 543 Social security
	+ 420 SSI
	\$ 963 Total income
	- 943 Home maintenance allowance
	\$ 20 Client participation
2.	The household consists of Mr. B and his child. Mr. B receives \$1,400 in social security benefits; the child receives \$125.
	\$ 472 Home maintenance for dependent
	- 125 Child's social security
	\$ 347 Additional home maintenance allowance for the dependent
	\$ 1,400 Mr. B's social security
	- 943 Home maintenance allowance for individual
	\$ 457
	- 347 Additional home maintenance allowance for dependent
	\$ 110 Client participation
3.	The household consists of Ms. C and her minor child. Ms. C receives \$1,300 in social security, and her child receives \$210.
	\$ 472 Home maintenance allowance for dependent
	- 210 Child's social security
	\$ 262 Additional home maintenance allowance for dependent
	\$ 1,300 Ms. C's social security
	- 943 Home maintenance allowance for individual
	- 262 Additional home maintenance allowance for dependent
	\$ 95 Client participation

### **Deduction for Unmet Medical Needs (IHHRC)**

Legal reference: 441 IAC 177.4(7)“c,” “d,” and “e”

“Established unmet medical needs” include costs such as prescriptions, visits to practitioners, and related travel expenses needed on an ongoing basis and not covered by insurance or Medicaid.

Deduct from the family’s income the established medical needs of ineligible family members that are not otherwise met.

Deduct from either the client’s or the family’s income the established medical needs of the members that are not otherwise met and would not be met by Medicaid.

Medicare Part A or Part B premiums, health insurance premiums, and Medicaid copayments are **not** unmet medical needs. The following expenses related to Medicare Part D **can** be allowed as an unmet medical need:

- Part D premiums paid by the client.
- Prescriptions paid by the client that apply to the Part D deductible.

1.	Child A has \$900 in a savings account and has one parent in the home. The parent has \$2,200 in government bonds.
	\$ 2,200 Parent's resources
	- 2,000 Exempt
	\$ 200 Deemed to Child A
	\$ 900 Child A's resources
	+ 200 Deemed from parent
	\$ 1,100 To compare to the resource limit for one
	Child A is resource-eligible for State Supplementary Assistance.
2.	Child B has no resources of his own. Both parents are in the home and they have \$5,500 in savings.
	\$ 5,500 Parent's resources
	- 3,000 Exempt
	\$ 2,500 Deemed to Child B
	Child B is ineligible due to excess resources compared to the one-person limit of \$2,000.

### **Deeming Parents' Income**

Legal reference: 441 IAC 177.4(8)"a"

The method of computing income to be deemed to the eligible child depends upon the type of income the parent receives.

For parents with **earned income only**, allow the following deductions before deeming income to the eligible child:

- \$65 work expense.
- Double the SSI allowance (\$1,886 for one parent, \$2,830 for two parents).
- Home maintenance allowances for each additional dependent other than the eligible child (maximum of \$472 per child). Subtract any income of the dependent from the maximum deduction.
- Unmet medical needs of parents and ineligible children.

1. The D family consists of the eligible child, two parents, and two ineligible siblings. Mr. D has earnings of \$4,000 per month.	
\$ 4,000	Parent's income
- 65	Work expense
\$ 3,935	
- 2,830	Double the SSI allowance for a couple
\$ 1,105	
- 944	Maintenance for siblings (\$472 x 2)
\$ 161	Deemed to eligible child
2. The E family consists of the eligible child, two parents, and two ineligible children. Mr. E has earnings of \$4,000 per month. The two ineligible children each have social security income of \$150 per month.	
\$ 4,000	Parent's income
- 65	Work expense deduction
\$ 3,935	
- 2,830	Double the SSI allowance for a couple
\$ 1,105	
- 644	Maintenance allowance for siblings (\$472 maximum allowance per child minus \$150 income = \$322 per child. \$322 x 2 = \$644)
\$ 461	Deemed to eligible child

For parents with **unearned income** only, allow the following deductions before deeming income to the eligible child:

- SSI allowance for parents (\$943 for one parent, \$1,415 for a couple).
- Home maintenance allowances for each additional minor child other than the eligible child (maximum of \$472 per child). Subtract the income of the minor child from the maximum deduction.
- Unmet medical needs of parents and ineligible dependents.

The household consists of the eligible child and her mother. The mother receives unemployment benefits of \$950.	
\$ 950	Mother's income
- 943	SSI allowance for mother
\$ 7	Deemed to child

For parents who receive both **earned and unearned income**, allow the following deductions before deeming income to the eligible child:

- \$65 plus one-half of the remainder of earned income.
- SSI allowance for parents (\$943 for one parent, \$1,415 for two parents).
- Home maintenance allowances for each additional dependent other than the eligible child (maximum of \$472 per child). Subtract the income of the dependent from the maximum deduction.
- Unmet medical needs of parents and ineligible dependents.

The G family consists of the eligible child, two parents, and one ineligible sibling. Mr. G has a retirement pension of \$900. Mrs. G has earnings of \$1,500.	
\$ 1,500.00	Mrs. G's earnings
- 65.00	
\$ 1,435.00	Divided by 2 = \$717.50
\$ 717.50	Mrs. G's countable income
+ 900.00	Mr. G's countable income
\$ 1,617.50	
- 1,415.00	SSI allowance for couple
\$ 202.50	
- 472	Home maintenance for sibling
\$ 00.00	Deemed to the eligible child

**Client Participation for Children (IHHRC)**

Legal reference: 441 IAC 177.4(8)“b”

When determining client participation, count all income received by the child or deemed from the parents, unless specifically exempt in 8-E, [Income](#). Apply the following deductions:

- One-third of any child support received by the child from an absent parent.

\$ 1,500.00	Child support payment
- 500.00	1/3 exclusion
\$ 1,000.00	Child's countable income
- 943.00	Home maintenance allowance
\$ 57.00	Client participation

- Home maintenance allowance equal to the SSI standard for one person, currently \$943.

\$ 600.00	Child's social security
+ 450.00	Income deemed from parents
\$ 1,050.00	Child's total countable income
- 943.00	Home maintenance allowance
\$ 107.00	Client participation

- Net self-employment

The \$20 disregard is not allowed for the residential care supplement, which means that:

- An SSI recipient who has no income other than SSI will commonly have countable income for the purposes of the residential care supplement equal to the SSI payment standard (\$943).
- An SSI recipient who has unearned income other than SSI will commonly have countable income for the purposes of the residential care supplement equal to the SSI payment standard plus \$20 (\$963). The difference is due to the \$20 income disregard allowed by SSI but not allowed by the residential care facility assistance.
- An SSI recipient who has no unearned income other than SSI but who does have earned income of more than \$85 per month will commonly have countable income for the purposes of the residential care supplement equal to the SSI payment standard plus \$10 (\$953).

The difference is due to the \$20 income disregard allowed by SSI but not allowed by the residential care facility assistance. Because SSI applies the \$20 disregard before the one-half earned income disregard, the result is a \$10 difference rather than a full \$20 difference.

Even when an SSI recipient's income amount changes, the recipient's total countable income will still commonly equal one of the above three amounts, because any increase or decrease in income will be offset with an increase or decrease in the SSI benefit.

Some SSI recipients may have total countable income that is not equal to one of these amounts such as when they have unearned income between \$0 and \$20 or total earned income between \$65 and \$85.

A person's countable income is used to calculate client participation. See [Client Participation \(RCF\)](#).

### **Income Limits**

Legal reference: 441 IAC 51.3(3), 441 IAC 52.1(3)

The residential care supplement does not have a standard income limit. Rather, a person meets income eligibility criteria when the person's client participation is less than the cost of care for a 31-day month based on the per diem rate established for the facility, up to the maximum per diem rate.

Accordingly, income eligibility is dependent on the cost of care. These may vary depending on the facility in which the person lives. See [Client Participation \(RCF\)](#) for instructions on calculating client participation, and [Billing and Payments](#) for explanations of facility per diem rates and maximum allowable rates.

When the person's calculated client participation is above the cost of care for a month of fewer than 31 days, the person remains eligible for Medicaid, even if no SSA payment is made.

If the person's calculated client participation is over the cost of care for a 31-day month based on the per diem rate established for the facility, the person has enough income to meet the person's needs and is not eligible for SSA.

### **Client Participation (RCF)**

Legal reference: 441 IAC 52.1(3)“a”

Client participation is the amount of the client’s own income that must be applied towards the cost of care in a residential care facility before state funds are used for that purpose.

Apply all of a client’s income (as determined under non-MAGI-related policies in 8-E, [Income](#)) to meet the cost of the client’s care in an RCF, after applying the following deductions in the order listed:

1. Impairment-related work expenses for earned income, as defined by SSI. The system does not do this calculation. Manually subtract the impairment-related work expenses from the gross earned income and enter the remainder in the BCW2 EARNED INCOME field so the system can correctly calculate the \$65 plus one-half deduction.
2. \$65 work expense plus one-half of any remaining earned income.
3. \$123 personal needs allowance. See [Personal Needs Allowance \(RCF\)](#).
4. Funds to meet the basic needs of a spouse living in the home of the client (SSI benefit amount for an individual minus the spouse’s countable income). See [Diversion to Spouse and Dependent Children](#).
5. Funds to meet the basic needs of a dependent child living with the spouse at home (SSI benefit amount for a dependent minus the dependent’s countable income minus the income of the parent at home that exceeds the SSI benefit for one). See [Diversion to Spouse and Dependent Children](#).
6. Any established unmet medical need of the resident.
7. Any established unmet medical needs of the spouse and dependent if a diversion for their basic needs is also being made.
8. The expenses of the previous living arrangement. See [First-Month Client Participation](#).

NOTE: Do not allow the SSI \$20 income disregard.

### **Personal Needs Allowance (RCF)**

Legal reference: 441 IAC 52.1(3)“a”(2), 441 IAC 54.5(249)

A recipient of residential care facility assistance is entitled to a personal needs allowance of \$123 per month. The client (or the client’s guardian or conservator) may:

- Keep the funds in cash.
- Deposit the funds in a bank account.
- Designate a friend or relative to manage the funds.
- Deposit the funds with the operator of the RCF.

When the facility manages the personal funds of a resident, the operator of the facility must establish and maintain a system of accounting for expenditures from the resident’s personal needs fund.



The funds must be refunded to the resident on the day the resident leaves the facility.

### **Diversions to Spouse and Dependent Children**

Legal reference: 20 CFR 416.1160(d), 441 IAC 52.1(3)“a”(3) and (4)

When a client enters a residential care facility, divert income to meet the unmet basic needs of a spouse and any dependent children living at home, unless the spouse or dependent is receiving or is eligible to receive SSI benefits.

For this purpose, a person is the client’s dependent when the client is entitled to take a deduction for that person on the client’s personal income tax return.

- For the spouse at home, deduct the amount of the SSI benefit for an individual (currently \$943) minus the spouse’s countable income.
- For each dependent child living at home with the spouse, deduct the amount of the SSI allowance for a dependent (currently \$472) minus the dependent’s countable income and the amount of countable income from the parent at home that exceeds the SSI benefit for one.

The spouse and dependents must apply for and accept all benefits they may be eligible for in order for this diversion to apply. See [Policies Applicable to All State Supplementary Assistance: Nonfinancial Eligibility](#).

### **Deduction for Unmet Medical Needs (RCF)**

Legal reference: 441 IAC 52.1(3)“a”(5)

Deduct from the client’s income established unmet medical needs that are needed on an ongoing basis and are not covered by insurance or Medicaid. (These may include monthly costs, such as visits to practitioners and related travel expenses.)

Do not consider health insurance premiums (other than Medicare Part D premiums) and Medicaid copayments as unmet medical needs. Also do not consider unpaid past bills as unmet medical needs.

Medicare Part D expenses can be allowed as an unmet medical need as follows:

- Part D premiums paid by the member.
- Prescriptions paid by the member that apply to the Part D deductible.
- Part D coinsurance or copayments that the member pays for prescriptions.
- Prescriptions paid for by the member that are not covered in the Part D plan’s formulary. The member must have applied for an exception for the plan to cover the drug and be denied.
- Prescriptions paid for by the member for Part D covered drugs when the client is eligible, but has not signed up for Part D.

**Calculating Client Participation**

**Single Applicant**

Count a single individual's income, minus the allowed deductions and diversions, towards the cost of care.

1.	Mr. X lives in a residential care facility and has no income other than SSI.																
	<table> <tr> <td>\$ 943</td> <td>SSI benefit</td> </tr> <tr> <td>- 123</td> <td>Personal needs allowance</td> </tr> <tr> <td>\$ 820</td> <td>Client participation</td> </tr> </table>	\$ 943	SSI benefit	- 123	Personal needs allowance	\$ 820	Client participation										
\$ 943	SSI benefit																
- 123	Personal needs allowance																
\$ 820	Client participation																
2.	Mrs. B lives in a residential care facility and has unearned income (social security) of \$120. Her SSI benefit is determined as follows:																
	<table> <tr> <td>\$ 120</td> <td>Social security</td> </tr> <tr> <td>- 20</td> <td>Income exclusion</td> </tr> <tr> <td>\$ 100</td> <td>Countable income</td> </tr> <tr> <td>\$ 943</td> <td>SSI benefit rate</td> </tr> <tr> <td>- 100</td> <td>Countable income</td> </tr> <tr> <td>\$ 843</td> <td>SSI benefit</td> </tr> </table>	\$ 120	Social security	- 20	Income exclusion	\$ 100	Countable income	\$ 943	SSI benefit rate	- 100	Countable income	\$ 843	SSI benefit				
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- 20	Income exclusion																
\$ 100	Countable income																
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- 100	Countable income																
\$ 843	SSI benefit																
	Calculation of client participation:																
	<table> <tr> <td>\$ 120</td> <td>Social security</td> </tr> <tr> <td>+ 843</td> <td>SSI benefit</td> </tr> <tr> <td>\$ 963</td> <td></td> </tr> <tr> <td>- 123</td> <td>Personal needs allowance</td> </tr> <tr> <td>\$ 840</td> <td>Client participation</td> </tr> </table>	\$ 120	Social security	+ 843	SSI benefit	\$ 963		- 123	Personal needs allowance	\$ 840	Client participation						
\$ 120	Social security																
+ 843	SSI benefit																
\$ 963																	
- 123	Personal needs allowance																
\$ 840	Client participation																
3.	Mr. L lives in a residential care facility. He has social security income of \$700 and earned income of \$333 and has impairment-related work expenses of \$100 per month. The client participation calculation is as follows:																
	<table> <tr> <td>\$ 700.00</td> <td>Social security income</td> </tr> <tr> <td>+ 333.00</td> <td>Earned income</td> </tr> <tr> <td>\$ 1,033.00</td> <td></td> </tr> <tr> <td>- 100.00</td> <td>Impairment-related work expenses</td> </tr> <tr> <td>- 65.00</td> <td>Work expense exclusion</td> </tr> <tr> <td>- 84.00</td> <td>Half of the remaining earned income (\$333 - \$100 - \$65 divided by 2)</td> </tr> <tr> <td>- 123.00</td> <td>Personal needs allowance</td> </tr> <tr> <td>\$ 661.00</td> <td>Client participation</td> </tr> </table>	\$ 700.00	Social security income	+ 333.00	Earned income	\$ 1,033.00		- 100.00	Impairment-related work expenses	- 65.00	Work expense exclusion	- 84.00	Half of the remaining earned income (\$333 - \$100 - \$65 divided by 2)	- 123.00	Personal needs allowance	\$ 661.00	Client participation
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+ 333.00	Earned income																
\$ 1,033.00																	
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- 65.00	Work expense exclusion																
- 84.00	Half of the remaining earned income (\$333 - \$100 - \$65 divided by 2)																
- 123.00	Personal needs allowance																
\$ 661.00	Client participation																
	The worker will enter the impairment-related work expenses for earned income in ELIAS. Refer to NJA0014 – State Supp RCF for more details.																

**Applicant Receives Dependent Person Assistance for an Ineligible Spouse or Other Dependent Relative**

When an applicant who receives dependent person assistance enters a residential care facility, terminate the payment for the dependent relative using form 470-0640, *State Supplementary Assistance Certification or Termination*.

Divert income from the client to meet the needs of the dependent. Apply any applicable diversions from the client to meet the needs of the spouse or dependent.

1.	Mr. J lives in a residential care facility. He has no income other than SSI. Mrs. J lives in the couple's home. She is not SSI-eligible and has no income.																								
	<table> <tr> <td>\$ 943</td> <td>SSI benefit</td> </tr> <tr> <td>- 123</td> <td>Personal needs allowance</td> </tr> <tr> <td>\$ 820</td> <td></td> </tr> <tr> <td>- 820</td> <td>Diversion for spouse</td> </tr> <tr> <td>\$ 0</td> <td></td> </tr> </table> <p>Only \$820 can be diverted to Mrs. J (instead of the SSI benefit of \$943), because the personal needs allowance must be deducted first.</p>	\$ 943	SSI benefit	- 123	Personal needs allowance	\$ 820		- 820	Diversion for spouse	\$ 0															
\$ 943	SSI benefit																								
- 123	Personal needs allowance																								
\$ 820																									
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\$ 0																									
2.	Mr. M lives in a residential care facility and has social security income of \$1,200 (over income for SSI). Mrs. M lives in the couple's home. She is not SSI-eligible and has no income.																								
	<table> <tr> <td>\$ 1,200</td> <td>Social security income</td> </tr> <tr> <td>- 123</td> <td>Personal needs allowance</td> </tr> <tr> <td>\$ 1,077</td> <td></td> </tr> <tr> <td>- 943</td> <td>Diversion for spouse</td> </tr> <tr> <td>\$ 134</td> <td>Client participation</td> </tr> </table>	\$ 1,200	Social security income	- 123	Personal needs allowance	\$ 1,077		- 943	Diversion for spouse	\$ 134	Client participation														
\$ 1,200	Social security income																								
- 123	Personal needs allowance																								
\$ 1,077																									
- 943	Diversion for spouse																								
\$ 134	Client participation																								
3.	Mr. A receives social security income of \$200 and SSI of \$767.50. Mrs. A has monthly earnings of \$1,000. Mr. A enters a residential care facility in June. Mrs. A remains at home. Mr. A's SSI benefit in June is calculated as follows:																								
	<table> <tr> <td>\$ 200.00</td> <td>Mr. and Mrs. A's combined unearned income</td> </tr> <tr> <td>- 20.00</td> <td>Income exclusion</td> </tr> <tr> <td>\$ 180.00</td> <td>Combined countable unearned income</td> </tr> <tr> <td>\$ 1,000.00</td> <td>Combined earned income</td> </tr> <tr> <td>- 65.00</td> <td>Work expense exclusion</td> </tr> <tr> <td>- 467.50</td> <td>One-half of remainder</td> </tr> <tr> <td>\$ 467.50</td> <td>Combined countable earned income</td> </tr> <tr> <td>+ 180.00</td> <td>Combined countable unearned income</td> </tr> <tr> <td>\$ 647.50</td> <td>Combined countable income</td> </tr> <tr> <td>\$ 1,415.00</td> <td>SSI benefit rate for couple</td> </tr> <tr> <td>- 647.50</td> <td>Countable income</td> </tr> <tr> <td>\$ 767.50</td> <td>SSI benefit amount</td> </tr> </table>	\$ 200.00	Mr. and Mrs. A's combined unearned income	- 20.00	Income exclusion	\$ 180.00	Combined countable unearned income	\$ 1,000.00	Combined earned income	- 65.00	Work expense exclusion	- 467.50	One-half of remainder	\$ 467.50	Combined countable earned income	+ 180.00	Combined countable unearned income	\$ 647.50	Combined countable income	\$ 1,415.00	SSI benefit rate for couple	- 647.50	Countable income	\$ 767.50	SSI benefit amount
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- 647.50	Countable income																								
\$ 767.50	SSI benefit amount																								

The SDX "DEEMED INCOME" field indicates only what the couple's combined total countable income is (\$647.50). The SDX does not indicate the total gross income of the ineligible spouse or the eligible spouse's type of income.

However, SSI's determination of the couple's countable income is still used to determine State Supplementary Assistance (SSA) eligibility and client participation, as shown below.

During June, Mr. and Mrs. A continue to be treated as one household for both SSI and SSA eligibility. The SDX "DEEMED INCOME" field is used to determine the couple's total countable income.

\$ 647.50	Couple's total countable income (SDX DEEMED INCOME field)
+ 20.00	Exclusion allowed for SSI calculation but not allowed for SSA calculation
+ <u>767.50</u>	SSI benefit
\$ 1,435.00	
- 123.00	Personal needs allowance
- <u>1,415.00</u>	Home maintenance allowance for month of entry
\$ .00	Client participation for month of entry

Beginning in July, Mr. and Mrs. A are treated individually for both SSI and State Supplementary Assistance (SSA). Mr. A's SSI benefit changes to \$763 His client participation is calculated as follows:

\$ 200.00	Mr. A's social security
+ <u>763.00</u>	Mr. A's SSI
\$ 963.00	
- <u>123.00</u>	Personal needs allowance
\$ 840.00	
- <u>485.50</u>	Diversion for Mrs. A (943 - 457.50 [1,000 - 20 = 980 - 65 ÷ 2])
\$ 354.50	Client participation

- Mr. B enters a residential care facility in May. He receives social security of \$890. Mrs. B remains at home. She receives social security of \$870.

Because neither Mr. B nor Mrs. B was an SSI recipient when Mr. B entered the facility, the spouses are treated separately beginning in May. Only Mr. B's income and resources are considered for SSA eligibility.

- Mr. T receives social security income of \$1,150. Mrs. T is not aged, blind, or disabled. She receives unearned income of \$100. Mr. and Mrs. T also have a dependent child with no income. Mr. T enters a residential care facility in April. Mrs. T and the dependent child remain at home.

Because neither Mr. T nor Mrs. T was determined to be eligible for SSI in the month of entry, their income and resources are considered separately. Mr. T's eligibility and client participation is determined as follows:

April:

\$ 1,150	Social security
- 123	Personal needs allowance
- 1,415	Home maintenance allowance
- <u>472</u>	Diversion for dependent's basic needs
\$ 0	Client participation

May:

\$ 1,150	Social security
- 123	Personal needs allowance
- 863	Diversion to the spouse (943 – (100 – 20))
- <u>472</u>	Diversion for dependent's basic needs
\$ 0	Client participation

**Applicant Has SSI-Eligible Spouse at Home**

When the SSI benefit is based on the needs of the applicant and an eligible spouse, the basic SSI payment standard is \$1,415 for the couple. When one member of the married couple enters an RCF, treat the spouses as individuals beginning in the month after the month of entry.

- I. Mr. K enters a residential care facility in March. He has social security income of \$175. Mrs. K lives in the couple's home. She has social security income of \$100. Mr. and Mrs. K receive SSI of \$1,160 as a couple.

For March, the Social Security Administration continues to treat Mr. and Mrs. K as a couple for SSI eligibility purposes. Mr. and Mrs. K are also treated as a couple for State Supplementary Assistance (SSA) eligibility.

Calculation of client participation for March:

\$ 175	Mr. K's social security income
+ 100	Mrs. K's social security income
+ <u>1,160</u>	SSI benefit
\$ 1,435	Total income
- 123	Personal needs allowance
- <u>1,415</u>	Home maintenance allowance for month of entry
\$ 0	Client participation for month of entry

Beginning in April, the Social Security Administration treats Mr. and Mrs. K as individuals for SSI eligibility. Mr. and Mrs. K are also treated as individuals for SSA eligibility.

<u>Calculation of Mr. K's SSI:</u>	
\$ 175	Mr. K's social security
- 20	Income exclusion
\$ 155	Countable income
\$ 943	SSI individual benefit rate
- 155	Mr. K's countable income
\$ 788	SSI benefit
<u>Calculation of client participation:</u>	
\$ 175	Social security
+ 788	SSI benefit
\$ 963	
- 123	Personal needs allowance
\$ 840	Client participation
No diversion is made for Mrs. K because she now receives SSI as an individual, so her needs are met by SSI.	

### **Applicant Has SSI-Eligible Spouse and Dependent Child**

When the SSI or State Supplementary Assistance (SSA) benefit is based on the needs of the applicant, an SSI-eligible spouse, and a dependent child, the total basic payment for the month of entry is \$1,887 (\$1,415 for the eligible couple and \$472 for the dependent child).

Starting with the month after the month of entry, consider the applicant living in the RCF to be an individual, with a basic SSI payment of \$943. Treat the SSI-eligible spouse and dependent child as an eligible individual with a dependent child, with a basic SSI-SSA payment of \$1,415 (\$943 + 472).

I. Mr. W moves to a residential care facility in May. He is SSI-eligible and has social security income of \$139. Mrs. W lives in the couple's home. She is SSI-eligible and has social security income of \$70.

Their son lives in the home with Mrs. W and is financially dependent upon his parents. The Ws receive a SSA dependent person allowance with their SSI benefit.

For May, the Social Security Administration continues to treat Mr. and Mrs. W and their dependent son as one household for SSI eligibility purposes. Mr. and Mrs. W and their dependent son are also considered as one household for SSA eligibility purposes.

Calculation of client participation for May:

\$ 139	Mr. W's social security income
+ 70	Mrs. W's social security income
+ 1,226	SSI benefit for Mr. and Mrs. W (\$1,415 + \$20) - (\$139 + \$70)
+ 490	Dependent person allowance for son
\$ 1,925	
- 123	Personal needs allowance
- 1,887	Home maintenance allowance for month of entry (\$1,415 + \$472)
\$ 0	Client participation for month of entry

Beginning in June, the Social Security Administration treats Mr. and Mrs. W as individuals for SSI eligibility. Mr. and Mrs. W are also considered as individuals for SSA eligibility.

Calculation of Mr. W's SSI:

\$ 139	Social security
- 20	Income exclusion
\$ 119	Countable income

\$ 943	SSI individual benefit rate
- 119	Countable income
\$ 824	SSI benefit

Calculation of client participation:

\$ 139	Social security
+ 824	SSI benefit
\$ 963	
- 123	Personal needs allowance
\$ 840	Client participation

No diversion is made for Mrs. W or the W's son because Mrs. W now receives SSI as an individual and also receives a dependent person allowance for their son, so their needs are being met by SSI.

## **Billing and Payments**

Legal reference: 441 IAC 52.1(3), 441 IAC 54.7(249)

Each person who applies and is found eligible receives a SSA payment on a monthly basis after the facility bills the Iowa Medicaid Enterprise (IME). Payments are made either directly to the person receiving care or to a guardian, conservator, or someone else designated by the client.

SSA payment is not made while an application is pending. Retroactive payments are made back to the date the applicant entered the residential care facility, 30 days before the date of application, or the date the applicant became eligible, whichever is later.

The IME makes SSA payments only for the days when the client is a resident of the facility (except as specified under [Reserve Bed Days Due to Hospitalization](#) and [Reserve Bed Days Due to Visits or Vacation](#)). Payment is made for the day of entry, but not for the day of discharge or death.

Payment rates are established for the particular facility and cover the care received during the previous month. Payment is on a per diem basis, as billed by the facility.

The facility must accept the per diem rate established by the Department for SSA recipients and cannot charge recipients an additional amount.

Operators of residential care facilities have two options on how their payment rate is calculated:

- A **cost-related** per diem rate established by the Department specifically for each facility.  
The maximum cost-related per diem rate is \$36.82, beginning January 1, 2024.
- A **flat** per diem rate established by the Department. The established per diem rate cannot exceed the average rate the facility charges private-pay residents. The flat per diem rate is \$17.86 beginning February 1, 2004.

### **Reserve Bed Days Due to Hospitalization**

Legal reference: 441 IAC 52.1(3)“f”

SSA payments may be made to hold a bed for a recipient who is absent from an RCF due to hospitalization.

Payment for RCF can be made while the resident is in a state mental health institute under the same terms as if the resident were hospitalized. Approve payment for a period not to exceed 20 days of hospitalization per calendar month. No coding is needed until a resident is discharged or ineligible.

A facility may not collect more client participation than what the SSA program would pay.



### **Application Processing (SMME)**

Legal reference: 441 IAC 50.2(249)

A person who applies for non-MAGI-related Medicaid with any Medicaid application form is also applying for the Supplement for Medicare and Medicaid Eligibles.

The system determines eligibility for the Supplement for Medicare and Medicaid Eligibles at the end of each calendar quarter for applications and ongoing cases. The benefits are issued the first of the month following the calendar quarter in which the person is eligible.

### **Effective Date of Approval (SMME)**

The effective date of the SSA SMME payment is the latest of the following:

- The date that eligibility first exists.
- Three calendar months before the month the application is received.

### **Nonfinancial Eligibility (SMME)**

In addition to the SSI eligibility requirements and requirements listed under [Policies Applicable to All State Supplementary Assistance](#), the following conditions must exist for a person to be eligible to receive the Supplement for Medicare and Medicaid Eligibles:

- [The person must be eligible for and receiving Medicaid.](#)
- [The person must be eligible for Medicare Part B.](#)

- [The person must not be eligible for other SSA.](#)
- [The person must be in an eligible living arrangement.](#)

### **Eligible for and Receiving Medicaid**

Legal reference: 441 IAC 51.6(1)

To be eligible for the Supplement for Medicare and Medicaid Eligibles, the person must be eligible for and receiving full Iowa Medicaid benefits without being required to meet a spenddown or pay a premium to be eligible. The person must be eligible under a Medicaid coverage group that does not rely on eligibility for SSA.

People who are eligible for Medically Needy with a spenddown or Medicaid for Employed People with Disabilities (MEPD) with a premium are not eligible for the Supplement for Medicare and Medicaid Eligibles.

### **Eligible for Medicare Part B**

Legal reference: 441 IAC 51.6(4)

To be eligible for the Supplement for Medicare and Medicaid Eligibles, the person must be eligible for Medicare Part B.

### **Not Eligible for Other SSA**

Legal reference: 441 IAC 51.6(3)

To be eligible for the Supplement for Medicare and Medicaid Eligibles, the person must not be receiving any other type of SSA. The person is not required to apply for other SSA as a condition of eligibility for the Supplement for Medicare and Medicaid Eligibles.

### **Living Arrangement**

Legal reference: 441 IAC 51.6(5)

To be eligible for the Supplement for Medicare and Medicaid Eligibles, the person may live in any one of the following:

- The person's own home.
- The home of another individual.
- A group living arrangement.
- A medical facility.

### **Income (SMME)**

Legal reference: 441 IAC 51.6(6)

Income for eligibility is determined according to SSI income criteria. See [8-E, Income](#). Deductions are given for the Medicaid coverage group under which the person is eligible.

The Supplement for Medicare and Medicaid Eligibles program does not have a standard income limit. Rather, the person meets income eligibility criteria when the person's income is within the Medicaid income limit for the person's Medicaid eligibility group, but also exceeds 120% of the federal poverty level.

The person is not eligible if the person is not eligible for full Medicaid benefits, or if a premium must be paid or a spenddown must be met to be eligible for Medicaid.

### **Resources (SMME)**

Legal reference: 441 IAC 51.6(2)

The countable value of resources for the Supplement for Medicare and Medicaid Eligibles is determined using the same rules applied to resources for the Medicaid coverage group under which the person is eligible.

Resources of a spouse are counted according to the rules that govern whether the spouse's resources are counted for the Medicaid coverage group under which the person is eligible.

The resource limit for the Supplement for Medicare and Medicaid Eligibles is \$2,000 for an individual and \$3,000 for a couple, regardless of the resource limit for the Medicaid coverage group under which the person is eligible.

### **Payments (SMME)**

Legal reference: 441 IAC 52.1(7)

Each person who applies and is found eligible receives a SSA payment on a quarterly basis. Payments are made to the eligible person, or to the person's payee.

SSA payments are not made while an application is pending. Retroactive payments are made back to the date the applicant became eligible for the program.

Each eligible person receives a \$1.00 per month supplement paid quarterly, regardless of the amount of the person's countable income. Payments are issued at the first of the month following the calendar quarter for which the person is eligible.

### **Case Maintenance (SMME)**

Legal reference: 441 IAC 50.4(249)

Review all eligibility factors at least annually when eligibility is reviewed for Medicaid. The recipient must complete form 470-5482 or 470-5482(S), *Medicaid/State Supp Review*, for reviews.