

# **Income Maintenance Programs State Supplementary Assistance**

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## **Overview**

This chapter discusses the State Supplementary Assistance program. This program supplements the income of aged, blind, or disabled persons who receive federal Supplementary Security Income (SSI) benefits or would be eligible for SSI benefits except that their income exceeds SSI limits. Eligibility is based on SSI standards.

State Supplementary Assistance is intended to supplement the SSI program when a person has a financial need that is not met by the SSI program. The specific supplements available are:

- [Blind supplement](#)
- [Dependent person supplement \(DP\)](#)
- [Family-life home care supplement \(FLH\)](#)
- [In-home health-related care supplement \(IHHRC\)](#)
- [Mandatory state supplement](#)
- [Residential care supplement \(RCF\)](#)
- [Supplement for Medicare and Medicaid Eligibles \(SMME\)](#)

The Social Security Administration administers some types of State Supplementary Assistance on behalf of the Department. This chapter addresses program policies and procedures for income maintenance workers. The first section of the chapter explains policies and procedures that are common to all types of State Supplementary Assistance. The requirements specific to each type then follow.

### **Legal Basis**

Iowa Code Chapter 249, "State Supplemental Assistance," established the program. The Department has promulgated rules at 441 Iowa Administrative Code, Chapters 50 through 54 and 177, to govern program administration.

The Supplemental Security Income program is established by Title XVI of the Social Security Act, "Supplemental Security Income for the Aged, Blind, and Disabled," as amended. Federal regulations governing SSI are found in the Code of Federal Regulations at Chapter 20, Part 416. Subpart T (Sections 416.2001 through 416.2099) contains regulations governing state supplementation.

## **Policies Applicable to All State Supplementary Assistance**

Legal reference: 20 CFR 416.2001, Iowa Code Section 249.3

Eligibility for State Supplementary Assistance (SSA) is determined using policies of the federal Supplementary Security Income (SSI) program, which is administered by the Social Security Administration.

To be eligible for SSA, a person must meet all of the following requirements:

- Be aged, blind, or disabled. See [Nonfinancial Eligibility](#).
- Be a resident of Iowa. See [Nonfinancial Eligibility](#).
- Receive SSI or would receive SSI except for excess income (or except for substantial gainful activity for the Supplement for Medicare and Medicaid Eligibles).
- Have resources of \$2,000 or below for a single person or \$3,000 or below for a married couple living together.
- Have income less than the standards for the living arrangement. See each program for the standards applicable to that program.

The State Data Exchange (SDX) report is the formal document for transmitting SSI eligibility information to the state. Instructions on how to read the SDX are in [14-E, SSI State Data Exchange](#). If you receive verified information that is different than that on the SDX, notify the Social Security Administration using form **470-0641, Report of Change in Circumstances--SSI-Related Programs**.

### **Administration**

The Department administers SSA for:

- In-home health-related care,
- Residential care facilities, and
- Medicare and Medicaid eligibles.

The Department and the Social Security Administration jointly administer SSA for:

- Dependent persons and
- Family-life homes

The Social Security Administration administers:

- Mandatory SSA and
- The blind allowance.

The SDX informs the Department of the Social Security Administration determinations of eligibility and payment amounts for blind allowance, family-life home, dependent person, and mandatory state supplementation.

In Department-administered programs, the income information transmitted by the SDX is to be used in computing client participation and eligibility for SSA.

See the individual program sections for more information about the responsibilities of Department staff and the Social Security Administration. Also see [1-E, Appeals and Hearings](#) for an explanation of the appeal rights of SSA applicants and recipients and the appeal process.

### **Eligibility for Additional Benefits**

Legal reference: 441 IAC 75 (Rules in Process); Iowa Code Chapters 425 and 427

SSA recipients are eligible for Medicaid, including retroactive Medicaid if the SSA recipient meets a category of eligibility for the retroactive period as defined in [8-A, Definitions](#). See 8-F, [SSI Recipients](#) or [SSA Recipients](#); and [8-B, Determining Eligibility for the Retroactive Period](#).

SSA recipients can also be eligible for:

- Property tax suspension.
- Property tax credits.
- Rent reimbursement.

An SSA recipient is eligible for property tax suspension. Notice of eligibility is provided on notices generated by the ELIAS system. For information on manual notice language, see [8-A, Property Tax Suspension](#).

Low-income elderly or disabled people and their spouses can receive property tax credits. See [8-A, Homestead Property Tax Credit for the Elderly or Disabled](#).

A person who pays rent in a building that is not tax-exempt can receive reimbursement for the property tax portion of the rent. (This includes paying a residential care facility.) See [8-A, Rent Reimbursement](#).

Issue **Comm. 121** or **Comm. 121(S), Important Notice to Property Owners and Renters** to SSA applicants to explain these programs.

### **Application Processing**

Legal reference: 441 IAC 50.2(3) and 441 IAC 50.2(4)

Each person who wants to apply for SSA must have the opportunity to apply without delay. Send a copy of the application form in the next outgoing mail when an applicant requests that the form be mailed.

Give a copy of form [470-5170](#) or [470-5170\(S\), Application for Health Coverage and Help Paying Costs](#) and form [470-5433](#) or [470-5433\(S\), Appendix A for Health Coverage](#), to the applicant who wants to apply for residential care, in-home health-related care, family-life home, or dependent person assistance.

**Form 470-5170 or 470-5170(S), Application for Health Coverage and Help Paying Costs** used to apply for Medicaid is also considered an application for the Supplement for Medicare and Medicaid Eligibles.

The applicant or someone acting responsibly for the applicant may complete the form in the Department office or take it home. The person can then return it to the office either in person, by mail, or by fax.

Other people may help the client during the application process and may accompany or represent the client in contacts with the Department. When the client has a guardian or conservator, the guardian or conservator must participate in the process.

A faxed application shall be considered as an original application.

### **Simultaneous SSI and SSA Applications**

In order to be eligible for SSA, a person must either:

- Be receiving SSI or
- Meet all SSI eligibility criteria except for the income limit (or except for substantial gainful activity for the Supplement for Medicare and Medicaid Eligibles).

When a client applies for SSA and also has a currently pending SSI application, the SSA application should remain pending until an action on the SSI application is completed.

If the pending SSI application is approved, the SSA application may then be approved retroactively to the SSA application or SSI approval date (assuming all other eligibility criteria are met). See:

- [Effective Date of Approval \(DP\)](#),
- [Effective Date of Approval \(FLH\)](#),
- [Effective Date of Approval \(IHRC\)](#), and
- [Effective Date of Approval \(RCF\)](#).

If the pending SSI application is denied, the pending SSA application should also be denied unless the SSI denial is due to:

- Excess income, or
- Substantial gainful activity (for the Supplement for Medicare and Medicaid Eligibles only).



Deny the pending SSA application even if the client is appealing the SSI denial. However, if the SSI denial is reversed on appeal, the SSA denial should also be reversed (assuming all other eligibility criteria are met).

### **Verification**

Legal reference: 20 CFR 416.201-220

For state-administered or joint federal/state-administered programs, verify eligibility factors:

- At the time of application.
- When there is a change in the client's circumstances.

For an SSI recipient, accept the Social Security Administration's determination of SSI eligibility as verification that income, resources, and age, blindness or disability requirements have been met.

#### EXCEPTIONS:

- See policy information regarding supplementation under [Policies Applicable to All State Supplementary Assistance: Income](#).
- For IHHRC, verify the income of a spouse or parent of a minor child, and apply policies under [In-Home Health-Related Care Supplement](#).
- An SSI recipient who is living in an RCF may be entitled to an income diversion to a spouse. If so, it is also necessary to verify the spouse's income. See [Residential Care Supplement](#).

For a client whose income exceeds SSI limits, verify all eligibility factors, including citizenship; residency; age, blindness or disability; income; and resources.

Accept the client's statement on the application except when verification is required. Cancel or deny SSA if the client fails to supply the information or refuses to authorize you to obtain the information from other sources when the client is unable to obtain it. See [6-Appendix](#) for forms used to obtain information with the client's consent.

### **Nonfinancial Eligibility**

Legal reference: 441 IAC 50.2(1), 441 IAC 50.1(249), 441 IAC 51.1(249), 441 IAC 51.5(249), 441 IAC 51.8(249)

To be eligible for SSA, a person must be:

- Aged, which means the person is 65 years or older; or
- Blind, which means the person has central visual acuity of 20/200 or less in the better eye with use of corrective lens or has visual field restriction to 20 degrees or less; or
- Disabled, which means the person is unable to engage in any substantial gainful activity by reason of any medically determined physical or mental impairment that:
  - Has lasted or can be expected to last for a continuous period of at least 12 months, or
  - Can be expected to result in death.

The standards for age, blindness, and disability for SSA are the same as those for SSI

EXCEPTION: For the Supplement for Medicare and Medicaid Eligibles, an applicant must meet disability standards **other than** the inability to engage in substantial gainful activity.

A child under age 18 is disabled if the child suffers from any medically determinable physical or mental impairment of comparable severity. See [8-C, Nonfinancial SSI-Related Eligibility](#).

Applicants for and recipients of SSA must also meet the following requirements:

- Be a U.S. citizen as defined in [8-C, Citizenship](#).
- Live in Iowa. Persons who are temporarily out of the state for less than a month are still considered residents of Iowa.
- Furnish a social security number or furnish proof that they have applied for a number if the number has not been issued or is unknown and provide the number upon receipt. See [8-C, Social Security Number](#).
- Apply for or accept other cash benefits for which they may be eligible as defined in [8-C, Benefits from Other Sources](#). SSA applicants and recipients must also apply for SSI or FIP if they might be eligible.

An applicant or any other person whose needs are included in determining the SSA payment must have applied for or be receiving all other benefits for which the person may be eligible, including SSI or FIP.

The person must cooperate in the eligibility procedures while applying for other benefits. The person who fails to cooperate is ineligible for SSA.

### **Temporary Institutionalization**

Legal reference: P.L. 100-203, Section 9115

Mandatory, dependent person, and family-life home supplement payments continue for up to three months for SSA recipients who continue to receive SSI when they enter a public medical or psychiatric institution or a Medicaid-approved hospital or nursing facility.

A physician must certify that the client's stay will probably not last over three months. The client must continue to maintain and provide for the expenses of the home or living arrangement to which the client will return.

The institution or the client must provide documentation to the Social Security Administration. The Social Security Administration notifies the Department when a client is eligible for continued SSI benefits.

### **Eligibility for Aliens**

Legal reference: P.L. 104-193, Program Operations Manual System (POMS)  
SI00502.100

A person who does not have United States citizenship is not eligible for SSI or SSA unless the person is:

- A refugee admitted to the United States under section 207 of the Immigration and Nationality Act (INA) who has lived in the United States under that designated alien status for less than seven years.
- An asylee admitted under section 208 of the INA who has lived in the United States under that designated alien status for less than seven years.
- An alien whose deportation has been withheld under section 243(h) of the INA or whose removal has been withheld under section 241(b)(3) of the INA who has lived in the United States under that designated alien status for less than seven years.
- Cuban/Haitian entrant under one of the categories in Section 501(e) of the Refugee Education and Assistance Act of 1980 or alien in a status that is to be treated as a Cuban/Haitian entrant for less than seven years.
- "Amerasian immigrant" under section 584 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act of 1988 for less than seven years.
- A veteran of the U.S. Armed Forces who was honorably discharged for a reason other than alienage, or the veteran's spouse or dependent child.
- An active duty member of the U.S. Armed Forces, or the member's spouse or dependent child.

- A lawfully admitted permanent resident of the United States who has worked 40 qualifying quarters for Social Security Title II purposes or can be credited with 40 qualifying quarters counting quarters worked by:
  - A parent while the alien was under 18, or
  - A current or deceased spouse during their marriage.

If the alien or the parent or spouse received public assistance in a quarter after December 31, 1996, that quarter may not be counted towards meeting the 40 qualifying quarters.

- Was lawfully residing in the U.S. on August 22, 1996 and is blind or disabled at any age.
- Is lawfully residing in the U.S. and was receiving SSI on August 22, 1996.

If an alien applicant is not an SSI recipient and has income over SSI limits, deny SSA unless the applicant is in one of the ten categories listed above.

If the applicant is an SSI recipient or has income and assets within SSI limits, rely on the Social Security Administration's alien eligibility determination.

### **Resources**

Legal reference: 20 CFR 416.1202; 441 IAC 50.2(1)

The resource limits are:

- \$2,000 for an individual.
- \$3,000 for a married couple living together.
- \$2,000 for a child. This includes the child's personal resources, plus whatever resources are deemed from the parents. Deem to the eligible child any parental resources over \$2,000 for one parent or \$3,000 for a couple.

Determine the countable value of resources according to SSI policies unless the applicant is eligible under [Conditional Benefits](#). (See 8-D, [General Non-MAGI-Related Resource Policies](#) and [Specific Non-MAGI-Related Resources](#).)

When the applicant is living with a spouse, count the spouse's resources. When the applicant is not living with the spouse, do not count the spouse's resources.

If the person is temporarily living in the home of another, treat the person's homestead in the same way as if that person were temporarily in a medical institution. See **8-D, [Specific Non-MAGI-Related Resources: Property in a Homestead](#)**.

NOTE: Medicaid policies in 8-D under [Attribution of Resources](#), [Estate Recovery](#), and [Transfer of Assets](#) do **not** apply to SSA applicants and recipients.

### **Conditional Benefits**

Legal reference: 20 CFR 416.1240-1245; 441 IAC 50.5(249)

“Conditional benefits” is an exception by which persons who are otherwise eligible but have excess resources may still receive SSI and SSA benefits while they are trying to sell nonliquid resources.

To be granted conditional benefits, the client must:

- Have liquid resources less than 300 percent of the SSI benefit for either a single person or for a married couple, as applicable.
- Agree to dispose of the resource for fair market value. The applicant must sign an agreement to:
  - Sell personal property within three months and
  - Sell real property within nine months.

Have the client sign form **470-2909, Agreement to Sell Excess Property** at the time of the interview. The client’s spouse, guardian, representative, sponsor, or parent can sign for the client.

- Agree to repay SSA received during the conditional period. To do this, the client must sign form **470-2835, State Supplementary Assistance Agreement to Repay Conditional Benefits**.

Mr. R enters an RCF on March 18 and applies for SSA. He has liquid resources of \$1,100 and no other resources besides a condominium that is valued at \$49,000. He has listed his condominium for sale.

In April, the IM worker asks Mr. R to sign an agreement to sell the condominium and an agreement to repay the SSA program. Mr. R signs these agreements and is granted SSA effective May 1.

### **When Conditional Benefits Begin and End**

Legal reference: 20 CFR 416.1242

Conditional benefits begin the month after the agreement is signed if the client meets all other eligibility requirements.

If the client is eligible for SSI, the period is the period granted by SSI. If conditional payments are granted by SSI, this is reflected on the SDX in the “COND PAYMENT CODE” field. See [14-E, Income](#) for coding information.

Benefits continue for up to nine months while the client is trying to sell real property and up to three months while the client is trying to sell personal property. For personal property, a second three-month period can be allowed for good cause. See [Verifying Efforts to Sell the Property](#).

Conditional benefits end:

- Upon closing the sale of the property.
- When sale is no longer being attempted.
- When the specified benefit period has expired, e.g., at the end of the nine months for nonliquid resources.
- When liquid resources exceed 300% of SSI benefit for either a single person or married couple.
- When countable resources come within resource limits.

When a client is or was an SSI recipient, rely on the conditional benefit period as determined by the Social Security Administration. If the client previously received SSI and used up the nine-month period, the client does not receive a new nine-month period by applying for SSA.

See [8-D, Eligibility While Trying to Sell a Nonliquid Resource](#) for information on Medicaid eligibility for these people.

#### Verifying Efforts to Sell the Property

Legal reference: 20 CFR 416.1245

The client must list the property for sale with an agent or begin other sale attempts within 30 days after signing the agreement to sell. The sale price listed must be a reasonable amount as determined by the real estate agent.

If the client is trying to sell the property without an agent, verify with the client that every reasonable effort is being made to sell the property. Reasonable efforts include advertising through the media, “for sale” signs, flyers, and notices on community bulletin boards.

There cannot be a lapse of more than one week in the listing or other sale efforts. No reasonable offer may be refused. A reasonable offer is one that is at least two-thirds of the estimated current market value, unless the owner proves otherwise.

To verify the client's effort to sell the property:

1. Send form **470-2908, Description of Efforts to Sell Property** by the 35th day from the agreement to sell real property and every 60 days thereafter. The client must return the form within 10 days.
2. Contact a client who is selling **personal** property every **30** days during the conditional benefit period. Contact a client who is selling **real** property every **60** days. Notify the client of the time the client has left to sell the resource.
3. Find out if there have been any reasonable offers to buy the property.
4. If the client has not sold the property timely, determine if client has good cause. Grant good cause when circumstances beyond the client's control prevent the sale, despite the client's reasonable and diligent efforts. Good cause includes the following situations:
  - The client has accepted an offer to sell, but the prospective buyer cannot or will not complete the purchase.
  - The client is ill or injured, is hospitalized or homebound, cannot begin or continue sale attempts, and cannot arrange for someone else to help.
  - The co-owner of the resource dies, and probate of the estate delays efforts to sell the resource.

If good cause exists, allow an additional three months to sell **personal** property. Cancel the case if personal property is not sold within six months, regardless of good cause.

Real property must be sold within nine months. However, if the recipient is attempting but is still unable to sell real property after nine months, the property may be excludable. See [Real Property Not Sold During the Nine-Month Period](#).

5. If there is no reasonable effort to sell the property or if an offer of at least two-thirds of the market value is refused, cancel the case for failure to make a reasonable effort unless good cause is established.

#### Repayment of SSA and SSI

Legal reference: 20 CFR 416.1244 and (d), 441 IAC 50.5(3);

Conditional SSI and SSA benefits are considered overpayments. The recipient must repay the lesser amount of:

- The benefits paid in the period of conditional eligibility, or
- The recipient's revised resource amount that is over the resource limit that was in effect at the beginning of the period of conditional eligibility.

The “revised” value of countable resources is the net sale proceeds plus the value of other countable resources at the beginning of the conditional benefit period. “Net proceeds” are the gross amount from the sale minus the cost of sale and any legal debts on the resource that are paid by the seller.

When determining the amount to recover for a recipient receiving **both** SSI and SSA, consider the repayment amount SSI is requesting before determining the amount to recover for SSA.

If SSI is recovering the total amount of excess resources, do not recover any SSA. If the period of SSI conditional eligibility is over before SSA is approved, there is no SSA overpayment.

When determining the amount of SSA to recover:

1. Determine the amount of SSA benefits received during the conditional benefit period.
2. Establish the revised value of countable resources (net sale proceeds plus the value of other resources at beginning of conditional benefit period).
3. Subtract any conditional benefits SSI is recovering from the revised resource amount. Contact Social Security for this information either by phone or using form **470-0641, Report of Change in Circumstances--SSI-Related Programs**.
4. Subtract the resource limit from the remainder in step 3.
5. Compare SSA benefits received during the conditional period to the figure calculated in step 4.

If the amount of SSA is **less** than the figure in step 4, the recipient is responsible for repaying the SSA amount.

If the amount of SSA is **more** than the figure in step 4, the recipient is responsible for repaying the amount in step 4.



Mr. M applies for SSI on June 4, 2005. He has real property and his resources exceed the SSI resource limits. However, Mr. M does have liquid resources (\$800) that are less than 300% of the SSI benefit rate.

On July 1, Mr. M signs an agreement to repay the SSI program, and is granted conditional SSI eligibility effective August (the month following the month that the agreement is signed). The SSI conditional eligibility period is August 1, 2005, through April 13, 2006.

In September, the worker asks for and receives a supplemental application for Medicaid effective August 1. The worker uses the conditional eligibility period of August 2005 through April 2006 that has been established by SSI.

On November 5, Mr. M enters an RCF and applies for SSA. For Mr. M to be eligible for SSA, he must also sign an agreement to repay SSA received while granted conditional eligibility. (The SSI conditional eligibility period of August 2005 through April 2006 is still considered, regardless of when Mr. M signs the SSA agreement to repay.)

On November 30, Mr. M signs an agreement to repay SSA and is granted SSA eligibility effective November 5. He is subject to repayment for SSA benefits beginning November 5.

In February 2006, Mr. M sells his real property and receives \$5,042 after expenses. The worker contacts the Social Security Administration, which indicates the resources exceed resource limits at the beginning of the conditional period by \$3,842.

|                |   |
|----------------|---|
| \$ 800         | Other countable resources as of August 1, 2005  |
| + <u>5,042</u> | Net amount received as of August 1, 2005  |
| \$ 5,842       |   |
| - <u>2,000</u> | SSI and SSA resource limit as of August 1, 2005   |
| \$ 3,842       | Amount that Mr. M's resources exceeded limits as of August 1, 2005. (This figure remains the same regardless of what his current resources actually are.) |

The maximum amount that Mr. M is required to repay both SSI and SSA combined is \$3,842. Social Security is requesting that Mr. M pay back \$1,700 for SSI received in April 2005 through February 2005.

Therefore, the maximum amount that the Department can request for SSA repayment is  $\$3,842 - \$1,700 = \$2,142$ . The worker then determines that Mr. M actually received \$1,500 in SSA between November 5, 2005, and February 28, 2006. Mr. M is requested to repay \$1,500.

### Real Property Not Sold During the Nine-Month Period

Legal reference: 20 CFR 416.1245

Real property with a value that exceeds resource limits can continue to be exempt after the nine-month sale period when a reasonable effort is being made to sell the property. "Reasonable efforts" are defined in the same way as for the conditional eligibility period.

If eligibility is canceled for at least one month, the conditional period begins again.

SSA granted after the conditional eligibility period is over is not subject to recovery. But when the property is sold, the SSA granted during the conditional period is subject to recovery.

Send the recipient form [470-2908, Description of Efforts to Sell Property](#) every three months to check on the progress of the sale effort after the conditional period. If the recipient does not respond, or a reasonable effort is not being made, cancel the case.

### Income

Legal reference: 441 IAC 50.2(1)

A person must have less income than the standard for the person's living arrangement. For the standards that apply to each program, see:

- [Income \(DP\)](#)
- [Income \(FLH\)](#)
- [Income \(IHHRC\)](#)
- [Determining the Minimum Income Level](#)
- [Income \(RCF\)](#)
- [Income \(SMME\)](#)

Consider as income any supplemental payment made from any source other than a non-federal governmental entity. (For example, an IHHRC client is also receiving VA aid and attendance for home health care needs.)

Use those payments to reduce the SSA payment. When a recipient's other income (including supplementation) reaches the point where the cost of the special need is met, cancel the SSA payment.

Because SSI may not consider supplementation as income in some instances, SSI payments may continue even when SSA payments are canceled. When the recipient continues to receive SSI, Medicaid coverage also continues.

When a client is not an SSI recipient, see non-MAGI-related policies in [8-E](#) to determine countable income.

### **Overpayments**

Legal reference: 441 IAC 51.9(2)

The Department recovers from recipients all SSA funds that either were incorrectly paid to or on behalf of the recipient or were paid when conditional benefits were granted. The incorrect payments may have resulted from recipient, agency, or administrative error.

The Social Security Administration handles the recovery of overpayments for SSA issued by the Social Security Administration on behalf of the state.

The Overpayment Recovery Unit of the Department of Inspections, Appeals, and Licensing (DIAL) handles the recovery of overpayments for SSA issued by the Department. See [6-G](#) for more information about the DIAL recovery process and [1-E](#) for client appeal rights.

See [Residential Care Supplement: Incorrect Payments](#), for instructions on recovering overpayments under the SSA residential care supplement.

### **Case Maintenance**

Income maintenance workers must do annual reviews on dependent person, in-home health, residential care facility, and Supplement for Medicare and Medicaid Eligibles cases. The Social Security Administration performs the eligibility reviews for other cases. See the individual program sections for more information.

#### **Death of a Recipient**

Legal reference: 441 IAC 7.7(2)“a”

Eligibility for SSA ends when the recipient dies. Verify the date of the recipient’s death with a reliable source (e.g., hospital, court house records, newspaper obituary). Send a notice of action to the recipient’s family, conservator, or guardian, as appropriate.

### **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:

- \$989 for an individual (\$967 + \$22)
- \$1,472 for an eligible couple, one of whom is blind (\$1,450 + \$22)
- \$1,494 for an eligible couple, both of whom are blind (\$1,450 + \$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](#).

### **Administration (DP)**

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

The dependent person (DP) program is jointly administered by the Department and the Social Security Administration. The Department local office determines eligibility for a dependent person payment. The Social Security Administration determines the amount of the payment and makes the payment to the client.

Responsibilities of the income maintenance worker include:

- Conducting an interview and explaining to clients:
  - The scope of SSA and non-MAGI-related Medicaid programs and the choice of programs available.
  - The penalties that may be applied for giving false, misleading, or incomplete information, not reporting changes in circumstances, and accepting assistance for which a person is not eligible (described on forms **470-5170** and **470-5170(S)**, **Application for Health Coverage and Help Paying Costs**).
- Providing informational program pamphlets. Give the following pamphlets to all applicants, recipients, or anyone who asks about the program:
  - **Comm. 018, State Supplementary Assistance**
  - **Comm. 020 or Comm. 020(S), Your Guide to Medicaid Fee for Service (FFS)**
  - **Comm. 121 or Comm. 121(S), Important Notice to Property Owners and Renters**
- Notifying the Social Security Administration of any changes in the circumstances of a recipient that may affect SSI eligibility, using form **470-0641, Report of Change in Circumstances--SSI-Related Programs**.
- Making and documenting eligibility decisions and certifying eligibility based on available facts and the policies and procedures established by the Department.
- Issuing timely and adequate notice to a recipient when an adverse action is taken. If issuing notice manually, use **Notice of Action**, form **470-0485(M)** or **470-0485(MS)**.

Responsibilities of the Social Security Administration for the dependent person supplement include:

- Notifying recipients of SSA eligibility and making supplement payments.
- Completing the applicable section of form **470-0640, State Supplementary Assistance Certification or Termination** to initiate or terminate payments.
- Making referrals to the Department for the dependent person supplement.
- Processing payment recoveries.

### **Application Processing (DP)**

Legal reference: 441 IAC 50.2(2) and (3)

Anyone who wants to apply for a dependent person supplement must file form **470-5170** or **470-5170(S)**, **Application for Health Coverage and Help Paying Costs** and form **470-5433** or **470-5433(S)**, **Appendix A for Health Coverage** with the local Department office.

An applicant who is already receiving SSI is not required to file a new SSI application. An applicant who is not already receiving SSI must also file an application with the Social Security Administration, even if the applicant's income is above SSI standards.

If possible, the applicant should go to the Social Security Administration during the month of application for the dependent person supplement; otherwise, payment is delayed. The SSA payment starts no earlier than the month following the month in which the applicant files for SSI.

When you receive an application:

1. Determine eligibility for the dependent person supplement.
  - Verify that the applicant meets the standards of residency and shared living arrangement. See [Nonfinancial Eligibility \(DP\)](#).
  - Check that the resources of the household are within limits. See [Resources](#).
  - Evaluate household income. See [Income \(DP\)](#).
2. If the applicant is ineligible, issue a notice of action denying the application for the dependent person supplement and, if applicable, Medicaid.

If the applicant is eligible, notify the Social Security Administration using form **470-0640, State Supplementary Assistance Certification or Termination**.

3. When you receive form 470-0640 back from the Social Security Administration, determine Medicaid eligibility, including retroactive eligibility if the individual meets a category of eligibility for the retroactive period as defined in [8-A, Definitions](#).
4. Enter the information into the ELIAS system and, if necessary, issue a notice of action on Medicaid coverage for the applicant. The dependent person must receive Medicaid under another coverage group.

Do **not** issue a notice of action approving the dependent person supplement. The Social Security Administration notifies the applicant when the dependent person supplement is approved and the amount of the payment.

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

If the SSA applicant is already an SSI recipient, the effective date of SSA payment is the later of:

- The month that eligibility is first attained.
- The month of application.

Mr. A, an SSI recipient, applies for a dependent person payment on May 15. The IM worker determines that Mr. A meets all eligibility criteria as of May. The worker sends form **470-0640, State Supplementary Assistance Certification or Termination** to the Social Security Administration certifying that Mr. A meets eligibility criteria as of May 1. The Social Security Administration begins payment effective May 1.

If the SSA applicant is not an SSI recipient, the effective date of payment is the latest of the following:

- The month that eligibility is first attained.
- The month of application.
- The month of SSI approval. This will be no earlier than the month following the month of the SSI application. See [8-B, Effective Date for SSI Recipients](#).

Use form **470-0640, State Supplementary Assistance Certification or Termination**, to notify the Social Security Administration of the first month in which the applicant meets all eligibility criteria. The Social Security Administration will determine the correct effective date of payment based on the SSI application date.

Mr. B, who is not an SSI recipient, applies for a dependent person payment on April 15. His worker instructs him to apply for SSI as soon as possible. He applies for SSI on April 25. The IM worker determines that Mr. B meets all eligibility criteria as of April. The worker sends form **470-0640** to the Social Security Administration certifying that Mr. B meets eligibility criteria as of April 1. The Social Security Administration begins payment effective May 1 (the month following the month of application and eligibility).

### **Nonfinancial Eligibility (DP)**

Legal reference: 441 IAC 51.4(4); Iowa Code Section 249.3

A dependent relative of the aged, blind, or disabled person (the recipient) may be:

- The person's ineligible spouse (a spouse who is not eligible for SSI);
- The person's parent (of either an adult or a minor child); or
- The person's child (whether a minor or an adult).

To be eligible for a dependent person supplement, the dependent relative must:

- Be financially dependent on the recipient.
- Live with the recipient. The dependent relative is no longer eligible if the relative is out of the recipient's home for a full calendar month. Remove the dependent prospectively when the absence is expected to last at least one full calendar month.

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 \$503 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 \$503 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 \$503 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, 441 IAC 50.2(1), 441 IAC 51.4(1), 441 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 \$503 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:

| If the family group includes:  | The income limit is: |
|--|----------------------|
| Aged or disabled client and a dependent relative   | \$1,470              |
| Aged or disabled client, spouse who is age 65 or older or disabled, and a dependent relative | \$1,953              |
| Blind client and a dependent relative  | \$1,492              |
| Blind client, aged or disabled spouse, and a dependent relative                              | \$1,975              |
| Blind client, blind spouse, and a dependent relative   | \$1,997              |

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 \$503. 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: 441 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: 441 IAC 51.4(1) and 441 IAC 52.1(2)

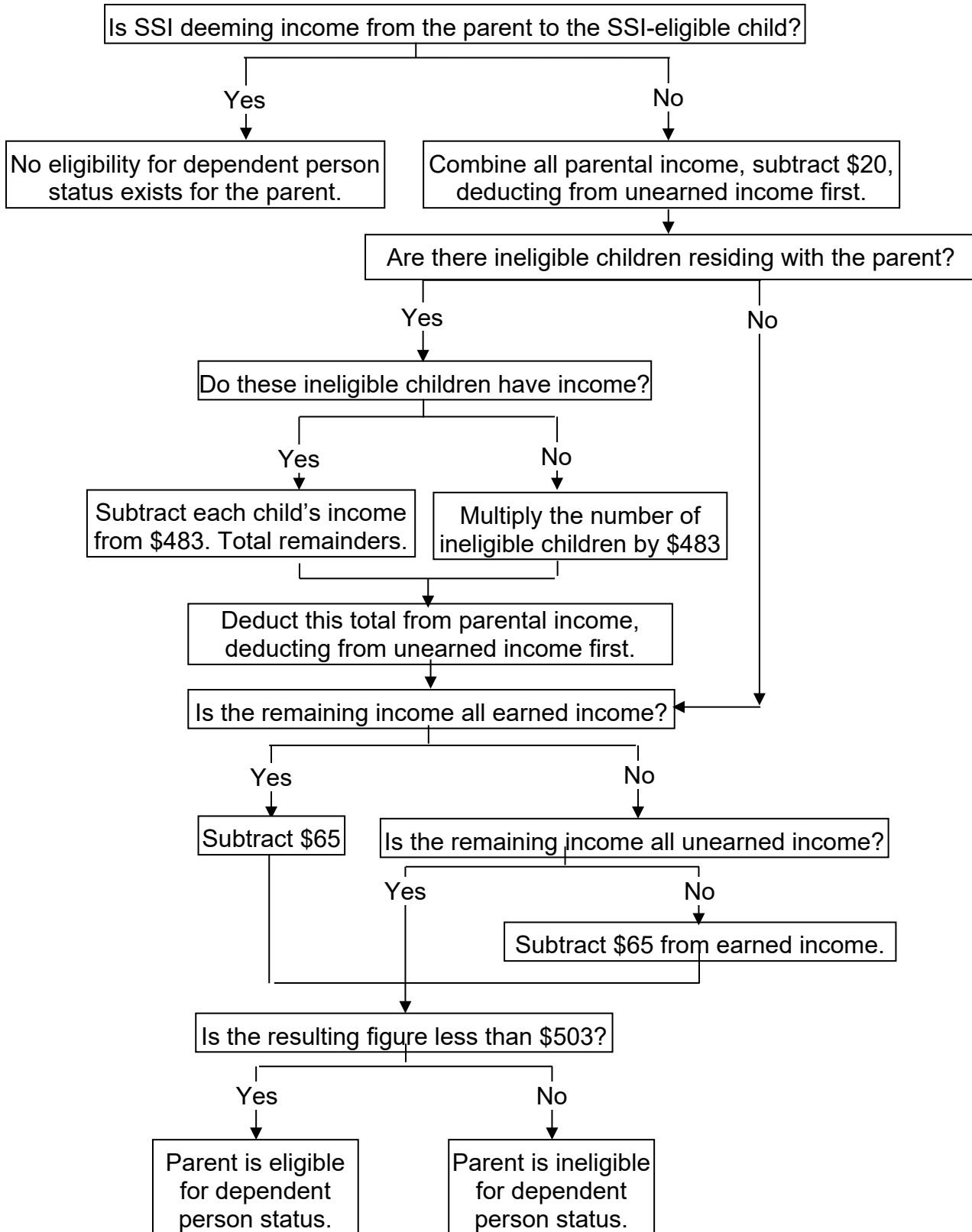
To determine a parent's countable income for dependent person status:

1. Determine the total monthly income of the parent according to SSI policy. See [8E, 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 \$483 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 \$503, 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  |
| \$ 880 |   |
| - 866  | Diversion for ineligible children ( $\$483 - 50 = \$433 \times 2 = \$866$ ) |
| \$ 14  |   |

Since \$14 countable income is less than \$503, Mrs. C can be added as a dependent person of the child who receives SSI.



### **Ineligible Spouse**

Legal reference: 441 IAC 51.4(1)

An ineligible spouse qualifies as a dependent person when the total countable income of the couple is less than the assistance standard indicated under [Income \(DP\)](#) for the applicable two-member household. An ineligible spouse is a spouse who is not aged, blind, or disabled.

When the dependent relative is a spouse who is not eligible for SSI, the Social Security Administration may deem a portion of the spouse's income to meet the needs of the eligible person before determining the amount of that person's SSI payment.

If there is income to be deemed, the spouse is not considered a dependent. When the spouse's income is such that there is nothing to be deemed, the Social Security office refers the client to the county office for a determination of dependency.

### **Making the Dependent Person Payment**

Legal reference: 441 IAC 50.2(1)"a," 441 IAC 52.1(2); Public Law 100-203, Section 9115

The Social Security office determines the amount of the dependent person supplement and issues the payment. The income of the dependent is not considered when calculating the supplement amount. Only the income of the eligible person or eligible couple is subtracted from the applicable assistance standard.

The Social Security Administration:

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

### **Case Maintenance (DP)**

Legal reference: 441 IAC 50.4(249)

Review a recipient's eligibility for the dependent person supplement yearly and whenever a change is reported. The recipient must complete a **Medicaid /State Supp Review, form 470-5482, 470-5482 (S), 470-5482(M), or 470-5482(MS)**, at the time of each annual review.

Even if the recipient is also an SSI recipient and the Social Security Administration will be completing an annual review of SSI eligibility, you must also complete annual reviews to ensure that the dependent's income and resources do not create ineligibility.

Use form **470-0640, State Supplementary Assistance Certification or Termination** to notify the Social Security Administration if the dependent should be canceled from the dependent person supplement, and the effective date of the cancellation.

The **Social Security Administration notifies the recipient** when the supplement is canceled. Complete a Medicaid redetermination and issue a Medicaid notice of action 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 \$1,129. Once the person's income is brought up to \$1,129, the person then pays the family-life home \$1,003 and retains \$126 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**.
  - That SSA payment administered by the Department will come the month after service is provided and should be paid to the provider.
- Providing informational program pamphlets. Give the following pamphlets to all applicants, recipients, or inquirers:
  - **Comm.018, State Supplementary Assistance**
  - **Comm. 020 or Comm. 020(S), Your Guide to Medicaid Fee for Service (FFS)**
  - **Comm. 121 or Comm. 121(S), Important Notice to Property Owners and Renters**
- Referring potential recipients of the blind supplement to the Social Security Administration for an eligibility determination and payment.
- Notifying the Social Security Administration of any changes in the circumstances of a recipient that may affect SSI eligibility using form **470-0641, Report of Change in Circumstances--SSI-Related Programs**.
- Making and documenting eligibility decisions and certifying eligibility based on available facts and the policies and procedures established by the Department.
- Issuing timely and adequate notice to a recipient when an adverse action is taken. If issuing notice manually, use Notice of Action, form 470-0485(M) or 470-0485(MS).

Responsibilities of the Department service worker include:

- Certifying the home as a family-life home. See [18-C\(7\), Family-Life Home Certification](#).
- Determining if the placement is appropriate.
- Notifying the IM worker and Social Security Administration of changes in the recipient's circumstances.

Responsibilities of the Social Security Administration include:

- Notifying clients of SSA eligibility and making payments.
- Completing the applicable section of form **470-0640, State Supplementary Assistance Certification or Termination**, to initiate or terminate payments.
- Completing reviews and redeterminations.
- Processing recoveries for the portion of the family-life home supplement issued by the Social Security Administration.

### **Application Processing (FLH)**

Legal reference: 441 IAC 50.2(3)

Persons who are not SSI recipients and who want to apply for a family-life home supplement must complete form **470-5170** or **470-5170(S), Application for Health Coverage and Help Paying Costs** and form **470-5433** or **470-5433(S), Appendix A for Health Coverage** with the local Department office.

An applicant who is already receiving SSI is not required to file a new application with SSI.

An applicant who is **not** receiving SSI must also file an SSI application with the Social Security Administration district office, even if the person's income is above SSI standards.

If possible, the applicant should go to the Social Security Administration during the month of application for the family-life home payment; otherwise payment is delayed. The SSA payment starts no earlier than the month following the month in which the applicant files for SSI.

When you receive an application:

1. Determine financial eligibility. For persons who are receiving SSI, rely on the Social Security Administration determination. If the person is not financially eligible, issue an NOD denying family-life home payment.



2. If the applicant is financially eligible, complete the sections of form **470-0640, State Supplementary Assistance Certification or Termination** according to the instructions in 6-Appendix, and send the form to the designated service worker.
3. The service worker completes the part of the form that verifies if the person is in a certified home and that the placement is appropriate, then sends the form back to the IM worker. If the person is not in a certified home, issue a notice of action denying family-life home payment.
4. If the person is financially eligible and is appropriately placed in a certified home, send form 470-0640 to the Social Security Administration district office.
5. The Social Security Administration completes the part of the form that verifies payment is approved, and the effective date of payment, then returns the form to the IM worker.
6. When you receive the form back from the Social Security Administration, send a copy to the service worker.
7. Notify the recipient of the amount of payment to the family-life home and the personal needs allowance using Notice of Action, form 470-0485(M) or 470-0485(MS).
8. Determine Medicaid eligibility including retroactive eligibility if the individual meets a category of eligibility for the retroactive period as defined in [8-A, Definitions](#). Enter the necessary information into the system and issue an NOD regarding Medicaid coverage.

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

If the family-life home applicant is already an SSI recipient, the effective date of SSA payment is the later of:

- The month that eligibility is first attained.
- The month of application.

Mr. A, an SSI recipient, applies for family-life home assistance on May 15. The IM worker determines that Mr. A meets all eligibility criteria as of May.

The worker sends form **470-0640, State Supplementary Assistance Certification or Termination**, to the Social Security Administration certifying that Mr. A meets eligibility criteria as of May 1. The Social Security Administration begins payment effective May 1.

If the family-life home applicant is not an SSI recipient, the effective date of payment is the latest of the following:

- The month that eligibility is first attained.
- The month of application.

- The month of SSI approval. This will be no earlier than the month following the month of the SSI application. See [8-B, Effective Date for SSI Recipients](#).

Use form **470-0640, State Supplementary Assistance Certification or Termination** to notify the Social Security Administration of the first month in which the applicant meets all eligibility criteria. The Social Security Administration will determine the correct effective date of payment based on the SSI application date.

Mr. B, who is not an SSI recipient, applies for family-life home assistance on May 15. The IM worker instructs him to apply for SSI as soon as possible. He applies for SSI on May 25. The IM worker determines that Mr. B meets all eligibility criteria as of May.

The worker sends form 470-0640 to the Social Security Administration certifying that Mr. B meets eligibility criteria as of May 1. The Social Security Administration begins payment effective June 1 (the month following the month of application and eligibility).

### **Nonfinancial Eligibility (FLH)**

Legal reference: 441 IAC 52.1(1), 441 IAC 50.2(1)

In addition to the nonfinancial eligibility requirements under [Policies Applicable to All State Supplementary Assistance](#), the home must be certified as a family-life home.

The Department service worker is responsible for certifying the home as a family-life home and determining if placement is appropriate. See [18-C\(7\), Determining Eligibility](#), for service policies and [18-C\(7\), Family-Life Home Certification](#), for certification standards.

### **Income (FLH)**

Legal reference: 441 IAC 52.1(1), 441 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 \$1,129. 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: 441 IAC 50.2(1), 441 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 (\$1,129 - \$967 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 \$1,129 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 ELIAS system.

All payments are issued to the recipient or the recipient's financial representative. The recipient keeps \$126 for personal needs and pays the certified family-life home \$1.003. 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.

Notify the recipient of the amount of payment to the family and the personal needs allowance by using **Notice of Action, form 470-0485(M)** or **470-0485(MS)**.

### **Case Maintenance (FLH)**

Legal reference: 441 IAC 50.4(2)

The service worker reviews the continuing need for family-life home placement on a semiannual basis. The Social Security Administration annually reviews the financial eligibility of a recipient living in a family-life home.

Whenever there is a change reported, the IM worker, the service worker, and the Social Security Administration must be notified because all three work together to determine eligibility. Use form **470-0640, State Supplementary Assistance Certification or Termination**, a memo, or a verbal contact to communicate with the service worker.

### **In-Home Health-Related Care Supplement**

Legal reference: Iowa Code Section 249.3(2)(a)(2)

The purpose of the in-home health-related care (IHHRC) supplement is to provide personal services to persons in their own homes when physical or mental problems prevent them from independent self-care. The intent is to prevent or reduce time in institutional care by helping a person stay at home as long as possible.

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 an in-home health-related care supplement. Additional criteria that must be met are discussed in this section.

For Medicaid eligibility, see [8-F, SSA Recipients](#). Although eligibility for IHHRC payments may never be effective earlier than the application date, recipients may be eligible for retroactive Medicaid if the individual meets a category of eligibility for the retroactive period as defined in [8-A, Definitions](#). See [8-B, Determining Eligibility for the Retroactive Period](#).

To be eligible for retroactive Medicaid coverage using the IHHRC supplement, the applicant must have been receiving personal services recommended by a physician, as well as having met all other eligibility requirements during the retroactive period. Examine other applicable Medicaid coverage groups if the applicant does not meet eligibility using the IHHRC supplement.

### **Administration (IHHRC)**

The in-home health-related care supplement is jointly administered by an income maintenance worker and a designated service worker. Information about service worker functions in administering the program is located in [18-C\(6\), In-Home Health-Related Care Services](#).

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 as described on **form 470-5170 or 470-5170(S), Application for Health Coverage and Help Paying Costs** may be applied for giving false, misleading, or incomplete information, not reporting changes in circumstances, or accepting assistance for which the person is not eligible.
- Provide informational program pamphlets. Give the following pamphlets to all applicants, recipients, or anyone asking about the program:
  - **Comm. 018, State Supplementary Assistance**
  - **Comm. 020 or Comm. 020(S), Your Guide to Medicaid Fee for Service (FFS)**
  - **Comm. 121 or Comm. 121(S), Important Notice to Property Owners and Renters**
- Referring potential recipients of blind allowance to the Social Security Administration for an eligibility determination and payment.
- Notifying the Social Security Administration of any changes in the circumstances of a recipient that may affect SSI eligibility using form **470-0641, Report of Change in Circumstances--SSI-Related Programs**.
- Making and documenting eligibility decisions and certifying eligibility.
- Issuing timely and adequate notice to a recipient when an adverse action is taken. If issuing notice manually, use **Notice of Action, form 470-0485(M) or 470-0485(MS)**.

Responsibilities of the service worker include:

- Determining if service criteria are met.
- Establishing the cost of the home health care the recipient will require.

### **Communicating With the Service Worker**

Communicate with the service worker regularly while eligibility is being determined and every time something changes in the recipient's situation.

Examples of situations in which you would communicate with the service worker are:

- Client participation has been determined or changed.
- The recipient becomes eligible to receive Medicaid.
- The recipient's living arrangement has changed.
- The recipient is ineligible for services.

Examples of situations in which the service worker would communicate with you are when:

- The service worker has a new application.
- Payment for services has begun.
- The recipient's living arrangement has changed.
- The recipient has died.
- The recipient is no longer receiving the service.

### **Application Processing (IHHRC)**

Legal reference: 441 IAC 50.2(249), 441 IAC 177.4(10)

Any person applying for an in-home health-related care supplement must complete form **470-5170** or **470-5170(S), Application for Health Coverage and Help Paying Costs** and form **470-5433** or **470-5433(S), Appendix A for Health Coverage**. The applicant may file the application directly with a DHS service or income maintenance worker.

When the applicant's income is less than the SSI standard allowance, but the applicant has not applied for SSI, refer the applicant to the Social Security office to file for SSI.

Both the IM worker and the service worker have roles in determining eligibility for in-home health-related care. Both the IM worker and the service worker are required to share information with each other.

If the service worker receives the application first, the service worker copies the first and last page of the application for the service files, and sends the complete application to you.

If you receive the application first, keep the application and notify the service worker of your receipt of the application.

During the application process, the service worker determines if service criteria as defined in [18-C\(6\)](#) are met and determines the value of the home health care the client will require. You determine if financial eligibility criteria are met and determine the amount of client participation.

### **Approving or Denying Eligibility**

Legal reference: 441 IAC 50.2(249)

If the applicant is eligible for an IHHRC supplement or is ineligible due to a service-related issue, the service worker will notify the client that services have been approved or denied using form **470-0602, Notice of Decision: Services**. The service worker will also send you a copy of the notice.

If the applicant is eligible for an IHHRC supplement, issue **Notice of Action, form 470-0485(M)** or **470-0485(MS)**, or an automated Notice of Action, to notify the applicant of the amount of client participation and effective date of approval. (A person who is approved for this supplement will receive two notices, one from IM and one from services.)

If the applicant is ineligible for an IHHRC supplement due to financial or IM-related reasons, issue form **470-0485(M)** or **470-0485(MS)** or an automated Notice of Action to the client to notify the client of the denial and the reason. Also send a copy to the service worker.

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

If the IHHRC applicant has income that exceeds SSI limits or is already an SSI recipient, the effective date of SSA payment is the latest of the following:

- The date of application.
- The date all financial eligibility requirements are met (which is determined by the IM worker).
- The date the applicant begins receiving qualified IHHRC services (which is determined by the service worker).

Mr. A, an SSI recipient, applies for IHHRC on April 15. The IM worker determines that Mr. A meets all financial eligibility criteria beginning April. The IM worker notifies the service worker that Mr. A meets all eligibility criteria beginning April 15. The service worker will determine when qualified IHHRC services are provided and the effective date of approval.

If the IHHRC applicant has income and resources less than SSI limits, but is not an SSI recipient, instruct the applicant to apply for SSI as soon as possible. Pend the SSA application until an action on the SSI application is completed. See [Simultaneous SSI and SSA Applications](#).

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

- The date of application.
- The date all financial eligibility requirements are met (this is determined by the IM worker).
- The date the applicant begins receiving qualified IHHRC services (this is determined by the service worker).
- The month before the month of the effective date of SSI approval. See [8-B, Effective Date for SSI Recipients](#).

Mr. B applies for IHHRC on April 15. He is not an SSI recipient but has income and resources that are less than SSI guidelines. The IM worker instructs Mr. B to apply for SSI as soon as possible. Mr. B applies for SSI on April 25. His SSI application is approved effective May 1.

The IM worker determines that Mr. B meets all financial eligibility criteria beginning April (the month before the effective date of SSI approval). The IM worker notifies the service worker that Mr. B meets all eligibility criteria beginning April 15. The service worker will determine when qualified IHHRC services are provided and the effective date of approval.

### **Nonfinancial Eligibility (IHHRC)**

Legal reference: 441 IAC 177.2(249), 441 IAC 177.4(249)

In addition to the requirements listed under [Policies Applicable to All State Supplementary Assistance](#), a person applying for or receiving a payment for an IHHRC supplement must:

- Live in Iowa and be receiving care in Iowa.

Mr. B is spending the winter at his daughter's home in Illinois. He is not eligible because the home in which he is receiving care is not in Iowa.

- Live in the person's own home. "Own home" means a person's house, apartment, or other living arrangement intended for single or family residential use. A person is considered living in the person's own home even though sharing the household of another.
- Have a physician's recommendation that the services are needed. The service worker is responsible for obtaining verification from the physician as described in [18-C\(6\), Determining Eligibility](#).

The skilled services the person receives must be supervised by a professional registered nurse. The service worker is responsible for consulting with the nurse about the care needs of the recipient, the qualifications of the provider, and the amount of supervision the nurse will provide.

### **Income (IHHRC)**

Legal reference: 441 IAC 177.4(7), 441 IAC 177.4(8)

For people who are not SSI recipients, determine countable income using SSI policies as defined in [8-E, Income Policies for Non-MAGI-Related Coverage Groups](#). EXCEPTION: Do not allow the \$20 disregard.



When a client is a single adult 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 SDX fields to use are:

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

When a client is a married SSI recipient and is living with a spouse, count the spouse's income. Consider the spouse's income even if the Social Security Administration is not deeming the spouse's income to the client for SSI purposes. If the applicant is separated from the spouse, do not count the spouse's income.

Determine the amount of income available for client participation according to the policies in [Client Participation for Adults \(IHHRC\)](#) and [Client Participation for Children \(IHHRC\)](#).

The recipient is income-eligible when the amount available for client participation is less than the cost of care. The service worker determines the cost of care. The maximum cost of care for each recipient cannot exceed:

- \$480.55 per month for one person.
- \$961.10 for a couple when both need care.

If the care needed by the client is more expensive than these limits, the client is not eligible for a SSA payment for in-home health-related care.

The applicant needs in-home health care costing \$400 per month. Client participation is \$425. The applicant is not eligible and can pay for the services.

Any Medicaid services provided by a home health agency are not considered to be duplicating the personal care nursing services. These services do not count when the service worker determines if the costs exceed the limits.

### **Client Participation for Adults (IHHRC)**

Legal reference: 441 IAC 177.7

Client participation is the amount of the recipient's income that must be applied towards the cost of care before SSA funds are used for that purpose. The recipient must pay client participation to the provider of service.

When the recipient is living with a spouse, consider the spouse's income in determining the amount of client participation. When the recipient is not living with the spouse, do not consider the spouse's income.

When determining client participation, count all nonexcluded income, including the spouse's income (if spouse lives with the client). Apply the following deductions:

- When income is earned, \$65 plus one-half of the remainder per household.
- Home maintenance allowance for a single person, or for a couple if there is a spouse living with the client or a dependent living with an eligible person, according to the schedule in [Home Maintenance Allowance \(IHHRC\)](#).
- Deduction for the unmet medical needs of the client as discussed in [Deduction for Unmet Medical Needs \(IHHRC\)](#).
- Deduction for the unmet needs of dependents as discussed in [Deduction for Unmet Medical Needs \(IHHRC\)](#).

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 |   |
| - 1,450.00  | Home maintenance allowance for couple               |
| \$ 767.50   |   |
| - 966.00    | Home maintenance allowance for children (\$483 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:

- \$ 967 Individual
- \$ 1,450 Couple
- \$ 483 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            |
| + 444  | SSI                        |
| \$ 987 | Total income               |
| - 967  | 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.

|         |   |
|---------|---|
| \$ 483  | Home maintenance for dependent                          |
| - 125   | Child’s social security                                 |
| \$ 358  | Additional home maintenance allowance for the dependent |
| \$1,400 | Mr. B’s social security                                 |
| - 967   | Home maintenance allowance for individual               |
| \$ 433  |   |
| - 358   | Additional home maintenance allowance for dependent     |
| \$ 75   | 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. |   |
|    | \$ 483  | Home maintenance allowance for dependent            |
|    | - 210   | Child's social security                             |
|    | \$ 273  | Additional home maintenance allowance for dependent |
|    | \$1,300   | Ms. C's social security                             |
|    | - 967   | Home maintenance allowance for individual           |
|    | - 273   | Additional home maintenance allowance for dependent |
|    | \$ 60   | 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.
- Part D coinsurance or copayments that the client pays for prescriptions.
- Prescriptions the client pays for because they are not covered in the Part D plan's formulary. The client must apply for an exception for the plan to cover the drug and be denied.
- Prescriptions for drugs covered under Part D that the client pays for because the client has not signed up for Part D.

Nonlegend medication can be deducted as unmet medical needs when:

- Prescribed in writing by a physician for a specific medical use (rather than an incidental use), and
- Used to treat the condition for which the client is receiving in-home health-related care.

Examples of medications that may be deducted as unmet medical needs are:

- Alpha Keri oil, baby lotion, baby powder or moisturizing lotion for skin treatment
- Dulcolax and Colace for bowel routine
- Ear drops for an ongoing condition
- Eye drops if prescribed for an ongoing medical condition
- Maalox for anti-acid
- Milk of Magnesia, Surfak, suppositories or mineral oil for chronic constipation
- Nasal spray if prescribed for an ongoing medical condition
- Pepto Bismol for reoccurring gastritis
- Saline for skin ulcer treatment
- Stool softener gel caps

Some over-the-counter medications and sickroom supplies are Medicaid-payable and **cannot** be deducted as an unmet medical need, such as:

- Adhesive tape for bandages and skin care
- Alcohol preps for catheter care
- Buffered aspirin to thin blood
- Cotton balls and rubbing alcohol for blood sugar test
- Dipyridamole to prevent blood clotting (this may be covered by Medicare Part D, and is not covered by Medicaid for Medicare beneficiaries)
- K-Y lubricant, Vaseline or rubber gloves used for bowel routine
- Sterile bandages for skin care
- Tylenol for pain
- Vitamin and calcium supplements prescribed to treat a specifically diagnosed vitamin deficiency disease

For items not reimbursable through Medicaid, the client should ask the pharmacist for:

- A list of the charges for each prescription during a typical one-month period. If the need for some items varies from month to month, calculate an average.
- A signed statement that the medication is not covered by Medicaid.

When the client gives you a pharmacist's drug or medication statement, deduct this amount when computing client participation. If the need for medications changes significantly, require a new statement from the pharmacist.

Travel to obtain medical care is payable by Medicaid and is **not** an unmet medical need. See [8-M, Nonemergency Medical Transportation](#).

Durable medical equipment is used repeatedly, serves a medical purpose, and is not useful to a person in the absence of an illness or injury. In order to consider the durable medical equipment a “medical need,” the equipment must be necessary and reasonable either for treatment of an illness or injury or to improve the functioning of a physical disability.

Examples of items that are **not** an unmet medical need are:

- Physical fitness equipment such as exercycle, weights, etc.
- First-aid or precautionary equipment, such as lifeline emergency telephone service.
- Training equipment, such as speech teaching machines or Braille training texts.
- Equipment used for environmental control, such as room heaters, air conditioners, humidifiers, or electric air cleaners.
- Equipment that basically serves comfort or convenience of a person caring for the client, such as elevators, stairway elevators, or posture chairs.

### **Eligibility for Children (IHHRC)**

Legal reference: 20 CFR 416.1165

When a child requires in-home health-related care, count the income and resources of the parents who live in the same household with the child.

NOTE: The procedures for deeming from a parent to a child under in-home health-related care differ from the SSI program. Therefore, do not rely on SSI deeming calculations for children.

### **Deeming Parents’ Resources**

Legal reference: 20 CFR 416.1202(b)

Deem any parental resources in excess of SSI standards (\$2,000 for one parent or \$3,000 for two parents) to the eligible child in the same manner as SSI policy. See [8D, Deeming Resources: Deeming from a Parent to a Child](#). Do not count the resources of siblings.

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 |
| - <u>2,000</u> | Exempt             |
| \$ 200         | Deemed to Child A  |

|              |  |
|--------------|--|
| \$ 900       | Child A's resources                      |
| + <u>200</u> | 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 |
| - <u>3,000</u> | 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 (\$1,934 for one parent, \$2,900 for two parents).
- Home maintenance allowances for each additional dependent other than the eligible child (maximum of \$483 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  |  |
| - 2,900   | Double the SSI allowance for a couple  |
| \$ 1,035  |  |
| - 966   | Maintenance for siblings (\$483 x 2)   |
| \$ 69   | 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  |  |
| - 2,900   | Double the SSI allowance for a couple  |
| \$ 1,035  |  |
| - 666   | Maintenance allowance for siblings (\$483 maximum allowance per child minus \$150 income = \$333 per child. \$333 x 2 = \$666) |
| \$ 369  | 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 (\$967 for one parent, \$1,450 for a couple).
- Home maintenance allowances for each additional minor child other than the eligible child (maximum of \$483 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 \$970. |                          |
| \$ 970   | Mother's income          |
| - 967  | SSI allowance for mother |
| \$ 3   | 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 (\$967 for one parent, \$1,450 for two parents).



- Home maintenance allowances for each additional dependent other than the eligible child (maximum of \$483 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 |                              |
| - 1,450.00  | SSI allowance for couple     |
| \$ 167.50   |                              |
| - 483       | 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   |
| - 967.00    | Home maintenance allowance |
| \$ 33.00    | Client participation       |

- Home maintenance allowance equal to the SSI standard for one person, currently \$967.

|             |                                |
|-------------|--------------------------------|
| \$ 600.00   | Child's social security        |
| + 450.00    | Income deemed from parents     |
| \$ 1,050.00 | Child's total countable income |
| - 967.00    | Home maintenance allowance     |
| \$ 83.00    | Client participation           |

- Diversion for unmet medical needs of the child. See [Deduction for Unmet Medical Needs \(IHHRC\)](#).

Consider all remaining income to be available for client participation. 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.

### **Making Payment for IHHRC**

Legal reference: 20 CFR 416.2001; 441 IAC 177.4(9)

State Supplementary Assistance funds are used to pay the cost of in-home health-related care that is not paid by client participation. However, payment is made through the loWANS system rather than the ELIAS system. The local office is responsible for entering the payment on the loWANS system.

Payment is made to the adult recipient who is responsible for paying the provider, unless the recipient has designated someone else to receive the check. In that case, the designated person pays the provider. Payment is made to the person responsible for a recipient child. The responsible person then pays the provider.

### **Direct Deposit of IHHRC Payments**

A recipient who wants to have the IHHRC payments deposited directly into a bank account must complete the Department of Administrative Services form, **Direct Deposit Authorization Form**. The form is available on the HHS network at: \\Hoovr3s2\Payments\Accounting Bureau Forms\Direct Deposit Authorization Form.doc.

You may print off the form and give it to the recipient to fill out. The form contains instruction on where to mail or fax the completed form.

### **Case Maintenance (IHHRC)**

Legal reference: 441 IAC 50.4(2)

Review a recipient's eligibility for an IHHRC supplement yearly and whenever a change is reported. The recipient must complete form **470-5482** or **470-5482(S), Medicaid/State Supp Review**, at the time of each annual review. The Department completes an annual review for both SSI recipients and non-SSI recipients.

If an in-home health-related care recipient is also an SSI recipient, the Social Security Administration will also complete an annual review of financial eligibility.

An annual DHS review is needed to consider the income of an ineligible spouse, the income of dependents in the household when determining additional home maintenance allowances for dependents, and any unmet medical needs of the client and any dependents for SSI recipients.

### **Mandatory State Supplement**

Legal reference: Iowa Code Section 249.2

Before January 1, 1974, the state of Iowa administered three programs that provided cash assistance to financially needy persons who were aged, blind, or disabled: Old Age Assistance (OAA), Aid to the Blind (AB), and Aid to the Disabled (AD).

On January 1, 1974, the federal Supplemental Security Income (SSI) program was implemented, and the OAA, AB, and AD programs were discontinued. Persons receiving Iowa OAA, AB, or AD assistance were converted to the SSI program.

The maximum SSI benefit level as of January 1974 (\$146 for an individual) was higher than the maximum OAA, AB, and AD basic allowance benefit level (\$127 for an individual). Thus, persons who were receiving only the basic allowance under the OAA, AB, or AD programs received an increase in benefits when they were converted to the SSI program.

However, at the time of conversion, some persons were receiving an increased OAA, AD, or AB benefit amount in addition to the basic allowance due to a special need. (See [Special Needs](#).)

If, due to the special-need payment, the client's income before the conversion (countable income plus the OAA, AD, or AB benefit) was higher than the client's total countable income plus the SSI benefit, the state was required to make a supplemental payment to maintain the previous level. The income level that the state is required to maintain for such a person is referred to as a "minimum income level" (MIL).

As long as a client continues to have the special needs that were included in determining a MIL, the state is required to continue supplementing the SSI payment to ensure that the client's total income (SSI plus other countable income) does not fall below the MIL, as adjusted by any SSI cost-of-living increases.

The Social Security Administration is responsible for administering the mandatory state supplementation payment.

**Special Needs**

Legal reference: Iowa OAA, AB, and AD Plans for December 1973

The following are special needs that may have been included in calculating the amount of a person's OAA, AB, or AD benefit:

- **Special needs of the blind.** \$148 (basic allowance of \$127 plus \$21 special blind allowance).
- **Meals eaten or prepared away from home.** \$141 for OAA and AD (basic allowance of \$127 plus \$14) and \$162 for AB (basic allowance of \$127 plus \$14 plus \$21 blind).
- **Custodial care in a licensed facility.** \$209 (basic custodial care \$187 plus \$22 personal allowance).
- **Custodial care in the home.** Varying MIL (\$29 personal allowance plus an amount to cover special need as described by the service worker).
- **Nursing care in the home.** Varying MIL (\$29 personal allowance plus an amount to cover special need as described by the service worker).
- **Amortization payments.** Varying amounts to cover some continuous specials which had been added to the grant to cover property repairs and were not removed before conversion.
- **Personal services.** Up to \$58 per person. When the personal services allowance could not be transferred to a service payment, it remained as a payment in the grant.
- **Ineligible spouses and essential persons.** Varying amounts, depending on number of persons included in the budget before conversion. The MIL for a recipient and additional person or persons living in the recipient home is established as follows:

| Number of Persons | MIL for Aged or Disabled | MIL Including Blind Supplement |
|-------------------|--------------------------|--------------------------------|
| 1                 | \$127                    | \$148                          |
| 2                 | 194                      | 215                            |
| 3                 | 256                      | 277                            |
| 4                 | 312                      | 333                            |
| 5                 | 359                      | 380                            |
| 6                 | 421                      | 442                            |
| 7                 | 452                      | 473                            |
| 8                 | 508                      | 529                            |
| 9                 | 543                      | 564                            |

Beyond a nine-member household, in aged or disabled households, add \$60 per person to the last figure in the second column; for an Aid to the Blind case, add \$60 per person to the last figure in column three. If there is a second blind person involved, add \$21 to the applicable figure in column 3.

**Determining the Minimum Income Level**

The Social Security Administration is responsible for calculating the amount of the minimum income level (MIL). A MIL was established for all persons who converted from OAA, AB, or AD to SSI. When the MIL is less than the basic SSI payment, no state supplementation is necessary and the minimum income amount is academic.

|   |                             |        |        |
|---|-----------------------------|--------|--------|
| An OAA recipient received \$213 nursing care in the recipient's own home in December 1973. The person's only income was social security of \$120 per month. |                             |        |        |
| State Grant:  | Basic OAA allowance         |        | \$ 127 |
|   | Nursing care in home        |        | + 213  |
|   | Total need                  |        | \$ 340 |
|   | Less income                 |        | - 120  |
|   | State grant                 |        | \$ 220 |
| Minimum Income Level (MIL):   | Social security income      |        | \$ 120 |
|   | State grant                 |        | + 220  |
|   | MIL established at          |        | \$ 340 |
| SSI Benefit as of 1-1-74:   | Basic SSI for an individual |        | \$ 146 |
|   | Countable income            | \$ 120 |        |
|   | Less \$20 disregard         | - 20   |        |
|   | Countable income            | \$ 100 | - 100  |
|   | SSI benefit                 |        | \$ 46  |
| Mandatory State   | MIL                         |        | \$ 340 |
| Supplementation:  | Less income (\$120 + \$46)  |        | - 166  |
|   | Mandatory supplementation   |        | \$ 174 |

When a person has a minimum income level, the MIL amount is reflected in the SDX "UNEARNED INCOME" field with an income type "X." When a mandatory state supplementation payment is made, this is reflected in the SDX "STATE SUPP GROSS" and "STATE SUPP NET" payment fields.

### **Reduction in MIL**

Legal reference: 20 CFR 416.2055

If you become aware of a change in the client's circumstances which indicates there should be a reduction in the minimum income level, send a memo to the Bureau of Medicaid Eligibility Policy at the Iowa Medicaid Enterprise (IME). The Bureau notifies the Social Security Administration of the corrected minimum income level.

The following list covers changes that might occur which would indicate the need for a reduction in the minimum income level.

- The client no longer receives meals on wheels.
- The client no longer receives custodial care in a licensed facility.
- The client no longer receives custodial care in a private home.
- The client no longer receives nursing care in a private home.
- There is a reduction in the cost of custodial or nursing care in a private home.
- The client no longer receives personal services.
- There is a reduction in the cost of personal services.
- The amortization payments are completed.
- The essential person no longer lives in the client's home.
- The essential person is now eligible for benefits separately.
- There is a reduction in the family composition.

There is no provision for the Department to increase the minimum income level payment. Once the minimum income level is reduced, it cannot be reinstated to the original amount.

### **Residential Care Supplement**

Legal reference: Iowa Code Section 249, Iowa Code 135C.4

A "residential care facility" (RCF) is any institution, place, building, or agency providing for 24 consecutive hours accommodation, board, personal assistance, and other essential living activities to three or more individuals not related to the administrator or owner of the facility. These persons are unable to properly care for themselves because of illness, disease, or physical or mental infirmity, but they do not require the services of a registered or licensed nurse except on an emergency basis.

In order to receive an SSA payment, a person must be living in an RCF that is licensed by the Iowa Department of Inspections, Appeals, and Licensing (DIAL) and participates in the SSA program.

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 payment for residential care. Additional criteria that must be met are discussed in this section.

A child under 16 is ineligible for SSA in an RCF unless there is written approval by the Department of Inspections, Appeals, and Licensing (DIAL), and the situation has been referred to a service worker for a determination of whether the placement is appropriate.

Recipients of an RCF supplement 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 (RCF)**

The residential care facility assistance is administered by the Department.

Responsibilities of the IM worker include:

- Giving the following pamphlets to all applicants, recipients, or anyone who asks about the supplement:
  - **Comm. 018, State Supplementary Assistance**
  - **Comm. 020 or Comm. 020(S), Your Guide to Medicaid Fee for Service (FFS)**
  - **Comm. 121 or Comm. 121(S), Important Notice to Property Owners and Renters**
- Conducting an interview and explaining to clients:
  - The scope of SSA and non-MAGI-related Medicaid programs and the choice of programs available. Provide informational program pamphlets.
  - The penalties as described on form **470-5170** or **470-5170(S), Application for Health Coverage and Help Paying Costs**, which may be applied for giving false, misleading, or incomplete information, not reporting changes in circumstances, and accepting assistance for which a person is not eligible.
- Notifying the Social Security Administration of any changes in the circumstances of a recipient that may affect SSI eligibility using form **470-0641, Report of Change in Circumstances--SSI-Related Programs**.
- Making and documenting eligibility decisions.

- Issuing timely and adequate notice to a recipient when an adverse action is taken. If issuing notice manually, use **Notice of Action, form 470-0485(M)** or **470-0485(MS)**.

### **Application Processing (RCF)**

Legal reference: 441 IAC 50.3(2)

A person who wants to apply for an RCF supplement must file form **470-5170** or **470-5170(S), Application for Health Coverage and Help Paying Costs** and form **470-5433** or **470-5433(S), Appendix A for Health Coverage** with the local Department office.

Process an RCF application within five working days after eligibility factors have been cleared. Eligibility factors for RCF SSA are usually cleared within 30 days after receiving the application. Common delays that would result in this time period being exceeded include:

- A delay caused by the inability of the Social Security Administration to establish SSI eligibility.
- A delay caused by the inability of the Department to establish disability or blindness in cases where the income of the applicant or recipient exceeds SSI limits.

Issue form **Notice of Action, form 470-0485(M)** or **470-0485(MS)**, or an automated Notice of Action to notify the client of approval and the amount of client participation.

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

If the RCF applicant has income that exceeds SSI limits or is already an SSI recipient, the effective date of SSA payment is the latest of the following:

- The date the applicant entered the RCF.
- The date that eligibility first exists.
- 30 days before the date that the signed application form is received by the Department.

Mr. A, an SSI recipient, applies for RCF SSA on April 15. Mr. A has been a resident of the RCF since March 1. He meets all eligibility criteria beginning with March. Mr. A's worker approves RCF SSA effective March 16 (30 days before the date the application was received).

If the RCF applicant has income and resources less than SSI limits but is not an SSI recipient, instruct the applicant to apply for SSI as soon as possible. Pend the SSA application until an action on the SSI application is completed. See [Simultaneous SSI and SSA Applications](#).



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

- The date the applicant entered the RCF.
- The month that eligibility is first attained.
- Up to 30 days before the date that the signed application form is received by the Department.
- The month before the month of the effective date of SSI approval. See [8-B, Effective Date for SSI Recipients](#).

Mr. B applies for an RCF supplement on April 15. He has been in an RCF since March 1. Mr. B is not an SSI recipient but has income and resources that are less than SSI guidelines. The IM worker instructs Mr. B to apply for SSI as soon as possible. He applies for SSI on April 25.

The SSI application is approved effective May 1. RCF SSA is approved effective April 1 (the month before the effective date of SSI approval).

Eligibility for Medicaid may exist back to the third month before the month of application, even if eligibility for SSA does not exist during that time, if the individual meets a category of Medicaid eligibility for the retroactive period as defined in [8-A, Definitions](#).

### **Nonfinancial Eligibility Requirements (RCF)**

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 an SSA supplement for residential care.

#### **Living in a Certified Facility**

Legal reference: 20 CFR 416.211, 441 IAC 51.3(1), 441 IAC 54.1(249)

To be eligible for SSA, the person must be in a facility that is licensed by the Iowa Department of Inspections, Appeals, and Licensing (DIAL) as a residential care facility or residential care facility for persons with mental retardation.

SSA payments may be made to residents of:

- Licensed privately operated residential care facilities.
- Publicly operated residential care facilities licensed for 16 beds or less.
- Publicly operated residential care facilities licensed for more than 16 beds if:
  - The resident lives in the facility voluntarily, and
  - The resident is paying for the full cost of the care in the facility or will be if SSI or SSA is approved.

The facility must also enter into a contract with the Department to participate in the SSA program, using form **470-0443, Application and Contract Agreement for Residential Care Facilities**. The Bureau of Long Term Service and Support (LTSS) at the Iowa Medicaid Enterprise (IME) shall sign for the Department.

SSA payments may not be made to a person who lives in an RCF that does not participate in the SSA program.

As a general or primary policy, a person who is a resident of a public nonmedical institution is not eligible for SSI. However, some residents of a public nonmedical institution may be eligible for SSI (and thus may also be eligible for SSA). See [8-C, Residents of Public Nonmedical Institutions: SSI-Related Eligibility Under Levings Rule](#).

### **Physician's Statement**

Legal reference: 441 IAC 51.3(2)

For a person to be eligible for the SSA residential care facility assistance, the facility must have on file an order written by a physician certifying that the person requires residential care but does not require nursing services.

The certification shall be updated whenever there is a change in the recipient's physical condition that warrants a reevaluation, but at least every 12 months.

You are not responsible for obtaining the statement or for ensuring that the statement is on file at the facility. DIAL is responsible for checking that facilities keep required files and statements.

However, if you receive information that the facility does not have a physician's statement for a resident or is an inappropriate living arrangement for a resident, make a referral to the Department of Inspections, Appeals, and Licensing (DIAL), Inspections Division.

### **Income (RCF)**

Legal reference: 441 IAC 50.2(1), 441 IAC 51.3(3), 441 IAC 51.2(249)

For a person who is over income for SSI, determine income for eligibility according to SSI income criteria. See [8-E, Income](#). EXCEPTION: Do not allow the \$20 income disregard.

When a person is not an SSI recipient, verify the person's income. When a person is an SSI recipient, it is not necessary to verify the person'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

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 (\$967).
- 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 (\$987). 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 (\$977).

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.

### **Resource and Income Guidelines for Married Couples**

When a person is applying for a residential care supplement, the person's living arrangement determines how income and resources are evaluated. Verify the income of the client (and the spouse) if the client is not an SSI recipient.

#### **Spouses Living Separately**

Legal reference: 20 CFR 416.1163(f); 441 IAC 50.2(1)

When the person living in an RCF is married, follow SSI eligibility policy to determine if the spouse's income and resources must be considered when determining eligibility for SSA and the amount of client participation.

- When one or both spouses are receiving SSI before one or both enters an RCF, treat the spouses as a couple during the month of entry, then as individuals beginning the month after the month of entry.

To determine countable income for an SSI recipient for the month of entry, include the spouse's deemed income amount determined by SSI in the DEEMED INCOME field on the SDX.

- When neither spouse is receiving SSI before the entry of one or both into an RCF, treat the spouses separately beginning in the month of entry.

A married person might have been ineligible for SSI while living at home because the spouse's income made the family income too high.

In the RCF, the person would be treated as an individual. If the person's income and resources are less than the SSI payment standard for an individual, the person must now apply for and accept SSI benefits. Pend the RCF application until the SSI application is processed.

### **Spouses Sharing a Room in a Residential Care Facility**

Legal reference: 20 CFR 416.1163(f), 441 IAC 51.3(3)

During their first month in the RCF, treat spouses who live together in the same room of an RCF as a couple. The spouses are income-eligible for SSA for that month if the combined income available for client participation is less than twice the income limit for one person (31 times the per diem rate for the facility).

After the month of entry, treat the spouses as individuals when determining eligibility and client participation. If one member of the couple has income less than the SSI payment, that spouse must apply for and accept SSI benefits. Pend the application until the SSI application is processed.

### **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.
2. \$65 work expense plus one-half of any remaining earned income.
3. \$126 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 [Divisions 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 [Divisions 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 \$126 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 \$967) 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 \$483) 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.

When the countable income of the spouse at home is not enough to cover that spouse’s unmet medical needs, deduct the spouse’s unmet medical needs. When the spouse is receiving SSI, do not allow the spouse’s medical needs as a deduction.

Also if a dependent child who is living in the home is not receiving SSI benefits or is not eligible to receive SSI benefits, deduct the unmet medical needs of the dependent when the countable income of the dependent plus the spouse’s income that is over the SSI benefit for one is not enough to cover these expenses.

### **First-Month Client Participation**

Legal reference: 441 IAC 52.1(3)“a”(6)

When a client lived at home for part of the month before entry to a facility, deduct the SSI benefit rate for one person from the client’s countable income for that month.

If the client had a spouse living in the home in the partial month before entry, deduct the SSI benefit rate for a married couple from the client's countable income for that month.

Also do not use income that clients of SSA or Medicaid used in that month to pay for the cost of care in a:

- Family-life home
- In-home health-related care provider
- Home-based or community-based waiver setting
- Medical institution
- Another RCF

Use the income of a client for client participation beginning with the month of approval in the following circumstances:

- The client left the facility for hospitalization or nursing care, then later returned to the RCF.
  - If the client returns directly to the RCF, there is no break in client participation.
  - If the client is discharged from the RCF and goes home before returning to the facility, determine first-month client participation as though the client was entering the RCF from an independent living arrangement.
- The client transferred from nursing care to RCF care or from one RCF to another. When this happens, apply any unused client participation toward the cost of care in the new facility.
- The client changed from private-pay status to SSA status while living in an RCF.
- The client moved from an independent living arrangement to an RCF. These clients may keep enough of the first month's income to meet maintenance or living expenses from the previous living arrangement, but do not disregard an amount that is over the SSI standard for the household's previous living arrangement.

### **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.

|              |                          |
|--------------|--------------------------|
| \$ 967       | SSI benefit              |
| - <u>126</u> | Personal needs allowance |
| \$ 841       | 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:

|             |                  |
|-------------|------------------|
| \$ 120      | Social security  |
| - <u>20</u> | Income exclusion |
| \$ 100      | Countable income |

|              |                  |
|--------------|------------------|
| \$ 967       | SSI benefit rate |
| - <u>100</u> | Countable income |
| \$ 867       | SSI benefit      |

Calculation of client participation:

|              |                          |
|--------------|--------------------------|
| \$ 120       | Social security          |
| + <u>867</u> | SSI benefit              |
| \$ 987       |                          |
| - <u>126</u> | Personal needs allowance |
| \$ 861       | 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:

|                 |  |
|-----------------|--|
| \$ 700.00       | Social security income   |
| + <u>333.00</u> | Earned income  |
| \$ 1,033.00     |  |
| - 100.00        | Impairment-related work expenses   |
| - 65.00         | Work expense exclusion   |
| - 84.00         | Half of the remaining earned income<br>(\$333 - \$100 - \$65 divided by 2) |
| - <u>126.00</u> | Personal needs allowance   |
| \$ 658.00       | 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.

|               |                          |
|---------------|--------------------------|
| \$ 967        | SSI benefit              |
| - 126         | Personal needs allowance |
| <u>\$ 841</u> |                          |
| - 841         | Diversion for spouse     |
| <u>\$ 0</u>   |                          |

Only \$841 can be diverted to Mrs. J (instead of the SSI benefit of \$967), because the personal needs allowance must be deducted first.

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.

|                 |                          |
|-----------------|--------------------------|
| \$ 1,200        | Social security income   |
| - 126           | Personal needs allowance |
| <u>\$ 1,074</u> |                          |
| - 967           | Diversion for spouse     |
| <u>\$ 107</u>   | Client participation     |

3. Mr. A receives social security income of \$200 and SSI of \$802.50. 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:

|                 |   |
|-----------------|---|
| \$ 200.00       | Mr. and Mrs. A's combined unearned income |
| - <u>20.00</u>  | Income exclusion                          |
| \$ 180.00       | Combined countable unearned income        |
| \$ 1,000.00     | Combined earned income                    |
| - 65.00         | Work expense exclusion                    |
| - <u>467.50</u> | One-half of remainder                     |
| \$ 467.50       | Combined countable earned income          |
| + <u>180.00</u> | Combined countable unearned income        |
| \$ 647.50       | Combined countable income                 |
| \$ 1,450.00     | SSI benefit rate for couple               |
| - <u>647.50</u> | Countable income                          |
| \$ 802.50       | 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>802.50</u>   |  |
| \$ 1,470.00       | SSI benefit  |
| - 126.00          |  |
| - <u>1,450.00</u> | Personal needs allowance   |
| \$ .00            | Home maintenance allowance for month of entry<br>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   |
| + 787.00         | Mr. A's SSI   |
| <u>\$ 987.00</u> |   |
| - 126.00         | Personal needs allowance  |
| <u>\$ 861.00</u> |   |
| - 509.50         | Diversion for Mrs. A (967 - 457.50 [1,000 - 20 = 980 - 65 ÷ 2]) |
| <u>\$ 351.50</u> | Client participation  |

4. 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.

5. 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                       |
| - 126        | Personal needs allowance              |
| - 1,450      | Home maintenance allowance            |
| - <u>483</u> | Diversion for dependent's basic needs |
| <u>\$ 0</u>  | Client participation                  |

**May:**

|              |  |
|--------------|--|
| \$ 1,150     | Social security                            |
| - 126        | Personal needs allowance                   |
| - 887        | Diversion to the spouse (967 - (100 - 20)) |
| - <u>483</u> | Diversion for dependent's basic needs      |
| <u>\$ 0</u>  | 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 \$1,450 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.

1. 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 \$1,195 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>1,195</u> | SSI benefit                                   |
| \$ 1,470       | Total income                                  |
| - 126          | Personal needs allowance                      |
| - <u>1,450</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.

**Calculation of Mr. K's SSI:**

|              |                             |
|--------------|-----------------------------|
| \$ 175       | Mr. K's social security     |
| - <u>20</u>  | Income exclusion            |
| \$ 155       | Countable income            |
| \$ 967       | SSI individual benefit rate |
| - <u>155</u> | Mr. K's countable income    |
| \$ 812       | SSI benefit                 |

**Calculation of client participation:**

|               |                          |
|---------------|--------------------------|
| \$ 175        | Social security          |
| + 812         | SSI benefit              |
| <u>\$ 987</u> |                          |
| - 126         | Personal needs allowance |
| <u>\$ 861</u> | 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 \$1,933 (\$1,450 for the eligible couple and \$483 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 \$967. Treat the SSI-eligible spouse and dependent child as an eligible individual with a dependent child, with a basic SSI-SSA payment of \$1,450 (\$967 + 483).

1. 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                                     |
| + 1,261         | SSI benefit for Mr. and Mrs. W<br>(\$1,450 + \$20) - (\$139 + \$70) |
| + 503           | Dependent person allowance for son                                  |
| <u>\$ 1,973</u> |   |
| - 126           | Personal needs allowance  |
| - 1,933         | Home maintenance allowance for month of entry (\$1,450 + \$483)     |
| <u>\$ 0</u>     | 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 |

|        |                             |
|--------|-----------------------------|
| \$ 967 | SSI individual benefit rate |
| - 119  | Countable income            |
| \$ 848 | SSI benefit                 |

Calculation of client participation:

|        |                          |
|--------|--------------------------|
| \$ 139 | Social security          |
| + 848  | SSI benefit              |
| \$ 987 |                          |
| - 126  | Personal needs allowance |
| \$ 861 | 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 \$37.60, beginning January 1, 2025.

- 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.

Ms. J is an RCF SSA recipient whose total monthly client participation is \$155.10. Ms. J enters the hospital on June 1 and returns to the RCF on June 26, for a total of 25 days absence. The facility will bill for 20 reserve bed days, 5 covered days, and 5 noncovered days. The facility will keep the documentation of reserve bed days for audit purposes.

### **Reserve Bed Days Due to Visits or Vacation**

Legal reference: 441 IAC 52.1(3), 441 IAC 52.1(3)“e”

When the resident is absent overnight due to a visit or vacation, payment is made to hold the bed for a period not to exceed 30 days during any calendar year.



**EXCEPTION:** Payments may be made for additional visit days if a family member or legal guardian of the resident, or the resident's physician, case manager, or Department service worker provides signed documentation to the RCF that the resident wants additional visit days and the days are for the resident's benefit.

The RCF should obtain this documentation whenever the resident is absent for more than the 30-day limit, and keep it in the resident's personal file. If the RCF does not get documentation, the facility must bill the days as noncovered days unless the resident is discharged.

DIAL is responsible for ensuring that facilities have justification for SSA payment for more than 30 days.

Residents are not restricted in how they choose to use the visit days to which they are entitled. They may use their visit days all at once or distributed throughout the calendar year. However, visit or vacation days may not be used to extend a hospital stay beyond 20 days per calendar month.

### **Incorrect Payments**

Legal reference: 441 IAC Chapter 11, 441 IAC 51.9

When an incorrect SSA payment is issued to a recipient living in a residential care facility, an adjustment must be made.

When the recipient has been underpaid, use form **470-3924, Request for loWANS Changes** to report the underpayment. Fill out the form online, and e-mail it to DHS, loWANS-Facilities.

The loWANS file will be adjusted to show the month with the correct client participation and the information will be sent to the IME. The IME will reprocess the incorrect months' payment and make an additional payment.

When the recipient's income plus the SSA payment is more than the amount needed to pay for the recipient's care and personal needs allowance, the recipient must refund the excess.

When there is an overpayment, the recipient may refund the overpayment:

- To the local office. Issue an official receipt, and follow the normal procedures for handling overpayment recoveries.
- To the facility to forward to the IME on the recipient's behalf. The refund must be accompanied by a letter which contains the:
  - Recipient's name and state identification number.

- Amount of overpayment.
- Reason for the refund.

If the recipient does not refund the overpayment to either the local office or the facility, follow the normal procedures for establishing overpayment claims.

When an incorrect payment has been reported, review the recipient's circumstances and adjust the amount of current and ongoing client participation if necessary. Enter the corrected amount of client participation into the system and issue a *Notice of Action* to the recipient that states the corrected amount.

### **Case Maintenance (RCF)**

Legal reference: 441 IAC 50.4

Review all eligibility factors at least annually for cases in which:

- The recipient does not receive an SSI payment.
- The recipient receives an SSI payment and income is being diverted to the family.

The Social Security Administration annually completes financial eligibility reviews for SSI recipients. If an SSI recipient has a deduction in client participation due to a spousal diversion or unmet medical deduction, review factors related to those diversions at least annually.

The recipient must complete form **470-5482** or **470-5482(S), Medicaid/State Supp Review** for reviews.

### **Supplement for Medicare and Medicaid Eligibles**

Legal reference: Iowa Code Section 249.3, Subsection 4; 441 IAC 51.6(249)

This section covers the policies and procedures of the Supplement for Medicare and Medicaid Eligibles program.

The purpose of the Supplement for Medicare and Medicaid Eligibles is to provide a cash benefit to certain Medicaid recipients who do not qualify for other cash assistance benefits. The program allows the state to receive federal financial participation for the Medicare premiums that would otherwise be paid with state funds.

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 the Supplement for Medicare and Medicaid Eligibles. Additional criteria that must be met are discussed in this section.

### **Administration (SMME)**

The Department administers the Supplement for Medicare and Medicaid Eligibles.

Responsibilities of the IM worker include:

- Giving the following pamphlets to all applicants, recipients, or anyone who asks about the program:
  - **Comm. 018, State Supplementary Assistance**
  - **Comm. 020 or Comm. 020(S), Your Guide to Medicaid Fee for Service (FFS)**
  - **Comm. 121 or Comm. 121(S), Important Notice to Property Owners and Renters**
- Conducting an interview and explaining to clients:
  - The scope of SSA and non-MAGI-related Medicaid programs and the choice of programs available. Provide informational program pamphlets.
  - The penalties as described on form **470-5170** or **470-5170(S), Application for Health Coverage and Help Paying Costs** which may be applied for giving false, misleading, or incomplete information, not reporting changes in circumstances, and accepting assistance for which a person is not eligible.
- Making and documenting eligibility decisions.
- Issuing timely and adequate notice to a recipient when an adverse action is taken. If manually issuing notice, use **Notice of Action, form 470-0485(M)** or **470-0485(MS)**.

### **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.