

**DEPARTMENT  
POLICY****SSI-Related MA**

Use this item for any person whose income is considered in determining income eligibility or a post-eligibility patient-pay amount. See “Exception” below.

Determine income eligibility and post-eligibility patient-pay amounts (PPA) on a calendar month basis. Use one budget to determine income eligibility (or post-eligibility PPA) for multiple months if the circumstances for each of the months are identical.

**Applicants and  
Deductible Cases**

Determine income eligibility in calendar month order beginning with the oldest month. This is especially important when using medical expenses to determine Group 2 income eligibility.

In addition, do a future month budget to determine ongoing income eligibility, deductible status or post-eligibility PPA when a change in circumstances occurred in the processing month or a change is anticipated for the future month. For example:

- Client started a job and will get his first pay next month.
- A group member moved out of the client’s home during the processing month.
- Client was admitted to, or discharged from, an LTC facility during the processing month.

**MA Recipients and  
Deductible Cases**

For a recipient, do a future month budget at redetermination and when a change occurs that may affect eligibility or a post-eligibility PPA.

For a deductible client, do a future month budget at redetermination and when a change occurs that may affect deductible status.

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**COUNTABLE  
INCOME**

Use only countable income. Countable income is income remaining after applying MA policy in BEM 500. Also see “**COUNTABLE INCOME**” in BEM 546 for post-eligibility patient-pay amount computations.

**AVAILABLE INCOME**

Use only available income. Available means income which is received or can reasonably be anticipated. Available income includes amounts garnished from income, joint income, and income received on behalf of a person by his/her representative. See BEM 500 for details.

**AVERAGED INCOME**

**For SSI-related MA budgets**, average only self-employment income. Convert self-employment income which is received less often than monthly to a monthly amount based on past and/or estimated future proceeds and allowable expenses.

Group 2 MA budgets, average income received in one month which is intended to cover several months. Divide the income by the number of months it covers to determine the monthly available income. The average amount is considered available in each of the months.

**NON-AVERAGED  
INCOME**

Budget non-averaged income for the month in which it was/will be received/available.

**Exception:** When doing a future month budget, do not budget income from an extra check (example: fifth check for a person who is paid weekly).

**BUDGET MONTH  
INCOME****Past Month**

**Non-averaged income:** Use amounts actually received/available in the past month.

**Averaged income:** Use the monthly average amount if this month is one of the months used to compute the average.

### Processing Month

**Non-averaged income:** Use amounts already received/available in the processing month. In addition, estimate amounts likely to be received/available during the remainder of the month. See “**PROSPECTING INCOME**” below.

**Averaged income:** Use the monthly average amount if this month is one of the months used to compute the average.

### Future Month

**Non-averaged income:** Use amounts that will be, or are likely to be, received/available in the future month. See “**PROSPECTING INCOME**” below.

#### **Exceptions:**

- Do not budget an extra check (example, fifth check for person paid weekly).

If prospecting income based on bi-weekly or twice a month payments, multiply by 2. If prospecting income based on weekly pay, multiply by 4.

- Base estimate of daily income (example: insurance pays \$40 for every day in hospital) on a 30-day month.

When the amount of income from a source changes from month to month, estimate the amount that will be received/available in the future month.

**Averaged income:** Use the monthly average amount if this month is one of the months used to compute the average.

## PROSPECTING INCOME

Prospecting income means arriving at a best estimate of the person's income. Prospect income when you are estimating income to be received in a processing or future month. Your best estimate may not be the exact amount of income received.

Some of the reasons income fluctuates is because:

- The number of hours worked in a month may fluctuate.
- The amount of tips may vary from payday to payday.

Use the following guidelines for prospecting income:

- For fluctuating earned income, use the expected hourly wage and hours to be worked, as well as the payday schedule, to estimate earnings.
- Paystubs showing year-to-date earnings and frequency of pay are usually as good as multiple paystubs to verify income.
- A certain number of paystubs is not required to verify income. If even one paystub reflects the hours and wages indicated on the application, that is sufficient information.
- If a person reports a pay rate change and/or an increase or decrease in the number of hours they usually work, use the new amount even if the change is not reflected on any paystubs.
- If you have an opportunity to talk with the client, that may help establish the best estimate of future income.

**Note:** Do not require in-person interviews as a condition of eligibility.

## AUTOMATED UPDATES

Central office automatic updates, such as Social Security cost-of-living increases, take effect the month the change occurs.

Social Security cost-of-living increases are calculated from BEN-DEX information. The increase is added to existing post-eligibility patient-pay amounts (PPAs). Since this increase is determined independently of the client's total income, the result (e.g., post-eligibility PPA) may be affected by truncating (i.e., dropping cents), but is considered correct.

## LEGAL BASE

Social Security Act, Sections 1902(r)(2), 1931(b)  
42 CFR 435.600-.832  
MCL 400.106

**JOINT POLICY  
DEVELOPMENT**

*Medicaid, Adult Medical Program (AMP), Transitional Medical Assistance (TMA), and Maternity Outpatient Medical Services (MOMS) policy has been developed jointly by the Department of Community Health (DCH) and the Department of Human Services (DHS).*