

**INCOME****LOW INCOME FAMILIES (LIF) BUDGETING METHODOLOGY**

**Policy:** The following persons who apply for Medicaid are entitled to LIF budgeting:

- Families with a dependent child under age 21;
- Persons under age 21; and,
- Pregnant women.

**References:**

SSL Sect.	366
ADMs	OMM/ADM 97-2 97 ADM-23
GIS	08 MA/022

**Interpretation:** The financial criteria for LIF generally parallels the criteria of the Family Assistance cash program. However, the LIF methodology may not be more restrictive than the methodology used in the Aid to Dependent Children cash program on July 16, 1996.

Financial eligibility for LIF requires that the A/R's countable income meet certain tests. Three income tests are applied in determining whether an A/R may be eligible for LIF. These tests are:

1. comparison of gross income to 185% of the Medicaid Standard. If an A/R's gross income, after certain disregards, exceeds 185% of the Medicaid Standard, the A/R will not be eligible for LIF (See **INCOME LIF DISREGARDS**).
2. comparison of gross income to the poverty level. If the A/R's gross income exceeds 100% of the federal poverty level, the A/R will not be eligible under LIF. For certain special housing situations (See 97 ADM-23), the income comparison will parallel calculations used in Public Assistance.
3. comparison to the Medicaid Standard. If an A/R's net income after allowable deductions exceeds the Medicaid Standard (and the MBL Living Arrangement Chart, as appropriate), the A/R will not be eligible under LIF.

**NOTE:** If a family's countable income exceeds the Medicaid Standard the family may not spenddown to the Medicaid Standard. However, eligibility may exist under one of the medically needy or expanded eligibility (poverty level) programs.