

**INCOME
LIF BUDGETING METHODOLOGY**

DETERMINATION OF ELIGIBILITY

Policy: LIF budgeting is used to determine eligibility for persons who meet the following categorical requirements:

Families with a dependent child under age 21;
Persons under age 21; or
Pregnant women;

Eligibility is determined by comparing the net available income of the A/R to the Medicaid Standard (and MBL Living Arrangement chart, as appropriate). (See **REFERENCE MEDICALLY NEEDY INCOME AND FEDERAL POVERTY LEVELS**).

References:

SSL Sect.	366
Dept. Reg.	360-4.2 360-4.6(a)(3)
ADMS	OMM/ADM 97-2
INFs	98 OMM/INF-02
GIS	08 MA/022

Interpretation: Eligibility using LIF budgeting is determined as follows:

- (1) Determine the gross monthly income of the person or household (See **OTHER ELIGIBILITY REQUIREMENTS HOUSEHOLD COMPOSITION** for an explanation of household composition). Certain kinds of income are disregarded in whole or in part (See **INCOME LOW INCOME FAMILY DISREGARDS**).
- (2) Compare the gross monthly income to 185% of the Medicaid Standard (See **INCOME LOW INCOME FAMILIES (LIF) BUDGETING METHODOLOGY 185% MAXIMUM INCOME TEST**). If gross income exceeds 185% of the Medicaid Standard, the A/R is not eligible for Medicaid using LIF budgeting. If the gross monthly income is equal to or less than 185% of the Medicaid Standard, then

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- (3) Compare the gross monthly income to 100% of the federal poverty level. If gross income exceeds 100% of the federal poverty level, the A/R is not eligible for Medicaid using LIF budgeting. If the gross monthly income is equal to or less than 100% of the federal poverty level, then
- (4) Deduct the \$90 work expense disregard;
- (5) Deduct child/incapacitated adult care costs;
- (6) Determine if the household received Medicaid under LIF budgeting in one of the previous four months. If so, subtract the earned income disregard from the A/R's earned income (See **INCOME** LIF BUDGETING METHODOLOGY EARNED INCOME DISREGARD).
- (7) Compare the resulting net income to the Medicaid Standard.

If the A/R did not receive Medicaid under LIF budgeting in one of the previous four months and the A/R's income is equal to or less than the Medicaid Standard, the earned income disregard is then applied.

If the A/R did not receive Medicaid under LIF budgeting in one of the previous four months and the A/R's income is more than the Medicaid Standard, no earned income disregard is applied. If a family's countable income exceeds the Medicaid Standard, the family may not spenddown to the Medicaid Standard. However, eligibility may exist and should be evaluated under one of the Medically Needy or Expanded Eligibility (poverty level) programs or Family Health Plus.