

INCOME
ADC-RELATED BUDGETING METHODOLOGY

HEALTH INSURANCE PREMIUMS

Description: Health insurance premiums are premiums paid for insurance which covers hospital, medical, dental, drug and/or other charges for medical care and services.

Policy: Health insurance premiums are deducted from income in determining eligibility for Medicaid.

References: SSL Sect. 366.2(a)(6)
Dept. Reg. 360-4.6(a)(3)(vii)
ADMs 93 ADM-28
91 ADM 53
91 ADM-27
87 ADM-40
83 ADM-44

Interpretation: When using ADC-related budgeting (See **INCOME ADC-RELATED BUDGETING**), the amount of the work expense disregard, the \$30 and 1/3 or \$30 disregard, the child or incapacitated adult care and the premium paid for health insurance are disregarded from earned income. When the A/R has no earned income or his/her entire earned income has been disregarded, the amount of the health insurance premium paid is deducted from unearned income.

Health insurance policies, which indemnify the A/R against charges for medical care and services, are considered for this disregard. These include: Medicare Parts A & B, Blue Cross, Blue Shield, Major Medical insurance, dental insurance, prescription drug insurance, long term care insurance, union health fund premiums, and other hospital and medical insurance.

Policies, which indemnify the A/R against loss of income due to illness or disability, may be considered for this disregard. These include: income protection insurance, medical liability insurance and any other insurance which offsets the loss of wages due to illness or hospitalization. A policy, which pays the A/R a certain amount of money for each day s/he is hospitalized, but does not cover specific hospital services, may be eligible for this disregard. The policy must be assignable (See **OTHER ELIGIBILITY REQUIREMENTS THIRD PARTY RESOURCES ASSIGNMENT AND SUBROGATION**) a hospital and be cost effective for its premiums to be considered as a deduction. A policy belonging to a non-applying spouse does not have to be assignable in order to receive the premium disregard.