

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

185% MAXIMUM INCOME TEST

Description: The maximum income limit allowed for a LIF A/R is 185% of the applicable Medicaid Standard (including additional allowances).

Policy: When using LIF budgeting, an A/R's total income, after subtracting any disregards, must be less than or equal to 185% of the applicable Medicaid Standard.

References:

Dept. Reg.	352.18 360-3.3(a)(1)
ADMs	OMM/ADM 97-2 97 ADM-21 85 ADM-33 83 ADM-38 82 ADM-49 81 ADM-55
GIS	08 MA/022

Interpretation: Families with dependent children under age 21, individuals under age 21, pregnant women and FNP parents cannot have gross income exceeding 185% of the Medicaid Standard. All income disregards (See **INCOME LOW INCOME FAMILY DISREGARDS**) except the \$90 work expense, child/incapacitated adult care and the earned income disregard are deducted before determining if the A/R meets the 185% maximum income test. The Public Assistance Source Book for Regulations contains a more detailed description of income excluded from the 185% income limit.

NOTE: Persons in Congregate Care (Levels I, II, and III) are not required to pass the 185% income test.

This income test is performed by multiplying the Medicaid Standard, for the appropriate size household, by 185%. The income of the A/R as described above is then compared to this figure. If the income is less than or equal to 185% of the Standard of Need then the household must pass the next test. If the income exceeds this figure, the household is not eligible for Medicaid under LIF and is further evaluated under medically needy or poverty level budgeting.