

**INCOME
PERSONS IN MEDICAL FACILITIES**

CHRONIC CARE BUDGETING METHODOLOGY FOR INDIVIDUALS

Policy: Chronic care budgeting procedures are used for institutionalized individuals in permanent absence status.

References: Dept. Reg. 360-1.4(c), (k) and (p)
360-4.9

ADMs 89 ADM-47

Interpretation: For chronic care budgeting purposes, an institutionalized **individual** is a person in permanent absence status who does not have a community spouse. See the Glossary for the definition of community spouse and the definition of permanent absence.

NOTE: When both members of a couple are in permanent absence status, they are each budgeted as individuals.

When an A/R enters a medical facility on a permanent basis, the first month or partial month of permanent absence, the A/R and any persons residing in his/her former household are budgeted as a community household. Appropriate disregards are used to determine monthly net income. The monthly income of the A/R and his/her household (if any) is compared to the appropriate medically needy income level or Public Assistance Standard of Need, whichever is higher.

NOTE: A person must be a resident of a medical facility as of 12:01 a.m. on the first day of the month for that month to be considered a full month.

Beginning the month following the month in which permanent absence is established, the A/R's income is budgeted using the chronic care budgeting methodology. The following income of the A/R is not applied toward the cost of care:

BLOOD PLASMA SETTLEMENTS - Payments received as a result of a federal class action settlement with four manufacturers of blood plasma products on behalf of hemophilia patients who are infected with human immunodeficiency virus (HIV);

CASH ASSISTANCE INCOME – SSI benefits paid under Section 1611(e)(1)(E) of the Social Security Act.

INCOME**CHRONIC CARE BUDGETING METHODOLOGY FOR INDIVIDUALS**

MONEY FROM RESIDENTIAL HEALTH CARE FACILITY LEGAL ACTION - Money received as the result of a legal action against a residential health care facility because of improper and/or inadequate treatment;

PERSECUTION PAYMENTS - Benefits received by eligible Japanese-Americans, Aleuts, or Pribilof Islanders under the Civil Liberties Act of 1988, the Wartime Relocation of Civilians Law, and the Aleutian and Pribilof Islands Restitution Act;

Payments made to individuals because of their status as victims of Nazi persecution, including: German Reparation Payments; Austrian Reparation Payments made pursuant to sections 500-506 of the Austrian General Social Insurance Act; and Netherlands Reparation Payments based on Nazi, but not Japanese, persecution;

PLAN TO ACHIEVE SELF SUPPORT – Income necessary to achieve a plan of self support (see page 200 for details);

RADIATION EXPOSURE COMPENSATION TRUST FUND PAYMENTS – Payments for injuries or deaths resulting from exposure to radiation from nuclear testing and uranium mining;

VETERANS – Payments to veterans for Aid and Attendance (A&A) or payments for Unusual Medical Expenses (UME); and

Reduced (limited) \$90 Veterans' Administration pension;

VIETNAM VETERANS – Agent Orange Settlement fund - Payments from the Agent Orange Settlement Fund or any other fund established pursuant to the Agent Orange product liability litigation, and payments from court proceedings brought for personal injuries sustained by veterans resulting from exposure to dioxin or phenoxy herbicide in connection with the war in Indochina in the period of January 1, 1962 through May 7, 1975;

Children - Monthly allowances paid to certain Vietnam Veteran's Children with Spina Bifida;.

INCOME

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To determine the individual's eligibility for Medicaid and the amount of his/her income to be applied to the cost of care, deductions are made in the following order:

- (a) Subtract the appropriate Personal Needs Allowance (PNA) from his/her available income. The A/R is no longer allowed the SSI-related income disregards.

When the A/R has no earned income and resides in a medical facility as defined by Article 28 of Public Health Law, deduct \$50 for the PNA.

When the A/R has no earned income and resides in a medical facility regulated by Article 31 of Mental Hygiene Law, deduct \$35.00 for the PNA.

When the A/R has earned income the PNA consists of \$50.00 or \$35.00 as applicable, plus the SSI-related earned income disregards. The total PNA amount may not exceed the medically needy income level for one (see page 114 for further details);

- (b) Deduct an amount to cover any third party health insurance premium;
- (c) The needs of any children under 21 years of age for whom the A/R is legally responsible, in his/her former family household are then considered. The A/R's income is used to bring such children's income up to the appropriate medically needy income level or Public Assistance standard of need, whichever is higher.

NOTE: The maintenance needs of children for whom the A/R is legally responsible, in his/her former family household are considered, regardless of their resources.

- (d) Deduct any expenses incurred for medical care, services or supplies and/or remedial care, not paid by Medicaid or a third party.

Any remaining income is applied to the cost of care on a monthly basis.

INCOME**CHRONIC CARE BUDGETING METHODOLOGY FOR INDIVIDUALS**

When an individual enters a medical facility on a temporary basis and is expected to return to the community, s/he is considered temporarily absent. S/he and any persons residing in his/her household are budgeted as a community case. His/her income is compared to the appropriate medically needy income level or the Public Assistance Standard of Need, whichever is higher.

INCOME**PERSONS IN MEDICAL FACILITIES****PERSONAL NEEDS ALLOWANCES (PNA) FOR PERSONS TRANSFERRED OR DISCHARGED****Policy:**

For persons in psychiatric facilities, developmental centers or intermediate care facilities regulated by Article 31 of the Mental Hygiene Law, the Personal Needs Allowance (PNA) is \$35.00, rather than the \$50 PNA allowed to persons in facilities regulated by Article 28 of Public Health Law. When a recipient transfers between facilities with different Personal Needs Allowance (PNA) levels, s/he is allowed the applicable PNA for the facility in which s/he was residing on the first of the month. The PNA is not pro-rated.

For example:

Mr. Smith has resided in a facility regulated by Article 31 of the Mental Hygiene Law since November 6, 1998. On March 10, 1999, he is transferred to a nursing home. His PNA for March, 1999 is \$35.00. Effective April 1, 1999 his PNA increases to \$50.

On June 15, 1999, Mr. Smith returns to the Article 31 facility. His PNA is \$50 for June, 1999. Effective July 1, 1999 his PNA decreases to \$35.00.

Individuals (other than institutionalized spouses) discharged from a medical facility into the community are entitled to community budgeting as of the calendar month of discharge.

For example:

Miss Brown is discharged from a nursing home to the community on August 20, 1998. She is entitled to community budgeting for the entire month of August.

Institutionalized spouses discharged from a medical facility into the community are entitled to community budgeting as of the month following the month of discharge. Institutionalized spouses are budgeted as chronic care cases in the month of discharge.

INCOME**PERSONS IN MEDICAL FACILITIES****PERSONAL NEEDS ALLOWANCES (PNA) FOR PERSONS TRANSFERRED OR
DISCHARGED**

For example:

Mrs. Jones is discharged from a nursing home to the community on August 20, 1998. She is budgeted as a chronic care case for the month of August. Effective September 1, spousal impoverishment rules no longer apply.