

## **Title 23: Division of Medicaid, Office of the Governor**

### **Part 104: Income**

#### **Part 104 Chapter 4: Exclusions for Earned and Unearned Income**

##### *Rule 4.2: General Income Exclusion*

- A. A general income exclusion of either \$50 or \$20 per month is applied based on whether the program operates under liberalized or strict SSI income policy.
1. Under liberalized income policy, the general exclusion is \$50 for the following programs:
    - a) Qualified Medicare Beneficiaries (QMB);
    - b) Specified Low-Income Medicare Beneficiaries (SLMB);
    - c) Qualifying Individuals (QI);
    - d) Working Disabled (WD); and
    - e) Healthier Mississippi Waiver.
  2. Under SSI income policy, the general exclusion is \$20 for the following programs:
    - a) SSI Retro;
    - b) Katie Beckett group;
    - c) Qualified Working Disabled (QWDI);
  3. Also under SSI policy, the following programs use the \$20 general exclusion; however, in addition, these categories of eligibility are allowed other income disregards specific to the coverage group:
    - a) Disabled Adult Child (DAC);
    - b) Cost of Living (COL);
    - c) OBRA Widow/Widowers; and
    - d) HR-1.
- B. The general exclusion is applied to unearned income first. Any remainder is then applied to any earned income. If there is no unearned income, apply the full general exclusion to earnings before excluding \$65 plus one-half of the remaining earned income.

C. The following principles must be considered in regard to the \$50/\$20 per month general exclusion:

1. The general exclusion applies to the individual applicant's or recipient's own income, which includes income which has been deemed to them.
2. Only one general exclusion can be applied to the combined income of any couple. A spouse deemed is not allowed a separate deduction from his/her income.
3. In parent to child deeming situations, the \$20 SSI disregard is applied to income of a single parent or combined parental income when a two-parent household is involved.
4. No other unused unearned income exclusion, except the general exclusion, may be applied to earned income.
5. The general exclusion is not applied to Income Based on Need (IBON).

Source: Social Security Act §1902 (r)(2); 42 CFR § 435.601(b) (Rev 1994).

History: Revised eff. 07/01/2025.

## **Part 104 Chapter 10: Income Computations and Deeming**

### *Rule 10.3: Deemed Income*

A. Deeming is defined as follow:

1. The term “deeming” identifies the process of considering another person's income and resources to be available for meeting a Medicaid client's basic needs.
2. Deemed income and resources are attributed to an eligible individual whether or not they are actually made available, with the following restrictions:
  - a) Deeming only applies in household situations;
    - 1) Deeming of income is not applied in the eligibility determination for either an institutional or community spouse and deemed income is never included in the Medicaid Income computation post-eligibility.
  - b) Income is only deemed from an ineligible spouse to an eligible spouse and from ineligible parent(s) to eligible child.
    - 1) Deeming is based on the concept that a husband and wife (including “holding out” couples) and/or parents and child who live together have a responsibility for each other and share income and resources.

- 2) Both SSI and Medicaid regulations require deeming in household situations.
- B. It would not be equitable to deem the entire amount of an ineligible parent's or spouse's income to the eligible individual without some provision to permit the deeming to meet his own needs and those of ineligible children in the household.
1. An allocation is an amount deducted from income subject to deeming which is considered to be set aside for the support of certain individuals other than the eligible individual.
    - a) Based on this consideration, allocations are applied for the following:
      - 1) Ineligible parent(s); and
      - 2) Ineligible children in the household.
  2. Application of these allocations reduces the amount of income available for deeming.
- C. For deeming purposes, a child is someone who is neither married nor the head of a household and is:
1. Under age 18 or
  2. Under age 22 and a student.
- D. For deeming purposes, an eligible child is a natural or adopted child under age 18 who lives in the household with one or both parents, is not married and is eligible for or applying for Medicaid.
1. A child is eligible if the child receives Medicaid from any source (SSI, DHS, etc.).
    - a) Deeming no longer applies beginning the month following the month the eligible child attains age 18.
      - 1) An individual attains a particular age on the day preceding the anniversary of his/her birth.
      - 2) Deeming applies in the month of attainment of age 18 regardless of whether the application filed that month is filed before or after the day of attainment.
- E. For deeming purposes, an ineligible child is either a natural or adopted child of an:
1. Eligible individual or the eligible individual's spouse; or
  2. An ineligible parent or the ineligible parent's spouse.
- F. In addition to the general definition of a child, an ineligible child must also be unmarried and

either:

1. Under age 18; or
2. Under age 22 and a student.

a) Prior to 06/16/08, an ineligible student child could remain a “child” for deeming purposes only until age 21.

G. A parent whose income and resources are subject to deeming is one who lives in the same household with an eligible child and is:

1. A natural parent of the child; or
2. An adoptive parent of the child.

H. A parent’s income and resources are deemed to an eligible child beginning the month:

1. After the month the child come home to live with the parent(s)(e.g., the month following the month the child comes home from the hospital; or
2. Of birth when a child is born in the parent’s home; or
3. After the month of adoption when the month, i.e., the month the adoption become final.

I. Deeming is applied from parent to child when they live together in the same household.

1. When the child lives with a stepparent, the stepparent is not considered a parent or spouse of a parent of the eligible child for deeming purposes.
2. Other relatives or individuals who have legal custody of a child, but are not natural or adoptive parents, are also not considered parents for deeming purposes.
3. An individual whose parental rights have been terminated due to adoption no longer meets the definition of “parent” for Medicaid purposes.

a) This remains true if the adopted child later lives in the same household as the former parent.

J. Parental deeming rules are waived for the following coverage group:

1. Effective July 1, 1998, a child in the Katie Beckett group is exempt from parental deeming of income and resources.
2. The eligible child’s own income and resources affect Medicaid eligibility in the usual manner.

K. For deeming purposes, a temporary absence exists when an individual (eligible individual or child or ineligible spouse, parent or child) leaves the household but intends to, and does, return in the same month or the following month. If the absence is temporary, deeming continues to apply.

1. A child, away at school (vocational or educational training facility), who returns home on some weekends, holidays, or vacations and is subject to parental control is considered temporarily absent from the parents' household regardless of the duration of the absence.

a) Evidence which may indicate a child away at school is not subject to parental control includes an existing agreement, court order or signed statements from parents or school authorities. In the absence of such evidence, consider the child subject to parental control.

L. Any item which is not income to an eligible individual is also not income to an ineligible spouse or parent. In addition, the following types of income are excluded from deeming:

1. Exclude income used by an ineligible spouse or ineligible parent (or child) to make support court-ordered payments.

a) If an ineligible child receives child support payments, do not disregard one-third of the payment as is done for an eligible child.

2. Exclude a stepparent's income from deeming.

a) The case is treated as a one-parent household, deeming the legal parent's income to the eligible child.

3. Exclude In-Home Supportive Services Payments provided under Title XX or other federal, state or local governmental programs to an eligible individual and paid by the individual to his ineligible spouse, parent or child living in the same household in return for in-home supportive services (chore, attendant, homemaker, etc.).

a) Such payments made directly to the ineligible spouse, parent or child to provide services to the ineligible are also excluded for deeming purposes.

b) Retroactive IHSS payments are not a resource for one calendar month following month of receipt.

1) Any unspent portion becomes a resource if retained into the second calendar month following receipt.

M. Public Income Maintenance Payments (PIM) Received by a Deemor are treated as follows:

1. PIM payments are payments based on need paid under the following:

- a) Temporary Assistance for Needy Families (TANF);
  - b) Supplemental Security Income (SSI);
  - c) The Refugee Act of 1980;
  - d) The Disaster Relief Act of 1974;
  - e) General Assistance programs of the Bureau of Indian Affairs;
  - f) State or local government assistance programs based on need; and
  - g) VA benefits based on need.
2. In the deeming computation, the PIM payment and any income counted in determining the PIM payment are excluded when received by an ineligible spouse or parent.
- a) Assume all of the income of the person who received the PIM payment was used (counted or excluded) in determining the payment.
  - b) There is no deeming allocation given for ineligible spouses, parents or children who receive PIM payments.
  - c) Resources continue to be deemed (or combined) from the spouse or parent receiving Income Based on Need.
  - d) If the spouse or parent who receives the PIM payments wishes to apply for Medicaid, the PIM payment is counted according to the income rules regarding the specific payment.
  - e) As a result of these exclusions from the deeming process, there may be situations advantageous to a couple if the potentially eligible spouse who has non-deemable income does not file.
    - 1) Example: One spouse has a VA pension of \$500. The pension (and any income used to determine the pension payment) is not deemable. The other applicant spouse has no income and would be treated as an individual with zero income. If the spouse who has the pension also files, the \$500 would result in a dollar for dollar reduction in the couple FBR or FPL since income based on need is considered income to an eligible individual.

Source: Social Security Act §1902 (r)(2); 42 CFR § 435.601(b) (Rev 1994).

History: Revised eff. 07/01/2025.

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