

# **The Effect of Earned Income on the KY SCL Medicaid Waiver Program**

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2009 Version

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# Common Medicaid Waiver Myths

- The SCL waiver works just like SSI Medicaid, right?
- It is not my job to worry about the effect of earned income on various Medicaid programs – that is something for the case manager to deal with
- DCBS workers understand the Medicaid rules about earned income – I don't need to know them.

# SCL Medicaid Facts

- SCL Medicaid and SSI Medicaid are completely separate programs. Some SCL participants have both – others only have SCL Medicaid.
- SSI and SCL Medicaid are both “means-tested” programs in that income and resources affect eligibility. BUT – the two programs have different rules!
- Unlike SSI, SCL Medicaid also includes “patient liability” or share-of-cost (SOC)

## Dual Income Effect in SCL Medicaid Waiver Program

Since the SCL Medicaid Waiver is “means-tested”, excess income/resources may effect eligibility for the program.

Even if income does not cause the person to be ineligible entirely, it may cause “patient liability” to be assessed. In other states this is sometimes called “share-of-cost” or “cost of care”.

# Eligibility for SCL Medicaid Waiver Programs

- Eligibility is determined by income and resources PLUS other factors (level of care)
- Eligibility is re-established every year in a process called re-certification performed by DCBS workers
- Countable income must be less than a specified income standard. Countable resources must not exceed \$2,000 (SSI standard for an individual)
- SSI income and resource methodologies are used to determine what counts with some additional exclusions SSI doesn't recognize

# Income Standards & Personal Needs Allowances in 2009

- SCL income standard for 2009 is \$4,006 per month. The PNA is \$694 (SSI FBR + \$20 GIE)
- Special Income Standard for other waivers (HCBS and ABI) is \$2,022 per month (always 3 times the current FBR per federal regulations). The PNA for the HCBS and ABI waivers is also \$694

# Counting Income for Medicaid Waiver Eligibility

- Individual's GROSS income (or net profit) is determined
- Income is compared to Special Income Standard. If it is less than the SIS, the individual is eligible.
- If the gross income is MORE than the SIS, calculate adjusted income and compare to SIS again
- Adjusted income is after these deductions are taken: \$20 GIE, work related expenses, applicable PNA, and verified medical expenses
- If adjusted income is less than SIS, eligibility is established – if more, the individual is NOT eligible.

# Patient Liability

- Once eligibility is established, the next step is to determine if patient liability or share of cost needs to be assessed
- Another series of calculations is performed to determine amount of patient liability (if any)
- If patient liability is in evidence, the provider of services is required to collect it directly from the SCL participant. Medicaid will NOT pay the provider for this amount!

# Calculating Patient Liability

- Patient liability for the Medicaid waiver programs is determined by DCBS using a standard worksheet known as form MAP-552K.
- The patient liability calculations are the same for all the KY Medicaid waivers – SCL, HCBS, and ABI

# Things to Remember

- WIPA personnel only provide estimates of patient liability – only DCBS is authorized to calculate actual amount
- Don't assume DCBS knows the rules – they DON'T!
- Use KMAP policies to support contentions  
Find Medicaid operations manuals at [http://manuals.chfs.ky.gov/dcbs\\_manuals/DFS/index\\_dfs.asp](http://manuals.chfs.ky.gov/dcbs_manuals/DFS/index_dfs.asp)