

# Implementation Guide: Medicaid State Plan Eligibility Individuals Eligible for Cash Except for Institutionalization

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# Individuals Eligible for Cash Except for Institutionalization

## **POLICY CITATION**

**Statute:** 1902(a)(10)(A)(ii)(IV), 1905(a)

**Regulations:** 42 C.F.R. §§435.211, 436.211

## **BACKGROUND**

### **Overview**

This reviewable unit (RU) describes the optional Medicaid eligibility group for individuals who meet the requirements for a cash assistance program, and who would be eligible for cash assistance if they were not living in a medical institution. It provides the criteria under which individuals may be covered under this group, as well as the income and resource standards used.

In most states, receipt of supplemental security income (SSI) or an optional state supplement guarantees eligibility for Medicaid. However, if an individual is in a medical institution, the person's cash benefit will be considerably reduced (to no more than \$30 a month) or even eliminated. By adopting the Individuals Eligible for Cash Except for Institutionalization eligibility group, states can extend Medicaid eligibility to individuals who are only ineligible for cash assistance because of their institutionalization.

### **Characteristics**

The Individuals Eligible for Cash Except for Institutionalization group is an optional eligibility group described in section 1902(a)(10)(A)(ii)(IV) of the Social Security Act (the Act). This eligibility group covers individuals who:

- Are in a medical institution; and
- Would meet the eligibility requirements of one or more cash assistance programs but for the lower income standards used to determine eligibility for individuals who are living in an institution.

**Options: Cash Assistance Programs.** In adopting the Individuals Eligible for Cash Except for Institutionalization eligibility group, states have the flexibility to utilize the eligibility requirements of one or more cash assistance programs serving individuals who are age 65 or older, or who have blindness or a disability. States may utilize the eligibility requirements of the SSI program, the eligibility requirements for their optional state supplement, or both. Territories may elect to use any of their territory-specific cash assistance programs, including aid to the aged, blind, and disabled (AABD); aid to the blind (AB); aid to the permanently and totally disabled (APTD); or old age assistance (OAA).

States may also choose to extend eligibility under this group to individuals who meet the requirements of the former Aid to Families with Dependent Children (AFDC) program. When this option is selected, states will utilize the AFDC requirements in effect in the state as of July 16, 1996. Use of this option will be rare because individuals who would meet the requirements

of the former AFDC program, but for institutionalization, will generally be eligible under another eligibility group such as the Infants and Children under Age 19 group. CMS will provide additional assistance to states considering this option.

### **Individuals Covered**

When covering the Individuals Eligible for Cash Except for Institutionalization group, states may choose to extend eligibility to all individuals who meet the characteristics of this group, or a state may limit eligibility to specific populations of individuals.

Section 1902(a)(10)(A)(ii) of the Act and 42 C.F.R. Part 435 (Part 436 in the territories), Subpart C describe most optional Medicaid eligibility groups, while section 1905(a) of the Act and 42 C.F.R. §435.201 (§436.201 in the territories) describe the specific populations that may be covered in an optional eligibility group. Together, these provisions allow states to target an optional eligibility group to a specific population.

In choosing to cover all individuals who would meet the requirements for SSI or an optional state supplement, states are electing to cover the populations described at 42 C.F.R. §§435.201(a)(1), (a)(2), and (a)(3). Alternatively, states may elect to cover other specified populations of individuals. For example, a state could limit coverage in this group to the population of individuals who are age 65 or older and the population of individuals under age 21 (described at 42 C.F.R. §435.201(a)(4)). In this example, an individual under age 21 must have blindness or a disability in order to meet the requirements for SSI or an optional state supplement.

### **Financial Methodologies**

The methodologies used to determine eligibility for the Individuals Eligible for Cash Except for Institutionalization group may vary depending on the cash assistance program(s) selected. When determining eligibility for an individual on the basis of age (65 or older), blindness, or disability, states must use SSI financial methodologies, and territories must use the financial methodologies of the most closely related cash assistance program. 209(b) states may apply their more restrictive income and resource counting requirements when determining eligibility for this group.

For individuals who are seeking eligibility on the basis of meeting AFDC requirements, the state/territory may elect to use either AFDC methodologies or MAGI-like methodologies.

Options: Less Restrictive Methodologies. States may apply less restrictive income and resource methodologies under section 1902(r)(2) of the Act. Additional information on less restrictive income and resource counting methodologies can be found in the implementation guides that accompany the **Less Restrictive Income Methodologies under 1902(r)(2)** screen and the **Less Restrictive Resource Methodologies under 1902(r)(2)** screen.

## REVIEWABLE UNIT DEPENDENCIES

Many RUs in MACPro are dependent upon other RUs. Each time a primary RU is changed, there could be an effect on other, secondary RUs which are dependent on the primary. For example, in the **Mandatory Eligibility Groups** RU, there is a question as to whether the state covers the Adult Group. If **Yes** is selected, and if a box is checked to include the Adult Group in the submission package, then the **Adult Group** RU will be included by the system in the package and the user can navigate to it to complete it. If **No** is selected, the **Adult Group** RU will not be included in the package. In this example, the **Mandatory Eligibility Groups** RU is the **Primary RU** and the **Adult Group** RU is the **Secondary RU**. The **Adult Group** RU is considered to be dependent on selections made in the **Mandatory Eligibility Groups** RU.

Whenever a change in a primary RU may affect a secondary RU, you either need to revise the secondary RU (if it is already in the package) or add the secondary RU to the package so that it can be updated in the same submission package as the primary RU.

The following table explains the dependent relationships for the **Individuals Eligible for Cash Except for Institutionalization** RU:

Primary RU	Secondary RU	Nature of Dependency	Actions Needed
Eligibility Determinations of Individuals Age 65 or Older or Who Have Blindness or a Disability	Individuals Eligible for Cash Except for Institutionalization	<u>For States Only:</u> Unless the <b>Eligibility Determinations of Individuals Age 65 or Older or Who Have Blindness or a Disability</b> RU (primary) has either been approved in MACPro or is included, completed and validated in the submission package, the <b>Individuals Eligible for Cash Except for Institutionalization</b> RU (secondary) cannot be displayed.	If the secondary RU will not display because the primary RU is neither approved in MACPro nor included in the package: <ul style="list-style-type: none"> <li>• Add the primary RU to the package, complete it and validate it.</li> <li>• Alternatively, remove the secondary RU from the package.</li> </ul>
Eligibility Determinations of Individuals Age 65 or Older or Who Have Blindness or a Disability	Individuals Eligible for Cash Except for Institutionalization	<u>For States Only:</u> The selection of <b>209(b) State</b> , or <b>SSI Criteria</b> or <b>1634 State</b> as the basis for the eligibility determination in section A of the <b>Eligibility Determinations of Individuals Age 65 or Older or Who Have Blindness or a Disability</b> RU (primary) affects the requirements displayed in section C of the <b>Individuals Eligible for Cash Except for Institutionalization</b> RU	<ul style="list-style-type: none"> <li>• You must complete, save and validate the primary RU before you can complete the secondary RU.</li> <li>• Once the primary RU is approved in MACPro, it does not have to be included again in a submission package unless the basis changes, in which case the secondary RU also has to be included again.</li> </ul>

Primary RU	Secondary RU	Nature of Dependency	Actions Needed
		(secondary) with respect to financial methodologies.	

## INSTRUCTIONS

Where there are unique instructions for a 1634, SSI Criteria, or 209(b) state, or for a territory, the reader will be directed to the appropriate instructions.

### A. Characteristics

#### *For States*

- At **A.1.** there is a statement that individuals qualifying under this eligibility group must be in a medical institution.
- At **A.2.**, select one or more of the three options (**A.2.a.** through **A.2.c.**) to indicate the cash assistance program eligibility requirements that individuals would meet but for the lower income standards used to determine eligibility for institutionalized individuals.

#### *For Territories*

- At **A.1.** there is a statement that individuals qualifying under this eligibility group must be in a medical institution.
- At **A.2.**, select one or more of the five options (**A.2.a.** through **A.2.e.**) to indicate the cash assistance program eligibility requirements that individuals would meet but for the lower income standards used to determine eligibility for institutionalized individuals.

### B. Individuals Covered

- At **B.1.**, select *Yes* or *No* to indicate if the state covers all individuals who meet the characteristics described in section A.
  - If *No* is entered at **B.1.**, choose one or more of the eight options (**B.2.a.** through **B.2.h.**) to indicate the populations covered in this group.
    - If **B.2.d. All children under a specified age limit** is selected, choose one of the four options (**B.2.d.i.** through **B.2.d.iv.**) to indicate the specified age of all children covered.
    - If **B.2.e. Reasonable classifications of children** is selected, choose the **Add Classification** button. See the **Reasonable Classifications of Children – Under Age 21, 20, 19 or 18** implementation guide for the instructions on how to complete the screen.
      - When you have completed this screen, select the **Save Classifications** button to return to the **Individuals Eligible for Cash Except for Institutionalization** RU. The classifications selected will appear in the RU.
      - If you wish to make a change, select the **Edit Classifications** button.
    - If **B.2.h. Other population** is selected:
      - Select the **+Add Population** link.
      - Provide the name of the population and a description in the text boxes provided.  
*Screen Validation:* Each name entered here must be different from the other names.

- If there is more than one other population, select the **+Add Population** link and repeat the above step.
- To delete a previously added population, select **Delete** next to its name and description.

### C. Financial Methodologies

*For 1634 States and SSI Criteria States*

- If either SSI or Optional State Supplement were selected in section **A**, at **C.1.**, there is a statement at **C.1.** that SSI methodologies are used in calculating household income and resources for individuals who are seeking eligibility on the basis of being age 65 or older or having blindness or disability. A separate RU, **Non-MAGI Methodologies**, describes the Non-MAGI methodologies used by the state.

If you wish to view the approved methodologies, select the **View approved version of Non-MAGI Methodologies** link.

- The **Non-MAGI Methodologies** RU will appear if there is an approved version in the MACPro system.
- If there is no approved version of the RU in MACPro, a screen will appear with the following message: “There is no approved version of this reviewable unit in MACPro available to display.”
- Select the **Individuals Eligible for Cash Except for Institutionalization** link to return to the **Individuals Eligible for Cash Except for Institutionalization** RU.
- If AFDC was selected in section **A**, at **C.2.** select one of the two options (**C.2.a.** or **C.2.b**) to indicate the methodologies used in calculating household income and resources for populations for which AFDC is the most closely related program. A separate RU, **Non-MAGI Methodologies**, describes the Non-MAGI methodologies used by the state.

If you wish to view the approved methodologies, select the **View approved version of Non-MAGI Methodologies** link.

- The **Non-MAGI Methodologies** RU will appear if there is an approved version in the MACPro system.
- If there is no approved version of the RU in MACPro, a screen will appear with the following message: “There is no approved version of this reviewable unit in MACPro available to display.”
- Select the **Individuals Eligible for Cash Except for Institutionalization** link to return to the **Individuals Eligible for Cash Except for Institutionalization** RU.
- At **C.3.** indicate **Yes** or **No**, if less restrictive methodologies are used in calculating countable income.
  - If **Yes** is selected, select the **Add/Modify Less Restrictive Methodologies** button.
    - When you have completed these screens, the less restrictive methodologies selected will be inserted into the **Individuals Eligible for Cash Except for Institutionalization** RU. (See the

implementation guides, **Less Restrictive Income Methodologies – Selection** and **Less Restrictive Income Methodologies** for how to complete these screens.)

- At **C.4**, select **Yes or No**, to indicate if less restrictive methodologies are used in calculating countable resources.
  - If **Yes** is selected, click on the **Add/Modify Less Restrictive Methodologies** button.
    - When you have completed these screens, the less restrictive methodologies selected will be inserted into the **Individuals Eligible for Cash Except for Institutionalization** RU. (See the implementation guides, **Less Restrictive Resource Methodologies – Selection** and **Less Restrictive Resource Methodologies** for how to complete these screens.)

*For 209(b) States*

- If either SSI or Optional State Supplement were selected in section **A**, at **C.1.**, select one of the two options (**C.1.a.** or **C.1.b.**) to indicate if SSI methodologies are used in calculating household income and resources for individuals who are seeking eligibility on the basis of being 65 years old or older or having blindness or disability or if more restrictive requirements than SSI apply to this group.
  - If **C.1.a. SSI methodologies** is selected, there is a statement that the Non-MAGI methodologies are described in the **Non-MAGI Methodologies** RU.

If you wish to view the approved methodologies, select the **View approved version of Non-MAGI Methodologies** link.

- The **Non-MAGI Methodologies** RU will appear if there is an approved version in the MACPro system.
- If there is no approved version of the RU in MACPro, a screen will appear with the following message: “There is no approved version of this reviewable unit in MACPro available to display.”
- Select the **Individuals Eligible for Cash Except for Institutionalization** link to return to the **Individuals Eligible for Cash Except for Institutionalization** RU.
- If **C.1.b. More restrictive requirements than SSI** is selected, there is a statement that the more restrictive requirements are described in the **More Restrictive Requirements than SSI under 1902(f) – (209(b) States)** RU.

If you wish to view the more restrictive requirements:

- If the **More Restrictive Requirements than SSI under 1902(f) – (209(b) States)** RU is included in this submission package, select the **View current version of More Restrictive Requirements than SSI under 1902(f) – (209(b) States)** link to view the version included in this package.
- If the **More Restrictive Requirements than SSI under 1902(f) – (209(b) States)** RU is not included in the package, select the **View**



*approved version of More Restrictive Requirements than SSI under 1902(f) – (209(b) States)* link to view the approved version.

- The appropriate **More Restrictive Requirements than SSI under 1902(f) – (209(b) States)** RU will appear for viewing.
  - If the **More Restrictive Requirements than SSI under 1902(f) – (209(b) States)** RU is not included in the package and there is no approved version, a screen message will appear to include the RU in the package if the *View More Restrictive Requirements than SSI under 1902(f) - (209(b) States)* link is selected.
  - Select the *Individuals Eligible for Cash Except for Institutionalization* link to return to the **Individuals Eligible for Cash Except for Institutionalization** RU.
- If AFDC was selected, at **C.2.** select one of the two options (**C.2.a.** or **C.2.b.**) to indicate the methodologies used in calculating household income and resources for populations for which AFDC is the most closely related program. A separate RU, **Non-MAGI Methodologies**, describes the Non-MAGI methodologies used by the state.

If you wish to view the approved methodologies, select the *View approved version of Non-MAGI Methodologies* link.

- The **Non-MAGI Methodologies** RU will appear if there is an approved version in the MACPro system.
  - If there is no approved version of the RU in MACPro, a screen will appear with the following message: “There is no approved version of this reviewable unit in MACPro available to display.”
  - Select the *Individuals Eligible for Cash Except for Institutionalization* link to return to the **Individuals Eligible for Cash Except for Institutionalization** RU.
- At **C.3.** indicate *Yes* or *No*, if less restrictive methodologies are used in calculating countable income.
    - If *Yes* is selected, select the *Add/Modify Less Restrictive Methodologies* button.
      - When you have completed these screens, the less restrictive methodologies selected will be inserted into the **Individuals Eligible for Cash Except for Institutionalization** RU. (See the implementation guides, **Less Restrictive Income Methodologies – Selection** and **Less Restrictive Income Methodologies** for how to complete these screens.)
  - At **C.4.** select *Yes* or *No*, to indicate if less restrictive methodologies are used in calculating countable resources.
    - If *Yes* is selected, click on the *Add/Modify Less Restrictive Methodologies* button.
      - When you have completed these screens, the less restrictive methodologies selected will be inserted into the **Individuals Eligible for Cash Except for Institutionalization** RU. (See the implementation guides, **Less Restrictive Resource Methodologies –**

**Selection and Less Restrictive Resource Methodologies** for how to complete these screens.)

*For Territories*

- If OAA, AB, APTD or AABD was selected in section **A**, at **C.1.**, there is a statement that the most closely related cash assistance program methodologies are used in calculating household income and resources for individuals who are seeking eligibility on the basis of being age 65 or older or having blindness or disability. A separate RU, **Non-MAGI Methodologies**, describes the Non-MAGI methodologies used by the state.

If you wish to view the approved methodologies, select the *View approved version of Non-MAGI Methodologies* link.

- The **Non-MAGI Methodologies** RU will appear if there is an approved version in the MACPro system.
- If there is no approved version of the RU in MACPro, a screen will appear with the following message: “There is no approved version of this reviewable unit in MACPro available to display.”
- Select the *Individuals Eligible for Cash Except for Institutionalization* link to return to the **Individuals Eligible for Cash Except for Institutionalization** RU.
- If AFDC was selected in section **A**, at **C.2.** select one of the two options (**C.2.a.** or **C.2.b.**) to indicate the methodologies used in calculating household income and resources for populations for which AFDC is the most closely related program. A separate RU, **Non-MAGI Methodologies**, describes the Non-MAGI methodologies used by the state.

If you wish to view the approved methodologies, select the *View approved version of Non-MAGI Methodologies* link.

- The **Non-MAGI Methodologies** RU will appear if there is an approved version in the MACPro system.
- If there is no approved version of the RU in MACPro, a screen will appear with the following message: “There is no approved version of this reviewable unit in MACPro available to display.”
- Select the *Individuals Eligible for Cash Except for Institutionalization* link to return to the **Individuals Eligible for Cash Except for Institutionalization** RU.
- At **C.3.** indicate *Yes* or *No*, if less restrictive methodologies are used in calculating countable income.
  - If **Yes** is selected, select the *Add/Modify Less Restrictive Methodologies* button.
    - When you have completed these screens, the less restrictive methodologies selected will be inserted into the **Individuals Eligible for Cash Except for Institutionalization** RU. (See the implementation guides, **Less Restrictive Income Methodologies** –

**Selection and Less Restrictive Income Methodologies** for how to complete these screens.)

- At **C.4**, select **Yes or No**, to indicate if less restrictive methodologies are used in calculating countable resources.
  - If **Yes** is selected, click on the **Add/Modify Less Restrictive Methodologies** button.
    - When you have completed these screens, the less restrictive methodologies selected will be inserted into the **Individuals Eligible for Cash Except for Institutionalization** RU. (See the implementation guides, **Less Restrictive Resource Methodologies – Selection and Less Restrictive Resource Methodologies** for how to complete these screens.)

**D. Income Standard Used**

There is a statement that the income standard of the most closely related cash assistance program is used.

**E. Resource Standard Used**

There is a statement that the resource standard of the most closely related cash assistance program is used.

**F. Additional Information (optional)**

Except in limited circumstances, this field remains blank. Please consult with CMS before adding any additional information concerning this RU.

**REVIEW CRITERIA**

*If B.2.h. Other population is selected, the name and description must be sufficiently clear, detailed and complete to permit the reviewer to determine that the state’s description meets applicable federal statutory, regulatory and policy requirements.*

*The less restrictive methodologies entered must be sufficiently clear, detailed and complete to permit the reviewer to determine that the state’s description meets applicable federal statutory, regulatory and policy requirements.*