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Supplement 8a to ATTACHMENT 2.6-A
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OMB No.: 0938-

STATE PLAN UNDER TITLE OF THE SOCIAL SECURITY ACT

State: DELAWARE

MORE LIBERAL METHODS OF TREATING INCOME
UNDER SECTION 1902 (r) (2) OF THE ACT

/ / Section 1902(f) State

/X/ Non-Section 1902 (f) State

For children covered under Section 1902 (a) (10) (A) (I) (III) and 1905 (n) of the Social Security Act, the State of Delaware will disregard an equal amount to the difference between 100% of the AFDC payment standard for the same family size and 100% of the Federal Poverty Level for the same family size as updated annually in the Federal Register.

Interest and dividend income are excluded for QMB, SLMB, QDWI and QI-1 cases.

A standard deduction will be applied to the gross income from self employment for poverty level pregnant women, infants and children; QMB, SLMB, and QI-1 cases. The standard deduction for self employment income is considered the cost to produce income. The standard deduction for self employment is a percentage determined annually and announced each October.

When the application of the standard deduction results in a finding of ineligibility, the applicant will be given an opportunity to show that actual self employment expenses exceed the standard deduction. If the actual expenses exceed the standard deduction, they will be used to determine net income from self employment.

For the TWWIIA Basic Coverage Group, unearned income is excluded up to \$956.00 per month for the individual. There is no \$956.00 per month unearned income exclusion for a spouse who is not applying for the TWWIIA Basic Coverage Group Medicaid. This unearned income exclusion will be increased annually by the Cost of Living Adjustment (COLA) announced by the Social Security Administration (SSA) in the Federal Register.

For individuals whose eligibility is determined under 42 CFR 435.222, income is disregarded in an amount equal to the difference between the State's AFDC payment standard (see Supplement 1 to Attachment 2.6-A Page 1) and 75% of the Federal Poverty Level updated annually in the Federal Register for the same family size.

*More liberal methods may not result in exceeding gross income limitations under Section 1903(f)

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STATE PLAN UNDER TITLE OF THE SOCIAL SECURITY ACT

State: DELAWARE

ELIGIBILITY CONDITIONS AND REQUIREMENTS

ELIGIBILITY UNDER SECTION 1931 OF THE ACT (Cont.)

_____ The agency applies higher resource standards than those in effect as of July 16, 1996, increased by no more than the percentage increases in the CPI-U since July 16, 1996, as follows:

X The agency uses less restrictive income and/or resource methodologies than those in effect as of July 16, 1996, as follows:

1. The \$30 and 1/3 disregard will be applied without regard to prior receipt of Medicaid, if otherwise applicable.

The income and/or resource methodologies that the less restrictive methodologies replace are as follows:

Prior to 10/1/99, the net income test does not include the \$30 and 1/3 disregard for applicant families.

2. For both applicant and recipient families, income is disregarded in an amount equal to the difference between the State's AFDC payment standard (see Supplement 1 to Attachment 2.6-A Page 1) and 75% of the Federal Poverty Level updated annually in the Federal Register for the same family size.

All earned income will be disregarded for the second and third months of eligibility.

The income and/or resources methodologies that the less restrictive methodologies replace are as follows:

Prior to 10/1/99, the net income test for applicant and recipient families includes all countable earned and unearned income.

3. For both applicant and recipient families, all resources are excluded.

The income and/or resource methodologies that the less restrictive methodologies replace are as follows:

Prior to 10/1/99, available resources cannot exceed \$1,000 for both applicant and recipient families.

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