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307.01 Introduction

(Eff. 10/01/05)

Section 4733 of the Balanced Budget Act of 1997 created an optional coverage group for working disabled individuals with family income below 250% of the Federal Poverty Level (FPL). This provision enabled states to provide the full range of Medicaid services to working disabled individuals with relatively high income. South Carolina adopted this option in its 1998 Appropriations Act. The South Carolina Medicaid program began covering these individuals effective 10/01/98.

307.02 Eligibility Criteria

(Eff. 10/01/05)

To qualify for Medicaid under the Working Disabled category, an individual must meet certain categorical, non-financial, and financial requirements.

307.02.01 Categorical Criteria

(Rev. 01/01/08)

To meet the categorical requirements for this category, the individual must be:

* Under age 65; and
* Disabled, according to a modified Supplemental Security Income (SSI) definition of disability. Disability determination should not consider whether the individual is engaged in Substantial Gainful Activity (SGA).

307.02.02 Non-Financial Criteria

(Rev. 10/01/12)

To qualify for assistance in this category, the individual must meet the following non-financial requirements, as explained in the corresponding chapters.

* + - Identity MPPM 102.02
    - State Residency MPPM 102.03
* Citizenship/Alienage MPPM 102.04
* Enumeration/Social Security Number MPPM 102.05
* Assignment of Rights to Third Party Medical Payments MPPM 102.07
* Applying for and accepting other benefits MPPM 102.08
* Not be an inmate of a public institution MPPM 102.09.01

Additionally, the individual must be working and earning an income.

307.02.03 Financial Criteria

(Rev. 03/01/20)

To qualify for assistance in this category, the individual must meet the following financial requirements: The applicant must:

* Have a net family income at or below 250% of the Federal Poverty Level (Refer to MPPM 103.09);
* Be working and have earned income;
* Have unearned income at or below 100% of the Federal Poverty Level (if receiving any); and
* Have countable resources less than or equal to the limit (Refer to MPPM 103.14).

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| **Note:** If the individual is clearly ineligible due to excess income, it is not necessary to verify disability since the application will be denied. |

307.03 Family Composition

(Eff. 10/01/05)

A “family” is defined as the applicant, his/her spouse and their minor children (natural or adopted).

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307.04 Financial Eligibility Determination

(Eff. 10/01/05)

307.04.01 Income

(Rev. 10/01/13)

The income eligibility determination is a two-step process. The eligibility worker must:

1. Determine if the family’s total net income, after certain deductions, is at or below 250% of the Federal Poverty Level for a family of that size; and
2. Determine if the individual’s unearned income is at or below 100% of the Federal Poverty Level (FPL) for an individual.

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| **Procedure – Financial Eligibility Determination**  **Step 1**   * Determine family composition. * Determine the total income (earned and unearned) of all family members. * Subtract all applicable SSI deductions and exclusions in the following order:   + Income authorized by other Federal laws, such as Agent Orange payments, certain reparations payments, certain payments to Native Americans);   + Earned income tax credit payments;   + Up to $30 per quarter of infrequent or irregular earned income;   + Up to $400 per month, but not more than $1,620 in a calendar year, of the earned income of a blind or disabled student child;   + Any portion of the $20 monthly general income exclusion which has not already been excluded;   + $65 of earned income in a month;   + Earned income of disabled individuals used to pay impairment-related work expenses;   + One-half of remaining earned income in a month;   + Earned income of blind individuals used to meet work expenses; and   + Any earned income used to fulfill an approved Plan to Achieve Self-Support. * The RESULT is Countable Earned Income.   (Refer to MPPM Chapter 301 for additional information regarding the treatment of income. Refer to MPPM 301.04.08 for earned income verification procedures on reported income.)   * Compare the family’s total combined countable income against 250% of the Federal Poverty Level for a family of that size. * If the family’s net income is at or below 250% FPL, go to Step 2.   **Step 2**   * Determine the amount of Unearned Income for the Individual. * Subtract $20 from unearned income amount. * If the individual’s unearned income is at or below 100% of the FPL, he/she is income eligible.   **Note:**   * Rules for valuing in-kind support and maintenance are not applied. * Each applicant is considered an individual in the second step. * Deeming rules do not apply. |

307.04.02 Resources

(Rev. 03/01/20)

To be eligible for Working Disabled, an individual’s resources must be considered. (Refer to MPPM Chapter 302, Liberal SSI Resource Policy, for general information on what a resource is, liquid vs. non-liquid resources, and resource exclusions.) The applicant/ beneficiary’s countable resources must be less than or equal to the limit. (Refer to MPPM 103.14). The cash value of all life insurance, regardless of face value, is disregarded.

Resources must be verified and documented in the case record.

* Verification is substantiation or authentication of submitted information.
* Documentation is the written record of verified information and methods used.

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| **Procedure for Verification:**   * Refer to the resource chapter for acceptable forms of:   + Verification   + Rebuttal evidence * Verify and document any alleged resources.   (**Exception:** Verification is not required for resources that are totally excluded, regardless of value.)   * Verify and document any resources revealed through IEVS checks. * Property checks are not required if ownership is not alleged.   **Note:** The cash value of all life insurance, regardless of face value, is disregarded. |

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307.05 Application Process

(Eff. 10/01/13)

The [DHHS Form 3400](https://www.scdhhs.gov/sites/default/files/Form%203400%20Application.pdf), Healthy Connections Application, and the [DHHS Form 3400-A](https://www.scdhhs.gov/sites/default/files/3400_A_AddendumForSpecialtyPrograms.pdf), Additional Information for Select Medicaid Programs, are used to collect information.

A face-to-face interview is not required; however, if one is conducted, either the applicant or the authorized representative is interviewed. During the interview, the eligibility worker must:

* Ask relevant questions needed to determine eligibility, and
* Share information about the eligibility process to include:
  + Verifications needed and why, and
  + A beneficiary’s Rights and Responsibilities.

If there is no face-to-face interview, the eligibility worker must:

* Ensure all necessary information is gathered by contacting the applicant or authorized representative if:
  + There are any unanswered questions, and/or
  + There are any discrepancies found on the current application and/or any past applications.
* Share information about the eligibility process, to include:
  + Verifications needed and why;
  + A beneficiary’s Rights and Responsibilities; and
  + The Standard of Promptness eligibility determination timeline of 45 days, or 90 days if a disability determination is required.

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| **Procedure**  **Processing Application:**   * Pend case in MEDS within 3 working days of receipt. * Ensure all third-party verifications are requested, to include:   + Property search   + Bank forms   + Income requests: such as VA, Railroad, Civil Service * Perform data matching on computer system and follow up on lead/verified information:   + - BENDEX     - SDX     - ESC     - State Retirement * Assess all the verifications provided by the applicant or authorized representative and obtained from third parties, then determine if:   + Any clarification is needed   + There are any discrepancies between the reported and the verified information, if so:     - Contact appropriate party to clarify. * Apply all financial and non-financial policy to the specific situation. * Request clarifications from supervisor or trainer as needed.   **Determination of Eligibility**   * Financial Determination   + Apply all income and resource exclusions.   + Budget countable income and resources.     - Calculate income andresources.     - Apply all appropriate disregards or exclusions to determine countable income and resources.     - Compare countable income and resources to established limits. * Non-Financial Determination   + Ensure that all of the non-financial criteria has been met.     - Categorical (aged, blind, disabled)     - Common non-financial (citizenship, residency, enumeration, identity)   **Note:** If the case is not eligible for some reason, complete an exparte determination.   * Approve or deny application in MEDS. Change to appropriate payment category, if necessary. MEDS generates the approval or denial notice. * Notify other agencies and departments as needed, such as Third Party Liability (TPL). If the Medicaid beneficiary has health insurance, notify TPL by completing a [DHHS Form 3230 ME](http://medsweb.scdhhs.gov/EligibilityForms/FM%203230%20ME.pdf), Third Party Liability Data Collection Form, and forward to:   DHHS  Medical Insurance Verification Services  PO Box 100127  Columbia, SC 29202-3127 |

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307.06 Continued Eligibility

(Eff. 10/01/05)

An annual review is required for continued eligibility for the Working Disabled program. Partial reviews and/or re-budgets are required when a change occurs.

307.06.01 Annual Review

(Rev. 11/01/18)

The steps for the annual review are outlined in the chart below.

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| **Procedure – Annual Review**   1. MEDS generates a review form based on the Date of Next Review. 2. Eligibility Worker Responsibilities:  * Acknowledge the receipt of the review form into MEDS. * Compare the information on the form to the case record history:   + Note any alleged changes or discrepancies;   + Contact the beneficiary or authorized representative to clarify information or request any verification;   + Ensure income and resource verifications are current through such methods as:     - Requesting verification from the beneficiary or authorized representative;     - Obtaining necessary information/verification from third parties through such methods as:   – Sending forms and letters (such as, [DHHS Form 1253 ME](http://medsweb.scdhhs.gov/EligibilityForms/FM%201253%20ME.pdf), Request for Financial Investigation; [DHHS Form 1255 ME](http://medsweb.scdhhs.gov/EligibilityForms/FM%201255%20ME.pdf), Verification of Real and Personal Property; [DHHS Form 1280 ME](http://medsweb.scdhhs.gov/EligibilityForms/FM%201280%20ME.pdf), Verification of Life Insurance Values; [DHHS Form 1212 ME](http://medsweb.scdhhs.gov/EligibilityForms/FM%201212%20ME.pdf), Request for Verification of Veterans Information; letter to a funeral home; Civil Service.)  – Telephone contact – make sure to document the following: Date of Contact; Company/Business Name; Phone Number; Individual’s Name (and Title, if possible) that provided the verification.  – Online Internet searches such as property search; verification of car values  – Checking all available data matches, such as: IEVS (BENDEX; SDX); State Retirement; ESC Wage Match; Unemployment; CHIP; and Person Composite Service (PCS) Wage Verification   * Once all verifications have been obtained and documented, do budget to determine continual eligibility:   + If continually eligible, update MEDS information – indicate Date of Next Review.   + If ineligible, begin closure actions in MEDS.   + Determine if the individual would be eligible in any other payment category; if so, take appropriate action to change category. |

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307.08 Budgeting Examples

(Rev. 03/01/17)

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| **Example #1:** Tom Hope applies for the Working Disabled program. He works at Cribb’s Sweet Shop earning $300 per week and receives a Social Security Disability check of $750. His wife, Alice, earns $75 per week babysitting. They have two children who each receive $75 per month in Social Security.  **Step 1 Family Income**  **Unearned Income:** $750 + $75 + $75 = $900  **Less Deductions:** $900 – $20 (general income disregard) = $880  **Earned Income:**  TOM’s ALICE’s  $300 x 52 = $15,600 $75 x 52 = $3,900  $15,600 divided by 12 = $1,300 $3,900 divided by 12 = $325    **Total Earned Income:** $1,300 + $325 = $1,625  **Less Deductions:** $1,625 - $65 (earned income disregard) = $1,560  **Countable Earned Income:** $1,560 divided by 2 = $780  **Total Countable Income:** $780 + $880 = $1,660  **250% FPL for HH of (4):** $5,125  $1,660 < $5,125, so proceed to Step 2.  **Step 2 Individual Unearned Income**  Tom’s unearned income of $750 is less than the 100% FPL for one, so Tom is eligible for the Working Disabled program. |
| **Example #2:** Sally Jones applied for Medicaid under the Working Disabled program. She is working at Piggly Wiggly earning $350 per week. She also receives a Social Security Disability check of $1300 dollars per month. Her 10-year-old daughter receives a Social Security check of $150 per month.  **Step 1 Family Income**  **Unearned Income:** $1300 + $150 = $1450  **Less Deductions:** $1450 - $20 (general income disregard) = $1430  **Earned Income:** $350 x 52 = $18,200  **Total Earned Income:** $18,200 divided by 12 = $1,516.66  **Less Deductions:** $1,516.66 – $65 (earned income disregard) = $1,451.66  **Countable Earned Income:** $1,451.66 divided by 2 = $725.83  **Total Countable Income:** $1430 + $725.83 = $2,155.83  **250% FPL for HH of (2):** $3,384  $2,155.83 < $3,384.00, so proceed to Step 2.  **Step 2 Individual Unearned Income**  $1,400 - $20 (Unearned income disregard)=$1,380  $1,380 > 100% FPL for an individual, so Ms. Hope’s application is denied. |
| **Example #3:** Lynn White earns $4,000 per month. Her husband, Marty, earns $2,000 per month and receives Social Security Disability of $100. Their son, Dillon, receives $350 in SSA.  **Step 1 Family Income**  **Unearned Income:** $1,000 + $350 = $1,350  **Less Deductions:** $1,350 - $20 (general income disregard) = $1,330  **Earned Income:** $4,000 + $2,000 = $6,000  **Less Deductions:** $6,000 - $65 (earned income disregard) = $5,935  **Countable Earned Income:** $5,935 divided by 2 = $2,967.50  **Total Countable Income:** $1,330 + $2,967.50 = $4,297.50  **250% FPL for HH of (3):** $4,255  $4,297.50 > $4,255, so do not proceed to Step 2.  Mr. White does not qualify financially for the Working Disabled program. |

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