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406.01 Introduction

(Eff. 11/01/14)

Essential spouses are individuals whose needs were included in their spouse’s state assistance grant in December 1973. They were “grand-fathered” into the SSI program. They are eligible for Medicaid as long as they continue to qualify as an essential spouse.

406.02 Eligibility Criteria

(Eff. 01/01/06)

Both the essential spouse and the SSI eligible person with whom he/she lives must continue to meet the eligibility criteria that were in effect in December 1973. To receive financial assistance in December 1973, the individual would have had to qualify for either the Old Age Assistance (OAA), Aid to the Needy Blind (ANB), or the Totally and Permanently Disabled (TPD) programs.

The essential spouse must continue to be the spouse of and live with the SSI eligible person and be essential to the well being of the other spouse.

**Note: Essential persons who are not spouses of SSI recipients are ineligible for Medicaid. These persons were “grand-fathered” into the SSI program for payment purposes, but not for Medicaid.**

406.03 December 1973 Eligibility Criteria

(Eff. 01/01/06)

As a condition of eligibility, the eligibility worker must verify that both the essential spouse and the SSI eligible person with whom he/she lives must continue to meet the eligibility criteria that were in effect in December 1973.

406.03.01 Need Standards

(Eff. 01/01/06)

A. Basic requirements include a standard allowance for personal and household needs based on a category of assistance and the total number of persons in the household who receive assistance.

A standard allowance for electricity, water, and fuel is included in basic requirements. If one or more of these items are contributed to the individual, the allowance for that item(s) must be considered in the budget as in-kind income. If only a portion of one or more of these utility items is contributed, the part contributed is not considered as in-kind income.

* 1. Shelter cost is recognized for persons who rent or own a home. The actual rent, mortgage payment or maintenance costs paid, up to a maximum of $35.00 per month per household, is allowed in the combined assistance budgets of all persons who live in the household. If any utility item (electricity, water, or fuel) is included in the cost of shelter, the standard allowance for such item(s), must be subtracted from the actual cost of shelter and the resulting figure, up to $35.00, is allowed in the budget.

C. Special Needs are included in the budget under certain circumstances as long as the need is verified.

1. Special Diet: An allowance of $6.00 is budgeted for each individual with tuberculosis or an arrested tubercular case who still requires medication.

2. Insurance: The actual amount of the premiums paid up to a maximum of $1.25 per person ($.45 for an essential person who is not a spouse) is allowed for individuals who carry life, burial, or accidental insurance.

3. Laundry: The actual cost of this service up to a maximum of $2.50 per month per dependent group (this may be one or more budget groups living together) is included if the individual(s) has a physical or mental condition that prevents him/her from being able to do his/her own laundry, and there is no one who is willing to provide this service free of charge.

4. Cooking Service: The actual cost of this service up to a maximum of $5.00 per month per dependent group is included if the individual(s) is unable to cook his/her own meals.

5. Nursing Service: An allowance may be included for nursing care in the home when it is verified by completion of DSS Form 1731 that this type care is essential to an individual and cannot be provided by responsible relatives in the home. The amount actually being paid up to a maximum of $130.00 per person is included.

6. Medical Chest, Clothing, and Incidentals: Not applicable to cases involving essential spouses.

7. Boarding Institutions: Not applicable to cases involving essential spouses.

1. Guide Service: The actual cost of this service up to a maximum of $6.50 per person is included if the blind individual has no one to provide this service free of charge.

406.03.02 Income Standards

(Eff. 01/01/06)

1. Earned Income includes wages, salary, commission, or profit from activities in which the individual is engaged as an employee or self-employed person. Gross earnings are determined on a monthly basis, which is defined as 4-1/3 weeks. The following disregards of earned income are allowed.

1. Exempt Income

• Old Age Assistance (OAA) and Totally and Permanently Disabled (TPD): Disregard $20.00 of the first $80.00 plus one-half (½) of the next $60.00 per month.

• Aid to the Needy Blind (ANB): Disregard the first $85.00 per month plus one-half (½) of the monthly-earned income in excess of $85.00.

2. Non-personal Work Expenses

* + Transportation expenses to and from work and transportation on the job may be allowed in the amount actually being paid, it not reimbursed by the employer. Mileage may be allowed at the rate of $.12 per mile.
  + Tools, uniforms and special safety devices for handicapped persons required for employment may be allowed in the amount actually being paid, if not provided by the employer.
  + The employer recognizes licenses, union dues, employee organizations, and other assessments of this nature.

3. Personal Deductions

A flat reduction of $10.00 per month per employed individual is allowed for personal upkeep. If the individual works less than 20 days per month, this deduction must be prorated at the rate of $.50 per day.

1. Non-Earned Income is income in cash or kind received by the individual for which there is no performance of work or provision of services as an employed person. It is received from such sources as:

1. Boarders/Lodgers: The actual amount received from boarders or lodgers, minus operating costs, must be included in the budget.

2. Social Security Title II (RSDI) Benefits, Pensions, Allotments, Compensations, Etc.: The total amount of such monthly payments must be included in the budget, with only the following allowable disregards:

* An automatic $8.00 disregard from the Social Security Title II (RSDI) benefits of each individual, regardless of assistance category.
* The amount charged by a legally-appointed guardian, other than a member of the immediate family, up to 5% of the individual’s monthly income.
* The special clothing allowance of $150.00 per year paid to a veteran who uses prosthetic or orthopedic devices.

3. Rentals, Cash Contributions, Other Cash Income: The actual amount of cash income received per month must be budgeted. Net income from rental of property, after deduction of costs incident to the upkeep of such property, must be included in the budget.

4. In-Kind Income: The standard allowance included in basic requirements for any need item that is contributed to the individual must be included in the budget as in-kind income. Contributed shelter is not considered in-kind income.

1. Other Disregarded Income: Recipients under the OAA/Aged category are entitled to a disregard of $5.00 from any source of income.

406.03.03 Resources

(Eff. 01/01/06)

An individual may not have resources in excess of $750 and a couple may not own resources in excess of $1,000.

Homestead property is the house which is occupied by the individual and the tract of land on which the house is situated. The value of the homestead is not considered as a resource in determining eligibility for an individual or couple.

Non-homestead property is any real property owned by the individual or couple that is not a part of the homestead. If the property is income producing, the value of the property is not considered in determining the individual’s, or couple’s eligibility. If the property is not income producing, the market value must be considered as a resource in determining eligibility.

**Exception**: If the individual’s non-homestead property is being used as a homestead by relatives, the value of such property is not considered in determining eligibility even though no income is being received from the use of the property.

Disposal of property by an applicant or recipient of assistance without value received within two years prior to making application or at any time while receiving assistance renders the individual/couple ineligible for assistance until such time as full market value is received for the property.

Personal property consists of liquid assets such as savings, stocks and/or bonds, cash/loan value of life insurance policies, automobiles. The value of all personal property owned by the individual/couple, together with the value of real property owned, may not exceed the limitations set on ownership resources.