

	GEORGIA DIVISION OF FAMILY AND CHILDREN SERVICES MEDICAID POLICY MANUAL			
	Chapter:	2650	Effective Date:	December 2019
	Policy Title:	Family Medicaid Budgeting Overview		
Policy Number:	2650	Previous Policy Update:	MT 48	

REQUIREMENTS

All Family Medicaid Assistance Units (AUs) or Budget Groups (BGs) must have income considered in determining financial eligibility through the budgeting process.

BASIC CONSIDERATIONS

In Parent/Caretaker with Children, AU and BG are synonymous terms, referring to those individuals both whose income and expenses are considered in determining eligibility and who receive Medicaid assistance.

Non-AU member refers to those whose incomes are considered in responsibility budgeting (deeming/allocating). Non-AU members include the following:

- an ineligible parent enumeration
- a stepparent in which there is no mutual child included in the AU
- a minor caretaker's parent
- a married minor's spouse
- a non-parent caretaker's spouse

NOTE: This is for non-MAGI COAs only.

In Children Under 19 Years of Age Medicaid, BG refers to those whose income and expenses are considered in determining eligibility. AU refers to those who receive Medicaid assistance.

BASIC CONSIDERATIONS (cont.)

The budgeting process includes the following

- the prospective budgeting method used to determine the AU's or BG's monthly income and expenses
- the allowable deductions based on certain monthly expenses
- the budgeting procedure used to calculate eligibility using month income and expenses

Prospective Budgeting

Prospective budgeting uses a best estimate of income and expenses based on representative amounts to determine the AU's eligibility. The prospective income and expenses are either estimated using a conversion factor or actual income and expenses are used, depending on the case situation. Prospective income and expenses are used to budget ongoing eligibility.

Actual Budgeting

Actual income and expenses are used to budget prior months eligibility and, if available, used to budget intervening months. Refer to Section [2053](#), Retroactive Medicaid.

NOTE: Actual income must be verified for all Family Medicaid COAs except Pregnant Woman and Newborn.

Deductions

Certain deductions are allowed when determining the AU's eligibility. Family Medicaid Classes of Assistance (COAs) allow deductions to both earned and unearned total income as follows for all non-MAGI COAs:

- the first \$50 of child support received each month
- earned income deductions as follows:
 - \$90 standard work expense deduction
 - \$30 (**obsolete after 1/1/14**)
 - 1/3 of the remaining earned income (**obsolete after 1/1/14**)
 - dependent care expenses

BASIC CONSIDERATIONS (cont.)**Deductions (cont.)**

Deductions are applied to the AU's Modified Adjusted Gross Income (MAGI) for MAGI COAs. These deductions are as follows:

- Cost of doing business for self-employed/farming/fishing individuals
- Before-Tax Deductions
- 1040 Deductions
- 5 % of the 100% Federal Poverty Level Deduction

Family Medicaid Income Limits

Family Medicaid requires that the AU/BG have income within the following limits:

- Parent/Caretaker with Children and COAs based on Parent/Caretaker with Children :
 - GIC: the gross countable income of the AU must be less than or equal to the Gross Income Ceiling (GIC) for the AU size.
- Children Under Age 19 Medicaid income limits are based on percentages of the federal poverty level (FPL) as follows:
 - 205% of the FPL for children, birth through the month the child reaches age one for children who are ineligible for Newborn Medicaid
 - 149% of the FPL for children age one through the month in which the child turns six
 - 133% of the FPL for children age six through the month in which the child turns age 19.
- Pregnant Women Medicaid and infants born to Medicaid-eligible mothers are based on 220% of the FPL
- **NOTE:** Infants born to Medicaid-eligible mothers are considered to have met the Newborn Medicaid income limit, regardless of the budget group's income at the time of delivery
- Family Medicaid Medically Need Income Limits (FM-MNIL) are based on a percentage of the SON.

BASIC CONSIDERATIONS (cont.)**Family Medicaid Income Limits (cont.)**

The appropriate income limit for a specific COA is used in the following budgeting situations:

- to determine the AU's eligibility based on net income
- to determine the financial responsibility or financial need of an individual who is not eligible to be included in the BG.

Earnings of a Child

The earnings of a child are excluded in non-MAGI Family Medicaid COAs, whether or not the child is a student, and for MAGI COAs if the child is not required to file a tax return.

EXCEPTION: The exclusion of earned income does not apply to the earnings of a minor applying as the caretaker and to the earnings of a minor applying as a Pregnant Woman.

PROCEDURES

Use the following rounding procedures when calculating budgets:

Calculate gross monthly income leaving all amounts in dollars and cents. Drop any digits past the hundredth position (second digit to the right of the decimal).

Calculate net monthly income as follows:

- allow all applicable deductions
- leave amounts remaining in dollars and cents after each deduction
- round the net monthly income to the nearest dollar. Round up if 50 cents or more. Round down if less than 50 cents.

Documentation

Document the following for all budgets:

- the amount of all gross income and expenses used in the budget, including the dates income is received and expenses are incurred and the source of verification
- the gross amounts used to calculate the representative income/ expenses
- the reason(s) any non-representative amount(s) are not used in calculations.