

Aged, Blind, and Disabled Manual	Section: Categories of Eligibility
Policy Manual Number: 115.015	Chapter: Institutional Medicaid

INSTITUTIONAL MEDICAID

Legal Authority: 42 CFR 435.236; 42 CFR 435.1005; 42 CFR 435.1009; 42 CFR 435.1010; 42 CFR 435.520; 42 CFR 435.540; 42 CFR 435.541; TennCare 1115 Medicaid Demonstration; Section 1902(a)(10) of the Social Security Act; Tenn. Comp. R. & Regs. 1200-13-20; State Plan Amendment TN-21-0010

1. Policy Statement

Medicaid benefits and potentially Long-Term Services and Supports (LTSS) payments are available to eligible individuals receiving care in a medical institution (regardless of age) provided they are not:

- a. An inmate of a public institution; or
- b. A patient in an Institution for Mental Disease (IMD), unless she is:
 - i. Under age 22 and receiving inpatient psychiatric services; or
 - ii. At least 65 years of age.

LTSS payments are available for individuals receiving Nursing Facility (NF) care and approved for CHOICES. Individuals approved for Institutional Medicaid based on 30-day continuous confinement will not receive LTSS payments unless they are admitted to a NF or Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID) with an approved PAE. Medicaid benefits and LTSS payments are also available for aged adults and physically disabled adults (age 21 and older) when approved for and receiving CHOICES Home and Community Based Services (HCBS), and individuals of all ages with Intellectual and Developmental Disabilities (IDD) who are eligible for and receiving Employment and Community First (ECF) CHOICES services.

2. Definitions

- a. **Aged:** Individuals age 65 or older.
- b. **Blind:** Individuals who have been determined to be legally blind by the Social Security Administration (SSA).
- c. **Disabled:** Individuals who have been determined to be disabled by the SSA or TennCare. Generally, an individual is considered disabled when he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to last for a continuous period of not less than 12 months.

3. Non-Financial Eligibility Requirements

a. Age

To be eligible as aged, an individual must be age 65 or older. There is no age requirement for individuals who are eligible on the basis of disability or blindness.

Aged, Blind, and Disabled Manual	Section: Categories of Eligibility
Policy Manual Number: 115.015	Chapter: Institutional Medicaid

b. Citizenship

An individual must be a U.S. Citizen, a U.S. National or eligible immigrant. Individuals are not required to provide documentary evidence of citizenship or national status if they are entitled to or enrolled in any part of Medicare, entitled to or receiving Supplemental Security Income (SSI) or Social Security disability benefits.

c. Enumeration

An individual must possess and provide a valid Social Security Number (SSN) or proof of application, unless she meets an exception.

d. State Residence

An individual must be a resident of Tennessee. Individuals placed by an agency of the State of Tennessee in an institution out of state are still considered Tennessee residents. See the *ABD State Residence* policy.

e. Institutional Status

An individual must have an institutional status to be eligible for the Institutional Medicaid category. See the *Institutional Status* policy.

4. Financial Eligibility Requirements

a. Eligibility Determination Group (EDG)

The EDG for the Institutional Medicaid category is based on the principle of the Financially Responsible Relative (FRR). See the *ABD Financially Responsible Relatives* policy.

b. Resources

Eligible individuals must have countable resources below the Institutional Medicaid Aged, Blind and Disabled (ABD) resource standard. The resource standard is \$2,000.

The resources of an individual’s spouse or of an institutionalized child’s parent(s) may be deemed available to the individual. See the *ABD Deeming of Income and Resources* policy.

All individuals with a spouse must have a Resource Assessment completed prior to receiving an eligibility determination in the Institutional Medicaid category. Resources owned individually or jointly by members of a married couple are considered in the Resource Assessment and will be used to determine the Community Spouse Resource Maintenance Allowance (CSRMA). See the *Resource Assessment* policy.

Aged, Blind, and Disabled Manual	Section: Categories of Eligibility
Policy Manual Number: 115.015	Chapter: Institutional Medicaid

Countable and excluded resources are determined using the ABD resource methodology as defined in the legal authority that governs SSI eligibility. See the *ABD Countable and Excluded Resources* policy.

c. Income

i. General Rule

Individuals must have countable income below the Medicaid Income Cap (MIC). The MIC is 300% of the SSI Federal Benefit Rate (SSI-FBR), a number which is annually updated by the SSA.

Income eligibility is determined by comparing the individual’s gross income to the MIC. If gross income is equal to or less than the MIC, the individual is income eligible in the Institutional Medicaid category. If gross income is greater than the MIC, the individual will be provided with the opportunity to establish a Qualified Income Trust (QIT). A QIT is a specific type of trust used only to establish Medicaid eligibility, in which an individual places certain types of monthly income. Once a QIT is established, the individual’s income eligibility is tested again to determine income eligibility. See the *Qualified Income Trust (QIT) or Miller Trust* section in the *ABD Trusts* policy.

ii. MIC

The MIC is \$2,829 effective 01/01/2024.

iii. Budgeting Process, Based on Eligibility Determination Group

1. Adult Individual with No Spouse or Spouse is Institutionalized

Income eligibility for an adult individual with no spouse, or who has a spouse who is already institutionalized, is determined based on the individual’s income only.

2. Adult Individual with a Community Spouse

Income eligibility for an adult individual with a community spouse is determined based on the applying individual’s income only. The community spouse’s income is considered post-eligibility when determining the appropriate Community Spouse Income Maintenance Allowance (CSIMA). This may include individuals where the community spouse is eligible for and receiving HCBS.

Aged, Blind, and Disabled Manual	Section: Categories of Eligibility
Policy Manual Number: 115.015	Chapter: Institutional Medicaid

3. Individual is a Dependent Child and Lives with Parents (Prior to Institutionalization or Application for HCBS)

If the individual is a dependent child (under age 18), income from the individual’s FRRs is deemed available to him when determining income eligibility until the child applies for LTSS. No income is deemed available to him when determining income eligibility after application for LTSS has been made, unless a child under 18 is requesting HCBS services in the ECF CHOICES program, and an exception does not apply. See the Parent-to-Child Deeming section in the *Employment and Community First CHOICES* policy for more information.

iv. 250% Federal Poverty Level (FPL) Disregard

Earned income up to 250% of the FPL is disregarded for the Comprehensive Aggregate Cap (CAC), Self-Determination, and Statewide Waivers. For more information on the Department of Intellectual and Developmental Disabilities (DIDD) waivers, see the *Institutional Status* policy and the *TennCare CHOICES in Long-Term Services and Supports* policy.

d. Income Budget

Income eligibility is first determined for the individual without consideration of a QIT. This is necessary in order to determine if the individual needs to establish a QIT to become income eligible. If the individual passes the initial budget, it is not necessary for her to establish a QIT.

If the individual fails the income eligibility determination, then the individual must be provided with the opportunity to establish a QIT. If the individual is able to establish a QIT, her income eligibility will be tested again.

e. Example Budget

Mr. Mason was admitted to a nursing home and is applying for medical assistance. He is 64 years old and receives \$2,800 in Social Security per month. He also receives \$800 per month from a pension. Since his monthly income total is determined to be above the MIC, he must establish a QIT to qualify.

Income Budget Calculation		
Unearned Income		\$ 3600.00
Irregular Unearned Income Disregard	+	N/A
In-Kind Support and Maintenance	+	N/A
Ineligible Spouse’s Deemed Unearned Income	+	N/A
Ineligible Parent’s Deemed Income	+	N/A
General Deduction (\$20)	-	N/A

Aged, Blind, and Disabled Manual	Section: Categories of Eligibility
Policy Manual Number: 115.015	Chapter: Institutional Medicaid

Child Support Disregard	-	N/A
Widow/Widower Entitlement Disregard	-	N/A
DAC Entitlement Disregard	-	N/A
COLA Disregard	-	N/A
Total Net Unearned Income	=	\$ 3600.00
Self-Employment Income		\$ 0.00
Earned Income	+	\$ 0.00
Irregular Earned Income Disregard	-	N/A
Student Earned Income Exclusion	-	N/A
Ineligible Spouse's Deemed Earned Income	+	N/A
Remaining General Deduction	-	N/A
Earned Income Deduction	-	N/A
Impairment Related Work Expense	-	N/A
½ Deduction	-	N/A
Blind Work Expense	-	N/A
Total Net Earned Income	=	\$ 0.00
Total Countable Income (Total Net Unearned Income + Total Net Earned Income)	=	\$ 3600.00
Qualified Income Trust	-	\$ 2800.00
FPL 250% Disregard		N/A
Net Countable Income		\$ 800.00
Income Test Limit		\$ 2313.00
Income Test Result		PASS

The above budget is current as of February 2019.

Mr. Mason establishes a QIT, to which he allocates his SSA income. His Net Countable Income is under the MIC. He is income eligible for Institutional Medicaid.

Aged, Blind, and Disabled Manual	Section: Categories of Eligibility
Policy Manual Number: 115.015	Chapter: Institutional Medicaid

Document Title	Institutional Medicaid				
First Published	04.17.2015				
Revision History					
Revision Date	Section	Section Title	Page Number(s)	Reason for Revision	Reviser
07.01.2016	1.; 4.c.iii.	Policy Statement; Budgeting Process Based On Household Composition	1; 4	Policy Clarification	LW
12.01.2016	2.c.; 4.d.i.a.	Disabled; Total Gross Unearned Income Computation	1; 4	Policy Clarification	RS
01.05.2017	4.c.i.; 4.d.i.c.	General Rule; Countable Income Computation	3; 4	Non-Substantive Change	RH
06.01.2017	2.c.	Disabled	1	Policy Clarification	RS
06.01.2017	3.a.	Age	2	Non-Substantive Change	RS
03.18.2019	1.; 2.c.; 4.c.iii; 4.d.; 4.e.	Policy Statement; Disabled; Budgeting Process, Based on Eligibility Determination Group; Income Budget; Example Budget	1-5	Non-Substantive Change	ME
03.18.2019	4.a.	Eligibility Determination Group (EDG)	2	Policy Clarification	ME
05.01.2019	4.c.ii; 4.e.	Legal Authority; MIC; Example Budget	1-5	Policy Clarification	TN
05.01.2020	4.c.ii.	MIC	3	Policy Clarification	TN
05.01.2020	1; 2.c.	Legal Authority; Policy Statement; Disabled	1	Policy Change	TB
01.04.2021	4.c.ii.	MIC	3	Policy Clarification	TN
01.04.2022	4.c.ii.	MIC	3	Policy Clarification	SA
06.01.2022	2.c.	Disabled	1	Policy Clarification	AJ
09.01.2022	4.c.iii.3.	Individual is a Dependent Child and Lives with Parents (Prior to Institutionalization or Application for HCBS)	4	Policy Change	AJ
09.01.2022	4.c.iv.; 4.e.	250% FPL Disregard; Example Budget	4	Policy Change	AJ
01.03.2023	4.c.ii.	MIC	3	Non-Substantive Change	KF
01.02.2024	4.c.ii.	MIC	3	Non-Substantive Change	CE