

# Medical Assistance Eligibility Manual



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## *About PHLP*

The Pennsylvania Health Law Project is a 501(c)3 nonprofit organization.

PHLP is a nationally recognized expert on access to health care for low-income consumers, the elderly, and persons with disabilities. PHLP engages in direct advocacy on behalf of individual consumers while working on the kinds of health policy changes that promise the most to Pennsylvanians in need.



Pennsylvania Health Law Project  
Helpline: 1-800-274-3258  
[www.phlp.org](http://www.phlp.org)

This publication is intended to provide general legal information, not legal advice. Each person's situation is different. If you have questions about how the law applies to your particular situation, please consult a lawyer or call the Helpline at 1-800-274-3258.

# Table of Contents

What is Medical Assistance?.....	2
How do I qualify? .....	2
Can I qualify for MA if I have another health insurance? .....	4
Medical Assistance Categories .....	5

## Medical Assistance for Children

MAGI Child Category .....	7
Children with Disabilities .....	8
CHIP .....	10

## Medical Assistance for Adults

MAGI Adult Category .....	12
MAGI Pregnant Woman Category .....	13
MAGI Parent/Caretaker Category .....	14
Former Foster Youth .....	15

## Medical Assistance for Older Adults & Adults with Disabilities

Healthy Horizons .....	17
Medicare Savings Programs .....	19
MAWD .....	20
HCBS Waiver Programs .....	22
Breast and Cervical Cancer Prevention and Treatment Program .....	24

## Medical Assistance Income & Resource Counting Rules

MAGI (Modified Adjusted Gross Income) .....	26
SSI-related Income Rules .....	31
SSI-related Resource Rules .....	32

## Medical Assistance: How to Apply

How do I apply for Medical Assistance? .....	34
How do I find In-Person Help? .....	34
What are my Rights in the Medical Assistance Program? .....	35

# What is Medical Assistance?

Medical Assistance (MA) (also known as Medicaid) is a public health insurance program administered by the state of Pennsylvania. In general, it provides a comprehensive benefit package and has very little cost-sharing.

Medical Assistance covers many “categories” of people. In order to be eligible, you must fit into one of the categories, in addition to meeting the other requirements.

Each category of Medical Assistance has its own limits for income and resources, and some categories count income and resources differently.

As you use this manual, keep in mind the following important tips:

- Some categories have significant income disregards, meaning that the state will not count all of your income when deciding if you are eligible. MA eligibility is based on the Federal Poverty Guidelines, which change each year. The dollar amounts used in this manual are based on the 2014 Federal Poverty Guidelines (found [here](#)).
- If you are not eligible for Medical Assistance, there may be other programs to help you get health coverage. Consult [HealthCare.gov](#) for information on coverage options and premium tax credits available through the Health Insurance Marketplace.

## How do I qualify?

To qualify for Medical Assistance, you must satisfy the requirements of each of these four criteria, which are discussed in more detail in the following sections:

- Residency
- Citizenship or Immigration Status
- Category
- Income and Resource Limits

## 1. Are you a resident of Pennsylvania?

You must be a resident of Pennsylvania to qualify for Medical Assistance. This means you are physically present in the state and intend to stay here. There is no minimum period of time required to establish residency. You are allowed to travel out of state and maintain residency, as long as you plan to return to Pennsylvania.

You do not need to have a fixed or permanent address to apply for Medical Assistance. If you do not have a permanent address, you may use the address of a friend, family member, or social service agency. It is important to check your mail regularly, as you will routinely be sent important letters regarding your MA benefit.

For more information on residency, see Chapter 323 of the [Medical Assistance Eligibility Handbook](#) (MAEH).

## 2. For Immigrants: What is your immigration status?

In order to receive full Medical Assistance benefits, all immigrants must be in a “qualified” or “lawfully present” immigration status, in addition to meeting the residency, category, and income requirements. Examples of categories of immigrants with “qualified” status include lawful permanent residents (green card holders), refugees, and certain domestic violence survivors.

In general, immigrants must also have been in a qualified status for five years or more to qualify for MA. This “5 year bar” rule does not apply to children or pregnant women (who need only be “lawfully present”), nor does it apply to refugees, asylees, and certain other immigration statuses.

Children born in the US are eligible for MA, even if their parents are undocumented immigrants.

If you are not eligible for full Medical Assistance because of your immigration status, you may qualify for Emergency Medical Assistance (EMA). This coverage is usually limited to a specific period of time (such as six or nine months) to treat an acute medical condition. EMA is available to people in any immigration status, including those who are undocumented. To apply for EMA, immigrants do not need to disclose their immigration status or provide a social security number.

Medical Assistance rules for immigrants are complex. To learn more, see PHLP’s publication [Immigrant Health Care: A Manual for Advocates](#). (We are currently in the process of updating our Immigrant Health Care manual; look for the new version in early 2015.)

### **3. Do you fit into a category?**

Because income and resource limits vary by category, it is important to first determine the category or categories into which you fit. If you qualify for more than one category, apply for the category that you think best meets your needs.

This manual highlights the most commonly used Medical Assistance categories. It is not exhaustive. It does not include certain categories that are authorized automatically, such as those for children in foster care or in an adoption assistance program. It also does not include the various categories that cover long-term care institutions, such as nursing and ICF/ID facilities. For more information on these categories, see the DPW [Long-Term Care Handbook](#).

### **4. Are you under the income and resource limits for that category?**

There is no single income limit for Medicaid Assistance. Medical Assistance income limits vary by category. Medical Assistance looks at your current monthly income. For more information on income, see the “Income and Resource Counting Rules” section beginning at page 25.

Some categories for adults, mainly those that are disability-related, also have resource limits. As with income limits, these resource limits vary by category. Certain items are never counted as resources – this includes a primary residence, one motor vehicle, and household goods and personal effects. For more information on resources, see the “SSI Related Resource Rules” section at page 32.

## **Can I qualify for MA if I have another health insurance?**

Generally, yes. You can have MA in addition to employer-based insurance or Medicare coverage. However, you cannot have MA in addition CHIP. Having MA secondary to employer-based coverage or Medicare coverage is beneficial because MA often covers items and services not covered by employer-based plans or Medicare, and it can help with cost-sharing. Please contact PHLP if you have questions about coordinating MA with other insurance plans.

# Medical Assistance Categories

For each category that may apply to you, turn to the appropriate page for more details.

## Children

### **Children**

- Children ages 0-18 (MAGI)
- Children with Disabilities (PH-95)
- Children's Health Insurance Program (*not a category of MA*)

## Adults

**New Adult Group** (Medicaid Expansion)

**Pregnant Women**

**Parents & Caretakers**

**Former Foster Youth**

## Older Adults & Individuals with Disabilities

**Older Adults and Adults with Disabilities** (Healthy Horizons)

- Low-Income Medicare Beneficiaries (Medicare Buy-In Programs)

**Adults with Disabilities** who are **Working** (MAWD)

**Adults** who need **Long Term Services & Supports** (HCBS Waiver Programs)

**Women with Breast or Cervical Cancer** (BCCPT)

# Medical Assistance for **Children**

MAGI Child Category,  
Children with Disabilities, &  
Children's Health Insurance Program

# MAGI Child Category *at a glance*

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The MAGI Child category of Medical Assistance covers children in low-income families. It was previously known as Healthy Beginnings.

- All children, birth until the child’s 19<sup>th</sup> birthday
- Income limit varies based on age
- No resource limit
- For immigrants: requires “lawfully present” status
- Benefits: HealthCare Benefits Package #1

*Children receive a comprehensive benefit package and have no cost-sharing (if under age 18)*

Not all income is counted when determining whether a child qualifies for the MAGI Child category. See page 26 for more discussion of whose income and what income counts towards these limits.

<b>Birth to Age 1</b>		<b>Age 1-5</b>		<b>Age 6-19</b>	
<b>Household size</b>	<b>Monthly income limit (220% Poverty, 2014)*</b>	<b>Household size</b>	<b>Monthly income limit (162% Poverty, 2014)</b>	<b>Household size</b>	<b>Monthly income limit (138% Poverty, 2014)</b>
<b>2</b>	\$2,885	<b>2</b>	\$2,124	<b>2</b>	\$1,810
<b>3</b>	\$3,629	<b>3</b>	\$2,673	<b>3</b>	\$2,277
<b>4</b>	\$4,373	<b>4</b>	\$3,220	<b>4</b>	\$2,743
<b>5</b>	\$5,117	<b>5</b>	\$3,768	<b>5</b>	\$3,210

\*These monthly figures include the 5% MAGI disregard (for explanation, see page 28).

If you are over the income limit for your child to qualify for Medical Assistance and your child is uninsured, he or she will qualify for free, low-cost, or at-cost health insurance through the Children’s Health Insurance Program. The County Assistance Office will forward your application to the CHIP program.

*References:* MAEH Chapter 312; DHS Operations Memo #13-09-04 (Rev. Feb. 24, 2014); 42 C.F.R. 435.603 (2014).

# Children with Disabilities *at a glance*

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The Children with Disabilities (PH-95) category covers children with severe disabilities or behavioral disorders, regardless of family income.

- Children, birth until the child's 18<sup>th</sup> birthday
- Who meet the Social Security disability guidelines
- Household income is not counted: only the child's income is counted
- No resource limit
- For Immigrants: requires "lawfully present" status
- Benefits: HealthCare Benefits Package #1

*Children receive a comprehensive benefit package and have no cost-sharing (if under age 18)*

The Children with Disabilities category covers children with disabilities or behavioral disorders that are severe enough to meet the Social Security disability guidelines. For more information about the application process and meeting the disability standard for PH-95, see PHLP's publication [PH-95 Guide – How to Get Medical Assistance for Children with Severe Disability](#).

For the PH-95 category, the parents' income does not count. Only the child's income is counted, and many sources of income are not counted.

The income limit for the child's income only is 100% of the Federal Poverty Level, which is \$973 per month in 2014 for single individual.

Income of a child that is counted:

- **Interest or dividends** on bank accounts, stocks, bonds, CDs, or other investments that are in the child's name. The principal in these accounts is considered a resource and is not looked at.
- **Earnings** from the child's job. It is rare for this income to put a child over the limit for this category, as a child who is working enough to exceed the limit probably does not meet the disability guidelines for the category.

Income of a child that is **not** counted:

- child support
- life insurance payouts
- SSI and Social Security benefits

MA benefits are especially comprehensive for children under age 21. Under the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) program, MA covers for children all medically necessary services covered by the federal Medicaid statute. Further, children on MA can receive services rarely covered by commercial insurance, such as Behavioral Health Rehabilitation Services (“wraparound”), in-home shift nursing and personal care services, diapers, and nutritional supplements.

*References:* MAEH Chapter 315; 55 Pa Code §§ 140.601-604.

# CHIP *at a glance*

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The Children’s Health Insurance Program covers children whose household incomes are too high to qualify for Medical Assistance.

- Uninsured children, birth until the child’s 19<sup>th</sup> birthday
- Income “floor” – income must be too high for Medicaid
- No income limit (or “ceiling”) – premium varies based on family income
- No resource limit
- For Immigrants: requires “lawfully present” status
- Benefits: Comprehensive Benefits

Household size	Monthly income limit (213% Poverty, 2014)*
2	\$2,793
3	\$3,513
4	\$4,233
5	\$4,954

### Free CHIP

- No premium, co-pay, or deductible
- Household income: Less than 213% FPL
- Child must be uninsured

### Low-cost CHIP

- Small, sliding scale premiums, co-pays, and deductibles
- Household income: 213%-319% FPL
- Child must be uninsured

Household size	Monthly income limit (319% Poverty, 2014)*
2	\$4,182
3	\$5,261
4	\$6,340
5	\$7,419

### At-cost CHIP

- Premiums, co-pays and deductibles comparable to good quality private insurance.
- Household income: above 319% FPL
- Child must be uninsured

\*These monthly income limits include the 5% MAGI disregard.

If your child is uninsured and not eligible for MA, he or she will qualify for free, low-cost, or at-cost health insurance through CHIP. If your child qualifies for at-cost CHIP, you should also consider Marketplace coverage and premium tax credits available through HealthCare.gov.

References: CHIP Policy and Procedures Manual (2008); 42 C.F.R. § 457 *et seq.*

# Medical Assistance for **Adults**

Adults (Medicaid Expansion),  
Pregnant Women, &  
Parents and Caretakers

# MAGI Adult Category *at a glance*

The MAGI Adult or Medicaid Expansion category covers low-income adults age 19-65 who do not otherwise qualify for Medical Assistance. Pennsylvania adopted Medicaid Expansion, the new adult group created by the Affordable Care Act, to be effective January 2015.

- Adults age 19 through 64
- Income limit: 138% of the Federal Poverty Limit
- No resource limit
- Cannot be eligible for Medicare
- For Immigrants: generally requires five years in a “qualified” status
- Benefit Package: Healthy PA (Private Coverage Option) *or* Healthy Plus *if determined* “medically frail”

Household size	Monthly income limit* <i>(138% Poverty, 2014)</i>	As of January 2015, <u>nearly all</u> low-income adults in Pennsylvania qualify for Medical Assistance. The MAGI Adult Category has no resource test.
1	\$1,342	Adults with income over 138% FPL should apply for coverage and premium tax credits through the Health Insurance Marketplace at <a href="http://HealthCare.gov">HealthCare.gov</a> .
2	\$1,810	
3	\$2,277	When determining whether an adult qualifies for the MAGI Adult Category, not all income is counted. See page 26 for an explanation of whose income and what income counts under the Modified Adjusted Gross Income rules.
4	\$2,743	

\*These monthly figures include the 5% MAGI disregard.

Individuals who qualify for Medicare are not eligible for Medicaid under the MAGI Adult Category. Medicare beneficiaries who seek Medicaid as a secondary insurance will need to qualify under a different Medicaid category, such as Healthy Horizons, MAWD, or HCBS Waiver.

*References:* Special Terms and Conditions, *Healthy Pennsylvania* Demonstration, Centers for Medicare and Medicaid Services (Aug. 28, 2014); 42 C.F.R. §435.119; DPW Operations Memo #14-11-01 (Nov. 6 2014).

# MAGI Pregnant Woman Category *at a glance*

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This category covers women who are pregnant. It is available to women with household incomes under 220% of the Federal Poverty Level. In determining the pregnant woman’s household size, her unborn child is counted as a member of the household.

- Women who are pregnant
- Income limit: 220% of the Federal Poverty Limit.
- In determining household size, the unborn child is counted
- No resource limit
- For Immigrants: requires “lawfully present” status

*For individuals not in a “lawfully present” status, labor and delivery can be covered by EMA. EMA covers prenatal care only for women with a high risk pregnancy.*

- Benefit Package: Healthy Plus (High Risk)

Household size	Monthly income limit* (220% Poverty, 2014)
2	\$2,885
3	\$3,629
4	\$4,373
5	\$5,117

When determining whether a pregnant woman qualifies for the MAGI Pregnant Woman Category, not all income is counted. See page 26 for more discussion of whose income and what income counts towards these limits.

Once you are found eligible, your coverage will automatically continue through the 60 days post-partum period regardless of any increase in income.

Your baby will be covered under the MAGI Child category until his or her first birthday, regardless of changes in your household income. After your child turns one, his or her continued eligibility will depend on household income.

\*These monthly figures include the 5% MAGI disregard.

## Presumptive Eligibility

If you think you might be pregnant, go to a doctor to get your pregnancy verified. Your doctor may be able to fill out a form to make you *presumptively eligible* for Medical Assistance. That means you will be able to get Medical Assistance starting immediately. Presumptive eligibility last for two months. In order to remain eligible for the rest of your pregnancy, complete an MA application at your doctor’s office or at the County Assistance Office.

References: MAEH Chapter 318.12; 55 Pa. Code §§ 140.1-146.

# MAGI Parent/Caretaker Category *at a glance*

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The MAGI Parent Category covers very low-income parents and caretakers. Historically, it was tied to the Cash Assistance program.

- Parents and relative caretakers of a child under age 19
- Income limit: 33% of the Federal Poverty Limit.
- No resource limit
- For Immigrants: generally requires five years in a “qualified” status
- Benefit Package: Healthy *or* Healthy Plus *if determined* “medically frail”

<b>Household size</b>	<b>Monthly income limit</b> <i>(33% Poverty, 2014)</i>
2	\$433
3	\$545
4	\$656
5	\$768

To qualify for coverage in the MAGI Parent category, a parent or relative caretaker needs to exercise care and control of a child under age 18 (or under age 19 if a full-time student).

Parents who are over the income limit for this category should review the information on page 11 for the Medicaid Expansion or MAGI Adult category. Most low-income parents will qualify under the MAGI Adult category, which has a higher income limit of 138% of the federal poverty level.

*References:* MAEH 312 & 327.21; DPW Operations Memo #13-09-04 (Rev. Feb. 2014).

# Former Foster Youth *at a glance*

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Under the Affordable Care Act, youth who were in foster care on their 18<sup>th</sup> birthday qualify for Medical Assistance until they turn 26, regardless of their income or resources.

- Youth age 18 until their 26<sup>th</sup> birthday, *who also*
- Were in foster care and on Medicaid on the youth's 18<sup>th</sup> birthday

*Does not apply to youth in permanent legal custody or adoption assistance.*

- No income limit
- No resource limit
- Benefit Package:
  - Age 18-21 – Full Child Package
  - Age 21-26 – Healthy *or* Healthy Plus *if determined* “medically frail”

Youth aging out of foster care should automatically move to the new category for former foster youth. Youth who left foster care prior to the implementation of the new policy in 2014 must apply for coverage in this category, and should answer yes to the application question about foster care.

Former foster youth who were in foster care in Pennsylvania will not have to provide proof of their foster care status. Former foster youth who were in foster care in another state must provide proof of this. Caseworkers are supposed to help the youth in obtaining this documentation. Proof of foster care can include: discharge papers or other documents showing foster care placement, contact with the foster care agency, or collateral contact such as letters from former foster parents, foster care agencies, or former foster siblings.

Former foster youth who are parents or pregnant will be reviewed for eligibility in the appropriate MAGI category first. If the youth is not eligible in a MAGI category due to income, they will be enrolled under the former foster youth category.

*References:* DPW Operations Memo #13-12-03 (Dec. 16, 2013); DPW Information Memo (Aug. 6, 2014).

**Medical Assistance for  
Older Adults  
*and*  
Adults with  
Disabilities**

Healthy Horizons, Medicare Savings Programs,  
MAWD, and HCBS Waiver Programs

# Healthy Horizons *at a glance*

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The Healthy Horizons category covers older adults and adults with disabilities.

- All adults age 65 or older, *and*
- Adults age 18+ whose disability is expected to last for 12 months or more
- Income limit: 100% of the Federal Poverty Limit
- Resource Limit: \$2000 for a single person, \$3000 for a couple

*Note: If there is a minor child in the household, the resource limits do not apply*

- For Immigrants: generally requires five years in a “qualified” status
- Benefit Package: Healthy Plus (High Risk)

## Verifying Disability

If you are under age 65, you can establish disability through (i) being on Social Security Disability Insurance or (ii) asking your doctor to complete the “[Employability Assessment Form](#)” (also known as the PA 1663). You will need your doctor to check box 1 or box 2 on the form. To qualify for Healthy Horizons, you will also be required to apply for Social Security benefits.

Household size	Monthly income limit <i>(100% Poverty, 2014)</i>
1	\$973
2	\$1,311
3	\$1,650
4	\$1,988

## Income

Not all income counts against the income limit for Healthy Horizons. For any “unearned” income, DPW will not count the first \$20. For any “earned” income (income from employment), DPW will:

- not count the first \$65, and
- not count half of the remainder.

Income after all deductions and disregards must be under the limits listed. For more information, see the SSI-related Income Rules at page 31.

## Resources

Healthy Horizons has a resource limit of \$2000 for a single person and \$3000 for a couple. Some types of resources are exempt from these resource limits, such as your home, car, household goods and personal effects, and a pre-paid burial plot. Resources are not counted at all if the applicant’s household includes a child under the age of 21. For more information, see the SSI-related Resource Rules at page 32.

## **If you are on Medicare and qualify for Healthy Horizons:**

- **Medical Assistance will cover the health care costs that Medicare doesn't cover**, including Part A and Part B premiums, co-pays, deductibles, co-insurance. Medical Assistance will also cover benefits that Medicare does not, such as limited dental, limited vision, and over the counter medications.
- **You will automatically qualify for full Extra Help to help with Medicare Part D costs.** Extra Help will limit or eliminate your Part D premium (depending on your plan), eliminate the deductible, eliminate the donut hole, and limit your co-pays for prescription drugs to \$1.20 for generic drugs and \$3.60 for brand name drugs in 2014 and 2015.
- Even if your income and/or resources are above the limit for Healthy Horizons, you may be eligible for other programs to help you with Medicare costs, such as the Medicare Savings Programs (MSP). See the next page for more information.

*References:* MAEH Chapter 319; 55 Pa Code §§ 140.201-341.

# Medicare Savings Programs at a glance

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The **Medicare Savings Programs** (also known as Buy-In) help older adults and adults with disabilities who have limited income and assets with Medicare costs.

- Individuals who qualify for Medicare
- Income limit: 135% of the Federal Poverty Level

*Note: Income limit of 120% FPL if receiving services through MAWD or a Waiver program.*

- Resource Limit: \$7,160 for a single person, \$10,750 for a couple
- Note: If there is a minor child in the household, the resource limits do not apply*
- For Immigrants: generally requires 5 years in a “qualified” status
- Benefit: the state pays the Medicare Part B premium
- Individuals in the QMB program also receive an ACCESS card to cover Medicare deductibles and co-insurance

## QMB: Qualified Medicare Beneficiary

Household size	Monthly income limit <i>(100% Poverty, 2014)</i>
1	\$973
2	\$1,311
3	\$1,650
4	\$1,988

## SLMB: Specified Low-Income Medicare Beneficiary

Household size	Monthly income limit <i>(120% Poverty, 2014)</i>
1	\$1,167
2	\$1,573
3	\$1,979
4	\$2,385

## QI-1: Qualified Individual

Household size	Monthly income limit <i>(135% Poverty, 2014)</i>
1	\$1,313
2	\$1,770
3	\$2,227
4	\$2,684

- In **QI-1** and **SLMB**, the state pays your Medicare Part B premium.
- In **QMB**, the state pays your Medicare Part B premium, and you get Fee-for-Service MA (ACCESS card) to cover Medicare Part A and B deductibles and co-insurance.
- If you receive MSP, you will also automatically qualify for full Part D Extra Help to lower your Medicare Part D costs.

Income and resources are calculated the same way as in Healthy Horizons, with significant disregards and deductions for earned income.

For more information, see PHLP’s publications [Medicare Savings Program Guide 2014](#) and [Part D Low Income Subsidy: How to Qualify](#).

# MAWD *at a glance*

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**Medical Assistance for Workers with Disabilities (MAWD)** provides full Medical Assistance benefits to individuals who work despite having serious, chronic health problems. Compared to other MA categories, MAWD has very high income and resource limits.

- Individuals age 16-65 with a disability or chronic health condition who are capable of doing some paid work
- Income limit: 250% of the Federal Poverty Level
- Resource Limit: \$10,000
- For Immigrants: generally requires five years in a “qualified” status
- Premium: 5% of monthly income, after disregards
- Benefit Package: Healthy Plus (High Risk)

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Household size	Monthly income limit <i>(250% Poverty, 2014)</i>
1	\$2,432
2	\$3,278

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MAWD is an important and unique category of MA because:

- **The disability requirement is flexible.** Individuals who receive Social Security Disability Insurance automatically meet the MAWD disability standard. For those who do not receive SSDI, “disability” for the purposes of MAWD does not mean you are unable to work.
- Because the disability standard is complicated, you should not try to predict whether your health condition will qualify you. Many individuals with a wide variety of disabilities and chronic health conditions have been approved for MAWD. If you have a chronic health condition and need insurance, you should apply.
- You are not required to apply for Social Security benefits to qualify for MAWD.

- **The work requirement is flexible.** You need only to do some paid work each month. Working as little as one hour per month is enough. Informal work arrangements, such as babysitting a friend’s child or helping a neighbor with yard work, are acceptable. You do not need an official pay stub; a letter from the person who employs you is sufficient “proof of work” for MAWD.
- **The income and resource limits are higher** than many other MA categories. Like Healthy Horizons, there are significant deductions and disregards on income, especially earned income. More than half of earned income is disregarded. For more information, see the SSI-related Income Rules at page 31.
- MAWD has a maximum household size of two. Children are not counted in the MAWD household, and a child’s income does not count towards the parent’s countable income for purposes of MAWD eligibility.

**MAWD has a monthly premium** of 5% of *your income* (not household income), after all the SSI-related income disregards are applied. For example, a person receiving \$1020 per month from SSD and earning \$65 per month from work would pay a premium of \$50 per month.

For more information, see the PHLP publication [MAWD: A Guide to Eligibility](#).

*References:* MAEH Chapter 316; 32 Pa Bulletin 289 (Jan. 11, 2002).

# HCBS Waiver Programs *at a glance*

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**Home and Community Based Services (HCBS) Waiver Programs** provide full Medical Assistance benefits to older adults and individuals with a disability or chronic health condition who need long-term care services and supports to remain in their home and community.

An alternative to nursing home care, waiver programs can provide personal care assistance to help someone with activities like bathing, dressing, and meal preparation. Some waiver programs have a waiting list.

- Individuals who require an institutional level of care
- Plus other functional requirements that vary by waiver
- Income limit: 300% of the Federal Benefit Rate (\$2,163 in 2014)  
*A spouse's income does not count toward this limit; only the applicant's income counts.*

- Resource Limit: \$8000  
*A spouse's resources do count toward this limit, subject to "spousal impoverishment" rules.*

- For Immigrants: generally requires five years in a "qualified" status
- Benefit Package: Healthy Plus, plus Waiver support services

## Who is eligible for Waiver services?

To qualify for Waiver services, individuals must meet age and functional requirements that vary by each Waiver program (and which include an institutional level of care requirement) as well as financial requirements.

### Income

The income limit for the Waiver program is 300% of the Federal Benefit Rate. In 2014, that amount is **\$2,163/month**. Only the income of the individual applicant is counted (regardless of whether that person is married). Unlike other categories of Medical Assistance, there are no deductions or disregards from income.

Under a special rule, an individual who works and meets the financial requirements for MAWD can receive waiver services as long as they meet the functional requirements of a Waiver program. This is important for individuals who are otherwise over the HCBS income limit.

### Resources

For individuals over age 21, there is a resource limit of **\$8000**. If an applicant is married, the resources of the spouse will also count but spousal impoverishment rules apply. Some kinds of

resources are not counted, including your home, your car, household goods, and personal effects. See page 32. If the applicant has a child under age 21 in the house, the resource limit does not apply.

Because waiver services are not an entitlement, there is no guarantee that you will be accepted into a waiver program, even if you are eligible. You may be put on a waiting list. There is also a federal requirement that Waiver services be cost effective, meaning that the cost of providing services through a waiver must be less than the cost of institutional care.

## What services does a Waiver program provide?

Waiver programs are offered as **an alternative to nursing home or institutional care**. There are many different Waiver programs, and each Waiver offers its own set of services. A Waiver will often cover services that Medical Assistance alone does not. Once someone is approved for a Waiver, an Individual Support Plan is developed that outlines the type and frequency of services that the Waiver will cover.

Here are examples of the kinds of services offered by waiver programs:

- Service coordination
- Non-medical transportation
- Homemaker/home health aide services
- Skilled nursing services
- Adult day health, habilitation, and respite care
- Minor home modifications

The Waiver system is complex. Each Waiver has its own requirements in addition to the income and resource requirements listed on the previous page. Some Waivers require a particular diagnosis, such as Traumatic Brain Injury (TBI), while others are targeted to a specific age group, such as the Aging Waiver for adults age 60 and older. For more details about each kind of Waiver, see PHLP's publication [Home and Community Based Services \(HCBS\) Waiver Programs: A Manual for Consumers and Advocates](#).

## How do I apply for a Waiver?

Waivers have a special application process that is different from the process for Medical Assistance. The application process varies between the different Waiver programs. For information on how to apply, see PHLP's publication [Home and Community Based Services \(HCBS\) Waiver Programs: A Manual for Consumers and Advocates](#).

*References:* Long Term Care Handbook Chapter 489; MAEH Chapter 316.11.

# Breast and Cervical Cancer Prevention and Treatment Program *at a glance*

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The Breast and Cervical Cancer Prevention and Treatment Program provides Medical Assistance coverage to women under the age of 65 with a diagnosis of breast or cervical cancer, or a pre-cancerous condition of the breast or cervix.

- Women under age 65 with a diagnosis of breast or cervical cancer, or a pre-cancerous condition of the breast or cervix
- No income limit
- No resource limit
- Must be uninsured or lack “creditable coverage”
- For Immigrants: generally requires five years in a “qualified” status
- Benefit Package: Healthy Plus

## How do I apply for the Breast and Cervical Cancer Treatment Program?

There are two ways to apply for the Breast and Cervical Cancer Treatment Program. First, an applicant can be referred through the Department of Health’s Healthy Woman screening program, which is a free breast and cancer early detection program. For more details, visit [www.pahealthywoman.org](http://www.pahealthywoman.org).

An applicant and her health care provider can also apply by directly submitting Form [PA 600B](#) to Adagio Health. Adagio Health is the clinical vendor that verifies an applicant’s diagnosis and forwards applications to the applicant’s local County Assistance Office.

- Adagio Health contact information:
  - Case Management Team: (800) 215-7494
  - Fax number: (412) 201-4702

*References:* MAEH Chapter 317; 55 Pa Code §§ 140.701-791

# Medical Assistance **Income and Resource Counting Rules**

Modified Adjusted Gross Income &  
SSI-related Methodologies

## What income and whose income counts?

Not only do income *limits* vary between Medical Assistance categories, so do *income-counting rules*. Income counting rules determine what types of income are counted or excluded, as well as what deductions or disregards apply, in an eligibility analysis. They also govern which members of an applicant's family can or must be included the "household" for eligibility purposes. Most MA categories determine eligibility based on income in relation to the federal poverty level, which is dependent on household size.

This section of the manual will describe two sets of income-counting rules:

- Modified Adjusted Gross Income (MAGI); and
- Supplemental Security Income-related (SSI-related).

With the implementation of the Medicaid changes contained in the Affordable Care Act, the income-counting rules for Medical Assistance categories covering children, parents, and pregnant women were converted to MAGI. The Medicaid MAGI rules largely align to the rules used for determining coverage and subsidies available through HealthCare.gov. The new adult group – the Medicaid expansion category – also uses the MAGI income-counting rules. MAGI categories do not have resource limits.

Most Medical Assistance categories based on disability use the SSI-related income-counting rules. This income methodology mirrors the rules established by the Social Security Administration for its Supplemental Security Income program.

## Modified Adjusted Gross Income (MAGI)

The MAGI income-counting rules were created by the Affordable Care Act and use definitions of income and household that are based on the Internal Revenue Code. These tax-based rules were intended to be a single, uniform set of income counting rules that apply to Medicaid/Medical Assistance, CHIP, and premium tax credits available through HealthCare.gov.

You are not required to file a tax return to be eligible in a MAGI Medical Assistance category. Unlike the Marketplace, which asks for your projected *annual* income, Medical Assistance considers your *current monthly* income.

The Medical Assistance categories for children, pregnant women, parents and caretakers, and the new adult group use the MAGI income-counting rules. CHIP also uses the MAGI income-counting rules.

## What income counts?

In a nutshell, **taxable** income counts. In addition to taxable income, the MAGI rules also consider (1) non-taxable Social Security benefits, (2) tax-exempt interest, and (3) excluded foreign income, even though these three types of income are not taxable income.

Tax rules determine whether a type of income, other than the three specified above, counts towards the income limit in a MAGI category. To determine whether a type of income is taxable, consult Internal Revenue Service guidance (such as [IRS Publication 525](#)). If it is taxable, it counts in the MAGI analysis. If it is not taxable, it does not count. Unless specifically excluded by the IRS, all income is taxable.

Common types of income that **are counted** under MAGI include:

- Wages & tips
- Unemployment Compensation
- Social Security benefits (Retirement, Survivors, and Disability Insurance)
- Pensions
- Dividends and interest
- Alimony received
- Rents & royalties

Common types of income that **are not counted** under MAGI include:

- Child support
- Workers' compensation
- TANF (Temporary Aid for Needy Families)
- SSI (Supplemental Security Income)
- Veterans benefits
- Scholarship income
- Student loan interest
- Gifts and inheritances

**Example #1:** Vanessa was laid off from her job and receives \$850/month in unemployment compensation. She also receives \$600/month in alimony.

Because UC and alimony are taxable benefits, they both count in the MAGI income-eligibility analysis. Her countable income of \$1450 is over the income limit of \$1342 (138% FPL) for a household of one in the MAGI Adult category. She should apply for coverage and subsidies through [HealthCare.gov](#).

**Example #2:** Vanessa was hurt on the job and receives \$850/month in workers' compensation. She also receives \$600/month in child support.

Because worker's comp and child support are not taxable benefits, neither counts in the MAGI income-eligibility analysis. With a countable income of \$0, she is under the income limit of \$1342 (138% FPL) for a household of one in the MAGI Adult category.

Each MAGI category has a 5% disregard that effectively increases its respective income by 5% of the federal poverty level. For example, the 133% FPL income limit for the new adult group becomes 138% FPL with the 5% incorporated. The 5% disregard applies automatically whenever its application is needed to make an individual eligible. The income thresholds listed in earlier sections include the 5% disregard (with the exception of the Parent/Caretaker category, to which the disregard does not apply).

## Who is in the MAGI household?

Under the MAGI income-counting rules, who is in a household for Medical Assistance eligibility purposes depends on living arrangements and tax relationships.

There are three sets of household rules under MAGI. Which rule applies depends on an individual's expected tax filing status. Household size and composition is determined separately for each individual.

To determine your MAGI household, apply the rules listed under your expected tax filing status. You can apply for MA without knowing which rules should apply. Remember that you are required to file taxes to qualify for Medical Assistance.

### ➤ **The Rules for Tax Filers**

For a tax filer, the household equals the tax filer plus all persons whom the taxpayer expects to claim as a tax dependent. Put simply, household size equals the tax unit.

This is based on the individual's intent to file a federal tax return for the current calendar year. Past tax returns are not relevant.

➤ **The Rules for Tax Dependents**

For a tax dependent, the household equals the household of the tax filer claiming the dependent. Unless, that is, one of the following three exceptions apply:

The tax dependent is:

- Not a child of the taxpayer;
- A child living with both parents who are unmarried; or
- A child claimed as tax dependent by a non-custodial parent.

If one of these exceptions apply, apply the rule for 'non-filers and non-dependents' (below).

➤ **The Rules for Non-Filers & Non-Dependents**

For a person who expects to neither file a tax return nor be claimed as a tax dependent, the household rule depends on whether the person is a child or adult.

For a child, the household is the child plus siblings and parents (including step-parents) living with the child.

For an adult, the household is the individual plus a spouse and/or any children living with the individual.

A tax dependent's income only counts in a MAGI analysis if the dependent is required to file a tax return on that income. Children with Social Security Survivors or dependents benefits are very rarely required to file taxes on this benefit (only if they have significant other income), meaning a child's Social Security benefit is very rarely counted in a MAGI analysis.

See the two example scenarios on the next page for illustrations of how the MAGI household rules are applied.

*References:* MAEH Chapter 312; 42 C.F.R. 435.603; IRS Publication 17; [The Health Care Assister's Guide to Tax Rules](#), Center on Budget and Policy Priorities (2014).

**Example #3:** Thelma cares for her granddaughter Maggie (age 12), whom she claims as a tax dependent.

As a tax filer, Thelma’s household size for Medicaid eligibility purposes under MAGI is her tax unit: herself and Maggie. Thelma’s household size is two. As a tax dependent, Thelma would normally have the same household size as the person claiming her. She meets one of the three exceptions, though, because she’s not a child of the taxpayer. Under the “non-filer & non-dependent” rule, Maggie has a household size of one (just herself). Because Thelma is not in Maggie’s household, Thelma’s income would not count towards Maggie’s eligibility for Medicaid.

	Counted in HH		Medicaid Household size	Why?
	Thelma	Maggie		
Thelma	✓	✓	2	Tax Filer + dependent
Maggie		✓	1	Dependent, but meets exception

**Example #4:** Jack and Jill, who are not married, live together with their newborn, Jackson. Jill works part-time and goes to school, and intends to claim Jackson as a dependent. Jack files taxes separately, and claims only himself. What is each person’s household size?

As taxfilers, Jack and Jill each have a household that consists of their respective tax units. Jack contains only himself, and Jill’s contains herself and the newborn. Jackson is a tax dependent, but fits an exception because he lives with parents who are unmarried. Under the “non-filer & non-dependent” rule, Jackson’s household contains himself and both parents.

	Counted in HH			Medicaid Household size	Why
	Jack	Jill	Jackson		
Jack	✓			1	Tax Filer
Jill		✓	✓	2	Tax Filer + dependent
Jackson	✓	✓	✓	3	Dependent, but meets exception

# SSI-related Income Rules

Under the SSI-related income rules, income is classified as either “earned” or “unearned.” How much of a given type of income counts towards the applicable income limit depends on this classification.

**Earned income** is payment you receive in return for services. Among other things, it includes wages, salaries, commissions and bonuses, self-employment profit, and rental income. **Unearned income** is income not conditioned on an exchange of services. It includes, but is not limited to, retirement benefits, Social Security benefits, VA benefits, unemployment and workers compensation, inheritances, and lottery winnings.

For **unearned income**, apply these deductions:

- \$20 per month
- Bank fees for an account into which the unearned income is deposited (such as check, minimal balance, and ATM fees)
- Transportation costs to the bank

For **earned income**, apply these deductions:

- \$20 per month (only if there is no unearned income)
- \$65 per month
- One half (1/2) of any remaining earned income

These deductions apply to the income of both the applicant and his or her spouse.

Only a few types of income **are excluded** under the SSI-related income rules, including income tax refunds, foster care and adoption subsidy payments, and borrowed money.

**Example #5:** Chuck receives \$1020 per month from SSD and earns \$165 per month from part-time work. What is his countable income under the SSI-related income rules?

His countable income is \$1050 per month. From his unearned income of \$1020, deduct \$20. From his earned income of \$165, deduct \$65 and then half of the remaining \$100.  $(1020-20) + (165-65)/2 = \$1,050$ .

*References:* MAEH Chapters 350-360; 55 Pa Code §§ 181.71-135.

# SSI-related Resource Rules

## What resources or assets count in determining Medical Assistance eligibility?

Many categories of Medical Assistance **do not have** resource limits. All of the categories that use the MAGI income rules – this includes the categories covering children, parents and caretakers, pregnant women, and the new adult group – do not have resource limits. The Children with Disabilities category (PH-95) and Breast and Cervical Cancer Treatment Program also do not have resource limits.

Other categories **do have** resource limits. These categories use the SSI-related resource rules. The amount of the particular resource limit varies between the disability-related categories.

As a general rule, all of your resources (or assets) count against a resource limit unless they are specifically excluded. Only resources that are actually available to individual are considered.

Common types of resources that **are counted** towards a resource limit include:

- Money in checking or savings account
- Stocks, bond, mutual funds
- Money in retirement accounts (even if there is a penalty for early withdrawal)
- The value of any property owned that the applicant is NOT living in (or on)
- Life insurance with a “cash surrender value” more than \$1000
- Vehicles (one vehicle with the highest equity value is excluded)

Common types of resources that are excluded and **not counted**:

- The home you live in
- One vehicle
- Household goods and personal items such as furniture, clothes, and jewelry
- Burial spaces
- Irrevocable burial reserves
- Non-resident property essential to self-support (rental property, for example)
- Educational savings accounts
- Life insurance policies that don't have cash value

*References: MAEH Chapter 340; 55 Pa Code § 178 et seq.*

# Medical Assistance: **How to Apply**

## How do I apply for Medical Assistance?

There are four ways to apply through the Department of Human Services for Medical Assistance or CHIP:

- **Online:** [www.compass.state.pa.us](http://www.compass.state.pa.us)
- **By phone:** (866) 550-4355
- **By mail** By paper application (download [here](#))
- **In-person** At your County Assistance Office ([locations](#))

If you think you qualify for Medical Assistance, we suggest that you apply directly through one the options listed above. Though it may take more time for your application to be processed, you also have the option of applying through the Health Insurance Marketplace.

- **Online:** [www.HealthCare.gov](http://www.HealthCare.gov)

Your local County Assistance Office should tell you in writing whether you qualify for Medical Assistance **within 30 days** of the date of your application. If you are denied, you have the right to appeal the denial. For more information about appeals, call the PHLIP Helpline at (800) 274-3258.

## How do I find in-person help?

Enrollment assisters are available in 2014 and 2015 to help individuals applying for Medical Assistance, CHIP, or insurance coverage and subsidies through the Health Insurance Marketplace.

To find in-person help, go to <https://localhelp.healthcare.gov/> or call the Marketplace at (800) 318-2596.

# What are my rights in the Medical Assistance Program?

You **always** have:

- The right to be treated with dignity and respect.
- The right to translation services.

When you **apply** for Medical Assistance (MA) in Pennsylvania, you have:

- The right to receive and file an application on the same day that you ask for it.
- The right to bring someone with you to help you with the MA application.
- The right to have an application completed by a friend, relative, or official of a hospital, agency, etc., if you are ill or physically or mentally unable to do so.
- The right to have the MA programs explained to you and to receive help in determining the best possible coverage for which you qualify.
- The right to apply for MA even if you have no address (i.e., you are homeless).

When you are **enrolled** in MA, you have:

- The right to receive coverage beginning with the third month before the date of application, if you qualify for retroactive MA coverage.
- The right to have DPW quickly issue an MA card if you have an immediate need for medical services.
- The right to receive medically necessary treatment and services without discrimination based on national origin, race, color, sex, age or disability.
- The right to free choice of MA enrolled health care providers (or, if you are enrolled in the HealthChoices Program, you have a choice of HealthChoices plans and health care providers that are enrolled in those plans).
- The right to prior notice of, and a fair hearing to contest, any decision or failure to act by the CAO or an MA HMO or Agency to deny, terminate or reduce benefits.
- The right to represent yourself or have a lawyer, friend or relative represent you at an appeal hearing.

If you have questions about these rights, or encounter problems in trying to enforce them, call PHLP's Helpline at (800) 274-3258.