



**Commonwealth of Massachusetts**  
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MassHealth  
Eligibility Letter 122  
April 1, 2004

**TO:** MassHealth Staff

**FROM:** Beth Waldman, Medicaid Director *BW*

**RE:** **Clarification of Community Unearned-Income Deduction**

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MassHealth is changing the regulations at 130 CMR 520.013(B) to clarify community unearned-income deductions.

To be eligible for the increased income disregard described at 130 CMR 520.013(B), an individual's countable income must be over 100% of the federal poverty level before applying the deduction. If countable income before applying the deduction is over 133% of the federal poverty level, a six-month deductible is established.

These regulations are effective April 15, 2004.

#### **MANUAL UPKEEP**

<b><u>Insert</u></b>	<b><u>Remove</u></b>	<b><u>Trans. By</u></b>
520.012	520.012	E.L. 91
520.013	-----	-----

Trans. by E.L. 122

**MASSHEALTH  
FINANCIAL ELIGIBILITY**

**Chapter 520  
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**Rev. 04/15/04**

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520.012: Community Earned-Income Deductions

In addition to business expenses described at 130 CMR 520.010(A) and (B), MassHealth allows the following deductions from the gross earned income of each employed individual or married couple living in the community. These deductions do not apply to the income of a community spouse, as described at 130 CMR 520.026(B). Standard earned-income deductions are applied in the following order:

- (A) \$20, if there is no unearned income or, if there is unearned income that is less than \$20, the balance of the \$20 is disregarded from earned income;
- (B) the next \$65 a month of earned income; and
- (C) one-half of the remaining earned income.

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**520.013: Community Unearned-Income Deductions**

In addition to business expenses described at 130 CMR 520.010, MassHealth allows the deductions listed below from the total gross unearned income. These deductions do not apply to the income of a community spouse described at 130 CMR 520.026(B). The deductions allowed from the total gross unearned income are the following:

- (A) a deduction of \$20 per individual or married couple; or
- (B) in determining eligibility for MassHealth Standard, a deduction that is equivalent to the difference between the applicable MassHealth deductible-income standard at 130 CMR 520.030 and 133 percent of the federal poverty level. This deduction includes, and is not in addition to, the \$20 disregard.
  - (1) This deduction from gross unearned income is allowed only for persons who:
    - (a) are aged 65 and older;
    - (b) are receiving personal-care attendant services paid for by MassHealth, or have been determined by MassHealth, through initial screening or by prior authorization, to be in need of personal-care attendant services; and
    - (c) prior to applying the deduction at 130 CMR 520.013(B), have countable income that is over 100 percent of the federal poverty level.
  - (2) MassHealth will redetermine eligibility without this deduction if:
    - (a) after 90 days from the date of the MassHealth eligibility approval notice, the person is not receiving personal-care attendant services paid for by MassHealth or has not submitted, upon request from MassHealth, proof of efforts to obtain personal-care attendant services paid for by MassHealth; or
    - (b) MassHealth denies the prior-authorization request for personal-care attendant services.
  - (3) If countable income, prior to applying the deduction at 130 CMR 520.013(B), is greater than 133 percent of the federal poverty level, eligibility is determined under 130 CMR 519.005(B).