



Commonwealth of Massachusetts
Executive Office of Health and Human Services
Office of Medicaid
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MassHealth
Eligibility Letter 144
March 1, 2006

TO: MassHealth Staff

FROM: Beth Waldman, Medicaid Director *BW*

RE: **Change in Cost-of-Living Adjustment (COLA) Protections**

MassHealth is clarifying its regulations about cost-of-living adjustment (COLA) protections.

Applicants and members whose income increases each January as the result of a COLA will have their eligibility determined using their social security income just before the COLA, if such income can be verified, until the next federal-poverty-level adjustment.

These emergency regulations are effective January 1, 2006.

MANUAL UPKEEP

<u>Insert</u>	<u>Remove</u>	<u>Trans. By</u>
506.006	506.006	E.L. 130
520.014	520.014	E.L. 131

Trans. by E.L. 144

**MASSHEALTH
FINANCIAL REQUIREMENTS****Chapter 506
Page 506.006**

Rev. 01/01/06

506.006: Transfer of Income

All family group members are required to avail themselves of all potential income.

(A) If the MassHealth agency determines that income has been transferred for the primary purpose of establishing eligibility for MassHealth, the income is counted as if it were received.

(B) If the MassHealth agency is unable to determine the amount of available income, the family group remains ineligible until such information is made available.

506.007: Calculation of Financial Eligibility

(A) The financial eligibility for various MassHealth coverage types is determined by comparing the family group's gross monthly income with the applicable income standard for the specific coverage. In determining gross monthly income, the MassHealth agency multiplies average weekly income by 4.333.

(B) Generally, eligibility is based on 100 percent of the federal-poverty level for long-term unemployed adults, 133 percent of the federal-poverty level for parents and disabled nonworking adults, and 200 percent of the federal poverty level for children and pregnant women, as well as for adults working for qualified employers and persons who are HIV positive. Disabled persons with income in excess of these applicable standards may be eligible for MassHealth CommonHealth. There is no income cap for premium-based CommonHealth.

(C) The monthly federal-poverty-level income standards are determined according to annual standards published in the *Federal Register* using the following formula. The MassHealth agency adjusts these standards in April of each calendar year.

(1) Divide the annual federal-poverty-level income standard as it appears in the *Federal Register* by 12.

(2) Multiply the unrounded monthly income standard by the applicable federal-poverty-level standard.

(3) Round up to the next whole dollar to arrive at the monthly income standards.

506.008: Cost-of-Living Adjustment (COLA) Protections

Applicants and members whose income increases each January as the result of a cost-of-living adjustment (COLA) will have their eligibility determined using their social security income just before the COLA, if such income can be verified, until the subsequent federal-poverty-level adjustment.

Trans. by E.L. 144

MASSHEALTH
FINANCIAL ELIGIBILITY

Rev. 01/01/06

Chapter 520
Page 520.014

520.014: Long-Term-Care Earned-Income Deductions

(A) The following expenses may be deducted from the earnings of a long-term-care-facility resident:

- (1) a standard deduction of \$11; and
- (2) any of the following work-related expenses deducted from salary:
 - (a) social security taxes (FICA);
 - (b) federal and state income taxes;
 - (c) retirement and employee benefit plans;
 - (d) health or medical insurance premiums; and
 - (e) union dues.

(B) Deductions that may be used to determine the amount owed to the long-term-care facility (patient-paid amount) are described at 130 CMR 520.026.

520.015: Noncountable Income

The following types of income are not considered in determining the financial eligibility of the applicant or member:

- (A) the income of any individual who is a recipient of EAEDC or SSI;
- (B) the portion of the income that is disregarded:
 - (1) for disabled adult children according to 130 CMR 519.004; and
 - (2) under the Pickle Amendment according to 130 CMR 519.003;
- (C) income-in-kind;
- (D) money received from a loan secured by the equity in the home of an individual who is aged 60 or older (reverse mortgage);
- (E) veterans' aid and attendance benefits, unreimbursed medical expenses, housebound benefits, enhanced benefits (\$90 Veterans' Administration pension to long-term-care-facility residents, including veterans and their childless surviving spouses who live in a state veterans' home), or veterans' benefits that are based on need and are provided by municipalities to resident veterans;
- (F) the amount of the increase due to a social security cost-of-living adjustment (COLA), if the amount of such increase can be verified, until the subsequent federal-poverty-level adjustment for applicants and members who are community residents;