



Susana Martinez, Governor
Brent Earnest, Secretary
Nancy Smith-Leslie, Director

INTRADEPARTMENTAL MEMORANDUM
MAD-GI: 18-02
DATE: 2/26/2018

TO: ISD AND MAD STAFF

FROM: *NSL* NANCY SMITH-LESLIE, DIRECTOR, MEDICAL ASSISTANCE DIVISION
MB MARY BROGDON, DIRECTOR, INCOME SUPPORT DIVISION

THROUGH: *RP* ROY BURT, BUREAU CHIEF, ELIGIBILITY BUREAU

BY: JILL BOWLES, MANAGEMENT ANALYST, ELIGIBILITY BUREAU

SUBJECT: CLARIFICATION OF MEDICARE SAVINGS PROGRAMS (MSP)
CALCULATIONS WHEN THE APPLICANT/RECIPIENT LIVES WITH AN
INELIGIBLE SPOUSE

The Medical Assistance Division (MAD), has recently seen an increase in questions related to the MSP calculations that pertain to couples. This memorandum provides guidance on actions that should be taken by the Income Support Division (ISD) caseworker for MSP cases.

MSP cases for couples have two tests that are included in the calculations. Prior to December 2017, ASPEN was performing the calculations incorrectly for couples and granting MSP eligibility to individuals who do not qualify. Specifically, ASPEN was bypassing test 1 (individual) and only evaluating for test 2 (couple). The ASPEN fix that was implemented in December 2017 ensures that ASPEN will correctly evaluate for test 1 first. If ineligible under test 1, then MSP is correctly denied. If the applicant passes test 1, then a couple is evaluated under test 2. If eligible under test 2, then MSP is approved.

Individuals who are ineligible for MSP receive a NOCA closure notice. Individuals contacting ISD about their closure should be encouraged to reapply. The Federal Poverty Level (FPL) thresholds will increase in April 2018, which may qualify some individuals who are currently ineligible.

Please refer to the correct NMAC citations below:

Qualified Medicare Beneficiaries (QMB), NMAC 8.240.500.15(B)(1)

Applicant/recipient living with an ineligible spouse.

Test 1

1. Applicant/Recipient Gross Monthly Income
2. Apply Disregards, if applicable
3. Combined unearned and earned income
4. Subtract the FPL Disregard (100% FPL disregard is the (Couple FPL – Individual FPL)), if applicable
5. Compare the remaining countable income of the Applicant/Recipient to the Individual income standard for QMB.
6. If the Applicant/Recipient remaining countable income is greater than the individual standard the Applicant/Recipient is **not eligible** for QMB.
7. If the Applicant/Recipient remaining countable income is less than the individual standard the Applicant/Recipient goes on to Test 2.

Test 2

1. Combined the Applicant/Recipient and Ineligible Spouse income.
2. Apply Disregards, if applicable
3. Combined countable income of the couple
4. Subtract the FPL Disregard (100% FPL disregard is the (Couple FPL – Individual FPL)).
5. Compare the total countable income to the couple standard for QMB.
6. If the Applicant/Recipient remaining countable income is greater than the couple standard the Applicant/Recipient is **not eligible** for QMB.
7. If the Applicant/Recipient remaining countable income is less than the couple standard the Applicant/Recipient is eligible for QMB program of the factor of income.

Specified Low Income Medicare Beneficiaries (SLIMB) and Qualified Individuals (QI-1), NMAC 8.215.500.21(D)(2)(a)

Test 1

1. Applicant/Recipient Gross Monthly Income
2. Apply Disregards, if applicable
3. Combined unearned and earned income
4. Compare the remaining countable income of the Applicant/Recipient to the Individual income standard for SLIMB and QI-1.
5. If the Applicant/Recipient remaining countable income is greater than the individual standard the Applicant/Recipient is **not eligible** for SLIMB and QI-1.
6. If the Applicant/Recipient remaining countable income is less than the individual standards the Applicant/Recipient goes on to Test 2.

Test 2

1. Combined the Applicant/Recipient and Ineligible Spouse income.
2. Apply Disregards, if applicable
3. Combined countable income of the couple
4. Compare the total countable income to the couple standard for SLIMB and QI-1.
5. If the Applicant/Recipient remaining countable income is greater than the couple standard the Applicant/Recipient is **not eligible** for SLIMB and QI-1.
6. If the Applicant/Recipient remaining countable income is less than the couple standard the Applicant/Recipient is eligible for SLIMB and/or QI-1 program of the factor of income.

SLIMB and QI1 use the same calculation. The only difference is that the FPL is higher for QI1.

The calculation worksheets for the MSP programs can be found in the forms drive. The MAD 036 is for the QMB program and the MAD 045 is for the SLIMB and QI-1 programs.

Examples of manually completed worksheets are attached. Examples of a QMB and a QI1 ASPEN screen shot showing the two tests are below.

Please note that some couples in the same household may be eligible for the same MSP category, different MSP categories, or one could be eligible for a MSP category and one could be ineligible for a MSP category.

If you have questions about the information contained in this GI, please email Jill Bowles at jill.bowles@state.nm.us or by phone at (505) 476-6824.

QMB ASPEN screen shot:

EDG Name: ██████████	EDG #: ██████████	COE: MC - QMB
Benefit Period: 01/01/2018-	Eligibility Status: Terminated	Disposition Status: Authorized
Certification Period: 02/01/2017-	Review Due Date: 12/31/2017	Interim Review Date:

Individual Test

Unearned Income :	= \$	1523.00
Unearned Income General Exclusion:	- \$	20.00
Net Unearned Income:	= \$	1503.00
Earned Income:	: \$	0.00
Self Employment Income:	+ \$	0.00
Total Earned Income:	= \$	0.00
Earned Income General Exclusion (Unused):	- \$	0.00
\$65 Earned Income Disregard:	= \$	0.00
1/2 Remainder Disregard:	- \$	0.00
Work Related Expenses (Blind/Disabled):	- \$	0.00
Net Earned Income:	= \$	0.00
Net Income:	= \$	1503.00
COLA Exclusion:	- \$	30.00
FPL Disregard:	- \$	349.00
Countable Income:	= \$	1124.00
Income Limit:	: \$	1005.00
Individual Test Result:	:	Fail

Couple Test

Applicant's Unearned Income:	: \$	0.0
Spouse's Unearned Income:	+ \$	0.00
Total Unearned Income:	= \$	0.00
Unearned Income General Exclusion:	- \$	0.00
Net Unearned Income:	= \$	0.00
Applicant's Earned Income:	: \$	0.0
Applicant's Self Employment Income:	+ \$	0.0
Spouse's Earned Income:	+ \$	0.00
Spouse's Self Employment Income:	+ \$	0.00
Total Earned Income:	= \$	0.00
Earned Income General Exclusion (Unused):	- \$	0.00
\$65 Earned Income Disregard:	= \$	0.00
1/2 Remainder Disregard:	- \$	0.00
Work Related Expenses (Blind/Disabled):	- \$	0.0
Net Earned Income:	= \$	0.00
Net Income:	= \$	0.00
COLA Exclusion:	- \$	0.00
FPL Disregard:	- \$	0.00
Living Allowance - Children:	- \$	0.00
Countable Income:	= \$	0.00
Income Limit:	: \$	0.00
Couple Test Result:	:	NA

Eligibility Summary

SLMB/QI1 ASPEN screen shot:

EDG Name:	EDG #: ██████████	COE: MC - QL-1
Benefit Period: 01/01/2018-	Eligibility Status: Denied	Disposition Status: Authorized
Certification Period: -	Review Due Date:	Interim Review Date:

Individual Test

Unearned Income :	= \$	1523.00
Unearned Income General Exclusion:	- \$	20.00
Net Unearned Income:	= \$	1503.00
Earned Income:	: \$	0.00
Self Employment Income:	+ \$	0.00
Total Earned Income:	= \$	0.00
Earned Income General Exclusion (Unused):	- \$	0.00
\$65 Earned Income Disregard:	= \$	0.00
1/2 Remainder Disregard:	- \$	0.00
Work Related Expenses (Blind/Disabled):	- \$	0.00
Net Earned Income:	= \$	0.00
Net Income:	= \$	1503.00
COLA Exclusion:	- \$	30.00
Countable Income:	= \$	1473.00
Minimum Income Limit:	: \$	0.00
Maximum Income Limit:	: \$	1357.00
Individual Test Result:	:	Fail

Couple Test

Applicant's Unearned Income:	: \$	0.00
Spouse's Unearned Income:	+ \$	0.00
Total Unearned Income:	= \$	0.00
Unearned Income General Exclusion:	- \$	0.00
Net Unearned Income:	= \$	0.00
Applicant's Earned Income:	: \$	0.00
Applicant's Self Employment Income:	+ \$	0.00
Spouse's Earned Income:	+ \$	0.00
Spouse's Self Employment Income:	+ \$	0.00
Total Earned Income:	= \$	0.00
Earned Income General Exclusion (Unused):	- \$	0.00
\$65 Earned Income Disregard:	= \$	0.00
1/2 Remainder Disregard:	- \$	0.00
Work Related Expenses (Blind/Disabled):	- \$	0.00
Net Earned Income:	= \$	0.00
Net Income:	= \$	0.00
COLA Exclusion:	- \$	0.00
Countable Income:	= \$	0.00
Minimum Income Limit:	: \$	0.00
Maximum Income Limit:	: \$	0.00
Couple Test Result:	:	NA

Eligibility Summary