

3455.15.10 DEDUCTIONS FROM INCOME IN POST-ELIGIBILITY (MED 1)

The policies in this section apply to the MA A, MA B, MA D, MADW, and MADL categories of assistance.

The deductions listed below are to be subtracted from the member's non-exempt income.

The standard personal needs allowance (See IHCPM 2840.10.10 and 3010.20.10) is deducted and can be spent by the individual in any way the member chooses.

An additional amount may be deducted in the specific situations explained below:

- Sheltered workshop earnings and earnings which are part of a habilitation plan are budgeted in a special manner. Note that this deduction is called an increased personal need in Indiana's approved Medicaid State Plan; however, it is reflected in the computation of net earned income as explained in Section 3455.15.10.05.
- Court ordered guardianship fees paid to the member's legal guardian, not to exceed \$35 per month, are to be deducted. Guardianship fees include all services and expenses required to perform the duties of a guardian. Within this context, attorney fees would be included as a guardianship fee.
- Federal, state, and local taxes on the member's unearned income which are owed and paid are to be deducted. This deduction is allowable on a one-time basis per year in the next month after the member provides documentation of the payment of the annual tax liability on unearned income. Enter the amount paid as a deduction from income on the Income Deductions-Details page. The correct code is "IT-Income taxes paid by person in institution". The worker must then be sure to remove the deduction for the following month.
- A spousal allocation as explained in Section 3455.15.10.10 is deducted.
- A family allocation as explained in Section 3455.15.10.15 is deducted.
- Health insurance premiums which the member pays for verified health insurance coverage (including Medicare prior to Buy-In) are deducted from the income. If the premium is paid less often than monthly, it is to be prorated over the appropriate number of months. This deduction is only allowed for health insurance policies which limit the benefits and the purposes for which the benefits can be used to pay for medical care.

To be credited for the premiums, verification of the out-of-pocket premiums (such as a bill or bank statement) must be submitted to the DFR.

Premiums for indemnity policies are not allowed.

- Unpaid medical expenses provided by a certified licensed medical practitioner which are not subject to payment by a third party and are not subject to payment by Medicaid are deducted, except for HCBS or nursing facility expenses incurred during an imposed transfer of property penalty. These expenses incurred during a transfer penalty are not allowed regardless of when the transfer penalty was imposed. Medical bills that have been paid in full are not eligible for a liability deviation. For additional information, please refer to 3455.15.10.20.

Services provided under an approved HCBS waiver care plan are to be billed through the Medicaid billing portal and any allowable services will be credited to the Medicaid waiver liability. These services include attendant care arranged and approved by the waiver case manager and/or through the “Structured Family Caregivers” program. These types of services are not entered into the Eligibility system as they will be credited to the liability through the automated billing system.

Allowable expenses include:

- Unpaid medical bills provided by a licensed medical provider that were incurred prior to Medicaid coverage
- Dental services not covered by Medicaid or other third-party insurance, such as dentures
- Audiology services and hearing aids if ordered in writing by a physician

Unallowable expenses include:

- Emergency response systems
- Special diets and nutritional supplements
- Medical bills that have been paid
- **Assisted Living services, including room and board**
- Ancillary charges which are additional fees for services that support a patient’s care beyond room and board. Some examples of these charges include items such as Kleenex and gloves.
- Non-medical home care such as companions, attendants, and homemakers which have not been deemed medically necessary under the waiver care plan