**QC Newsletter Winter 2024**

Presented by: Kathy King

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**Countable Asset:** Income is not counted as an asset in the month it was received. Subtract income from the asset balance. ME Handbook 16.1

**Unreported Income & Unreported Changes in Income:** Many errors are found by the Eligibility Quality Control (EQC) in this section where the applicant/member does not report income or a change in income, the case is updated by the worker with the SWICA Wages or FDSH wages averaged; then Health Care passes for reasonably compatibility or is denied/terminated for over income. The SWICA Wage Match is **not an acceptable** form of verification. Wages cannot be updated via FDSH without the applicant/member approval.

* **Process for unreported income:** The employment screen is to be entered with zeroes in the override fields and questioned to pend case for verification.
* **Process for unreported change in income:** Enter a Q? in the verification code field on the EI. This triggers reasonable compatibility testing to determine if further verification is required. Currently, the case will pend for all other programs. Process Help 10.3.5.5

**MAPP Work Requirement:** Was reinstated 1/1/2024 for both new applicants and existing members. Once continuous eligibility ends, MAPP members must meet the work requirement, unless granted an exemption, by engaging in a work activity at least once per month or participating in the HEC program.

**In-kind Income:** In-kind benefits are something of value (goods or services) that are regular, predictable, and received in return for a service or product.

* In-kind income is counted for health care and disregarded for FS. Both In-kind and volunteer hours worked count towards the FS work requirement.
* When the member receives cash in exchange for work, this must be tracked as employment or self-employment income, not in-kind income.
* Normal household and home maintenance chores that the applicant or member does not qualify as “gainful employment” for the purposes of MAPP, even if the member receives cash of in-kind benefits for performing those activities.
* To determine the value of in-kind benefits, use the prevailing wage (but not less than minimum wage) in the community for the type of work the application or member performs.
* Verification must include the amount of time the applicant or member dos the work activity each month.

**Operations Memo 24-05**

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Subject: Change in Face Value Determinations for Life Insurance Policies for Medicaid

Effective immediately, only the basic death benefit is counted when determining the face value (FV) of a life insurance policy. Dividend additions and riders are not counted as part of the FV. The updated policy is as follows:

* The cash surrender value (CSV) of life insurance is a countable asset. There is a limited exception to this rule: For a person who is aged 65 or older, blind, or disabled, the CSV of their life insurance is only counted if the total FV of all life insurance policies owned by that person exceeds $1,500.
* The CSV is the amount that the insurer will pay upon cancellation of the policy before death of the insured or before maturity of the policy. The FV is the amount that is contracted for when the life insurance policy is purchased. It may be described on the policy as the “face value,” “amount of insurance,” “amount of this policy,” “sum insured,” or a similar term.

For each person who is aged 65 or older, blind, or disabled, it must be determined if the total FV of all

life insurance policies owned by that individual is greater than $1,500. When the total FV is determined,

the following must not be included:

* The FV of any insurance policy that has no CSV, such as burial insurance and most term life insurance.
* The value of any dividend additions. Dividend additions are increases in coverage purchased using dividends generated by the policy. They are often referred to as "paid-up additions” or "paid-up additional insurance.”
* Additional sums payable because of special provisions or riders. Riders are modifications the policy owner adds to the life insurance policy at the time of purchase. A common example is accidental death.

If the total FV of life insurance owned by a person who is aged 65 or older, blind, or disabled is $1,500

or less, the CSV of any life insurance policy owned by that person is an exempt asset, including the CSV

of any dividend additions.

For life insurance policies that cannot be excluded under the limited exception, the CSV of the policy,

including the CSV of any dividend additions, is a countable asset.

If the life insurance policy pays dividends in some form of available cash, such as an annuity, an annual

dividend check, or accumulating dividends in a separate interest-bearing account, these are treated as

separate assets from the life insurance. They must be valued individually.

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