

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: ARIZONA

**MORE LIBERAL METHODS OF TREATING INCOME UNDER SECTION 1902(r)(2) OF THE ACT\***

   Section 1902(f) State

  X   Non-Section 1902(f) State

- I. The following income method applies to individuals covered in Section 1905(p) of the Act (QMB, SLMB, and QI-1) and in Section 1902(a)(10)(A)(ii)(I) of the Act (SSI Non Cash).

The State shall follow SSI computation rules with following exceptions:

- For an applicant or recipient living with a spouse, the computation rules for an eligible couple shall be followed, even when the spouse is not eligible for or applying for SSI or Medicaid benefits.
- For a couple living with a child\*\* (or children), a deduction from the combined net income of the couple shall be allowed as an allocation for each child using the methodology described in 20 CFR 416.1163(b)(1) and (2) regardless of whether the child is ineligible or eligible. The child's allocation is reduced by that child's income [20CFR 416.1161(c)], including public income-maintenance payments.
- For an applicant/recipient not living with a spouse but living with his or her child\*\* (or children), a deduction from the individual's net income shall be allowed as an allocation for each child using the methodology described in 20 CFR 416.1163(b)(1) and (2), regardless of whether the child is ineligible or eligible. The child's allocation is reduced by that child's income [20 CFR 416.1161(c)], including public income-maintenance payments.
- For an applicant/recipient who is a child, the deemed income from an ineligible parent shall allow an allocation for both eligible and ineligible children of the parent(s) using the methodology described in 20 CFR 416.1165(b). The child's allocation is reduced by that child's income [20 CFR 416.1161(c)], including public income-maintenance payments.
- Interest and dividend income from resources excluded under Section 1613(a) of the Social Security Act shall be disregarded.

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- II. Except for ALTCS eligibility, including individuals approved for ALTCS acute care services under 1902(a)(10)(A)(ii)(I) of the Act, the following income method applies to aged, blind or disabled individuals covered under 1902(a)(10)(A)(ii)(I) of the Act.

The State shall disregard the amount equal to the difference between 100% of the Federal poverty guidelines (as revised annually in the Federal Register) for an individual or a couple and the corresponding Federal Benefit Rate. (The disregard shall be applied by using 100% of the FPL for an individual or a couple as the income standard.)

When applying this disregard, if the individual or the individual's spouse has earned income, the \$20 and \$65 disregards shall apply according to SSI methodology, but not one-half of the remainder. If ineligible because the one-half of the remainder disregard is not allowed, eligibility shall also be determined using the FBR as the income standard for the individual or couple, allowing the \$20, \$65, and one-half of the remainder disregard according to SSI methodology.

In determining the income of an individual who is receiving Title II (Social Security) income, the State shall disregard the amount attributable to the cost of living increase in the level of monthly income payable pursuant to section 215(i) of the Act, from January until the State implements the Federal Poverty Guideline for the current year.

- III. The following income method applies to TWWIA individuals covered in Sections #24 and #25 on ATTACHMENT 2.2-A, page 23d under 1902(a)(10)(A)(ii)(XV) and (XVI) of the Act. The State shall follow SSI computation rules with the following exceptions:

- The State shall disregard the unearned income of the applicant/recipient.
- The State shall disregard the earned and unearned income of the spouse and/or any other family members including a deduction for a minor child.

- IV. The following income method applies to pregnant individuals covered under 1902(a)(10)(A)(i)(IV) of the Act:

- The State shall disregard the amount equal to the difference between 140% and 150% of the Federal Poverty Level. (The disregard shall be applied by using 150% of the FPL as the income standard.)

\* More liberal methods may not result in exceeding income limitations under section 1903(f)

\*\*A child is a person, as defined in 20 CFR 416.1856, who is a natural child or adopted child of the applicant/recipient or his or her spouse

- V. All wages paid by the Census Bureau for Temporary employment related to Census activities are excluded for the eligibility groups listed below:

- 1905(p) – QMB
- 1902(a)(10)(E)(iii) – SLMB
- 1902(a)(10)(E)(iv)(I) – QI
- 1902(a)(10)(A)(ii)(XV) – TWWIA Basic Coverage Group
- 1902(a)(10)(A)(ii)(XVI) - TWWIA Medically Improved Group
- 1902(a)(10)(A)(ii)(I) – SSI Non-Cash