

MEDICAID POLICY INFORMATION SHEET

Policy Analyst: Kayla Lowers

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Initial

Public Comment

Final

Brief description of policy:

The purpose of this policy is to clarify how to handle non-taxable annuity payments for Modified Adjusted Gross Income (MAGI)-based Medicaid programs.

Reason for policy (problem being addressed):

The current policy does not specifically address how to treat annuity payments that result from a non-taxable source for MAGI-based Medicaid determinations.

Budget implication:

budget neutral

will cost MDHHS \$, and (select one) budgeted in current appropriation

will save MDHHS \$

Is this policy change mandated per federal requirements?

Yes – 42 CFR 435.603.

Does policy have operational implications on other parts of MDHHS?

Yes, this will change the way some MAGI cases are processed in MDHHS field offices. It will also possibly result in more annuities for the Trusts and Annuities Unit to evaluate.

Does policy have operational implications on other departments?

No

Summary of input:

controversial

acceptable to most/all groups

limited public interest/comment

Supporting Documentation:

State Plan Amendment Required: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Public Notice Required: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes, please provide status:	If yes, Submission Date:
<input type="checkbox"/> Approved <input type="checkbox"/> Pending <input type="checkbox"/> Denied	
Date: Approval Date:	

DRAFT FOR PUBLIC COMMENT Michigan Department of Health and Human Services		
	Project Number: 1853-Eligibility	Date: January 22, 2019

Comments Due: February 26, 2019
Proposed Effective Date: April 1, 2019
Direct Comments To: Kayla Lowers
Address: Program Policy Division/MDHHS/MSA/CCC 7th Floor
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Policy Subject: Non-Taxable Annuity Income for Modified Adjusted Gross Income (MAGI)-Based Medicaid Programs

Affected Programs: Medicaid

Distribution: Bridges Eligibility Manual (BEM) Holders

Summary: The purpose of this policy is to clarify how to handle non-taxable annuity payments for MAGI-based Medicaid programs.

Purpose: The current policy does not specifically address how to treat annuity payments that result from a non-taxable source for MAGI-based Medicaid determinations.

Cost Implications: As this is only a clarification and not a new policy it will be budget neutral.

Potential Hearings & Appeal Issues: There are no potential hearing or appeal issues as a result of this clarification.

State Plan Amendment Required: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, date submitted:	Public Notice Required: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Submitted date:
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Tribal Notification: Yes No - Date:

THIS SECTION COMPLETED BY RECEIVER

<input type="checkbox"/> Approved	<input type="checkbox"/> No Comments
<input type="checkbox"/> Disapproved	<input type="checkbox"/> See Comments Below
	<input type="checkbox"/> See Comments in Text

Signature:	Phone Number
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Signature Printed:

Bureau/Administration <i>(please print)</i>	Date
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Proposed Policy Draft

Michigan Department of Health and Human Services
Medical Services Administration

Distribution: Bridges Eligibility Manual (BEM) Holders

Issued: March 1, 2019 (Proposed)

Subject: Non-Taxable Annuity Income for Modified Adjusted Gross Income (MAGI)-Based Medicaid Programs

Effective: April 1, 2019 (Proposed)

Programs Affected: Medicaid

This policy provides clarification on how to treat non-taxable annuity payments for MAGI-based Medicaid groups. For MAGI-based Medicaid programs, there is no asset test. However, disbursements from annuities are generally countable as income in the month that they are received. In some cases, such as structured annuities that result from lawsuit settlements, this annuity income may not be taxable. Therefore, part or all of the annuity payments may not be countable toward an individual's MAGI income. In order to determine what parts of an annuity payment may or may not be countable toward an individual's income, follow the process for referrals to the Trusts and Annuities Unit outlined in chapter 401 of the BEM to have the annuity evaluated. In the case of MAGI-related annuity evaluations, a copy of the lawsuit settlement agreement **must** be submitted to the Trusts and Annuities Unit in order to make the determination.