

TRANSMITTAL SHEET FOR  
NOTICE OF INTENDED ACTION

Control 660 Department of Human Resources

Rule No. 660-2-5

Rule Title: Medicaid Eligibility

         New          Amend          X Repeal          Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? .....          yes         

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? .....          yes         

Is there another, less restrictive method of regulation available that could adequately protect the public? .....          no         

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? .....          no         

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? .....          no         

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? .....          yes         

Does the proposed action relate to or affect in any manner any litigation which the agency is a party to concerning the subject matter of the proposed rule? .....          no         

\*\*\*\*\*

Does the proposed rule have an economic impact? .....          no         

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

\*\*\*\*\*

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Services Agency.

Signature of certifying officer:          *Amy A. Guckner*

Date:          *5-31-18*

(DATE FILED)  
(STAMP)

Department of Human Resources  
Family Assistance Division

**NOTICE OF INTENDED ACTION**

**RULE NO. & TITLE:** Chapter 660-2-5 Medicaid Eligibility

**INTENDED ACTION:** Proposed repealer

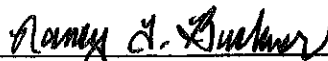
**SUBSTANCE OF PROPOSED ACTION:** Repeal obsolete rules

**TIME, PLACE, MANNER OF PRESENTING VIEWS:** All interested parties may submit data, views, or arguments respecting the proposed rule by mail, by telephone or in person through the close of business on August 3, 2018. Persons wishing to submit data, views, or arguments orally should contact the Department's Administrative Procedure Secretary between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday, excluding State holidays, at (334) 242-9330, or set up an appointment for such oral/in person presentations.

**FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:** August 3, 2018

**CONTACT PERSON AT AGENCY:**

Ms. Gail Grobe, AP Secretary  
State Department of Human Resources  
Gordon Persons Building  
50 Ripley Street, Room 2122  
Montgomery, Alabama 36130-4000

  
\_\_\_\_\_  
Nancy T. Buckner, Commissioner  
Department of Human Resources

ALABAMA DEPARTMENT OF HUMAN RESOURCES  
ECONOMIC ASSISTANCE DIVISION  
ADMINISTRATIVE CODE

CHAPTER 660-2-5 (REPEALED)  
MEDICAID ELIGIBILITY

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**660-2-5-.01 Administrative Responsibilities.** The Department determines eligibility for Medicaid in accordance with the provisions of Title XIX of the Social Security Act. The Department determines the individual's eligibility for AR in accordance with the provisions of Title IV-A of the Act and the non-SSI individual's eligibility for supplementation in accordance with Title XVI of the Act, and certifies the Alabama Medicaid Agency individuals in the following groups and court rulings.

(a) All individuals receiving assistance under the State's approved plan for Title IV-E of the Act or the Medicaid for Low Income Families Program or Aid to Refugees Program (AR) or who were terminated due wholly or partly to increased earnings or hours of employment of the grantee relative or due wholly or partly to expiration of the one-third or \$30 earned income disregard or due to the principal wage earner no longer meeting the definition of unemployed in relation to the 100 hour rule or due to child support collected by the State. To be eligible for this extended coverage, an individual or assistance group must have been eligible for and receiving assistance under Title XIX in Alabama for at least three of the six calendar months immediately preceding the month in which such individual or assistance group became ineligible for medical assistance because of increased earnings from employment of the grantee relative, expiration of the one-third or \$30 disregard, the principal wage earner no longer meeting the definition of unemployed in relation

to the 100 hour rule or collection of child support by the State. In addition, sanctioned individuals who would have otherwise been members of the assistance unit that became ineligible due to increased earnings of the grantee, expiration of the one-third or \$3 0 disregard, or the principal wage earner no longer meeting the definition of unemployed in relation to the 100 hour rule are eligible. The extended period of coverage may not exceed four calendar months for terminations due to collection of child support or twelve calendar months for terminations due to the increased earnings or hours worked of the grantee relative, due to expiration of the one-third or \$3 0 disregard or due to the principal wage earner no longer meeting the definition of unemployed in relation to the 10 0 hour rule;

(b) All individuals receiving mandatory state supplementary benefits, as required by P.L. 93-66;

(c) Any individual(s) who, for the month of August 1972, was eligible for and received financial assistance under the State's plan for ADC, OAP, AB, or APTD and who was also entitled to monthly insurance benefits under the Title II program and who, except for the increase in monthly insurance benefits under Title II resulting from enactment of P.L. 92-355, would have been eligible for financial assistance for the current month;

(d) Aged, blind, or disabled persons who receive an approved state supplementary payment and who, except for the level of their income, would be eligible for benefits under Title XVI of the Act. The individual's gross income may not exceed established limits and net income may not exceed the established level of supplementation;

(e) All individuals who, in the month of December 1973, were eligible as inpatients or residents in Title XIX institutions and would have been, except for being an inpatient or resident, eligible to receive assistance under the State's plan for OAP, AB, or APTD;

(f) All financially eligible children under 21 years of age not otherwise eligible under a plan, for whom public agencies are assuming full or partial financial responsibility and who are in foster homes or private child caring institutions;

(g) Any individual who, for the month of April 1977 or thereafter, was eligible for and receiving financial assistance under the State's plan for OAP, APTD, and AB and who was also entitled to monthly insurance benefits under the Title II program and who except for the increase(s) in monthly insurance benefits

under Title II resulting from enactment of P.L. 94-566 would be eligible for State Supplementation for the current month;

(h) Certain categorically related coverage groups as follows:

1. Denied or deceased applicants for AR, and State SUP, provided all conditions of eligibility were met as outlined in 660-2-2, except 660-2-4, and 660-2-5 and they received medical services in that period of a type covered under the Title XIX State Plan.

2. Approved, denied, or deceased applicants for Medicaid and State SUP are entitled to three-month retroactive Medicaid from the date of application if they have received medical services of a type covered under the Title XIX State Plan during any or all of the three-months prior to an application for assistance and met the eligibility requirements of the categorical assistance program and for Medicaid during the month(s) for which retroactive Medicaid eligibility is determined.

3. Individuals State Supplementation because of stepparent or alien sponsor deeming.

(i) Recipients of Aid to Refugee (AR) Program and medically needy refugees who are not eligible for a money payment under AR because they have income/resources sufficient to meet their medical needs as well. Eligibility is limited to the first 12 months;

(j) Reserved for future use.

**Author:** Melody Armstrong

**Statutory Authority:** Social Security Act, Title XIX; 42 C.F.R. 435; P.L. 98-369, effective October 1, 1985; The Child Support Enforcement Amendments of 1984, P.L. 98-378; P.L. 100-485, Title IV; 42 U.S.C. §402; 54 Federal Requirements 42124-42267; Public Law 104-193 effective August 22, 1996; Code of Ala. 1975, Title 38.

**History:** Effective June 28, 1983. Emergency amendment effective October 1, 1984. Permanent amendment effective December 10, 1984. Succeedent emergency amendment effective May 16, 1985. Succeedent emergency amendment effective August 1, 1985. Succeedent permanent amendment effective September 9, 1985. Succeedent permanent amendment effective October 9, 1985. Succeedent emergency amendment effective September 30, 1985. Succeedent permanent amendment effective January 9, 1986. Succeedent emergency amendment effective July 1, 1986. Succeedent permanent amendment effective

September 17, 1986. Succeedent emergency amendment effective February 10, 1987. Succeedent permanent amendment effective May 21, 1987. Succeedent emergency amendment effective April 28, 1987. Succeedent permanent amendment effective August 11, 1987. Succeedent emergency amendment effective July 1, 1988. Succeedent permanent amendment effective October 18, 1988. Succeedent emergency amendment effective January 26, 1989. Succeedent permanent amendment effective April 11, 1989. Succeedent emergency amendment effective February 5, 1990. Succeedent permanent amendment effective May 9, 1990. Succeedent emergency amendment effective April 1, 1990. Succeedent permanent amendment effective July 11, 1990. Succeedent emergency amendment effective October 10, 1990. Succeedent permanent amendment effective January 9, 1991. Succeedent emergency amendments effective April 11, 1991 and April 18, 1991. Succeedent permanent amendment effective July 10, 1991. Succeedent emergency amendment effective October 1, 1991. Succeedent permanent amendment effective January 9, 1992. Succeedent permanent amendment: Filed September 6, 1994; effective October 11, 1994. Succeedent emergency amendment effective March 1, 1997. **Amended:** Filed May 6, 1997; effective June 10, 1997. Repealed: June 24, 2018

660-2-5-.02 Rights And Responsibilities.

(1) Any person has the right to apply for assistance, have his/her eligibility determined, and if found eligible, to be certified for Medicaid. The recipient must assume the responsibility of furnishing all necessary facts and documentation to establish or reestablish eligibility, advise the Department of any changes in his/her circumstances within 10 days which might affect eligibility, and to provide the Department with any source of information concerning his/her affairs that may be determined necessary.

(2) The individual has the right of confidentiality, to receive prompt action, equitable treatment, notification of any case action taken, and to receive a fair hearing. (see Chapter 660-1-5, Hearings, in the General.

(3) Departmental forms explain rights/ responsibilities. These forms are explained and given to each adult individual receiving or applying for assistance, who is requested to sign an acknowledgement of explanations made. Copies of these forms may be obtained from the Department.

(4) The individual has the responsibility to develop sources of income/resources as provided in Rule 660-2-2-.37.

**Author:** Melody Armstrong

**Statutory Authority:** Social Security Act, Title XIX; 42 C.P.R. 435; Code of Ala. 1975, Title 38, §§41-22-1 through -27. **History:** Effective June 28, 1983. Emergency amendment effective October 1, 1983. Permanent amendment effective January 9, 1984. Succeedent emergency amendment effective March 1, 1997. **Amended:** Filed May 6, 1997; effective June 10, 1997. Repealed: June 21, 2018

**660-2-5-.03 Application And Initial Determination Of**

**Eligibility.** An individual eligible for and receiving assistance under any of the categorical assistance programs is also eligible for Medicaid benefits, without filing a separate application for Medicaid. Individuals seeking Medicaid coverage under one of the categorically related coverage groups may be required to provide additional information to establish their eligibility. An application is required for the Medicaid for Low Income Families Program in rule 660-2-5-.06. Medically needy refugees must make a separate application. Rule 660-2-2-.05 Definitions:

Application Process if applicable. **Author:** Melody Armstrong

**Statutory Authority:** Social Security Act, Title XIX; 42 C.F.R. 435; P.L. 98-369; Code of Ala. 1975, Title 38.

**History:** Effective June 28, 1983. Emergency amendment effective August 1, 1985. Permanent amendment effective October 9, 1985. Succeedent emergency amendment effective October 1, 1988. Succeedent permanent amendment effective January 26, 1989. Succeedent emergency amendment effective October 1, 1991. Succeedent permanent amendment effective January 9, 1992. Succeedent emergency amendment effective March 1, 1997. **Amended:** Filed May 6, 1997; effective June 10, 1997. Repealed: June 21, 2018

**660-2-5-.04 Redetermination Of Eligibility.** The Department is responsible for periodic redeterminations of continuing financial eligibility for individuals receiving assistance and continuing Medicaid eligibility for coverage groups identified in 660-2-5-.01 and medically needy refugees.

**Author:**

**Statutory Authority:** Social Security Act, Title XIX; 42 C.F.R. 435; Code of Ala. 1975, Title 38.

**History:** Effective June 28, 1983. Succeedent emergency amendment effective October 1, 1991. Succeedent permanent amendment effective January 9, 1992. Repealed: June 21, 2018.

**660-2-5-.05 Social Security Account Numbers.** To be eligible for Medicaid an individual must either provide the Social Security account number when known, or apply for a Social Security account number when one has not been assigned, or is unknown or the individual is otherwise unable to provide an accurate account number. Failure of the individual to comply with this requirement will result in ineligibility for Medicaid benefits.

(a) The worker will assist the client who cannot provide the Social Security account number to secure it through the Welfare Enumeration System. Assistance will not be denied/delayed/discontinued when the client has applied through the Welfare Enumeration System for a SSN, pending issuance and/or verification. **Author:**

**Statutory Authority:** Social Security Act, Title XIX; P.L. 98-369; 42 C.F.R. 435; Code of Ala. 1975, Title 38. **History:** Emergency rule effective April 1, 1985. Permanent rule effective June 10, 1985. Repealed: June 21, 2018

**660-2-5-.06 Medicaid For Low Income Families.** To be eligible for Medicaid under this provision, a child must be under age 18, in financial need according to Department standards, living in Alabama as specified in rule 660-2-2-.16, with a specified relative as defined in rule 660-2-2-.20 and be deprived of parental support or care of one or both parents due to death, continued absence from the home, disability or unemployment of the principal wage earner (includes working less than 100 hours per month). Individuals must be U.S. citizens or eligible aliens as provided by Title IV-A of Public Law 104-193 in satisfactory immigration status.

(1) Income and Resources - Departmental rules 660-2-2-.28, 660-2-2-.29 and 660-2-2-.30 are applicable with the following exceptions: (a) lump-sum income is considered currently available for the number of months which results from dividing the total lump-sum plus other net income received in the same month by the need standard for the family size; (b) the resource limit is \$1000 with a \$1000 exclusion provision; (c) up to the first \$50 per month per unit of child support collected on a current obligation or a voluntary support payment from a legal parent is disregarded, (d) reasonable operating expenses are subtracted from income from self-employment and work expenses are subtracted from earnings, as follows: the first \$90 of gross



earnings; and the cost (on an as paid basis) of child care or care for an incapacitated adult living in the same home and receiving Medicaid, not to exceed \$175 per month for each child or incapacitated adult or \$200 per month for each child under 2; (e) all earned income of a child receiving Medicaid who is a full-time student or a part-time student not full-time employed is disregarded for purposes of the Medicaid eligibility computation. Earned income of a child who is a full-time student is disregarded for six calendar months per year for purposes of the gross income limit determination. Earnings of a child applying for Medicaid who is a full-time student may be disregarded for Medicaid eligibility computation to the same extent it is disregarded for income cap purposes. If the earned income of a child applying for Medicaid who is a full-time student has already been disregarded for six months for gross income cap determination, it must be counted for gross income determination and Medicaid eligibility computation upon reapplication; (f) for applicants who correctly received Medicaid at any time during the four months prior to application (or who meet a certain financial test) and for recipients \$30 plus 1/3 of the remainder of the earned income remaining after work expenses is disregarded for four consecutive months for each person included in the assistance unit or for each sanctioned individual whose income is counted as available to the assistance unit but whose needs are excluded due to failure on their part to meet an eligibility requirement. A \$30 disregard of earned income is, then, available for an additional eight months; (g) certain client activities related to earnings will result in loss of all earned income deductions for at least one month unless good cause for the activity is established. The \$30 and 1/3 or \$30 disregard, work expense deductions and dependent care costs are not deducted if an individual voluntarily terminated his employment or reduced his earnings without good cause; or failed without good cause to make a timely and accurate report (within 10 days) of earnings or a change in earnings; or requests his case be closed solely to avoid the running of the four consecutive months; (h) persons legally responsible for the support of others are: spouse for spouse and parent responsible for child under age 21.

(2) Persons to Include in the Assistance Unit (Budget Group) - Departmental rule 660-2-2-.36 is applicable with the following exceptions: children who are not deprived may not be included; individuals ineligible due to lump-sum income may not be included; individuals failing to cooperate with the JOBS or other work requirement of the Family Assistance Program and/or child support/third party liability must be excluded; individuals receiving SSI, FCMP, State Supplementation, ACFC or adoption assistance must be excluded. A needy grantee relative other than a parent ineligible for SSI/SUP in his own right may be included.

"Needy" means not having income sufficient to meet needs at the standard for one or resources in excess of \$1000.

(3) Computation of Eligibility Based on Income - departmental rule 660-2-2-.32 is applicable. Budgeting is prospective.

(4) Standards - see attachment 660-2-5-.06.

(5) Cooperating in Obtaining Child Support and/or Third Party Medical Benefits - departmental rules 660-2-2-.22 and 660-2-2-.23 are applicable except that the penalty for failure to cooperate is ineligibility of the individual failing to cooperate.

**Author:** Melody Armstrong

**Statutory Authority:** Social Security Act, Title XIX; 42 C.F.R. 435; P.L. 104-193 effective August 22, 1996; Code, Title 38. **History:** **New**

**Rule:** Filed May 6, 1997; effective June 10, 1997. Repealed: June 21, 2018.

APPENDIX A - Chapter 660-2-5 Attachment

ATTACHMENT 660-2-5-.06 (REPEALED)

DEPARTMENT OF HUMAN RESOURCES

MEDICAID FOR LOW INCOME FAMILIES  
SUMMARIZED ELIGIBILITY REQUIREMENTS

Individuals and families applying for or receiving medicaid must meet all applicable eligibility requirements and must cooperate with the agency in establishing eligibility for assistance.

TECHNICAL REQUIREMENTS

- A. The child must be living in the home of a parent or other close relative and have lost the care and support of one or both parents because of death, illness, continued absence from the home, or unemployment of the principal wage earner.
- B. The child must be under age 18.
- C. The child must be a U.S. citizen or be an alien in satisfactory immigration status.
- D. The child must live in Alabama.
- E. The child must not be receiving at the same time in his own right any other forms of medicaid.
- F. The grantee relative must cooperate with the Department in Child Support Enforcement Activities and in Third Party Medical Liability Activities unless good cause for not cooperating is determined.

When application is made for a child(ren) the relative who cares for him (them) automatically assigns to the State all medical insurance or medical support benefits to the extent medical assistance is provided him or a child in his care.

- G. The grantee relative must furnish all Social Security numbers for everyone in the assistance unit or apply for a Social Security number for anyone who does not have a number and furnish the number upon receipt. (These numbers will be used in addition to any other means of identification in the administration of the program as provided for in Section 402(a)(25) of the Social

Security Act.) The number provided will be used in computer matches, program reviews and audits. Eligibility and income information will be requested regularly from the Internal Revenue Service, Social Security Administration, Alabama Department of Industrial Relations and other public and private organizations.

H. The grantee relative must apply for any other benefits for which they or other members of the assistance unit appear to be eligible, such as Veteran's Benefits, Social Security, Unemployment Compensation, etc.

DHR-FAD-1941  
March 1997

I. The grantee relative must promptly provide information and/or verification of certain points of eligibility, such as household income or resources.

FINANCIAL REQUIREMENTS

J. The child must be in need by agency rules and not have parents who can support him. To be considered "in need", a family may not have **(1) total gross monthly income which exceeds the established gross income limit; or (2) net monthly income which equals or exceeds the eligibility standard.** In establishing need, income of all persons in the family is considered. Before earned income is counted, the following deductions are allowed from gross earnings: \$90 per month for work expenses; \$3 0 plus 1/3 of the remainder of earned income, if applicable, for four consecutive months, and a \$3 0 disregard for eight additional months; and actual child/dependent care within certain limits. Lump-sum income is considered available from the time it is received for as long as the number of months determined by dividing the total lump-sum plus other monthly income by the agency need standard.

## MEDICAID STANDARDS

FAMILY SIZE	GROSS INCOME LIMIT	ELIGIBILITY STANDARDS
1	845	111
2	1042	137
3	1245	164
4	1467	194
5	1704	225
6	1909	252
7	2172	287
8	2375	315
9	2599	344
10	2812	372
11	3025	400
12	3239	428
13	3452	457
14	3665	485
15	3879	513
16	4092	541

"Family" means all persons included in determining family size. Generally, persons to be included are the natural or legal parents and blood related or adopted siblings of the child(ren) living in the home, who meet age and deprivation requirements and are otherwise eligible for medicaid. (If the child of a sibling group is included, all his siblings who reside in the home and who meet age and deprivation requirements and are otherwise eligible must be included.) Income of all persons included is counted to determine eligibility. Families whose countable income equals to exceeds the eligibility standard for the appropriate family size are not eligible for medicaid for low income families but some members may be eligible for another category of medicaid administered by the Alabama Medicaid Agency.

## Examples of Income:

- Wages, commissions, salaries
- Social Security benefits, VA benefits
- Child support
- Unemployment compensation benefits
- Cash contributions from friends, relatives or others

K. The family must meet resource standards. The family's currently available countable resources (liquid and non-liquid assets) must be \$1000 or less in equity value (fair market value less legal debts). If resources exceed this amount in any month eligibility cannot be established for that month, even if excess

resources are disposed of in the same month. Assets are considered available both when actually available and when the family has a legal interest in an asset and the legal ability to make such asset available for support and maintenance.

**Examples of Countable Resources:**

- Cash on hand or in the bank in checking or savings accounts (includes your name on someone else's bank account(s))
- Savings bonds or certificates, stocks, and like investments
- Motor vehicles (the value of one vehicle per licensed driver is excluded)
- Trust fund
- Valuables in a safe deposit box
- Real property other than home property which is the usual residence
- Personal belongings excluding basic maintenance items which were bought as an investment or are valued at unusually large amounts

ADDITIONAL INFORMATION

**\* WHERE TO APPLY**

Applications for medicaid must be filed in the Department of Human Resources in the county where the family resides.

**\* REPORTING REQUIREMENTS**

The relative must notify the Department within 10 days of any change in circumstances which may affect eligibility. At least once a year, the relative must give the Department information needed for a complete redetermination of eligibility. The County Department may ask you to provide this information in a group interview, rather than an individual interview.

**\* ERRONEOUS CERTIFICATION**

If you receive medical services based on false information or failure to give information within 10 days of a change you may have to pay for them. If you receive medical services due to established fraud you may be subject to prosecution or other penalty.

**\* MEDICAID COVERAGE**

Medicaid coverage can begin as early as the first day of the third month before the month of application, if medical services were received and all technical and financial requirements were met. Also, medicaid services for some individuals will continue for certain periods of time after eligibility for this person is stopped due to earnings, child support or expiration of earned income disregards.

**\* REVIEW OF ACTION TAKEN ON YOUR CASE**

If a person is for any reason dissatisfied with the decision of the County Department, what can be done about it?

If your application is not acted upon within 45 days or you are otherwise dissatisfied, you may notify the County Department or the State Department of Human Resources in Montgomery, Alabama, giving the reason for your dissatisfaction. You can ask for a conference with the County Department, a review by the State Department, or a formal hearing. (The State Department and the County Department operate under the same rules.)

For a hearing, within 60 days of the action, a written request, with correct mailing address, must be filed by the parent, other grantee relative, his legally appointed representative, or other authorized person. Due authorization must be shown in the latter case.

The State Department will arrange the hearing so it will be convenient for the person requesting it. The hearing may be conducted by telephone.

A request for a hearing may be withdrawn when concerns are otherwise resolved.

Medicaid for Low Income Families, like all programs and services of the Department of Human Resources, is administered in full compliance with Title VI of the Federal Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990 and all other Federal and State civil rights laws.

Author:

Statutory Authority:

History: New Attachment: Filed May 6, 1997; effective June 10, 1997. Repealed: June 21, 2018