



**John R. Kasich, Governor**  
**John B. McCarthy, Director**

## **MEDICAID ELIGIBILITY MANUAL TRANSMITTAL LETTER NO. 117**

**To: All Medicaid Eligibility Manual Holders**

**From: John B. McCarthy, Director**

**Subject: Medicaid: 1634 income**

Effective August 1, 2016, Ohio transitioned from being a 209(b) state to a 1634 state for Medicaid eligibility. The transition impacted how Medicaid eligibility is determined for aged, blind, or disabled individuals. Most of the eligibility requirements are now based on criteria established by the Social Security Administration for supplemental security income (SSI).

As a 209(b) State, Ohio used eligibility criterion more restrictive than the SSI program for Medicaid determinations and provided a mechanism for individuals to reduce their income to the income eligibility level through the use of Medicaid spenddown.

As a 1634 State, Ohio will now use SSA's determination of an individual's eligibility for SSI benefits as a determination for Medicaid coverage. Ohio has also chosen the option to determine eligibility for Medicaid coverage for individuals who do not receive SSI benefits but have a disability determination and meet the income and resource criterion for SSI.

As a result of these changes, the Ohio Department of Medicaid reviewed all existing eligibility rules on aged, blind, or disabled Medicaid. Some rules were significantly rewritten, while others were simply updated.

This MEMTL contains three amended rules from Chapter 5160:1-3 and four new rules from Chapter 5160:1-3 of the Administrative Code to replace five rescinded rule from Chapter 5160:1-3.

The effective date of the rules is August 1, 2016.

**Chapter 5160:1-3 Medicaid for the Aged Blind, or Disabled****5160:1-3-03.1 Medicaid: income**

This rule was rescinded and made new to remove a reference to terms used for long-term care services, updated rule references, and added language on net earnings from self-employment, how to treat shelter workshop earnings, and items that are not income.

**5160:1-3-03.2 Medicaid: income exclusions**

This new rule replaced OAC rule 5160:1-3-03.11 and added language on types of income excluded under federal statutes and removed types of income not excluded for medical assistance.

**5160:1-3-03.3 Medicaid: sheltered workshop earnings**

This rule was rescinded and the language found in new OAC rule 5160:1-3-03.1.

**5160:1-3-03.3 Medicaid: deeming of income**

This new rule replaced OAC rule 5160:1-3-03.9 and removed language on “essential person”, removed definitions of “deemor” and “individual”, added types of income to exclude, and clarified language when deeming income from an ineligible spouse or parent to an eligible spouse or child.

**5160:1-3-03.6 Medicaid: treatment of rental income**

This rule was amended to add expense type “utilities” and reorganized some language for clarity.

**5160:1-3-03.7 Medicaid: treatment of sick pay and sick leave**

This rule was amended to reorganize some language for clarity.

**5160:1-3-03.8 Medicaid: in-kind support and maintenance**

This rule was amended to add definitions of “household of another income standard” and “shelter” and reorganized some language for clarity.

**5160:1-3-03.9 Medicaid: deeming of income**

This rule was rescinded and the language found in new rule 5160:1-3-03.3.

**5160:1-3-03.10 Medicaid: retirement and income supplementing accounts (RISAs)**

This rule was rescinded and its contents found in new rule 5160:1-3-03.10.

**5160:1-3-03.10 Medicaid: retirement funds**

This new rule replaced OAC rule 5160:1-3-03.10 and removed definitions, replaced terms “retirement income supplementing accounts” and “RISA” with “retirement funds” and reorganized language for clarity.

**5160:1-3-03.11 Medicaid: income exclusions**

This rule was rescinded and the language found in new OAC rule 5160:1-3-03.2.

The information is available on the Internet and may be accessed at [www.medicaid.ohio.gov](http://www.medicaid.ohio.gov).