

PAP**H-240****H-240.1 General Information**

PAP is a procedure used to provide Medicaid to children and/or their parents denied LIFC because of an AFDC-related provision which is prohibited in Medicaid. Refer to H-240.3 to determine if a parent is eligible to be included. A separate application form is not required. Refer to H-110.4, Roll-down Flowchart for C-Related Rejections, Closures, or Removal of Ineligible Recipients.

Medicaid regulations specifically prohibit budgeting income of a stepparent, grandparent, sibling, alien sponsor, or any other person not legally responsible for a child in determining that child's Medicaid eligibility. Medicaid regulations also prohibit deeming income from a child to his/her parent(s) when such income is not actually used to meet the needs of the parent(s) or the household.

Exclude the following persons and their income ** from the income ** unit when their income ** causes ineligibility for LIFC:

- a child with income which is not used by the household whose income causes ineligibility for parents and/or siblings,
 - a stepparent in determining a stepchild's eligibility,
 - the sibling(s) of dependent child(ren) in determining the dependent child(ren)'s eligibility,
 - a MUM's parent in determining the grandchild's eligibility,
- or
- an alien sponsor in determining the eligibility of the child of any sponsored alien.

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After excluding the income/**needs of a stepparent, sibling, MUM's parent, and/or alien sponsor, the otherwise eligible dependent child, and/or parent if eligible, are certified for PAP. **

Persons determined ineligible for PAP because of income ** shall be considered for C-related Medicaid, including C-MNP.

H-240.2 Coverage

Recipients of PAP are eligible for the full range of Medicaid covered services.

H-240.3 PAP Assistance/Benefit Unit

Include all dependent children and their parents who would be LIFC eligible except for the persons whose income and resources are restricted by Medicaid provisions. A dependent child does not have to be certified for a caretaker relative to be eligible.

Examples of PAP exclusions from LIFC:**Example #1 (stepparent):**

A woman, her child from a previous union, and her legal spouse live together. The stepfather's income after all appropriate deductions exceeds the flat grant for three persons. Refer to **Z-1700**, Charts and ****I-1411.4**, Stepparent. The child must be considered for PAP. If the stepfather's income is insufficient to meet his wife's needs, she may be included in the PAP certification with her child. If not, determine C-MNP Caretaker Relative eligibility for her. Refer to H-1012.

H-240.3 Continued**Example #2 (sibling):**

A woman and her three children apply for LIFC. The youngest child has income which in combination with the other income in the unit exceeds the flat grant for four. The youngest child must be excluded from the assistance/income ** unit for the other children to be certified in PAP with their mother. Consider the excluded child for CHAMP or C-MNP.

Example #3:

Mrs. and her child X, live together. The only income is \$250 Social Security for X. They are ineligible for LIFC. X can be excluded to consider Mrs. as a Caretaker Relative in PAP, if X's income is not used to meet the needs of Mrs. Consider X for CHAMP and C-MNP.

If PAP budgeting exclusions do not apply and the assistance unit is ineligible for LIFC, or CHAMP, the case rolls to C-MNP. Refer to H-1021.4, C-MNP Income/Resource Unit.

H-241 ELIGIBILITY DETERMINATION PROCESS

Determine eligibility by applying the following criteria. The elements have been listed in the most logical order, but work on all steps simultaneously.

H-241.1 Determine Assistance/Benefit Unit

Include all dependent children and/or their parents who would be LIFC eligible except for the income/resources of a stepparent, child/sibling, grandparent, or alien sponsor. Never include anyone who was not in the LIFC assistance unit.

H-241.2 Establish Categorical Requirements

Establish categorical requirements in the LIFC program.

H-241.3 Establish Non-Financial Eligibility

Establish non-financial eligibility requirements in the LIFC program. Verify eligibility for each member of the assistance/benefit unit (after exclusion of the stepparent, child/sibling, grandparent, or alien sponsor) with regard to the following factors:

- Age I-100
- Assignment of Third Party Rights I-200
- Citizenship/Alien Status I-300
- Deprivation I-500
- Enumeration I-600

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- Home I-800
- Relationship I-1800
- Residence I-1900
- SES Referral I-2000

H-241.4 Establish Need**A. Determine Composition of the Income Unit**

The income/resource unit is the same that is used in LIFC assistance excluding stepparent, child/sibling with income, grandparent, and/or alien sponsor. Never include anyone who was not included in the original LIFC income/resource unit. Refer to H-210.

B. Determine Need/Countable Income

To determine the child's/parent's eligibility, complete ***BHSF Form 3-C*** according to the LIFC policy and form instructions except omit all income of excluded persons. Refer to I-1520, Need - C-Related Income.

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If the child is eligible, complete a budget to determine eligibility of the natural parent in the home. Subtract appropriate deductions and compare the stepparent's countable income to the 100% AFDC need standard for the stepparent and his/her legal dependents. Subtract appropriate deductions and compare the countable income of the MUM's parent or alien sponsor and legal spouse to the 100% AFDC need standard for these individuals and their legal dependents.

If the income is sufficient to meet the needs of the natural parent(s), the natural parent is ineligible to be included in the PAP certification.

If the income is insufficient to meet the needs of the natural parent who has no income, include the natural parent in the PAP certification.

If the income is insufficient to meet the needs of the natural parent who has income, allocate a portion of the income to the natural parent's legal dependents who:

- live in the home, and
- are not included in the PAP assistance unit. Refer to I-1528, Allocation of Income in LIFC.

If the applicant/recipient meets **the** ** income eligibility requirements for LIFC after mandatory exclusions, eligibility in regard to ** income is established for PAP.

If the applicant/recipient is income ** ineligible, consider in CHAMP or C-MNP.

H-241.5 Eligibility Decision

Evaluate all eligibility requirements and verification received to make the decision to reject, close, certify, or continue eligibility.

H-241.6 Certification Period

The certification period shall not exceed twelve months, excluding any retroactive coverage (up to three months).

Retroactive Medicaid eligibility shall be explored for the three months prior to the month of application. Refer to H-1800, Retroactive Medicaid.

H-241.7 Notice of Decision

BHSF Form 18-G shall be sent to the applicant.