



Eligibility Operations Memo 19-13
October 1, 2019

TO: MassHealth Eligibility Operations Staff

FROM: Heather Rossi, Deputy Policy Director for Eligibility

RE: **Post-Eligibility Treatment of Income (PETI) for Home- and Community-Based Services (HCBS) Waiver Members in the Special Income Eligibility Group**

Introduction

This memo outlines the post-eligibility treatment of income (PETI) process for MassHealth members who are enrolled in a MassHealth 1915(c) Home- and Community-Based Services (HCBS) waiver and are in the special income eligibility group under 42 CFR 435.217.

Post-Eligibility Treatment of Income (PETI)

Post-eligibility treatment of income (PETI) rules are used to calculate a member's contribution to their cost of care.

Federal Regulations 42 CFR 435.217 and 42 CFR 435.726

MassHealth members, 18 years of age and older, who are enrolled in a 1915(c) Home- and Community-Based Services (HCBS) waiver and who had income at or below 300% of the Federal Benefit Rate (FBR) at the point of initial HCBS waiver eligibility are part of a "special income eligibility group" established under 42 CFR 435.217. Pursuant to federal regulations at 42 CFR 435.726: *Post-Eligibility Treatment of Income of Individuals Receiving Home- and Community-Based Services Furnished Under a Waiver: Application of Patient Income to the Cost of Care*, individuals who initially establish MassHealth eligibility with income at or below 300% of the FBR and are enrolled in an HCBS waiver, but who later experience an increase in countable income, causing their income to exceed 300% of the FBR, may remain financially eligible for continued MassHealth eligibility and participation in their HCBS waiver services, by spending down their income to 300% of the FBR. This means that such members remain financially eligible for MassHealth and continued participation in their HCBS waiver, but are required to contribute to the cost of their care in an amount equal to their excess income over 300% of the FBR, less any allowable deductions. Note: individuals who enrolled in an HCBS waiver with income over 300% of the FBR at the time of their initial MassHealth eligibility determination are not part of the special income eligibility group and therefore PETI rules cannot be applied. However, certain HCBS waivers allow such individuals to spend down their income, according to 130 CMR 520.028 through 520.035, in order to become eligible for MassHealth.

Determining PETI for HCBS Waiver Members in the Special Income Eligibility Group

The PETI amount for a MassHealth member enrolled in an HCBS waiver and in the special income eligibility group is calculated by taking the member's countable monthly income and subtracting the monthly equivalent of 300% of the FBR and any allowable deductions in accordance with 42 CFR 435.726(c).

When a MassHealth member has the special income eligibility group PETI rules applied, the member will receive a notice containing the PETI calculation, the PETI amount, and further instructions.

Continued Participation

When PETI is applied to a MassHealth member enrolled in a HCBS waiver and in the special income eligibility group, it remains in effect as long as the member remains otherwise eligible for MassHealth and participation in an HCBS waiver.

The special income eligibility group PETI rules do not apply to members who had income over 300% of the FBR at the point of initial HCBS waiver eligibility and who are eligible for a deductible based on the MassHealth Income Standard, as defined in 130 CMR 520.028 through 520.035, in order to establish eligibility.

Questions

If you have any questions about this memo, please have your MEC designee contact the Policy Hotline.