

Health Care Finance and Administration	Section: Financial Eligibility
Policy Manual Number: 010.040	Chapter: Medically Needy Household Composition

MEDICALLY NEEDED HOUSEHOLD COMPOSITION

Legal Authority: 42 CFR 435.301; 42 CFR 435.601; 42 CFR 435.602; 42 CFR 435.603; 45 CFR 233.20

1. Policy Statement

Household composition for the Medically Needy categories is governed by the principle of the Financially Responsible Relatives (FRR) rule. Financial responsibility is limited to spouse to spouse and parent to child.

The household size determined under Medically Needy household composition rules is the number of individuals counted for the purpose of determining which income standard to use.

2. Definitions

Custodial Parent and Non-Custodial Parent: The custodial parent and non-custodial parent are determined based on a court order, binding separation, divorce, or parenting plan establishing physical custody controls. The custodial parent, also known as the primary residential parent, is the parent with whom the child spends most nights.

Deeming: The term deeming identifies the process of considering another person's income and resources to be available for meeting a TennCare Medicaid applicant/enrollee's basic needs of food and shelter.

Household Size: Household size includes natural or biological and adoptive parents, and siblings that live with the child.

Major Parent: The parent of a parent under the age of 21 (the minor parent) applying for TennCare Medicaid. The major parent must live in the same household as the minor parent and his or her child.

Minor Parent: A parent under the age of 21 who is applying for TennCare Medicaid along with his or her child, and who lives in the same household as his or her parent (the major parent).

Parent: Parent only includes biological and adoptive parents.

Sibling: Siblings include biological, adopted, half or step siblings.

3. Financially Responsible Relatives (FRRs)

a. Overview

Financial responsibility is limited to spouse to spouse and parent to child. Do not use the needs or income in the budget of an FRR who receives Families First, Supplemental Security Income (SSI) or Veterans Affairs (VA) Benefits.

b. Spouse to Spouse

The income and resources of the individual's legally married spouse are considered available to him or her, whether or not they are actually contributed:

Health Care Finance and Administration	Section: Financial Eligibility
Policy Manual Number: 010.040	Chapter: Medically Needy Household Composition

- While the couple live together, including temporary absences; AND
- During the first month of separation by one member's admission to a medical institution, unless the couple had been living apart for at least 6 months prior to their separation.

c. Determining Marital Relationship

Accept the individual's attestation regarding his or her marital status if he or she is married, unmarried or separated from his or her spouse, unless there is reason to doubt the self-attestation information.

d. Parent to Child

i. The income and resources of the legal parents of the child under age 21 are considered available to the child in determining his or her financial eligibility when:

- The child and parent(s) live together; and
- During the child's temporary absence from the home.

Note: The child's admission to a psychiatric facility is considered a temporary absence. Psychiatric care is not considered institutionalization for purposes of determining the under age 21 individual's separation from his or her FRR.

ii. Parental financial responsibility is limited to the natural or adoptive parent.

4. Joint Custody/Parenting Time

a. Joint Custody/Parenting Time

For the purpose of determining Medicaid eligibility, the custodial parent, often referred to as the primary residential parent in Tennessee, is established based on physical custody specified in a court order, binding separation, divorce, or parenting plan. If there is no court order or parenting plan, custody of a child born out of wedlock is with the mother. If there is a parenting plan, the primary residential parent is the parent with whom the child spends most nights.

b. Equally-Shared Joint Custody/Parenting Time

When an individual claims that equally-shared (50/50) joint physical and legal custody exists or provides a parenting plan that evenly divides the child(ren)'s living arrangement and parenting responsibilities, the parenting time situation must be carefully examined. Though a court order or parenting plan may evenly divide the care and control of the child(ren), the parents may not, in fact, be following the parenting plan.

In cases of alleged equal parenting time (50/50), the Eligibility Specialist must verify that:

- Both parents exercise parental guidance.

Parental guidance may include issues such as which parent takes children to and from school and/or day care, which parent does the school and/or daycare consider the

Health Care Finance and Administration	Section: Financial Eligibility
Policy Manual Number: 010.040	Chapter: Medically Needy Household Composition

responsible relative, who exercises responsibility for consenting to major medical treatment for the child, etc.

- Parents equally share physical custody.

If one parent has the child(ren) a majority of the time, this is not considered equally shared parenting time. Child(ren) must spend an equal amount of time living with each parent. The living arrangement may be based on days, weeks or months, but it must be equal (182.5 days per year with each parent) and parental functions of guidance and physical care cannot be substantially interrupted. (If equal time means 6 months at a time are spent with each parent, this will be considered extended visits.)

If it is determined that equal (50/50) parenting time exists, the Eligibility Specialist should contact the Member Services Eligibility Policy Unit for additional guidance on processing the case.

5. Stepparent or Major Parent in the Home

A stepparent or major parent living in the home with individuals applying for Medically Needy coverage is not included in the household. However, income belonging to a stepparent or major parent is deemed available to his or her spouse, under certain conditions. See *Child Medically Needy* policy.

6. Household Composition

a. Child Medically Needy

The following individuals are included in the household:

- Children who are under age 21 and are applying for TennCare Medicaid;
- Siblings who are under age 21 (including unborn children);
- The in-home parent(s) of the child(ren) applying for coverage; and
- The spouse of an individual who under age 21 and applying for coverage.

Do not count the applicant's parents in the household if the applicant is an emancipated minor.

A child with income may be excluded from the household if that child's income makes the applicant(s) ineligible, and the child with income is not the only eligible child.

Do not exclude any child identified by the parent/caretaker relative as having special medical needs without first discussing the situation with the parent/caretaker relative.

b. Qualified Pregnant Woman Medically Needy

The following individuals must be included in the applicant's household, if living in the same household as the applicant:

- The applicant (pregnant woman);
- The unborn child(ren);

Health Care Finance and Administration	Section: Financial Eligibility
Policy Manual Number: 010.040	Chapter: Medically Needy Household Composition

- The applicant's spouse;
- The applicant's children under age 21

The parents of a qualified pregnant woman are not included in the applicant's household.

c. Verification

The State accepts self-attestation of household members and the relationship between the household members, unless there is reason to doubt the self-attestation information.

The State will use Public Assistance Reporting Information System (PARIS) data post-enrollment to determine if any enrollees are receiving benefits in another state, in order to identify children for whom non-custodial parents are applying for benefits through HCFA.