

Health Care Finance and Administration	Section: Categories of Eligibility
Policy Manual Number: 115.020	Chapter: Pickle Passalong

## **PICKLE PASSALONG**

**Legal Authority:** 42 CFR 435.135

### **1. Overview**

The Pickle Passalong Medicaid category is named in honor of US Congressman J.J. Pickle, and was established in 1977. To be eligible in the Pickle Passalong category, an individual must have been receiving both Supplemental Security Income (SSI) and Social Security benefits. The individual must have then lost SSI eligibility based on an income increase, but would remain SSI-eligible if the Social Security cost of living adjustments (COLAs) received since the SSI termination were disregarded.

The increase in income that causes SSI eligibility to terminate can be due to either a Social Security COLA or other change in monthly income (e.g., pension).

### **2. Policy Statement**

TennCare Medicaid benefits are available to individuals who would be eligible for SSI payments if increases in their Social Security benefits due to COLAs were disregarded. Individuals who meet all other non-financial and financial eligibility requirements remain eligible for TennCare Medicaid if they:

- Were eligible for and received SSI benefits for the same month in which they were entitled to Social Security Title II benefits after April 1977. The SSI recipient who receives Social Security retroactive benefits is considered for TennCare Medicaid purposes to have received SSI and Social Security benefits in the same month, if Social Security eligibility overlaps a month the individual also received SSI benefits;
- Lost eligibility for SSI since April 1977;
- Currently receive Social Security benefits authorized under Title II of the Social Security Act; and
- Have countable income (including in-kind income) equal to or less than the current SSI-FBR, once all applicable COLAs have been deducted.

### **3. Non-Financial Eligibility Requirements**

#### **a. Age**

An individual must have attained at least age 65 or meet the Social Security Administration (SSA) requirements of blindness or disability. Individuals are not required to provide documentary evidence of age if they are entitled to or enrolled in any part of Medicare.

Health Care Finance and Administration	Section: Categories of Eligibility
Policy Manual Number: 115.020	Chapter: Pickle Passalong

**b. Citizenship**

Individuals must be U.S. citizens, U.S. nationals or eligible non-citizens. Individuals are not required to provide documentary evidence of citizenship or national status if they are entitled to or enrolled in any part of Medicare and/or receiving Social Security disability benefits.

**c. Residency**

Individuals eligible for this category must be residents of Tennessee.

**d. Enumeration**

Individuals must possess and provide a valid Social Security Number (SSN) or proof of application for an SSN.

**e. Eligible For and Receiving Social Security Benefits**

Individuals must be eligible for and receiving Social Security benefits as authorized under Title II of the Social Security Act.

**4. Financial Eligibility Requirements**

**a. Household Composition**

Household composition is governed by the principle of Financially Responsible Relatives (FRR). Financial responsibility is limited to spouse to spouse and parent to child. See the *ABD Financially Responsible Relatives* policy.

**b. Couples**

A Pickle Passalong eligible couple must both meet all Pickle Passalong eligibility criteria to qualify as a Pickle Passalong eligible couple.

**c. Income**

**i. Income Eligibility**

An individual is income eligible if his or her net countable income less all appropriate Social Security COLAs is less than the appropriate SSI-FBR.

**ii. COLA Disregards**

Disregard the following, if applicable:

Health Care Finance and Administration	Section: Categories of Eligibility
Policy Manual Number: 115.020	Chapter: Pickle Passalong

- All Social Security COLAs that caused or have occurred since the applicant's SSI eligibility was terminated;
- The spouse's Social Security COLAs that caused or have occurred since the SSI termination, if the spouse's income is deemed to the applicant; or
- The parents' Social Security COLAs which occurred since the applicant's SSI termination, if the applicant is a child.

### iii. Determining the Amount of the COLA Disregard

Determine the amount of the COLA disregard by multiplying the applicant's current Social Security benefit by the appropriate conversion factor. Follow the steps below:

- Verify the current Social Security benefit amount;
- Verify the SSI termination date;
- Locate the appropriate conversion factor based on the month and year of SSI termination; and
- Multiply the current Social Security benefit by the conversion factor.
- Take the result (after multiplication by the conversion factor) and deduct it from the current Social Security benefit to determine the COLA disregard amount.

#### Pickle Conversion Factor Table

Timeframe	Factor	Timeframe	Factor
May-June 1997	.245	Jan-December 1996	.641
July 1977-June 1978	.260	Jan-December 1997	.660
July 1978-June 1979	.276	Jan-December 1998	.674
July 1979-June 1980	.304	Jan-December 1999	.683
July 1980-June 1981	.347	Jan-December 2000	.700
July 1981-June 1982	.386	Jan-December 2001	.724
July 1982-Dec 1983	.415	Jan-December 2002	.743
Jan-December 1984	.429	Jan-December 2003	.753
Jan-December 1985	.444	Jan-December 2004	.769
Jan-December 1986	.458	Jan-December 2005	.790
Jan-December 1987	.464	Jan-December 2006	.822
Jan-December 1988	.484	Jan-December 2007	.849
Jan-December 1989	.503	Jan-December 2008	.868
Jan-December 1990	.526	Jan 2009-Dec 2011	.919
Jan-December 1991	.555	Jan-December 2012	.953
Jan-December 1992	.575	Jan-December 2013	.969
Jan-December 1993	.593	Jan-December 2014	.983
Jan-December 1994	.608	Jan-December 2015	1.00
Jan-December 1995	.625		

Health Care Finance and Administration	Section: Categories of Eligibility
Policy Manual Number: 115.020	Chapter: Pickle Passalong

**d. Resource Limit**

Resource limits for this category are \$2,000 for an individual and \$3,000 for a couple.

**5. Budget**

**a. Budget Overview**

**1. Child Support Calculation**

Gross Child Support  
 – 1/3 Reduction if Recipient is under age 18  
 = Total Countable Child Support

NOTE: The child support reduction only occurs when the child receiving support is the applicant.

**2. Total Gross Unearned Income Computation**

Deemed Income from Parent(s)  
 + Deemed Unearned Income from Spouse  
 + Unearned Income (includes current OASDI benefits; excludes child support)  
 + Total Countable Child Support  
 = Gross Unearned Income

**3. Total Gross Earned Income Computation**

Total Countable Earned Income  
 + Self-Employment Income  
 + Deemed Earned Income from a Spouse or Parent  
 – Disabled Student Under Age 22 Earned Income Exclusion  
 = Gross Earned Income

**4. Total Net Unearned Income Computation**

Gross Unearned Income  
 – General Unearned Income Disregard (\$20)  
 – Child Support Disregard (\$50)  
 = Net Unearned Income

**5. Total Net Earned Income Computation**

Gross Earned Income  
 – General Income Disregard Remainder

Health Care Finance and Administration	Section: Categories of Eligibility
Policy Manual Number: 115.020	Chapter: Pickle Passalong

- Earned Income Disregard (\$65)
- Disabled Work Expense
- ½ Disregard
- Blind Work Expense
- = Net Earned Income

## 6. Countable Income Computation

- Net Unearned Income
- + Net Earned Income
- = Total Countable Income

If Total Countable Income is less than the current SSI-FBR, refer the individual back to the SSA. If Total Countable Income is greater than the SSI-FBR, proceed to Step 7.

## 7. COLA Disregard and Eligibility Determination

- Total Countable Income
- COLA Disregard
- = Total Adjusted Income

If the Total Adjusted Income is less than the current SSI-FBR, then the person is income-eligible for the Pickle Passalong category.

### b. Example Budget

Sally was an SSI and OASDI benefit recipient until 10/2013, when her SSI eligibility ended due to an OASDI COLA. Sally is married to Jim, and they live together with no children. Jim is ineligible for SSI or TennCare Medicaid, and \$270 of his unearned income and \$500 of his earned income is deemed available to Sally. Sally has \$155 in monthly earned income and \$550 in OASDI benefits. Sally applies for TennCare Medicaid effective 6/2014.

#### i. Total Gross Unearned Income Computation

- \$270 Unearned Income from Spouse
- + \$550 OASDI benefits
- = \$820 Gross Unearned Income

#### ii. Total Gross Earned Income Computation

- \$155 Earned Income
- + \$500 Deemed Earned Income from Spouse
- = \$655 Gross Earned Income

Health Care Finance and Administration	Section: Categories of Eligibility
Policy Manual Number: 115.020	Chapter: Pickle Passalong

**iii. Total Net Unearned Income Computation**

\$820 Gross Unearned Income  
 - \$20 General Unearned Income Disregard  
 \$800 Net Unearned Income

**iv. Total Net Earned Income Computation**

\$655 Gross Earned Income  
 - \$65 Earned Income Disregard  
 - \$295 ½ Disregard (\$655-65=\$590/2 = \$295)  
 \$295 Net Earned Income

**v. Countable Income Computation**

\$800 Net Unearned Income  
 + \$295 Net Earned Income  
 \$1095 Countable Income

**vi. COLA Disregard and Eligibility Determination**

\$1095 Countable Income  
 - (\$550.00-(\$550.00\*.969))=\$17.05 COLA Disregard  
 \$ 1077.95 Total Adjusted Income

\$1077 is greater than the current SSI-FBR, \$733, so the applicant is not income eligible.

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