

**Policy Clarifications - Medicaid - Long Term Care/SSI  
PMN13629450  
OBSOLETE FOR PMS13629360**

**Submitted: 3/10/07**

**Agency: CAOs**

**Citations: [LTCH 450.1](#); [MEH 360.31](#)**

**Subject: No Deduction to Receive Income for LTC and Waivers**

OPS-04-09-01 allows the CAO to deduct certain bank fees as allowable deductions from unearned income. It refers to specific MEH chapters 318, 319, 360. & 361. It is correct that these deductions are not allowed for LTC Waiver cases?

Our client is over the income limit by \$7.00 and is appealing our decision to close the case.

**Response By: L Schmidt**

**Date: 4/10/07**

You are correct. The deductions outlined in [OPS Memo 04-09-01](#) (bank fees and transportation costs) are not applied to unearned income in the eligibility computation for HCBS or payment toward the cost of LTC.

Please refer to [MEH 389, Appendix B](#). To qualify for a waiver program, an individual's gross income may not exceed 300% of the Federal Benefit Rate.

Expenses paid to receive unearned income [55 Pa. Code 181.131(a), 140.281(a), 140.82(a), and 181.315(a)] are a deduction from income; they are not an exclusion. Deductions do not apply to the determination of gross income for Medicaid/LTC eligibility in NMP cases.