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TITLE 470 DIVISION OF FAMILY AND CHILDREN

Proposed Rule LSA Document #02-203

DIGEST

Amends 470 IAC 11.1-1-5 to increase the maximum monthly income allowable for participation in the hospital care for the indigent program. Effective 30 days after filing with the secretary of state.

470 IAC 11.1-1-5

SECTION 1. 470 IAC 11.1-1-5 IS AMENDED TO READ AS FOLLOWS:

470 IAC 11.1-1-5 Income determination

Authority: IC 12-13-2-3; IC 12-13-5-3; IC 12-16-3-3

Affected: IC 12-16-3-1

Sec. 5. (a) Income is all money received by the household members in the month of hospitalization subject to subsection (b).

(b) Income received on a quarterly, semiannual, or annual basis shall be divided by the appropriate number of months to establish monthly income.

(c) Countable income is gross monthly income less the following exclusions:

- (1) Supplemental security income of the patient is excluded.
- (2) Fifteen dollars and fifty cents (\$15.50) is deducted from the income of the patient.
- (3) Funds from a grant, scholarship, or fellowship, which are designated for tuition and mandatory books and fees at an educational institution or for vocational rehabilitation or technical training purposes, shall be deducted from the total of such funds.
- (4) All of the earned income of a child under fourteen (14) years of age is excluded.
- (5) Home energy assistance is excluded.
- (6) The deductions allowed by the Internal Revenue Service are excluded from gross self-employment income.
- (7) The deductions allowed by the Internal Revenue Service are excluded from gross rental income, with the following exceptions:
 - (A) Depreciation.
 - (B) Payments on the mortgage principal.
 - (C) Personal expenses of the owner.
 - (D) Insurance to pay off the mortgage in the event of death or disability.
 - (E) Capital expenditures.
- (8) Tax refunds are excluded as income and shall be considered personal property under section 6 of this rule.
- (9) Net earned income is determined by deducting sixty-five dollars (\$65) plus one-half ($\frac{1}{2}$) of the remainder from gross earned income. Any part of the exclusion allowed in subdivision (2), which has not been deducted from unearned income, shall be deducted from gross earned income prior to the determination of net earned income.
- (10) A loan shall not be considered as income in the month of receipt if the written or verbal loan agreement is legally binding under state law and includes the following:
 - (A) The borrower's acknowledgment of an obligation to repay.
 - (B) A timetable and plan for repayment.
 - (C) The borrower's expressed intent to repay either by pledging real or personal property or anticipated income.

(d) If the countable income, as determined in subsection (c), of the household members exceeds the monthly income standard as set forth in this subsection, the patient is ineligible for hospital care for the indigent.

Household Size	Maximum Monthly Income
1	\$522 \$544
2	\$703 \$747
3	\$884 \$939
4	\$1,066 \$1,132
Each additional household member	\$182 \$193

(e) The income standards specified in subsection (d) shall be adjusted on a biennial basis beginning in the year 2004, effective for hospitalizations that begin on and after October 1, 2004. Every two (2) years thereafter, the income standards shall be adjusted effective October 1. The standards shall be in an amount equal to seventy-five percent (75%) of the Federal Poverty Income Guidelines as published in the Federal Register. *(Division of Family and Children; 470 IAC 11.1-1-5; filed Jun 3, 1986, 3:00 p.m.: 9 IR 2714; filed Dec 4, 1989, 4:40 p.m.: 13 IR 629; errata filed Jun 20, 1990, 4:10 p.m.: 13 IR 2005; filed Jun 14, 1995, 11:00 a.m.: 18 IR 2779; filed Oct 3, 1997, 4:50 p.m.: 21 IR 375; filed Feb 13, 2001, 3:07 p.m.: 24 IR 2090; readopted filed Jul 12, 2001, 1:40 p.m.: 24 IR 4235)*

Notice of Public Hearing

Under IC 4-22-2-24, notice is hereby given that on October 28, 2002 at 10:00 a.m., at the Indiana Government Center-South, 402 West Washington Street, Conference Center Room 3, Indianapolis, Indiana the Division of Family and Children will hold a public hearing on proposed amendments to increase the maximum monthly income allowable for participation in the hospital care for the indigent program. Written comments may be directed to the Office of General Counsel, ATTENTION: Joy A. Heim, 402 West Washington Street, Room W451, Indianapolis, Indiana 46204.

Copies of these rules are now on file at the Indiana Government Center-South, 402 West Washington Street, Room W451 and Legislative Services Agency, One North Capitol, Suite 325, Indianapolis, Indiana and are open for public inspection.

John Jay Boyce
Director
Division of Family and Children