A lump sum is a non-recurring payment includes such items as retroactive RSDI or VA benefits, refunds of Medicare Part B premiums, insurance settlements, and inheritances. A lump sum is considered as income in the month of receipt. An SSI lump sum is disregarded as income in the month of receipt.

The policies stated in this section apply to the MA A, MA B, MA D, MA G, MA L, MA J, and MA I categories of assistance.

For MED 1, 2 and 4 budgeting, any lump sum payment received in a month prior to the month in which authorization of the application takes place, is income in the month of receipt. However, for an active AG, an unanticipated, non-recurring lump sum payment does not affect eligibility in the month of receipt, and Medicaid benefits paid during the month of receipt are not recoverable. Recurring lump sum payments are budgeted as income. Any portion of the lump sum remaining after the month of receipt is a resource. Recurring lump sum payments are budgeted as income.

For MED 3, under MAGI-based income methodology, an amount received as a lump sum is counted as income only in the month received.  

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1 42 CFR 435.603(e)(1)