



### County Indigent Health Care Program - Eligibility Criteria

**Residence:** The applicant must live in the county in which s/he applies and must intend to remain there.

**Household:** A CIHCP household is a person living alone or two or more persons living together where legal responsibility for support exists, excluding disqualified persons. A disqualified person is one who receives or is categorically eligible to receive Medicaid.

**Resources:** A household is eligible if the total countable household resources do not exceed:

- \$3,000.00 when a person who is aged or disabled and who meets relationship requirements lives in the home or
- \$2,000.00 for all other households.

**Income:** A household is eligible if its monthly net income does not exceed 21% of the Federal Poverty Guideline (FPG). Counties may choose to increase the monthly income standard to a maximum of 50% FPG, and still qualify to apply for state assistance funds.

### CIHCP Monthly Income Standards Effective March 1, 2016

Based on the 2016 Federal Poverty Guideline (FPG)

# of Individuals in the CIHCP Household	21% FPG Minimum Income Standard	50% FPG Maximum Income Standard
1	\$208	\$495
2	\$280	\$668
3	\$353	\$840
4	\$425	\$1,013
5	\$498	\$1,185
6	\$570	\$1,358
7	\$643	\$1,530
8	\$716	\$1,704
9	\$788	\$1,877
10	\$861	\$2,050
11	\$934	\$2,224
12	\$1,007	\$2,397

**Your Texas Benefits** is an eligibility screening tool that can help you determine if you may be

potentially eligible for a variety of assistance programs, including the County Indigent Health Care Program.

You may also wish to read answers to Frequently Asked Questions on our **FAQ** page.

*Last updated February 29, 2016*

## **Income**

### **General Principles**

- A household must pursue and accept all income to which the household is legally entitled, unless it is unreasonable to pursue the income. Reasonable time (at least three months) must be allowed for the household to pursue the income, which is not considered accessible during this time.
- The income of all CIHCP household members is considered.
- Income is either countable or exempt.
- If attempts to verify income are unsuccessful because the payer fails or refuses to provide information and other proof is not available, the household's statement is used as best available information.
- All income of a disqualified person is exempt.
- Income of disqualified and non-household members is excluded, but may be included if processing an application for a sponsored alien.

### **Definitions**

**Alien Sponsor** – a person who signed an affidavit of support (namely, INS Form I-864 or I-864-A) on or after December 19, 1997, agreeing to support an alien as a condition of the alien's entry into the United States.

**Budgeting** – the method used to determine eligibility by calculating income and deductions using the best estimate of the household's current and future circumstances and income.

**Earned income** – income a person receives for a certain degree of activity or work. Earned income is related to employment and, therefore, entitles the person to work-related deductions not allowed for unearned income.

**Gross income** – income before deductions.

**Income** – any type of payment that is of gain or benefit to a household.

**Net income** – gross income minus allowable deductions.

**Real Property** – land and any improvements on it.

**Sponsored Alien** – a sponsored alien means a person who has been lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act (8 U.S.C. Section 1101 et seq.) and who, as a condition of admission, was sponsored by a person who executed an affidavit of support on behalf of the person.

**Income (continued)**

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**Definitions**  
(continued)

**Tip Income** –income earned in addition to wages that is paid by patrons to people employed in service-related occupations, such as beauticians, waiters, valets, pizza delivery staff, etc.

**Unearned income** – payments received without performing work-related activities.

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**Adoption**  
**Payments**

Exempt.

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**Alien**  
**Sponsor's**  
**Income**

If an entity chooses to include the income of a person who executed an affidavit of support on behalf of a sponsored alien and the income of the person's spouse, the entity shall adopt written procedures for processing the income of the sponsor and the sponsor's spouse.

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**Cash Gifts and**  
**Contributions**

Count as unearned income unless they are made by a private, nonprofit organization on the basis of need; and total \$300 or less per household in a federal fiscal quarter. The federal fiscal quarters are January - March, April - June, July - September, and October - December. If these contributions exceed \$300 in a quarter, count the excess amount as income in the month received.

Exempt any cash contribution for common household expenses, such as food, rent, utilities, and items for home maintenance, if it is received from a non-certified household member who:

- Lives in the home with the certified household member,
- Shares household expenses with the certified household member, and
- No landlord/tenant relationship exists.

If a noncertified household member makes additional payments for use by a certified member, it is a contribution.

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**Income (continued)**

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**Child's Earned Income**

Exempt a child's earned income if the child, who is under age 18 and not an emancipated minor, is a full-time student (including a home schooled child) or a part-time student employed less than 30 hours a week.

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**Child Support Payments**

Count as unearned income after deducting up to \$75 from the total monthly child support payments the household receives.

Count payments as child support if a court ordered the support, or the child's caretaker or the person making the payment states the purpose of the payment is to support the child.

Count ongoing child support income as income to the child even if someone else living in the home receives it.

Count child support arrears as income to the caretaker.

Exempt child support payments as income if the child support is intended for a child who receives Medicaid, even though the parent actually receives the child support.

Child Support Received for a Non-Member. If a caretaker receives ongoing child support for a non-member (or a member who is no longer in the home) but uses the money for personal or household needs, count it as unearned income. Do not count the amount actually used for or provided to the non-member for whom it is intended to cover.

Lump-Sum Child Support Payments. Count lump-sum child support payments (on child support arrears or on current child support) received, or anticipated to be received more often than once a year, as unearned income in the month received. Consider lump-sum child support payments received once a year or less frequently as a resource in the month received.

Returning Parent. If an absent parent is making child support payments but moves back into the home of the caretaker and child, process the household change.

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**Crime Victim's Compensation Payments**

Exempt.

These are payments from the funds authorized by state legislation to assist a person who has been a victim of a violent crime; was the spouse, parent, sibling, or adult child of a victim who died as a result of a violent crime; or is the guardian of a victim of a violent crime. The payments are distributed by the Office of the Attorney General in monthly payments or in a lump sum.

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**Income (continued)**

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**Disability  
Insurance  
Payments**

Count disability payments as unearned income, including Social Security Disability Insurance (SSDI) payments and disability insurance payments issued for non-medical expenses. Exception: Exempt Supplemental Security Income (SSI) payments.

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**Dividends  
and Royalties**

Count dividends as unearned income. Exception: Exempt dividends from insurance policies as income.

Count royalties as unearned income, minus any amount deducted for production expenses and severance taxes.

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**Educational  
Assistance**

Exempt educational assistance, including educational loans, regardless of source. Educational assistance also includes college work study.

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**Energy  
Assistance**

Exempt the following types of energy assistance payments:

- Assistance from federally funded, state or locally-administered programs, including HEAP, weatherization, Energy Crisis, and one-time emergency repairs of a heating or cooling device (down payment and final payment);
- Energy assistance received through HUD, USDA's Rural Housing Service (RHS), or Farmer's Administration (FmHA);
- Assistance from private, non-profit, or governmental agencies based on need.

If an energy assistance payment is combined with other payments of assistance, exempt only the energy assistance portion from income (if applicable).

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**Foster Care  
Payments**

Exempt.

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**Government  
Disaster  
Payments**

Exempt federal disaster payments and comparable disaster assistance provided by states, local governments and disaster assistance organizations if the household is subject to legal penalties when the funds are not used as intended.

Examples: Payments by the Individual and Family Grant Program, Small Business Administration, and/or FEMA.

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**Income (continued)**

<b>In-Kind Income</b>	Exempt. An in-kind contribution is any gain or benefit to a person that is not in the form of money/check payable directly to the household, such as clothing, public housing, or food.
<b>Interest</b>	Count as unearned income.
<b>Job Training</b>	<p>Exempt all payments made under the Workforce Investment Act (WIA).</p> <p>Exempt portions of non-WIA job training payments earmarked as reimbursements for training-related expenses. Count any excess as earned income.</p> <p>Exempt on-the-job training (OJT) payments received by a child who is under age 19 and under parental control of another household member.</p>
<b>Loans (Non-educational)</b>	Count as unearned income unless there is an understanding that the money will be repaid and the person can reasonably explain how he will repay it.
<b>Lump-Sum Payments</b>	<p>Count as income in the month received if the person receives it or expects to receive it more often than once a year.</p> <p>Consider retroactive or restored payments to be lump-sum payments and count as a resource. Separate any portion that is ongoing income from a lump-sum amount and count it as income.</p> <p>Exempt lump sums received once a year or less, unless specifically listed as income. Count them as a resource in the month received. Effective January 1, 2013 <u>exempt</u> federal tax refunds permanently as income and resources for 12 months after receipt. <u>Exempt</u> the Earned Income Credit (EIC) for a period of 12 months after receipt through December 31, 2018.</p> <p>If a lump sum reimburses a household for burial, legal, or health care bills, or damaged/lost possessions, reduce the countable amount of the lump sum by the amount earmarked for these items.</p>
<b>Military Pay</b>	Count military pay and allowances for housing, food, base pay, and flight pay as earned income, minus pay withheld to fund education under the G.I. Bill.
<b>Mineral Rights</b>	Count payments for mineral rights as unearned income.

**Income (continued)**

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<b>Pensions</b>	Count as unearned income. A pension is any benefit derived from former employment, such as retirement benefits or disability pensions.
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<b>Reimbursement</b>	<p>Exempt a reimbursement (not to exceed the individual's expense) provided specifically for a past or future expense. If the reimbursement exceeds the individual's expenses, count any excess as unearned income. Do not consider a reimbursement to exceed the individual's expenses unless the individual or provider indicates the amount is excessive.</p> <p>Exempt a reimbursement for future expenses only if the household plans to use it as intended.</p>
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<b>RSDI Payments</b>	<p>Count as unearned income the Retirement, Survivors, and Disability Insurance (RSDI) benefit amount including the deduction for the Medicare premium, minus any amount that is being recouped for a prior RSDI overpayment.</p> <p>If a person receives an RSDI check and an SSI check, exempt both checks since the person is a disqualified household member.</p> <p>If an adult receives a Social Security survivor's benefit check for a child, this check is considered the child's income.</p>
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<b>Self- Employment Income</b>	<p>Count as earned income, minus the allowable costs of producing the self-employment income.</p> <p>Self-employment income is earned or unearned income available from one's own business, trade, or profession rather than from an employer. However, some individuals may have an employer and receive a regular salary. If an employer does not withhold FICA or income taxes, even if required to do so by law, the person is considered self-employed.</p> <p>Types of self-employment include:</p> <ul style="list-style-type: none"><li>• Odd jobs, such as mowing lawns, babysitting, and cleaning houses;</li><li>• Owning a private business, such as a beauty salon or auto mechanic shop;</li><li>• Farm income; and</li><li>• Income from property, which may be from renting, leasing, or selling property on an installment plan. Property includes equipment, vehicles, and real property.</li></ul> <p>If the person sells the property on an installment plan, count the payments as income. Exempt the balance of the note as an inaccessible resource.</p>
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**Income (continued)**

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<b>SSI Payments</b>	Exempt Supplemental Security Income (SSI) benefits.  A person receiving any amount of SSI benefits also receives Medicaid and is, therefore, a disqualified household member.
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<b>TANF</b>	Exempt Temporary Assistance to Needy Families (TANF) benefits.  A person receiving TANF benefits also receives Medicaid and is, therefore, a disqualified household member.
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<b>Terminated Income</b>	Count terminated income in the month received. Use actual income and do not use conversion factors if terminated income is less than a full month's income.
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Income is terminated if it will not be received in the next usual payment cycle.

Income is not terminated if:

- Someone changes jobs while working for the same employer,
  - An employee of a temporary agency is temporarily not assigned,
  - A self-employed person changes contracts or has different customers without having a break in normal income cycle, or
  - Someone received regular contributions, but the contributions are from different sources.
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<b>Third-Party Payments</b>	Exempt the money received that is intended and used for the maintenance of a person who is not a member of the household.
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If a single payment is received for more than one beneficiary, exclude the amount actually used for the non-member up to the non-member's identifiable portion or prorated portion, if the portion is not identifiable.

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<b>Tip Income</b>	Count the actual (not taxable) gross amount of tips as earned income. Add tip income to wages before applying conversion factors.
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Tip income is income earned in addition to wages that is paid by patrons to people employed in service-related occupations, such as beauticians, waiters, valets, pizza delivery staff, etc.

Do not consider tips as self-employment income unless related to a self-employment enterprise.

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**Income (continued)**

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<b>Trust Fund</b>	Count as unearned income trust fund withdrawals or dividends that the household can receive from a trust fund that is exempt from resources.
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<b>Unemployment Compensation Payments</b>	<p>Count as unearned income the gross benefit less any amount being recouped for a UIB overpayment.</p> <p>Count the cash value of UIB in a UI debit account, less amounts deposited in the current month, as a resource. Account inquiry is accessible to a UIB recipient online at <a href="http://www.myaccount.chase.com">www.myaccount.chase.com</a> or at any Chase Bank automated teller machine free of charge.</p> <p>Exception: Count the gross amount if the household agreed to repay a food stamp overpayment through voluntary garnishment.</p>
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<b>VA Payments</b>	Count the gross Veterans Administration (VA) payment as unearned income, minus any amount being recouped for a VA overpayment. Exempt VA special needs payments, such as annual clothing allowances or monthly payments for an attendant for disabled veterans.
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<b>Vendor Payments</b>	<p>Exempt vendor payments if made by a person or organization outside the household directly to the household's creditor or person providing the service.</p> <p>Exception: Count as income money that is legally obligated to the household, but which the payer makes to a third party for a household expense.</p>
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<b>Wages, Salaries, Commissions</b>	<p>Count the actual (not taxable) gross amount as earned income.</p> <p>If a person asks his employer to hold his wages or the person's wages are garnished, count this money as income in the month the person would otherwise have been paid. If, however, an employer holds his employees' wages as a general practice, count this money as income in the month it is paid. Count an advance in the month the person receives it.</p>
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<b>Workers' Compensation Payments</b>	<p>Count the gross payment as unearned income, minus any amount being recouped for a prior worker's compensation overpayment or paid for attorney's fees. NOTE: The Texas Workforce Commission (TWC) or a court sets the amount of the attorney's fee to be paid.</p> <p>Do not allow a deduction from the gross benefit for court-ordered child support payments.</p>
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**Income (continued)**

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Exception: Exclude worker's compensation benefits paid to the household for out-of-pocket health care expenses. Consider these payments as reimbursements.

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**Other Types of  
Benefits and  
Payments**

Exempt benefits and payments from the following programs:

- Americorp,
- Child Nutrition Act of 1966,
- Food Stamp Program - SNAP (Supplemental Nutrition Assistance Program),
- Foster Grandparents,
- Funds distributed or held in trust by the Indian Claims Commission for Indian tribe members under Public Laws 92-254 or 93-135,
- Learn and Serve,
- National School Lunch Act,
- National Senior Service Corps (Senior Corps),
- Nutrition Program for the Elderly (Title III, Older American Act of 1965),
- Retired and Senior Volunteer Program (RSVP),
- Senior Companion Program,
- Tax-exempt portions of payments made under the Alaska Native Claims Settlement Act,
- Uniform Relocation Assistance and Real Property Acquisitions Act (Title II),
- Volunteers in Service to America (VISTA), and
- Women, Infants, and Children (WIC) Program.

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**Verifying  
Income**

Verify countable income, including recently terminated income, at initial application and when changes are reported.

Proof may include but is not limited to:

- Pay stubs,
  - Statements from employers,
  - W-2 forms,
  - Notes for cash contributions,
  - Business records,
  - Award letters,
  - Court orders or public decrees (support documents),
  - Sales records,
  - Income tax returns, and
  - Statements completed, signed, and dated by the self-employed person.
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**Income (continued)**

**Documenting  
Income**

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On Form 101, Worksheet, document the following items.

- Exempt income and the reason it is exempt
  - Unearned income, including the following items:
    - Date income is verified,
    - Type of income,
    - Check or document seen,
    - Amount recorded on check or document,
    - Frequency of receipt, and
    - Calculations used.
  - Self-employment income, including the following items:
    - The allowable costs for producing the self-employment income,
    - Other factors used to determine the income amount.
  - Earned income, including the following items:
    - Payer's name and address,
    - Dates of each wage statement or pay stub used,
    - Date paycheck is received,
    - Gross income amount,
    - Frequency of receipt, and
    - Calculations used.
  - Allowable deductions.
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## **Budgeting Income**

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### **General Principles**

- Count income already received and any income the household expects to receive. If the household is not sure about the amount expected or when the income will be received, use the best estimate.
  - Income, whether earned or unearned, is counted in the month that it is received.
  - Count terminated income in the month received. Use actual income and do not use conversion factors if terminated income is less than a full month's income.
  - View at least two pay amounts in the time period beginning 45 days before the interview date or the process date for cases processed without an interview. However, do not require the household to provide verification of any pay amount that is older than two months before the interview date or the process date for cases processed without an interview.
  - When determining the amount of self-employment income received, verify four recent pay amounts that accurately represent their pay. Verify one month's pay amount that accurately represent their pay for self-employed income received monthly. Do not require the household to provide verification of self-employment income and expenses for more than two calendar months before the interview date or the case process date if not interviewed, for income received monthly or more often.
  - Accept the applicant's statement as proof if there is a reasonable explanation of why documentary evidence or a collateral source is not available and the applicant's statement does not contradict other individual statements or other information received by the entity.
  - The self-employment income projection, usually 12 months, is the period of time that the household expects the income to support the family.
  - There are deductions for earned income that are not allowed for unearned income.
  - The earned income deductions are not allowed if the income is gained from illegal activities, such as prostitution and selling illegal drugs.
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Budgeting Income (continued)

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**Steps for Budgeting Income**

- Determine countable income.
- Determine how often countable income is received.
- Convert countable income to monthly amounts.
- Convert self-employment allowable costs to monthly amounts.
- Determine if countable income is earned or unearned.
- Subtract converted monthly self-employment allowable costs, if any, from converted monthly self-employment income.
- Subtract earned income deductions, if any.
- Subtract the deduction for Medicaid individuals, if applicable.
- Compare the monthly net income to the CIHCP monthly income standard.

**Step 1      Determine countable income, using CIHCP guidelines.**

Evaluate the household's current and future circumstances and income.

Decide if changes are likely during the current or future months.

If changes are likely, then determine how the change will affect eligibility.

**Step 2      Determine how often countable income is received, such as yearly, monthly, twice a month, every other week, weekly.**

All income, excluding self-employment. Based on verifications or the person's statement as best available information, determine how often income is received. If the income is based hourly or for piecework, determine the amount of income expected for one week of work.

Self-employment Income.

- Compute self-employment income, using one of these three methods:
    - o Annual. Use this method if the person has been self-employed for at least the past 12 months.
    - o Monthly. Use this method if the person has at least one full representative calendar month of self-employment income.
    - o Daily. Use this method when there is less than one full representative calendar month of self-employment income, and the source or frequency of the income is unknown or inconsistent.
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**Budgeting Income (continued)**

**Step 2  
(continued)**

**Self-Employment Income.** (continued)

- Determine if the self-employment income is annual or seasonal, since that will determine the length of the projection period.
  - o The projection period is annual if the self-employment is intended to support the household for at least the next 12 months. The projection period is 12 months whether the income is received monthly or less often.
  - o The projection period is seasonal if the self-employment income is intended to support the household for less than 12 months since it is available only during certain months of the year. The projection period is the number of months the self-employment is intended to provide support.
- Determine the costs of producing self-employment income by accepting the deductions listed on the 1040 U.S. Individual Income Tax Return or by allowing the following deductions:
  - o Capital asset improvements,
  - o Capital asset purchases, such as real property, equipment, machinery and other durable goods, i. e., items expected to last at least 12 months,
  - o Fuel,
  - o Identifiable costs of seed and fertilizer,
  - o Insurance premiums,
  - o Interest from business loans on income-producing property,
  - o Labor,
  - o Linen service,
  - o Payments of the principal of loans for income-producing property,
  - o Property tax,
  - o Raw materials,
  - o Rent,
  - o Repairs that maintain income-producing property,
  - o Sales tax,
  - o Stock,
  - o Supplies,
  - o Transportation costs. The person may choose to use 50.0 cents per mile instead of keeping track of individual transportation expenses. Do not allow travel to and from the place of business.
  - o Utilities.

NOTE: If the applicant conducts a self-employment business in his home, consider the cost of the home (rent, mortgage, utilities) as shelter costs, not business expenses, unless these costs can be identified as necessary for the business separately.

**Budgeting Income** (continued)

**Step 2**  
(continued)

Self-Employment Income. (continued)

The following are not allowable costs of producing self-employment income:

- Costs not related to self-employment,
- Costs related to producing income gained from illegal activities, such as prostitution and the sale of illegal drugs,
- Depreciation,
- Net loss which occurred in a previous period, and
- Work-related expenses, such as federal, state and local income taxes, and retirement contributions.

**Step 3**

**Convert countable income to monthly amounts**, if income is not received monthly.

When converting countable income to monthly amounts, use the following conversion factors:

- Multiply weekly amounts by 4.33.
- Multiply amounts received every other week by 2.17.
- Add amounts received twice a month (semi-monthly).
- Divide yearly amounts by 12.

**Step 4**

**Convert self-employment allowable costs to monthly amounts.**

When converting the allowable costs for producing self-employment to monthly amounts, use the conversion factors in Step 3 above.

**Step 5**

**Determine if countable income is earned or unearned.** For earned income, proceed with Step 6. For unearned income, skip to Step 8.

**Step 6**

**Subtract converted monthly self-employment allowable costs, if any, from converted monthly self-employment income.**



**Step 7**      **Subtract earned income deductions, if any.** Subtract these deductions, if applicable, from the household's monthly gross income, including monthly self-employment income after allowable costs are subtracted:

- Deduct \$120.00 per employed household member for work-related expenses.
- Deduct 1/3 of the remaining earned income per employed household member.
- Dependent childcare or adult with disabilities care expenses shall be deducted from the total income when determining eligibility, if paying for the care is necessary for the employment of a member in the CIHCP household. This deduction is allowed even when the child or adult with disabilities is not included in the CIHCP household. Deduct the actual expenses up to:
  - \$200 per month for each child under age 2,
  - \$175 per month for each child age 2 or older, and
  - \$175 per month for each adult with disabilities.

Exception: For self-employment income from property, when a person spends an average of less than 20 hours per week in management or maintenance activities, count the income as unearned and only allow deductions for allowable costs of producing self-employment income.

**Step 8**      **Subtract the deduction for Medicaid individuals, if applicable.** This deduction applies when the household has a member who receives Medicaid and, therefore, is disqualified from the CIHCP household. Using the Deduction chart below, deduct an amount for the support of the Medicaid member(s) as follows: Subtract an amount equal to the deduction for the number (#) of Medicaid-eligible individuals.

**Deduction for Medicaid-Eligible Individuals**

# of Medicaid-Eligible Individuals	Single Adult or Adult with Children	Minor Children Only
1	\$ 78	\$ 64
2	\$163	\$ 92
3	\$188	\$130
4	\$226	\$154
5	\$251	\$198
6	\$288	\$214
7	\$313	\$267
8	\$356	\$293