PETI: Information and Frequently Asked Questions

What is PETI?

PETI stands for Post-Eligibility Treatment of Income.

PETI works somewhat like a copay (but is not an actual copay). Depending on your income and expenses, you may be asked to contribute a portion of the cost for your residential services. PETI only looks at the income of the individual receiving residential services (not the family's income).

What PETI Means for You

- PETI determines whether you contribute to the cost of your residential services.
- PETI does ***not*** affect Medicaid eligibility.
- PETI does ***not*** change room and board payments.
- PETI looks at ***unearned*** income. If you work or participate in certain supported employment programs, you are exempt.
- PETI assessments for eligible HCBS-DD residential services began August 1, 2026.

What is the PETI assessment?

What it is: A PETI assessment is the process used to determine whether a contribution is required and, if so, how much.

Who assesses PETI: The Case Management Agency (CMA) is responsible for completing the PETI assessment.

How does PETI work?

The Case Management Agency will complete the PETI assessment. If you owe a PETI amount, you will pay that amount directly to the residential provider agency each month. Medicaid will continue to pay the remaining cost of your services.

Who will have a PETI assessment?

Starting August 1, 2026, Case Management Agencies (CMAs) will begin completing PETI assessments for all individuals receiving residential services through the Home and Community Based Services (HCBS) Developmental Disabilities (DD) Waiver.

When will the PETI assessment happen?

The Case Manager will review PETI during your person-centered support plan (PCSP) meetings or at the quarterly monitoring visits if your plan year starts in July or August. PETI assessments will also be triggered when there is a request to complete a PAR revision during the plan year (if one has not yet happened).

What do I need to do for PETI?

You may be asked to provide documentation about income, housing costs, medical expenses, or other expenses to help determine if a PETI payment applies to you. If you do have a PETI amount, you will be required to pay that amount to the residential provider agency monthly.

Will PETI affect Medicaid eligibility?

No.

PETI does not impact Medicaid eligibility. Your supports and services will not change because of PETI.

Will PETI affect my Personal Needs Allowance (PNA)?

No.

Your Personal Needs Allowance (PNA) is deducted from your income before PETI is calculated. You will continue to have access to your full PNA amount based on your monthly income.

Will PETI affect room and board payments?

No.

Room and board payments are deducted from income before PETI is calculated and will not change because of a PETI assessment.

Who is exempt from PETI?

You are exempt from PETI if you:

1. Are employed; and/or
2. Receive job coaching services through Medicaid; and/or
3. Participate in the Working Adults with Disabilities (WAwD) program (also known as Medicaid Buy-in)

All Members will be assessed for PETI. Not all Members will have a PETI payment.

Why is this change being made?

Most individuals receiving residential services through other Medicaid waiver programs already go through the PETI process. The HCBS-DD waiver has been the exception. Effective August 1, 2026, the HCBS-DD waiver will no longer be exempt from PETI.

What income is included in a PETI assessment?

The following types of income may be considered when determining PETI:

Included Income

- Social Security benefits
- Railroad Retirement benefits
- Veterans benefits
- Private pensions
- Retirement benefits
- Disabled Adult Child (DAC) benefits
- Annuities
- Contributions made to a trust or ABLE account by the individual.
- Trust or ABLE account distributions that are not used for disability-related expenses
- Payments from private long-term care insurance policies

Excluded Income

- Income earned by family members
- SNAP benefits
- Section 8 housing vouchers
- Contributions made to a trust or ABLE account
- Income from employment*

*Individuals who work are exempt from PETI requirements.

What expenses can be deducted before PETI is calculated?

Certain allowable expenses are deducted from income ***before*** PETI is determined.

These may include:

Medical Expenses

Non-covered medical expenses, such as:

- Health insurance premiums
- Medical supplies and equipment
- Vision-related expenses
- Hearing-related expenses
- Dental expenses
- Prescription medications
- Other approved medical or remedial care costs

Family Support Obligations

- Financial support required for a spouse
- Financial support required for dependents

Housing Expenses*

- Costs associated with maintaining an unoccupied residence

* Independent housing charges, such as rent or mortgage payments, are considered as a part of the PETI worksheet, rather than a deduction before PETI is determined.

Taxes

- Required federal and state tax payments, up to **$300 per month**