TEXAS Health and Human Services

Texas Health and Human Services Commission

MEPD and TW Bulletin 26-10

Date: June 01, 2026

To: State and Regional Operations Supervisors and Staff
Program Managers
Regional Directors
Policy Attorneys
Hearings Officers

From: Access and Eligibility Services Program Policy
State Office 2106

Subject:
1. **Interest Income Updates**
2. **Spousal Impoverishment Dependent Allowance**

The information in this bulletin will be included in a future handbook revision. Until the handbook is updated, staff must use the information in this bulletin. If you have any questions regarding the policy information in this bulletin, follow regional procedures.

Active bulletins are posted on the following websites:

- Medicaid for the Elderly and People with Disabilities Handbook (MEPDH) at https://hhs.texas.gov/handbooks/medicaid-elderly-people-disabilities-handbook;
- Texas Works Handbook (TWH) at https://hhs.texas.gov/handbooks/texas-works-handbook/twh-policy-bulletins.

1. Interest Income Updates

Background

Per Federal Regulations in 7 CFR 273.9(c)(19), states have the option to exclude any income type from SNAP which is also excluded from TANF. Per 42 U.S. Code § 601, states also have broad flexibility in TANF program design, including income counting rules. This policy bulletin is intended to: (1) exclude interest income from SNAP and TANF when determining eligibility for benefits, and (2) remind staff to explore for any unidentified income sources when a household provides a bank statement.

Current Policy

All Texas Works Programs

Interest counts as unearned income unless specifically excluded.

Note: "Note interest" is one type of interest that is also counted as unearned income (TWH A-1326.6, Interest).

As a reminder, when a bank statement is provided, review the bank statement to explore any income sources which were not identified during interview or on the household's application or recertification.

New Policy

All Texas Works Programs

As a reminder, when a bank statement is provided, review the bank statement to explore any income sources which were not identified during interview or on the household's application or recertification.

SNAP and TANF

Interest is considered exempt.

Texas Works Medical Programs

Interest counts as unearned income unless specifically excluded.

Note: "Note interest" is one type of interest that is also counted as unearned income.

Automation

Changes to Texas Integrated Eligibility Redesign System (TIERS) are currently scheduled to be implemented in a future TIERS release. Until TIERS changes are implemented, staff should continue to update the interest income following current processes. For cases with only a SNAP EDG or that only contain SNAP and TANF EDGs, do not enter any new interest income into TIERS nor send an H1020, Request for Information or Action, to request the household provide verification of interest income. Do not deny the SNAP or TANF EDG for failure to provide verification of interest income.

Correspondence
Correspondence changes are not required.

Handbook
Updates to the MEPDH are not required.

The TWH is currently scheduled to be updated in the January 2027 revision.

Training
Training is not required.

Effective Date
This policy is effective May 1, 2026.

2. Spousal Impoverishment Dependent Allowance

Background
In determining the co-payment for a person receiving Medicaid services in an institutional setting or under a Home and Community-Based Services program, a dependent allowance may be deducted from the person's income.

The spousal impoverishment dependent allowance is calculated by subtracting the dependent's income from 150% of the monthly federal poverty level (FPL) for a family of two and dividing it by three. This amount is then deducted from the person's total countable income when determining the co-payment amount.

Although the FPL amounts are updated effective March 1st of each year, the new amount used for the spousal impoverishment dependent allowance amount is not effective until July 1st.

Current Policy

MEPD
The current FPL amount used to calculate the spousal impoverishment dependent allowance is $2,643.75. (MEPDH J-7400, Spousal Impoverishment Dependent Allowance)

New Policy

MEPD
Effective July 1, 2026, the new FPL amount used to calculate the spousal impoverishment dependent allowance is $2,705.00.

Automation
Changes to TIERS are currently scheduled to be implemented with TIERS Release R122.2 on May 16, 2026.

Correspondence
Correspondence changes are not required.

Handbook
The MEPDH is currently scheduled to be updated in the September 2026 revision.

Updates to the TWH are not required.

Training
The MEPD Basic Skills Training and Continuing Skills Training will be updated to reflect the new spousal impoverishment dependent allowance amount.

Effective Date

This policy is effective July 1, 2026.