



ACA and MAGI

Household Composition

Income Determination

ACA Updates/Changes



Before we begin, you....

1. Should have read DMA Administrative Letters 06-13 and 06-13, Addendum 1
2. Must have a copy of the MAGI household composition flow chart
3. Must have a copy of MAGI Medicaid Income Chart



Health Care Reform Overview

- The new rules apply to eligibility determinations effective January 1, 2014
- For eligibility prior to January 1, 2014, current eligibility policy applies.



MAGI

- Modified Adjusted Gross Income Methodology
 - This will be used to determine how income is counted and how household composition and a family size is constructed when determining eligibility for Medicaid/NCHC.
 - For Medicaid purposes, the applicant's countable income will be the "MAGI-based income."



Groups Included in MAGI Methodology – P7

- MAF (C and N)
- MIC
- MPW
- Family Planning
- NCHC
- HSF (N)
- MFC – Former Foster Care (no income test)



Groups Not Included in MAGI Methodology – P2/6

- SSI Recipient
- MAA, MAD, MAB and MQB
- Individuals requesting home and community based services such as CAP, PACE, LTC. This includes F&C cases when LTC budgeting applies
- Medically Needy (all programs including HSF and MAF)



Groups Not Included in MAGI Methodology

- Additional groups in which the eligibility determination is based on other program rules:
 - IAS
 - BCCM



MAGI Terms

- **Parent** - Natural, adoptive, or step
- **Caretaker** - Must have a child under age 18 in the household
- **Medicaid Aged Child** - Natural, adopted, or stepchild under the age of 19
Note: Medicaid still covers children age 19 and 20, but they are not considered a Medicaid age child in MAGI non-filer household determination
- **Sibling** - Natural, adoptive, or step
- **Family Size** - Number in the MAGI household



MAGI Terms

- **Tax Filer**
 - An individual who expects to file a tax return for the taxable year in which a determination is made for Medicaid/NCHC.
- **Tax Dependent**
 - An individual expected to be claimed as a dependent by someone else
 - May also be a tax filer
- **Non-filer**
 - An individual who is not expected to file a tax return or expected to be claimed as a tax dependent by someone else or dependent who meets exception



MAGI Household

- Each household member will have their own MAGI household
- Individuals who live in a household may have a different family size
- The family size will determine the income limit



MAGI Household

- Currently the following individuals are not included in the needs unit but the MAGI household may include:
 - SSI Recipient
 - CAP Recipient
 - IAS
 - WFFA
 - Individuals under age 19 who:
 - Are or have been legally married
 - Are serving or have served in the military
 - Have been legally emancipated



Determining MAGI Household

- There are two different sets of rules to build a MAGI household
 - Tax household
 - Non-filer



Tax Household

- Tax filer
 - Tax filer
 - Spouse living with the tax filer
 - All persons whom the tax filer expects to claim as a tax dependents



Tax Household

- Tax dependent
 - The individual
 - Members of the household of the tax filer who is claiming the tax dependent
 - The tax dependent's spouse
 - If living together and not already included in the tax filer's household



Tax Dependent Exceptions

- If the tax dependent meets one of the following exceptions, apply the non-filer rules on the next slide
 - The individual is claimed as a tax dependent by someone other than a spouse or a natural, adoptive parent or stepparent
 - A child under the age of 19 living with both parents who do not expect to file a joint tax return. This may include a stepparent.
 - A child under the age of 19 claimed as a tax dependent by a non-custodial parent



Non-filer Household

- An individual who:
 - Does not expect to file taxes, **and**
 - Does not expect to be claimed as a tax dependent, or
 - Is a tax dependent who meets one of the exceptions
- The MAGI household consists of:
 - The individual
 - The individual's spouse
 - The individual's natural, adopted, and step children under the age 19
- If individual is under age 19, the MAGI household includes the same as above AND
 - The individual's natural, adoptive live-in parent / stepparent **and**
 - The individual's natural, adopted, and step live-in siblings under the age of 19



Two Important Questions

- **Do you plan to file taxes for this year?**
- **Do you expect to be claimed as a tax dependent?**
 - **Note: Document client's responses, no verification required.**



Pregnant Woman

- For all MAGI programs:
 - A pregnant woman is always counted as herself + number of unborns when determining her household (regardless of program)
 - A pregnant woman is counted as 1 when included in the household of others



Let's see how it works!!!

Please use the MAGI Household Composition flow chart that is attached to DMA Administrative Letter 06-13 as we work through the following examples



Example 1

Sandy (45), her husband Ben (46), and their pregnant daughter Samantha (17) are in the household. Sandy, Ben and Samantha do not expect to file taxes nor be claimed as tax dependents.



Example 1

- Sandy's household

- Does Sandy expect to file taxes? **No**
- Does Sandy expect to be claimed as a tax dependent? **No**

Sandy's household : Sandy, Ben and Samantha (non-filer rules)

A P P L I C A N T	Medicaid/ NCHC Household	Sandy	Ben	Samantha	Family Size
	Sandy	√	√	√	3
	Ben				
	Samantha				



Example 1

•Ben's household

- Does Ben expect to file taxes? **No**
- Does Ben expect to be claimed as a tax dependent? **No**

Ben's Household is Ben, Sandy and Samantha (non-filer rules)

A P P L I C A N T	Medicaid/ NCHC Household	Sandy	Ben	Samantha	Family Size
	Sandy	√	√	√	3
	Ben	√	√	√	3
	Samantha				



Example 1

- Samantha’s household

- Does Samantha expect to file taxes? **No**
- Does Samantha expect to be claimed as a tax dependent? **No**

Samantha’s Household is Samantha, her unborn child, Sandy and Ben (non-filer rules)

A P P L I C A N T	Medicaid/ NCHC Household	Sandy	Ben	Samantha	Family Size
	Sandy	√	√	√	3
	Ben	√	√	√	3
	Samantha	√	√	√ +1	4



Example 2

Rose (48), Rose's daughter Alice, (17), Alice's daughter Kitty (1), are in the household. Rose claims Alice as a tax dependent. Kitty is claimed by her father Dennis (20), who does not reside in the household.



Example 2

•Rose's household

- Does Rose expect to file taxes? **Yes**
- Does Rose expect to be claimed as a tax dependent? **No**

Rose's Household is the tax household: Rose and Alice

A P P L I C A N T	Medicaid/NCHC Household	Rose	Alice	Kitty	Family Size
	Rose	√	√		2
	Alice				
	Kitty				



Example 2

- Alice's household

- Does Alice expect to file taxes? **No**
- Does Alice expect to be claimed as a tax dependent? **Yes**
- Does Alice meet any of the tax dependent exceptions? **No**

Alice's Household is the tax household of the person who claims her as a dependent: Alice and Rose

A P P L I C A N T	Medicaid/NCHC Household	Rose	Alice	Kitty	Family Size
	Rose	√	√		2
	Alice	√	√		2
	Kitty				



Example 2

- Kitty’s household
 - Does Kitty expect to file taxes? **No**
 - Does Kitty expect to be claimed as a tax dependent? **Yes**
 - Does Kitty meet any of the tax dependent exceptions? **Yes**
 - Kitty expects to be claimed by a non-custodial parent.
Non-filer rules apply

Kitty’s Household: Kitty and Alice (non-filer rules)

A P P L I C A N T	Medicaid/NCHC Household	Rose	Alice	Kitty	Family Size
	Rose	√	√		2
	Alice	√	√		2
	Kitty		√	√	2



Example 3

Dennis (20), Dennis' daughter Lynn (3) are in the household. Dennis claims Lynn as a tax dependent. Dennis also claims his other daughter Kitty (1) who lives in the household with her mother (see example 4)



Example 3

•Dennis' household

- Does Dennis expect to file taxes? **Yes**
- Does Dennis expect to be claimed as a tax dependent? **No**

Dennis' Household is his tax household: Dennis, Lynn and Kitty.

A P P L I C A N T	Medicaid/ NCHC Household	Dennis	Lynn	Kitty	Family size
	Dennis	√	√	√	3
	Lynn				



Example 3

- Lynn's household

- Does Lynn expect to file taxes? **No**
- Does Lynn expect to be claimed as a tax dependent? **Yes**
- Does Lynn meet any of the tax dependent exceptions? **No**

Lynn's Household is the tax household of the person who claims her as a dependent: Lynn, Dennis and Kitty.

A P P L I C A N T	Medicaid/ NCHC Household	Dennis	Lynn	Kitty	Family size
	Dennis	√	√	√	3
	Lynn	√	√	√	3



Now let's talk about Income Determination



What Hasn't Changed

- Base Periods
 - Follow current policy
- Income conversion computation
 - Follow current policy
 - Convert income received weekly, bi-weekly, and semi-monthly to gross monthly amount



MAGI Income Rules

vs

Traditional Income Rules



N.C. Department of Health and Human Services

Income Source	Current Medicaid Rules	MAGI Medicaid Rules
Self Employment	Counted with limited deductions for business expenses	Counted with deductions for most expenses including depreciation, and business losses
Salary Deferrals [flexible spending, cafeteria and 401 (k) plans]	Counted	Not Counted
Child Support	Counted	Not counted
Veterans benefits	Counted	Not counted
Worker's compensation	Counted	Not counted
Gifts and inheritances	Counted as lump sum in the month received	Not counted



N.C. Department of Health and Human Services

Deductions/Disregards	Current Medicaid rules for Deductions	MAGI Medicaid rules for Deduction
Alimony paid	Not deducted from income unless court ordered	Deducted from income
Earned Income Deduction (27.5%)	Deducted from income	Not deducted from income
Federal and State Earned income Tax Credit (EITC)	Deducted from income	Not deducted from income
Standard Work deduction (\$90)	Deducted from income	Not deducted from income
Child/Adult care deduction	Deducted from income	Not deducted from income
Job Bonus	100% Earned Income Disregarded	Not Disregarded
5% Income Disregard	N/A	Deducted from income



Overview of Changes

- Income limits for the MAGI
- Children 6-18 previously eligible for NCHC with income under 133% will now be eligible for Medicaid
- There will be four different income limits for children age 6-18 (January 1, 2014)
 - MIC-N – under 107%
 - MIC-1 – 107 - 133%
 - MIC-J - 133 – 159%
 - MIC-K – 159 – 211%



Overview of Changes

- Previously allowed deductions and disregards no longer apply
- A 5% income disregard is applied to countable income
- No asset/resource test for the MAGI groups
- Previous financial responsibility rules have changed



Overview of Changes

- All federal deductions from self-employment income now allowable for MAGI households
- MAGI rules apply
 - if you file taxes
 - if you don't file taxes
 - if you are claimed as a dependent
 - If you are not claimed as a dependent



Overview of Changes

- Important – the new income limits are converted for MAGI.
 - Until the first MAGI redetermination, the current programs have the same limits as now
 - Only change is MIC-1 for children age 6-18 who were eligible for NCHC-J prior to 1/1/14
 - Between 100% FPL and 133% FPL



Countable Income

- Income sources used in determining the adjusted gross income include but are not limited to
 - Wages/tips
 - Unemployment
 - Pension and annuities
 - Income from business or personal services
 - Interest
 - Alimony received
 - Social Security benefits
 - Foreign earned
 - Lump sum in the month received



Non-Countable Income

- Child support
- Veterans' benefits
- Worker's Compensation
- Gifts and inheritances
- Cafeteria/flexible spending plans
- Contributions to 401(k)
- Pre-tax retirement contributions
- Scholarships, awards, or fellowship grants used for educational expenses. Any amount used for living expenses is countable income (room and board).
- Lump sums, except in the month received
- Certain Native American and Alaska Native income



Pre -Tax Deductions

- Salary deferrals
 - Cafeteria/flexible spending plans
 - Contributions to 401K plans
 - Flexible spending
 - Pre-tax retirement contributions
 - Pre-tax insurance premiums



How to Determine Taxable Gross Employment

- Wage stub may indicate taxable income amount
- If taxable income is not indicated
 - Get gross income
 - Subtract any pretax and/or tax deferred deductions



How to Determine Self-Employment

- **Tax return**
 - The amount reflected on line 12 of the IRS form 1040 or line 31 of IRS form 1040 Schedule C
- **Business records**
 - Take gross self-employment
 - Allow any federally allowed deductions that are claimed on the business records .Use IRS form schedule C as a reference guide to allowable deductions



Next Step

- We showed you how to get to the taxable gross income
- Now we will show you how to get to the countable income



Examples of deductions

Here are some examples of deductions:

- Health saving account
- Self-employed health insurance
- Deductible part of self-employment tax
- IRA contributions
- Alimony paid

Additional deductions are found on IRS form 1040
lines 23 through 35



Example of IRS form 1040 showing deductions from line 23 through line 35

Adjusted Gross Income	23	Educator expenses	23			
	24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24			
	25	Health savings account deduction. Attach Form 8889	25			
	26	Moving expenses. Attach Form 3903	26			
	27	Deductible part of self-employment tax. Attach Schedule SE	27			
	28	Self-employed SEP, SIMPLE, and qualified plans	28			
	29	Self-employed health insurance deduction	29			
	30	Penalty on early withdrawal of savings	30			
	31a	Alimony paid b Recipient's SSN ▶ <input type="text"/>	31a			
	32	IRA deduction	32			
	33	Student loan interest deduction	33			
	34	Tuition and fees. Attach Form 8917	34			
	35	Domestic production activities deduction. Attach Form 8903	35			
	36	Add lines 23 through 35	36			
	37	Subtract line 36 from line 22. This is your adjusted gross income ▶	37			

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cal. No. 11320B Form **1040** (2012)



Whose Income Counts

- **Basic Rules**

- When using a tax household, do not count income of tax dependents unless they expect to file a tax return
- When using a non-filer household, if the parent(s) is in the household, do not count the income of the child and or siblings under age 19 unless they expect to file taxes
- When using a non-filer household, if the parent is not in the household, count income of child under 19 and of all siblings under age 19 for all of them. Also, include income of spouse of the child



Determining the household income for each individual

- Determine countable income
- Subtract 5% disregard
- Compare to MAGI Medicaid Income Limits Chart



EXAMPLES

Now, let's look at some examples and establish the household income for each household.



Example 1

Sandy (45), her husband, Ben (46), and their pregnant daughter, Samantha (17) are in the household. Sandy, Ben, and Samantha do not expect to file taxes nor be claimed as tax dependents.

Family financial situation:

- \$1200.00/monthly gross income-Sandy's social security benefits
- \$250.00/monthly gross income-Ben's veteran's benefits
- \$200.00/monthly gross income-Samantha's income from babysitting.

Veterans benefits are not counted when applying MAGI methodology.



Example 1

Sandy's countable income

Gross monthly income	\$1200.00
5% disregard for a household of 3	<u>-\$ 81.38</u>
MAGI income	\$1118.62

Sandy is a non-filer household. Her household consists of herself, her husband, Ben and their daughter Samantha. Her countable income is her social security. Her spouse's veteran's benefits are non-countable under MAGI rules.

Sandy is potentially eligible for MAF-D only because her income is below the limits of \$3174 for a household of 3. Her income exceeds the MAF-C limit of \$687 for a family size of 3.

A P P L I C A N T	MAGI Household	Sandy	Ben	Samantha	Family Size	Household Income	Eligibility
	Sandy	x	x	x	3	\$1118.62	MAF-D
	Ben						
	Samantha						



Example 1

Ben's countable income

Gross monthly income	\$1200.00
5% disregard for 3	<u>-\$ 81.38</u>
MAGI income	\$1118.62

Ben is a non-filer household. His household consist of himself, his wife Sandy and their daughter Samantha. His countable income is Sandy's social security income. His veteran's income is non-countable under MAGI rules.

Ben is potentially eligible for MAF-D only because her income is below the limits of \$3174 for a household of 3. . His income exceeds the MAF-C limit of \$687 for a family size of 3.

A P P L I C A N T	MAGI Household	Sandy	Ben	Samantha	Family Size	Household Income	Eligibility
	Sandy	x	x	x	3	\$1118.62	MAF-D
	Ben	x	x	x	3	\$1118.62	MAF-D
	Samantha						



Example 1

Samantha countable income

Gross monthly income	\$1200.00
5% disregard for 4	- \$98.13
MAGI income	<u>\$1101.87</u>

Samantha’s is a non-filer household. Her household consist of herself, her parents and her unborn child. Her income is not counted because she is a Medicaid aged child in the non-filer household of her parents. However, Sandy’s income is counted in Samantha’s household.

Samantha’s countable income is different from Sandy’s and Ben’s because she is pregnant and her household size is 4 (herself, her mother, her father and the unborn child).

Samantha is eligible for MIC-N. Her income is below the limit of \$2100 for a family size of 4.

A P P L I C A N T	MAGI Household	Sandy	Ben	Samantha	Family Size	Household Income	Eligibility
	Sandy	x	x	x	3	\$1118.62	MAF-D
	Ben	x	x	x	3	\$1118.62	MAF-D
	Samantha	x	x	x+1	4	\$1101.87	MIC-N



Example 2

Rose (48), Rose's daughter Alice, (17), Alice's daughter Kitty (1), are in the household. Rose claims Alice as a tax dependent. Kitty is claimed by her father, Dennis (20), who does not reside in the household.

Family's financial situation:

- \$1560/monthly gross income-Rose's salary
- \$600/monthly - Child support payments received by Rose for Alice.



Example 2

Rose's countable income

Monthly gross	\$1560.00
Minus 5 % disregard for 2	\$ 64.63
MAGI income	\$1495.37

Rose is a tax household and she is the filer. Her income counts in her household, however, under MAGI rules, child support payments received are not counted.

Rose is potentially eligible for MAF-D as her income is under \$2521 for a household of 2. Her household income exceeds the income limit of \$569 for a family size of 2 for MAF-C.

A P P L I C A N T	MAGI Household	Rose	Alice	Kitty	Family Size	Countable Income	Eligibility
	Rose	x	x		2	\$1495.37	MAF-D
	Alice						
	Kitty						



Example 2

Alice's countable income

Monthly gross	\$1560.00
Minus 5 % disregard for 2	<u>\$ 64.63</u>
MAGI income	\$1495.37

Alice is a tax dependent and a child of the tax filer. Her household and countable income is the same as her mother's countable income. Since Alice does not expect to file taxes, her income is not counted for herself or Rose.

Alice is eligible for MIC-1. Alice's income is between \$1383.01 and \$1720 for a family size of 2. She would have been previously eligible for NCHC but under MAGI rules, she is now eligible for MIC-1 for children age 6-18.

A P P L I C A N T	MAGI Household	Rose	Alice	Kitty	Family Size	Countable Income	Eligibility
	Rose	x	x		2	\$1495.37	MAF-D
	Alice	x	x		2	\$1495.37	MIC-1
	Kitty						



Example 2

Kitty's countable income

Kitty is being claimed by her father who does not live in the household. Her mother does not have any income of her own. Rose is not included in Kitty's household so Rose's income is not countable to Kitty. Kitty's countable income is \$0.

Kitty is eligible for MIC-N as her income is less than the limit of \$1823 for a family size of 2.

A P P L I C A N T	MAGI Household	Rose	Alice	Kitty	Family Size	Countable Income	Eligibility
	Rose	x	x		2	\$1495.37	MAF-D
	Alice	x	x		2	\$1495.37	MIC-1
	Kitty		x	x	2	\$0	MIC-N



Example 3

Dennis (20), Dennis' daughter Lynn (3) are in the household. Dennis claims Lynn as a tax dependent. Dennis also claims his other daughter Kitty (1) who lives in the household with her mother

Family's financial situation:

- \$2300.00/monthly gross income-Dennis' salary
- \$150.00/monthly – Pre-tax retirement contributions



Example 3

Dennis' countable income

Monthly gross	\$2300.00
Minus Pre-tax retirement contribution	-\$ 150.00
Dennis' total taxable income	\$2150.00
Minus 5% disregard for 3	<u>-\$ 81.38</u>
MAGI income	\$2068.62

Dennis is a tax household and he is the filer. His countable income is his income and the income of his tax dependents who expect to file a tax return. Kitty is included in Dennis' household because he claims her as a dependent.

Dennis is potentially eligible for MAF-D only. His income is under the income limit of \$3174. for 2 His household income exceeds the income limit of \$667.00 for a family size of 3 for MAF-C.

A P P L I C A N T	MAGI Household	Dennis	Lynn	Kitty	Family size	Countable Income	Eligibility
	Dennis	x	x	x	3	\$2068.62	MAF-D
	Lynn						



Example 3

Lynn's countable income

Monthly gross	\$2300.00
Minus Pre-tax retirement contribution	-\$ 150.00
Dennis' total taxable income	\$2150.00
Minus 5% disregard for 3	<u>-\$ 81.38</u>
MAGI income	\$2068.62

Lynn is a tax dependent and child of the tax filer. Her countable income is the same as her father's countable income.

Lynn is eligible for MIC-N. Her income is less than the limit of \$2295 for a family size of 3.

A P P L I C A N T	MAGI Household	Dennis	Lynn	Kitty	Family size	Countable Income	Eligibility
	Dennis	x	x	x	3	\$2068.62	MAF-D
	Lynn	x	x	x	3	\$2068.62	MIC-N



Example 4

Mary (51), Mary's son Bill (22), Mary's Nephew Ned (10) and Mary's niece Nancy (10) are in the household. Mary claims all as tax dependents.

Family financial situation:

- \$800.00/monthly gross income-Mary's income from her home business after allowable self-employment tax deductions
- \$400.00/monthly gross income-Bill's income from weekend jobs.
- \$500.00/monthly gross income- Ned's SSA survivor's benefits
- \$500.00/monthly gross income- Nancy's SSA survivor's benefits



Example 4

Mary's countable income

Monthly gross	\$800.00
5% disregard for 4	<u>-\$ 98.13</u>
MAGI income	\$701.87

Mary is a tax household and she is the filer. Her countable income is her income and the income of the applicant's tax dependents who file a tax return. Since Bill, Ned, and Nancy are tax dependents who do not expect to file taxes, their income is not counted for Mary.

Mary is eligible for MAF-C. Her income is less than the limit of \$744 for a family size of 4.

A P P L I C A N T	MAGI Household	Mary	Bill	Ned	Nancy	Family Size	Countable Income	Eligibility
	Mary	x	x	x	x	4	\$701.87	MAF-C
	Bill							
	Ned							
	Nancy							



Bill's countable income

Example 4

Monthly gross	\$800.00
5% disregard for 4	<u>-\$ 98.13</u>
MAGI income	\$701.87

Bill is a tax dependent and child of the tax filer. His household and countable income is the same as his mother's countable income. Since Bill does not expect to file taxes, his income is not counted for himself or Mary. Ned and Nancy also do not expect to file taxes.

Bill is potentially eligible for MAF-D. His household income is less than the limit of \$3827 for a family of size of 4.

A P P L I C A N T	MAGI Household	Mary	Bill	Ned	Nancy	Family Size	Countable Income	Eligibility
	Mary	x	x	x	x	4	\$701.87	MAF-C
	Bill	x	x	x	x	4	\$701.87	MAF-D
	Ned							
	Nancy							



Example 4

Ned's countable income

Monthly gross Ned	\$500.00
Monthly gross Nancy	\$500.00
5% disregard for 2	<u>-\$ 64.63</u>
MAGI income	\$935.37

Mary claims Ned on her taxes but Ned meets an exception. He is a tax dependent of someone other than a spouse or parent. Since he is under age 19, his income counts for him and his sibling's household regardless of whether he expects file a tax return. Ned is eligible for MIC-N. His income is less than the limit of \$1383 for a family size of 2.

A P P L I C A N T	MAGI Household	Mary	Bill	Ned	Nancy	Family Size	Countable Income	Eligibility
	Mary	x	x	x	x	4	\$701.87	MAF-C
	Bill	x	x	x	x	4	\$701.87	MAF-D
	Ned			x	x	2	\$935.37	MIC-N
	Nancy							



Example 4

Nancy's countable income

Monthly gross Ned	\$500.00
Monthly gross Nancy	\$500.00
5% disregard for 2	<u>-\$ 64.63</u>
MAGI income	\$935.37

Nancy's countable income and household is the same as Ned's because they are under 19 in the same household.

Nancy is eligible for MIC-N. Her income is less than the limit of \$1383 for a family size of 2.

A P P L I C A N T	MAGI Household	Mary	Bill	Ned	Nancy	Family Size	Countable Income	Eligibility
	Mary	x	x	x	x	4	\$701.87	MAF-C
	Bill	x	x	x	x	4	\$701.87	MAF-D
	Ned			x	x	2	\$935.37	MIC-N
	Nancy			x	x	2	\$935.37	MIC-N



Example 5

Jan (45), her boyfriend Phil (49), Jan's son, Mike (16), Phil's son, Brett (14), Jan and Phil's daughter, Emma (4) are in the household. Jan claims Mike as a tax dependent. Mike expects to file taxes. Phil claims Brett and Emma as tax dependents.

Family's financial situation:

\$2,500/monthly gross income - Jan's salary

\$1,095/monthly gross income – Phil's salary

\$80.00/monthly pre-tax retirement contributions for Phil

\$600.00/monthly gross income – Mike's salary



Example5

Jan's countable income

Jan's monthly gross	\$2500.00
Mike's monthly gross	\$ 600.00
Total taxable income	\$3100.00
Minus 5% disregard for 2	<u>-\$ 64.63</u>
MAGI income	\$3035.37

Jan is a tax household and she is the filer. Her countable income is her income and the income of her tax dependents who expect to file a tax return. Mike expects to file a tax return so his income is included in Jan's household income. Phil's income is not counted because he is not married to Jan. Jan is not eligible for any Medicaid program as her income exceeds all income limits for a family size of two.

A P P L I C A N T	Medicaid Household	Jan	Phil	Mike	Brett	Emma	Family Size	Countable Income	Eligibility
	Jan	x		x			2	\$3035.37	Ineligible
	Phil								
	Mike								
	Brett								
	Emma								



Example 5

Mike's countable income

Jan's monthly gross	\$2500.00
Mike's monthly gross	\$ 600.00
Total taxable income	\$3100.00
Minus 5% disregard for 2	<u>-\$ 64.63</u>
MAGI income	\$3035.37

Mike is a tax dependent and child of the tax filer. His household and countable income is the same as his mother's household and countable income.

Mike is not eligible for any Medicaid program as his countable income exceeds all income limits for a family size of two.

A P P L I C A N T	Medicaid Household	Jan	Phil	Mike	Brett	Emma	Family Size	Countable Income	Eligibility
	Jan	x		x			2	\$3100.00	Ineligible
	Phil								
	Mike	x		x			2	\$3100.00	Ineligible
	Brett								
	Emma								



Example 5

Phil's countable income

Phil's monthly gross	\$1095.00
Minus pre-tax retirement contributions	-\$ 80.00
Total taxable income	\$1015.00
Minus 5% disregard for 3	<u>-\$ 81.38</u>
MAGI income	\$ 933.62

Phil is a tax household and he is the filer. His countable income is his income and the income of his tax dependents who expect to file a tax return. Jan's income is not countable for Phil as she is not married to Phil. Phil is potentially eligible for MAF-D. His income is less than the limit \$3174 for a family size of 3. His income exceeds the MAF-C income limit of \$667 for a family size of 3.

A P P L I C A N T	Medicaid Household	Jan	Phil	Mike	Brett	Emma	Family Size	Countable Income	Eligibility
	Jan	x		x			2	\$3100.00	Ineligible
	Phil		x		x	x	3	\$1095.00	MAF-D
	Mike	x		x			2	\$3100.00	Ineligible
	Brett								
	Emma								



Brett's countable income

Example5

Phil's monthly gross	\$1095.00
Minus pre-tax retirement contributions	-\$ 80.00
Total taxable income	\$1015.00
Minus 5% disregard for 3	<u>-\$ 81.38</u>
MAGI income	\$ 933.62

Brett is a tax dependent and a child of the tax filer. His household and countable income is the same as his father's household and countable income. Brett is eligible for MIC-N as his income is less than the limit of \$1742 for a family size of 3.

A P P L I C A N T	Medicaid Household	Jan	Phil	Mike	Brett	Emma	Family Size	Countable Income	Eligibility
	Jan	x		x			2	\$3100.00	Ineligible
	Phil		x		x	x	3	\$1095.00	MAF-D
	Mike	x		x			2	\$3100.00	Ineligible
	Brett		x		x	x	3	\$1095.00	MIC-N
	Emma								



Emma's countable income

Example 5

Jan's monthly gross	\$2500.00
Phil's monthly gross	\$1095.00
Mike's monthly gross	\$ 600.00
Minus Phil's pre-tax retirement contributions	\$ 80.00
Total taxable income	\$4115.00
Minus 5% disregard for 5	- \$ 114.88
MAGI income	\$4000.12

Emma is a tax dependent who meets an exception, therefore non-filer rules apply. Her countable income consists of her parent's income and the income of her sibling under age 19 who expects to file a tax return. Mike's income is countable for Emma. Emma is eligible for MIC-1. Her income is between the limit of \$3240.01 to \$4825 for a family size of 5.

A P P L I C A N t	Medicaid Household	Jan	Phil	Mike	Brett	Emm a	Family Size	Countable Income	Eligibility
	Jan	x		x			2	\$3100.00	Ineligible
	Phil		x		x	x	3	\$1095.00	MAF-D
	Mike	x		x			2	\$3100.00	Ineligible
	Brett		x		x	x	3	\$1095.00	MIC-N
	Emma	x	x	x	x	x	5	\$4195.00	MIC-1



Example 6

Whitney (45), Whitney's sons, Paul (15) and Jason (12) are in the household. Jason receives SSI benefits. Whitney claims both of her sons as tax dependents.

Family financial situation:

- \$850.00/monthly gross income-Whitney's salary
- \$710/monthly-Jason's Supplemental Security income (SSI)



Example 6

Whitney's countable income

Monthly gross income	\$850.00
5% disregard for a household of 3	<u>-\$ 81.38</u>
MAGI income	\$768.62

Whitney a tax household and she is the filer. Her countable income is her income and the income of her tax dependents who expect to file a tax return. Supplement Security Income (SSI) is not counted.

Whitney is potentially eligible for MAF-D. Her income exceeds the limit of \$667 for a family size of 3 for MAF-C.

A P P L I C A N T	MAGI Household	Whitney	Paul	Jason	Family Size	Household income	Eligibility
	Whitney	x	x	x	3	\$768.62	MAF-D
	Paul	x	x	x	3	\$768.62	MIC-N
	Jason				SSI recipient		



Example 6

Paul's countable income

Monthly gross income	\$850.00
5% disregard for a household of 3	<u>-\$ 81.38</u>
MAGI income	\$768.62

Paul is a tax dependent and a child of the tax filer. His countable income is the same as his mother's countable income.

Paul is eligible for MIC-N. His income is less than the limit of \$1742 for a family size of 3. Jason is an SSI recipient. His eligibility is not determined under MAGI

A P P L I C A N T	MAGI Household	Whitney	Paul	Jason	Family Size	Household income	Eligibility
	Whitney	x	x	x	3	\$768.62	MAF-D
	Paul	x	x	x	3	\$768.62	MIC-N
	Jason						



Now let's move to some other ACA updates and changes.



Citizenship/Alien



Citizenship/Alien

- Reasonable Opportunity Period
 - Individual attests to US citizenship, but SSA match is inconsistent
 - May allow 90 days to provide citizenship documentation and receive Medicaid/NCHC if otherwise eligible
 - Terminate if documentation not provided



Citizenship/Alien

- Effective January 1, reasonable opportunity period also applies to legal alien status
 - Individual attests to specific alien status
 - If inconsistent with SAVE, allow up to 90 days to provide documentation of legal alien status
 - May receive Medicaid/NCHC if otherwise eligible



Citizenship/Alien

- The reasonable opportunity period is 90 days + 5 days for mailing
- 95 days begins with date the notice is mailed advising of need for citizenship/alien documentation
- Reasonable opportunity period is entered on Person page in NC FAST
- Coverage begins with first of the month of application or retro period



Citizenship/Alien

- Documentation
 - May accept copy of document, such as birth certificate
 - Includes “mother’s copy” of birth certificate
- Administrative Letter is being finalized



Presumptive Eligibility – Hospitals



Presumptive Eligibility-Hospitals

- Hospitals may opt to do presumptive eligibility for MAGI-related programs
 - MAF
 - MIC
 - MFC (Former Foster Care)
 - FP (Family Planning)
 - MPW
 - BCCM (if BCCCP provider)



Presumptive Eligibility-Hospitals

- Presumptive Coverage:
 - MPW: still limited to ambulatory prenatal care
 - MIC, MAF, MFC, BCCM: Full Medicaid coverage
 - FPP: Coverage for the program – family planning services only



Presumptive Eligibility-Hospitals

- Hospital cannot delegate presumptive determination to vendor/contractor
 - Must be hospital employee
- Hospital cannot be authorized rep for individuals they approve for presumptive



Presumptive Eligibility-Hospitals

- Hospitals will use NC FAST to submit regular Medicaid apps and approve presumptive
- Critical for DSS to process regular apps associated with presumptive determination
- Task will be generated to notify worker of app and presumptive



Presumptive Eligibility-Hospitals

- Hospitals authorized for presumptive through DMA
- Employee NCID and names in NC FAST to allow access
- Training provided to hospitals in November and December



APPLICATIONS



Applications

- Exit plan requirements still in effect
- Individual still has right to see worker if appearing at DSS
- DSS cannot just give out paper apps
 - Individual must voluntarily request
- DSS must maintain the same working hours as required under the Exit Plan



Applications

- Open enrollment period
 - Cert periods will be from month of app even though coverage can begin no earlier than 1/1/14
 - Finalizing details on how this will work
- Processing time begins when we receive apps from FFM



Application Approvals – Traditional

- Streamlined app submitted in addition to traditional
 - Traditional approved – deny streamlined app as administrative or already receiving
 - Do not need to wait for MAGI rules to deny

NOTE: If traditional app denied, must process streamlined when rules activated



RECERTIFICATIONS



Certification Period Extension

- Cert periods for MAGI-related groups due for review effective January – March were extended 3 months
- The state is looking at whether we can extend further and include other months



Certification Periods Not Extended

- MPW – cannot extend as they are no longer eligible if not pregnant
- Transitional – they are not receiving based on regular Medicaid eligibility requirements
- Recertification effective January or later
 - Must use MAGI rules
 - Enter as streamlined app in P7
 - Same process whether in EIS or P2/6
 - Administrative app



MQB-E

- Should know by end of week if we have to terminate
- Continue to work redeterminations and terminate if ineligible
- Will need to key approvals by 12/30 if we can extend



Questions?????

- Submit questions regarding this webinar on MAGI Income Determination to :
MedicaidPolicy@dhhs.nc.gov
- **This email address is only for questions concerning this webinar.**