

CS15 – MAGI-Based Income Methodologies



Statute: 2102(b)(1)(B)(v) of the SSA

Regulation: 42 CFR 457.315

INTRODUCTION

To be completed by states with separate child health assistance programs. States submit this state plan page **one time** for all CHIP covered groups.

In this state plan page, states provide information with regards to criteria used in the calculation of income for eligibility determination using MAGI-based income methodologies.

BACKGROUND

The ACA added section 2102(b)(1)(B)(v) of the SSA requiring states, beginning January 1, 2014, to use a methodology based on modified adjusted gross income (MAGI) and household income, as defined in section 36B(d)(2) of the Internal Revenue Code of 1986, to determine eligibility for CHIP or for any other purpose applicable under the plan or a waiver for which a determination of income is required, consistent with section 1902(e)(14) of the SSA. The only exception to this requirement is for individuals for whom the state relies on a finding of income made by an Express Lane agency.

Prior to January 1, 2014, states are required, using the new income determination rules (MAGI and household income), to establish income eligibility thresholds that are not less than the effective income eligibility levels that applied under the state's plan or waiver on the date of enactment of the ACA (March 23, 2010). Also prior to the January 2014 effective date, states will have had to submit and receive approval from CMS for the conversion of all separate CHIP covered group income standards to MAGI-equivalent standards.

Definitions and rules related to the application of MAGI may be found in 42 CFR 435.603(b)-(i).

TECHNICAL GUIDANCE

PREREQUISITES:

None

This state plan page is broken down into the following sections:

- Assurance
- Effective Date of MAGI
- Determining Family Size in Households with a Pregnant Woman
- Financial Eligibility
- Household Income Definition

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- MAGI Conversion Assurance

Note that CS15 MAGI-Based Income Methodologies must be submitted to CMS only once for all CHIP covered groups. Once it has submitted the CS15 plan page, the state should not include it again with subsequent amendment submissions (unless it is requesting a change in MAGI relevant to all CHIP covered groups).

Assurance

State plan page CS15 begins with the state being asked to provide assurance that it will apply Modified Adjusted Gross Income methodologies for all separate CHIP covered groups, as described below, and consistent with 42 CFR 457.315 and 435.603(b) through (i).

The state provides this affirmative assurance by checking the box next to the assurance statement.

Review Criteria

The state must check the assurance box or this state plan page cannot be approved.

Effective Date of MAGI-Based Income Methodologies

MAGI-based income methodologies become effective January 1, 2014. However, when determining continuing eligibility for beneficiaries who were determined eligible for Medicaid on or before December 31, 2013, MAGI-based income methodologies will not be applied until the later of:

- March 31, 2014, or
- The next regularly scheduled re-determination of eligibility,

if application of MAGI-based methodologies results in a determination that the individual would be ineligible prior to such date.

A statement summarizing this policy is reflected on the page. There is no option or check box associated with this policy, as it is required for all states.

Determining Family Size in Households with a Pregnant Woman

For states which cover pregnant women, this section begins with a statement that “in determining family size for the eligibility determination of a pregnant woman, she is counted as herself plus each of the children she is expected to deliver.” This statement does not apply to states that do not cover targeted low-income pregnant women.

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The next sentence applies to all states, whether they cover pregnant women or not. Each state must select from three options with respect to how a pregnant woman is counted in determining family size for the eligibility determination of other individuals in a household that includes a pregnant woman. The state does this by selecting one of the applicable options.

Review Criteria

The state must select one of the three options presented or this state plan page cannot be approved.

Financial Eligibility

The first part of this section is a statement related to determining eligibility for new applicants.

Next, the state selects one of the two options listed regarding determining financial eligibility for current beneficiaries.

Review Criteria

The state must select one of the two options presented or this state plan page cannot be approved.

Then the state may select none, one or both options listed as to the methodology the state uses to determine current monthly or projected annual household income. If neither choice is selected, it means that, in determining current household income, the state will not be accounting for either reasonably predictable increases or decreases in household income.

Household Income Definition

This section starts with a definition of household income. Next is the following question for states to respond to by selecting yes or no.

“Household income includes actually available cash support, exceeding nominal amounts, provided by the person claiming an individual described at §435.603(f)(2)(i) as a tax dependent.”

Review Criteria

The state must select a yes or no response to this question or this state plan page cannot be approved.

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MAGI Conversion Assurance

In this section, the state provides assurance that it has submitted and received approval for the conversion for all separate CHIP covered group income standards to MAGI-equivalent standards.

The state provides this affirmative assurance by checking the box next to the assurance statement. The state must also attach approval documentation of their converted MAGI-equivalent income standards. Please note that the button stating “An attachment is submitted” is an inactive button used as a reminder for the state to attach a document to the MMDL. Each state plan amendment submission includes an MMDL screen that provides an upload function for attachments.

Review Criteria

The state must check the assurance box and also submit the approval documentation of their converted MAGI-equivalent income standards or this state plan page cannot be approved.