

Template 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.

In this template, 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 Social Security Act 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\(e\)\(14\)](#).

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.

Aside from a 5 percent FPL across-the-board income disregard for all MAGI populations, the ACA also eliminated the use of any type of expense, block, or other income disregard to determine income eligibility or for any other purpose applicable under the plan or waiver for which a determination of income is required.

Prior to January 1, 2014, States are required, using the new income determination rules, to establish income eligibility thresholds using MAGI and household income 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 (3/23/2010). Also prior to the January 2014 effective date, States will have had to submit and receive approval from CMS for the conversion for 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)-(h).

TECHNICAL GUIDANCE

This template is broken down into the following sections:

Use of MAGI Assurance
Effective Date of MAGI

Determining Family Size in Households with a Pregnant Woman
Financial Eligibility
Household Income Definition
MAGI Conversion Assurance

Template CS15 begins with the CHIP Agency 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 CHIP Agency provides this affirmative assurance by checking the box next to the assurance statement. If the CHIP Agency does not check this box, the system will not accept this template for review and approval.

Effective Date of MAGI

This section is a statement of the effective date for use of MAGI-based methodology for individuals eligible for CHIP at the time of conversion to MAGI.

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’.

All States are asked to select from three options with respect to how the 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 checking the box next to the applicable option.

Financial Eligibility

In this section, States are asked to provide information with respect to current monthly income and family size criteria on which financial eligibility is based.

First, the State must select one of the two options listed with regards to determining eligibility for current beneficiaries:

Then the State must select one or both options listed as to determining current monthly or projected annual household income.

The State makes their selections by checking the box next to the applicable options.

Household Income Definition

This section provides a definition for household income.

MAGI Conversion Assurance

In this section, the CHIP Agency 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 CHIP Agency provides this affirmative assurance by checking the box next to the assurance statement. If the CHIP Agency does not check this box, the system will not accept this template for review and approval.

The State also submits their approval documentation via the Upload feature.