



MISSISSIPPI DIVISION OF
MEDICAID

Administrative Code

Title 23: Medicaid
Part 105 Budgeting

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Part 105: Budgeting

Part 105 Chapter 1: Introduction to Budgeting – FCC Programs

Rule 1.1: Budgeting Rules for FCC Programs

- A. The Affordable Care Act (ACA) requires the use of MAGI-based budgeting rules for determining household size, household composition, household income and need standards which are all defined below. MAGI-based budgeting processes include rules for households that file federal income taxes and rules for households that do not file federal income taxes, referred to as non-filer households.
- B. Household or family size is the number of persons counted as members of an individual's household. If one of the household members is pregnant, the pregnant woman is counted as herself plus the number of children she is expected to deliver. Individuals cannot choose who is to be included or excluded from their household for budgeting purposes, even though all household members may not be applying. All household members and their relationship to each other, tax filing status and marital status are considered for budgeting purposes. Married couples living together must always be included in the same household, regardless of the tax filing status of the couple.
- C. Household income, as defined in Part 104, Chapter 11, includes every individual included in the household. The only allowable disregard is a five (5) percentage point disregard of the FPL based on household size. The income of children and tax dependents other than a spouse or child who are not required or expected to file a tax return is not included in household income whether or not the individual actually files a tax return, unless a specified exception exists.
- D. Need standards that were in effect for FCC covered categories of eligibility prior to the implementation of the ACA must be converted to MAGI-equivalent levels to account for any income disregards in use prior to the ACA. The limits, based on either a state-established threshold or federal poverty levels, are adjusted to account for an average of income disregards in use prior to the ACA and cannot be less than the income levels in use prior to the ACA. Income limits in use for FCC programs effective with the implementation of the ACA are referred to as MAGI-equivalent income standards. The appropriate need standard to use in determining the eligibility of an individual is based on the age of the individual applying, the individual's household size and total household income as determined using MAGI income rules.
- E. MAGI need standards are applicable to MAGI-based categories of eligibility for applications approved on and after implementation of the ACA. Ongoing cases will be transitioned to the

new MAGI need standards at the time the case is reviewed after implementation of the ACA, unless otherwise mandated by the ACA.

- F. Children who lose Medicaid eligibility during the conversion to MAGI whose sole reason for ineligibility is the loss of income disregards allowed prior to the implementation of the ACA will be granted a twelve (12) month protected period of CHIP eligibility. CHIP children losing eligibility due to the loss of income disregards will be referred to the HIX as the ACA affords no equivalent protection for children losing CHIP eligibility.
- G. Household composition and determining whose income counts for MAGI based categories of eligibility are determined by using tax filer rules, exceptions to tax filer rules or non-tax filer rules, as appropriate. It is necessary to evaluate each household member individually in order to apply the appropriate household composition rule.

Source: 42 CFR§ 435.603 (Rev. 2012)

Rule 1.2: Tax Filer Rules

- A. A tax filer's household includes the tax filer, spouse and all dependents that the tax filer claims or plans to claim in the tax year for which eligibility is requested.
 - 1. Spouses whose tax filing status is married filing jointly are considered one household whether living together or separately.
 - 2. Spouses whose tax filing status is married filing separately are considered one household if living together. If living apart, they are treated as two (2) separate households.
 - 3. A tax filer household in any other tax filing status includes the tax filer and all dependents that the tax filer claims.
- B. A tax dependent's household is the same as the tax filer's household, with certain exceptions. The exceptions to counting tax dependents according to tax filer rules are described in Rule 1.3.
- C. If a tax dependent is married and living with his/her spouse but claimed by a parent as a tax dependent, the tax dependent's household includes the parent tax filer's household plus the tax dependent's spouse. The spouse's household would be limited to the two (2) spouses unless both spouses were claimed by their separate parent(s).
- D. A tax filer's household income includes all countable MAGI income received by household members except the income of a tax dependent does not count unless the dependent is required to file a federal tax return.
- E. A tax dependent who is also a parent of child(ren) living in the household must have his/her income counted toward his/her child(ren), regardless of whether the tax dependent parent is

required to file a tax return. The tax dependent's income would not count in the tax filer's household but would count in the child(ren)'s household using non-filer rules.

Source: 42 CFR§ 435.603 (Rev. 2012)

Rule 1.3: Exceptions to Tax Filer Rules

- A. A tax dependent who is not the tax filer's spouse or child is treated as a non-filer, described in Rule 1.4.
- B. A tax dependent under age 19 who lives with two parents who do not expect to file a joint tax return is treated as a non-filer, described in Rule 1.4.
- C. A tax dependent claimed as a tax dependent by a non-custodial parent is treated as a non-filer, described in Rule 1.4. The child is not a member of the custodial parent's household even though the child physically resides in the home. The child's income does not count in the custodial parent's household income.

Source: 42 CFR§ 435.603 (Rev. 2012)

Rule 1.4: Non-Filer Rules

- A. A non-filer is someone who neither files a federal tax return nor is claimed as a tax dependent. For individuals who are non-filers or exceptions to tax filer rules, budgeting rules depend on whether the individual is an adult or child under age 19 living in the same household.
- B. A non-filer adult's household includes the non-filer, the non-filer's spouse and his/her children living together. Income includes all countable MAGI income received by the household members except the income of a child not required to file a federal tax return does not count as income to the household. The exception to the rule of counting a child's income based on his/her tax filing requirement is this: if a child is also a parent of child(ren) living in the household, the child's income must be counted toward his/her child(ren) regardless of the requirement to file a federal tax return.
- C. A non-filer child's household includes the non-filer child and the child's parent(s) and siblings living together.

Source: 42 CFR§ 435.603 (Rev. 2012)

Part 105 Chapter 2: Extended Medicaid for Parent(s) and Caretaker Relatives

Rule 2.1: Budgeting Rules for Extended Medicaid Due to Increased Earnings

- A. Parent(s) or Caretaker Relatives that lose Medicaid due to increased hours or income from employment are eligible for extended Medicaid for up to twelve (12) consecutive months

from the month of ineligibility provided the adult(s) received Medicaid as a parent or caretaker relative for at least three (3) of the six (6) months immediately preceding the month in which the individual becomes ineligible. Extended Medicaid due to increased earnings is also referred to as Transitional Medicaid Assistance or TMA.

- B. If the change in income is not reported timely, eligibility for extended Medicaid is determined using a look-back process where actual income information is gathered after the fact and the determination of the appropriate twelve (12) month period is calculated to begin the month after the month the family became ineligible for Medicaid.
- C. The child(ren) associated with the parent(s) or caretaker relative case are also eligible for the same twelve (12) month period of extended Medicaid eligibility. Since children are guaranteed twelve (12) continuous months of eligibility once eligibility is established and at each review establishing continuing eligibility, the period of extended Medicaid under this provision cannot shorten a child's twelve (12) month period of continuous eligibility. When there is an overlap, the protected periods of eligibility run concurrently.

Source: § 1902 (e)(1)(B) and §1925 of the Social Security Act

Rule 2.2: Budgeting Rules for Extended Medicaid – Increased Spousal Support

- A. Parent(s), meaning a single parent or parent and step-parent family, that lose Medicaid in the parent/caretaker relative category of coverage due to new or increased spousal support under title IV-D of the Social Security Act must continue to receive Medicaid for four (4) consecutive months following the month of ineligibility. The parent(s) must have received Medicaid for at least three (3) of the six (6) months immediately preceding the month in which the individual becomes ineligible.
- B. If the change in income is not reported timely, eligibility for extended Medicaid is determined using a look-back process where actual income information is gathered after the fact and the determination of the appropriate four (4) month period is calculated to begin the month after the month the family became ineligible for Medicaid.
- C. The child(ren) associated with the parent(s) losing Medicaid are also eligible for the same four (4) month period of extended Medicaid eligibility. The provision to grant four (4) months of extended coverage cannot shorten a child's twelve (12) month period of continuous eligibility. When there is an overlap, the protected periods of eligibility run concurrently.

Source: 42 CFR § 435.115 (Rev. 1994)