

477-000-006 – Determination of Medicaid Budgeting Procedures

Determining MAGI-Based Eligibility

1. CONSTRUCT A MEDICAID/CHIP HOUSEHOLD FOR EACH APPLICANT.

A. Does the individual expect to file taxes?

- i. If no – continue to Step B.
- ii. If yes – does the individual expect to be claimed as a tax dependent by anyone else?
 1. If no – the household consists of the taxpayer, a spouse living with the taxpayer or filing jointly, and all persons whom the taxpayer expects to claim as a tax dependent. If the individual is under the age of 19 and living with a parent(s), move to Step C.
 - Is anyone in the household pregnant? If yes – the household also includes the total number of expected unborns.
 - STOP HERE.
 2. If yes – continue to Step B.

B. Does the individual expect to be claimed as a tax dependent?

- i. If no – continue to Step C.
- ii. If yes – does the individual meet any of the following tax dependent exceptions?
 - The individual expects to be claimed as a tax dependent of someone other than a spouse or biological, adopted, or step parent.
 - The individual is a child under 19, living with both parents, but the parents do not expect to file a joint tax return.
 - The individual is a child under age 19, who expects to be claimed by a non-custodial parent.
 1. If no – the household is the household of the taxpayer claiming him/her as a tax dependent.
 - Is the individual married? If yes – the household also includes the individual's spouse.
 - Is anyone in the household pregnant? If yes – the household also includes the total number of expected unborns.
 - STOP HERE.
 2. If yes – continue to Step C.

C. For individuals who neither expect to file a tax return nor expect to be claimed as a tax dependent, as well as tax dependents who meet one of the exceptions in B. ii., the household consists of the individual and, *if living with the individual*—

- The individual's spouse;
- The individual's biological, adopted, and step children under age 19;

- In the case of individuals under age under age 19, the individual's biological, adopted, and step parents and biological, adopted, and step siblings under age 19; and
- In the case someone in the individual's household is pregnant, the total number of expected unborns.

2. DETERMINE THE MEDICAID/CHIP HOUSEHOLD INCOME FOR EACH HOUSEHOLD.

- A. Is any household member the child or expected tax dependent of another member of the household?
- i. If yes – is the individual required to file a tax return?
 - If yes – continue to Step B and include the child's income in the total household income.
 - If no – continue to Step B but do NOT include the child's income in the total household income.
 - ii. If no – continue to Step B.
- B. Determine the MAGI-based income of each member of the individual's household, unless the income of such member is flagged as not being counted in Step A. Recall that, for purposes of Medicaid and CHIP eligibility, the following rules apply, regardless of the rule applied for purposes of the Exchange/APTC eligibility:
- An amount received as a lump sum is counted as income only for the month received.
 - Scholarships, awards, or fellowship grants used for education purposes and not for living expenses are excluded from income.
 - Certain distributions, payments, and student financial assistance for American Indians and Alaska Natives are excluded from income.
 - Actually available cash support, exceeding nominal amounts, provided by a person claiming an individual as a tax dependent but who is not the individual's biological, adopted, or step parent is excluded from income.
- C. Household income equals the sum of the MAGI of every member of the individual's household determined in Step B.
3. DETERMINE WHETHER EACH INDIVIDUAL IS ELIGIBLE FOR MEDICAID/CHIP, OR WHETHER THEY ARE POTENTIALLY ELIGIBLE FOR THE EXCHANGE/APTC.

Examples of How to Construct a Medicaid/CHIP Household

STEP-BY-STEP EXAMPLE – MARY & FAMILY

Mary is a 56-year-old working grandmother who claims her daughter Samantha, age 18 and a full-time student, and her granddaughter Joy (Samantha's daughter), age 2, as tax dependents. No one in the household is blind or disabled. No one in the household is pregnant. No one in the household has health insurance.

Relevant Information:

- Mary earns \$4,500/month (\$54,000/year)
- Samantha earns \$300/month (\$3,600/year)
- There are no other sources of income
- Tax filing threshold: Tax dependents with more than \$6,300* per year of earned income must file taxes.
- Nebraska's Medicaid income standard for children ages 6 through 18 is 133% FPL
- Nebraska's Medicaid income standard for children ages 1 through 5 is 145% FPL
- Nebraska's CHIP income standard is 213% FPL
- Nebraska's Parent/Caretaker Relative income maximum is:

<u>By household size/month:</u>
1 - \$569
2 - \$704
3 - \$841
4 - \$976
5 - \$1,112
6 - \$1,247
7 - \$1,383
Add- on for each additional family member - \$133

* Federal Poverty Levels and federal tax filing thresholds are subject to change yearly.

1. CONSTRUCT A MEDICAID/CHIP HOUSEHOLD FOR EACH APPLICANT.

- MARY expects to file taxes (A-ii) and she does not expect to be claimed as a tax dependent (A-ii-1), so her Medicaid eligibility will be determined under Nebraska Parent/Caretaker Relative standards. Mary's household consists of the taxpayer (Mary) and all persons who the taxpayer expects to claim as a tax dependent. Mary expects to claim her daughter Samantha and her granddaughter Joy as tax dependents.

- MARY'S MEDICAID HOUSEHOLD = Mary + Samantha + Joy

Note: Because Mary is not a child she is ineligible for CHIP.

- SAMANTHA is not expected to file taxes (A-i) and she expects to be claimed as a tax dependent by her mother Mary (B-ii), so her Medicaid eligibility will be determined under Nebraska's standards for children age 6 through 18. If Samantha fails Medicaid eligibility, she may be eligible for CHIP because she is uninsured.
 - We must consider whether any of the exceptions for tax dependents apply, as listed below:
 - Is the individual (Samantha) the tax dependent of someone other than a spouse or a biological, adopted, or step parent? → NO
 - Is the individual (Samantha) a child living with both parents, but the parents do not expect to file a joint tax return? → NO
 - Is the individual (Samantha) a child who expects to be claimed by a non-custodial parent? → NO
 - Because none of the tax dependent exceptions apply, Samantha is not married, and no one in the household is pregnant, Samantha's household is the same as the household of Mary, the taxpayer claiming her as a dependent (B-ii-1).
 - SAMANTHA'S MEDICAID/CHIP HOUSEHOLD = Samantha + Mary + Joy
- JOY is not expected to file taxes (A-i) and she is claimed as a tax dependent by her grandmother Mary (B-ii), so her Medicaid eligibility will be determined under Nebraska's standards for children age 1 through 5. If Joy fails Medicaid eligibility, she may be eligible for CHIP because she is uninsured.
 - We must consider whether any of the exceptions for tax dependents apply, as listed below:
 - Is the individual (Joy) the tax dependent of someone other than a spouse of a biological, adopted, or step parent? → YES (her grandmother, Mary)
 - Is the individual (Joy) a child living with both parents, but the parents do not expect to file a joint tax return? → NO
 - Is the individual (Joy) a child who expects to be claimed by a non-custodial parent? → NO
 - Because Joy falls into one of the exceptions, we look to the rules for non-filers (C) to determine Joy's household. This includes Joy plus any of the following, *if they live with her*.
 - A spouse → NO
 - The children of the individual → NO
 - A parent or siblings of the individual → YES – mother (Samantha)
 - The total number of expected unborns if a member of the household is pregnant → NO
 - JOY'S MEDICAID/CHIP HOUSEHOLD = Joy + Samantha

2. DETERMINE THE MEDICAID/CHIP HOUSEHOLD INCOME FOR EACH HOUSEHOLD.

- MARY'S MEDICAID HOUSEHOLD = Mary + Samantha + Joy
 - Mary is required to file taxes and is not the child or expected tax dependent of another member of her household (A-ii). Therefore her Medicaid eligibility will be determined under Nebraska Parent/Caretaker Relative standards.
 - Samantha is the child and expected tax dependent of Mary, another member of the household (A-i). Samantha's Medicaid eligibility will be determined under Nebraska's standards for children age 6 through 18. If Samantha fails Medicaid eligibility, she may be eligible for CHIP because she is uninsured.
 - Joy is also the expected tax dependent of Mary (A-i). Joy's Medicaid eligibility will be determined under Nebraska's standards for children age 1 through 5. If Joy fails Medicaid eligibility, she may be eligible for CHIP because she is uninsured.
 - Neither Samantha nor Joy are required to file a tax return (A-i), so we will continue to Step B, but we do NOT include the children's incomes (Samantha - \$300/month, Joy - \$0) in the total household income.
 - Mary earns \$4,500/month, so her MAGI-based income = \$4,500/month (B).
 - The household's income equals the sum of the MAGI of every member of Mary's household (C), so Mary's Medicaid household income = \$4,500/month.
 - This household income equates to \$4,500 for a household size of 3 for purposes of Parent/Caretaker Relative eligibility determination.
 - MARY'S MEDICAID HOUSEHOLD INCOME = \$4,500/month.
- SAMANTHA'S MEDICAID/CHIP HOUSEHOLD = Samantha + Mary + Joy
 - Samantha's Medicaid/CHIP household income determination is the same as Mary's; however, because Samantha qualifies as a child, her income must be expressed in a percentage of FPL (see Step 3, below).
 - This household income equates to 277% FPL* for a household size of 3 for purposes of either a Medicaid eligibility determination for children age 6 through 18 or a CHIP eligibility determination.
 - SAMANTHA'S MEDICAID/CHIP HOUSEHOLD INCOME = 277% FPL.
- JOY'S MEDICAID/CHIP HOUSEHOLD = Joy + Samantha
 - Joy is the child of Samantha, another member of the household (A-i).
 - Joy is not required to file a tax return (A-i), so we will continue to Step B. Although Joy is claimed as a tax dependent by Mary, she meets the first exception (B-ii) and Joy's household consists of Joy and Samantha (her parent).
 - Although Samantha is the child and expected tax dependent of Mary for purposes of determining Joy's household, Samantha is NOT the child or expected tax dependent of another member of Joy's household (= Joy + Samantha) (A-ii), so we will continue to Step B.

- Although Samantha is not required to file a tax return, her income counts because neither of her parents is included in this household.
- Samantha earns \$300/month, so her MAGI-based income = \$300/month (B).
- The household's income equals the sum of the MAGI of every member of Joy's household (C), so Joy's Medicaid/CHIP household income = \$300/month.
 - This household income equates to 23% FPL* for a household size of 2 for purposes of either a Medicaid eligibility determination for children age 1 through 5 or a CHIP eligibility determination.
 - JOY'S MEDICAID/CHIP HOUSEHOLD INCOME = 23% FPL.

3. DETERMINE WHETHER EACH INDIVIDUAL IS ELIGIBLE FOR MEDICAID/CHIP, OR WHETHER THEY ARE POTENTIALLY ELIGIBLE FOR THE EXCHANGE/APTC.

- MARY:
 - Because Mary claims Samantha and Joy, both children, as tax dependents, we determine Mary's eligibility under the Parent/Caretaker Relative group.
 - Nebraska's Parent/Caretaker Relative income maximum is*:

By household size/month:

1 - \$569
2 - \$704
3 - \$841
4 - \$976
5 - \$1,112
6 - \$1,247
7 - \$1,383
Add- on for each
additional family member
- \$133

* *Federal Poverty Levels and federal tax filing thresholds are subject to change yearly.*

- Mary's Medicaid household income of \$4,500/month for a household size of 3 exceeds the maximum of \$841/month, so Mary is not eligible for Medicaid based on MAGI. But she may be eligible for premium tax credits and cost sharing reductions through the Marketplace. The agency will electronically transfer the account, including all relevant information, to the Marketplace for further evaluation.

Note: If an applicant indicated they may qualify for Medicaid on a non-MAGI basis, such as being medically needy (share of cost), or having blindness or a disability, the Medicaid agency would pursue such evaluation at the same time as the Exchange completed determination of eligibility for Exchange/APTC. This would require the applicant to supply the Medicaid agency with information on a supplemental form.

- SAMANTHA:
 - Nebraska's Medicaid income standard for children ages 6 through 18 is 133% FPL, and the CHIP standard is 213% FPL.
 - Samantha's Medicaid/CHIP household income of 277% FPL exceeds the FPL percentage for both Medicaid and CHIP, so Samantha is not eligible for Medicaid or CHIP based on MAGI. But she may be eligible for premium tax credits and cost sharing reductions through the Marketplace. The agency will electronically transfer the account, including all relevant information, to the Marketplace for further evaluation.

- JOY:
 - Nebraska's Medicaid income standard for children ages 1 through 5 is 145% FPL, and the CHIP standard is 213% FPL.
 - With a Medicaid/CHIP household of 23% FPL, Joy is eligible for Medicaid. If Joy had not been eligible for Medicaid, she may have been eligible for CHIP because she is uninsured and her FPL percentage is below the CHIP income standard.

SIMPLIFIED EXAMPLE 1 – BOB & FAMILY

Bob is a 58-year-old working grandfather. Bob's daughter Sophia, age 18 and a full-time student, and Sophia's daughter Emma, age 2, live with Bob. Bob claims Sophia as a tax dependent but Emma is claimed as a tax dependent by her non-custodial parent Harold, *who does not live with Bob*. Bob, Sophia, and Emma are not blind or disabled. No one in the household is pregnant. No one has health insurance

Relevant Information:

- Bob earns \$4,500/month (\$54,000/year)
- Sophia earns \$300/month (\$3,600/year)
- There are no other sources of income
- Tax filing threshold: Tax dependents with more than \$6,300* per year of earned income must file taxes.
- Nebraska's Medicaid income standard for children ages 6 through 18 is 133% FPL
- Nebraska's Medicaid income standard for children ages 1 through 5 is 145% FPL
- Nebraska's CHIP income standard is 213% FPL
- Nebraska's Parent/Caretaker Relative income maximum is:

<u>By household size/month:</u>

1 - \$569
2 - \$704
3 - \$841
4 - \$976
5 - \$1,112
6 - \$1,247
7 - \$1,383
Add- on for each additional family member
- \$133

* Federal Poverty Levels and federal tax filing thresholds are subject to change yearly.

1. CONSTRUCT A MEDICAID/CHIP HOUSEHOLD FOR EACH APPLICANT.

- BOB expects to file taxes and he does not expect to be claimed as a tax dependent, therefore his Medicaid eligibility will be determined under Nebraska Parent/Caretaker Relative standards. Bob's household consists of the taxpayer and all persons who the taxpayer expects to claim as a tax dependent.
 - BOB'S MEDICAID HOUSEHOLD = Bob + Sophia

- SOPHIA is not expected to file taxes and she is claimed as a tax dependent by her father, Bob. Sophia's Medicaid eligibility will be determined under Nebraska's standards for children age 6 through 18. If Sophia fails Medicaid eligibility, she may be eligible for CHIP because she is uninsured.
 - None of the exceptions for tax dependents listed at 1-B-ii apply to Sophia.
 - Because Sophia is not married, and no one in the household is pregnant, Sophia's household is the same as the household of Bob, the taxpayer claiming her as a dependent.
 - SOPHIA'S MEDICAID/CHIP HOUSEHOLD = Sophia + Bob

- EMMA is not expected to file taxes and she is claimed as a tax dependent by her father Harold. Emma's Medicaid eligibility will be determined under Nebraska's standards for children age 1 through 5. If Emma fails Medicaid eligibility, she may be eligible for CHIP because she is uninsured.
 - One of the exceptions for tax dependents listed at 1-B-ii applies to Emma: she is a child who expects to be claimed by a non-custodial parent.
 - Because Emma falls into one of the exceptions, we look to the rules for non-filers to determine Emma's household. This includes Emma plus her mother, Sophia, because Sophia and Emma live together.
 - EMMA'S MEDICAID/CHIP HOUSEHOLD = Emma + Sophia

2. DETERMINE THE MEDICAID/CHIP HOUSEHOLD INCOME FOR EACH HOUSEHOLD.

- BOB'S MEDICAID HOUSEHOLD = Bob + Sophia
 - Bob is required to file taxes and is not the child or expected tax dependent of another member of his household. Bob's Medicaid eligibility will be determined under Nebraska Parent/Caretaker Relative standards.
 - Sophia is the child and expected tax dependent of Bob, so her Medicaid eligibility will be determined under Nebraska's standards for children age 6 through 18 or, if necessary, CHIP.
 - Sophia is not required to file a tax return, so we will NOT include Sophia's income (\$300/month) in the total household income.
 - Bob earns \$4,500/month, so his MAGI-based income = \$4,500/month. Because Sophia's income does not count, Bob's Medicaid household income = \$4,500/month.
 - The household's income equals the sum of the MAGI of every member of Bob's household, so Bob's Medicaid household income = \$4,500/month.

- This household income equates to \$4,500 for a household size of 2.
 - BOB'S MEDICAID HOUSEHOLD INCOME = \$4,500/month.
 - SOPHIA'S MEDICAID/CHIP HOUSEHOLD = Sophia + Bob
 - Sophia's Medicaid/CHIP household income determination is the same as her father Bob's; however, because Sophia qualifies as a child, her income must be expressed in a percentage of FPL.
 - This household income equates to 348% FPL* for a household size of 2.
 - SOPHIA'S MEDICAID/CHIP HOUSEHOLD INCOME = 348% FPL.
 - EMMA'S MEDICAID/CHIP HOUSEHOLD = Emma + Sophia
 - Emma is the child of Sophia, another member of the household, so Emma's Medicaid eligibility will be determined under Nebraska's standards for children age 1 through 5 or, if necessary, CHIP.
 - Emma is not required to file a tax return, so will NOT include Emma's income (\$0) in the total household income.
 - Although Sophia is the child and expected tax dependent of Bob for purposes of determining Bob's household, Sophia is NOT the child or expected tax dependent of another member of Emma's household (= Emma + Sophia).
 - Although Sophia is not required to file a tax return, her income counts because neither of her parents is included in this household.
 - Sophia earns \$300/month, so her MAGI-based income = \$300/month. Sophia's Medicaid/CHIP household income = \$300/month.
 - This household income equates to 23% FPL* for a household size of 2.
 - EMMA'S MEDICAID/CHIP HOUSEHOLD INCOME = 23% FPL.
3. DETERMINE WHETHER EACH INDIVIDUAL IS ELIGIBLE FOR MEDICAID/CHIP, OR WHETHER THEY ARE POTENTIALLY ELIGIBLE FOR THE EXCHANGE/APTC.

- BOB:
 - Nebraska's Parent/Caretaker Relative income maximum is*:

By household size/month:

1 - \$569
2 - \$704
3 - \$841
4 - \$976
5 - \$1,112
6 - \$1,247
7 - \$1,383
Add- on for each
additional family member
- \$133

* Federal Poverty Levels and federal tax filing thresholds are subject to change yearly.

- Bob's Medicaid household income of \$4,500/month for a household size of 2 exceeds the maximum of \$704/month, so Bob is not eligible for Medicaid based on MAGI. But he may be eligible for premium tax credits and cost sharing reductions through the Marketplace.
- SOPHIA:
 - Nebraska's Medicaid income standard for children ages 6 through 18 is 133% FPL, and the CHIP standard is 213% FPL.
 - Sophia's Medicaid/CHIP household income of 348% FPL exceeds the FPL percentage for both Medicaid and CHIP, so Sophia is not eligible for Medicaid or CHIP based on MAGI. But she may be eligible for premium tax credits and cost sharing reductions through the Marketplace.
- EMMA:
 - Nebraska's Medicaid income standard for children ages 1 through 5 is 145% FPL, and the CHIP standard is 213% FPL.
 - With a Medicaid/CHIP household of 23% FPL, Emma is eligible for Medicaid. If Emma had not been eligible for Medicaid, she may have been eligible for CHIP because she is uninsured and her FPL percentage is below the CHIP income standard.

SIMPLIFIED EXAMPLE 2 – ALICE & BILL

Alice is a 66-year-old working grandmother who is applying for coverage for herself and her 12-year-old grandson Bill, who lives with Alice. Alice does not plan to claim Bill as a tax dependent. Bill receives Social Security Survivor benefits, which count as income. Bill is not expected to file taxes. Alice and Bill are not blind or disabled, but Alice is age 65 or older. No one in the household is pregnant. Alice receives Medicare benefits; Bill has no health insurance.

Relevant Information:

- Alice earns \$850/month (\$10,200/year)
- Bill receives \$500/month in Social Security Survivor benefits
- There are no other sources of income
- Tax filing threshold: Tax dependents with more than \$6,300* per year of earned income must file taxes.
- Nebraska's Medicaid income standard for children ages 6 through 18 is 133% FPL
- Nebraska's CHIP income standard is 213% FPL

* *Federal Poverty Levels and federal tax filing thresholds are subject to change yearly.*

1. CONSTRUCT A MEDICAID/CHIP HOUSEHOLD FOR EACH APPLICANT.

- ALICE expects to file taxes and she does not expect to be claimed as a tax dependent. However, because Alice is 66 years old, her eligibility for Medicaid will be based on ABD standards, in which tax filing requirements do not apply and eligibility is determined using *non-MAGI ABD based methodology*. Thus, at this point, we will discontinue any efforts to determine MAGI-based eligibility for Alice. To determine if Alice is eligible for Medicaid, she will have to provide more information on a supplemental form for ABD benefits.

- BILL is not expected to file taxes, nor does he expect to be claimed as a tax dependent by his grandmother, Alice.
 - Because Bill is not married, he has no children, he does not live with his parents, and no one in the household is pregnant, Bill's household consists of himself only.
 - BILL'S MEDICAID/CHIP HOUSEHOLD = Bill
- 2. DETERMINE THE MEDICAID/CHIP HOUSEHOLD INCOME FOR EACH HOUSEHOLD.
 - BILL'S MEDICAID/CHIP HOUSEHOLD = Bill
 - Bill is not the child or expected tax dependent of another member of his household.
 - Although Bill is a child, his Social Security Survivor benefits DO count as income.
 - Bill collects \$500/month, so his MAGI-based income = \$500/month.
 - This household income equates to 52% FPL* for a household size of 1.
 - BILL'S MEDICAID/CHIP HOUSEHOLD INCOME = 52% FPL.
- 3. DETERMINE WHETHER EACH INDIVIDUAL IS ELIGIBLE FOR MEDICAID/CHIP, OR WHETHER THEY ARE POTENTIALLY ELIGIBLE FOR THE EXCHANGE/APTC.
 - ALICE:
 - Because Alice is age 65 or older, her eligibility for Medicaid will be based on ABD standards, in which tax filing requirements do not apply. Her eligibility will be determined using *non-MAGI ABD based methodology*, with necessary information gathered on an ABD supplemental form.
 - BILL:
 - Nebraska's Medicaid income standard for children ages 6 through 18 is 133% FPL, and the CHIP standard is 213% FPL.
 - With a Medicaid/CHIP household income of 52% FPL, Bill is eligible for Medicaid. If Bill had not been eligible for Medicaid, he may have been eligible for CHIP because he is uninsured and his FPL percentage is below the CHIP income standard.

SIMPLIFIED EXAMPLE 3 – KELLY & STANLEY'S FAMILY

Kelly is a 45-year-old woman applying for coverage for herself, her 47-year-old partner Stanley, her 15-year-old son Isaac, Stanley's 14-year-old son Trent, and Stanley and Kelly's 2-year-old son Jacob. Kelly claims Isaac as a tax dependent. Stanley claims Trent and Jacob as tax dependents. No one in the household is blind or disabled. No one in the household is pregnant. No one in the household has health insurance.

Relevant Information:

- Kelly earns \$1,500/month (\$18,000/year)
- Stanley earns \$2,500/month (\$30,000/year)
- There are no other sources of income

- Tax filing threshold: Tax dependents with more than \$6,300* per year of earned income must file taxes.
- Nebraska's Medicaid income standard for children ages 6 through 18 is 133% FPL
- Nebraska's Medicaid income standard for children ages 1 through 5 is 145% FPL
- Nebraska's CHIP income standard is 213% FPL
- Nebraska's Parent/Caretaker Relative income maximum is:

By household size/month:

1 - \$569
2 - \$704
3 - \$841
4 - \$976
5 - \$1,112
6 - \$1,247
7 - \$1,383
Add- on for each
additional family member
- \$133

* *Federal Poverty Levels and federal tax filing thresholds are subject to change yearly.*

1. CONSTRUCT A MEDICAID/CHIP HOUSEHOLD FOR EACH APPLICANT.

- KELLY expects to file taxes and she does not expect to be claimed as a tax dependent, therefore her Medicaid eligibility will be determined under Nebraska Parent/Caretaker Relative standards. Kelly's household consists of the taxpayer and all persons who the taxpayer expects to claim as a tax dependent. Kelly and Stanley are not married, so Stanley is NOT included in Kelly's household.
 - KELLY'S MEDICAID HOUSEHOLD = Kelly + Isaac (Kelly's son)
- ISAAC (Kelly's son) is not expected to file taxes and he is claimed as a tax dependent by his mother Kelly. Isaac's Medicaid eligibility will be determined under Nebraska's standards for children age 6 through 18. If Isaac fails Medicaid eligibility, he may be eligible for CHIP because he is uninsured.
 - None of the exceptions for tax dependents listed at 1-B-ii apply to Isaac.
 - Isaac's household is the same as Kelly's, the taxpayer claiming him as a dependent.
 - ISAAC'S MEDICAID/CHIP HOUSEHOLD = Isaac (Kelly's son) + Kelly
- STANLEY expects to file taxes and he does not expect to be claimed as a tax dependent, therefore his Medicaid eligibility will be determined under Nebraska Parent/Caretaker Relative standards. Stanley's household consists of the taxpayer and all persons who the taxpayer expects to claim as a tax dependent. Stanley and Kelly are not married, so Kelly is NOT included in Stanley's household.
 - STANLEY'S MEDICAID HOUSEHOLD = Stanley + Trent (Stanley's son) + Jacob (Stanley and Kelly's son)

- TRENT (Stanley's son) is not expected to file taxes and he is claimed as a tax dependent by his father Stanley. Trent's Medicaid eligibility will be determined under Nebraska's standards for children age 6 through 18. If Trent fails Medicaid eligibility, he may be eligible for CHIP because he is uninsured.
 - None of the exceptions for tax dependents listed at 1-B-ii apply to Trent.
 - Trent's household is the same as Stanley's, the taxpayer claiming him as a dependent.
 - TRENT'S MEDICAID/CHIP HOUSEHOLD = Trent (Stanley's son) + Stanley + Jacob (Stanley and Kelly's son)
- JACOB (Stanley and Kelly's son) is not expected to file taxes and he is claimed as a tax dependent by his father Stanley. Jacob's Medicaid eligibility will be determined under Nebraska's standards for children age 1 through 5. If Jacob fails Medicaid eligibility, he may be eligible for CHIP because he is uninsured.
 - One of the exceptions for tax dependents listed at 1-B-ii applies to Jacob: he is living with both of his parents and his siblings.
 - Because Jacob falls into one of the exceptions, we look to the rules for non-filers to determine Jacob's household. This includes Jacob plus his parents and his siblings because they all live together.
 - JACOB'S MEDICAID/CHIP HOUSEHOLD = Jacob (Stanley and Kelly's son) + Stanley + Kelly + Isaac (Kelly's son) + Trent (Stanley's son)

2. DETERMINE THE MEDICAID/CHIP HOUSEHOLD INCOME FOR EACH HOUSEHOLD.

- KELLY'S MEDICAID HOUSEHOLD = Kelly + Isaac (Kelly's son)
 - Kelly is required to file taxes and is not the child or expected tax dependent of another member of her household. Kelly's Medicaid eligibility will be determined under Nebraska Parent/Caretaker Relative standards.
 - Isaac is the child and expected tax dependent of Kelly.
 - Kelly earns \$1,500/month, so her MAGI-based income = \$1,500/month. Kelly's Medicaid household income = \$1,500/month.
 - This household income equates to \$1,500 for a household size of 2.
 - KELLY'S MEDICAID HOUSEHOLD INCOME = \$1,500/month.
- ISAAC'S MEDICAID/CHIP HOUSEHOLD = Isaac (Kelly's son) + Kelly
 - Isaac's Medicaid/CHIP household income determination is the same as his mother Kelly's. Isaac's Medicaid eligibility will be determined under Nebraska's standards for children age 6 through 18 or, if necessary, CHIP.
 - Because Isaac is a child, his income must be expressed in a percentage of FPL.
 - This household income equates to 116% FPL* for a household size of 2.
 - ISAAC'S MEDICAID/CHIP HOUSEHOLD INCOME = 116% FPL.

- STANLEY'S MEDICAID HOUSEHOLD = Stanley + Trent (Stanley's son) + Jacob (Stanley and Kelly's son)
 - Stanley is required to file taxes and is not the child or expected tax dependent of another member of his household. Stanley's Medicaid eligibility will be determined under Nebraska Parent/Caretaker Relative standards.
 - Trent is the child and expected tax dependent of Stanley.
 - Jacob is the child and expected tax dependent of Stanley.
 - Stanley earns \$2,500/month, so his MAGI-based income = \$2,500/month. Stanley's Medicaid household income = \$2,500/month
 - This household income equates to \$2,500 for a household size of 3.
 - STANLEY'S MEDICAID HOUSEHOLD INCOME = \$2,500/month.
 - TRENT'S MEDICAID/CHIP HOUSEHOLD = Trent (Stanley's son) + Stanley + Jacob (Stanley and Kelly's son)
 - Trent's Medicaid/CHIP household income determination is the same as his father Stanley's. Trent's Medicaid eligibility will be determined under Nebraska's standards for children age 6 through 18 or, if necessary, CHIP.
 - Because Trent is a child, his income must be expressed in a percentage of FPL.
 - This household income equates to 154% FPL* for a household size of 3.
 - ISAAC'S MEDICAID/CHIP HOUSEHOLD INCOME = 154% FPL.
 - JACOB'S MEDICAID/CHIP HOUSEHOLD = Jacob (Stanley and Kelly's son) + Stanley + Trent (Stanley's son)
 - Jacob's Medicaid eligibility will be determined under Nebraska's standards for children age 1 through 5 or, if necessary, CHIP.
 - Jacob's Medicaid/CHIP household income determination is the sum of the MAGI of every member of his household.
 - Kelly earns \$1,500/month and Stanley earns \$2,500/month, so the monthly MAGI-based income = \$4,000/month. Jacobs's Medicaid/CHIP household income = \$4,000/month
 - Because Jacob is a child, his income must be expressed in a percentage of FPL.
 - This household income equates to 174% FPL* for a household size of 5.
 - JACOB'S MEDICAID/CHIP HOUSEHOLD INCOME = 174% FPL.
3. DETERMINE WHETHER EACH INDIVIDUAL IS ELIGIBLE FOR MEDICAID/CHIP, OR WHETHER THEY ARE POTENTIALLY ELIGIBLE FOR THE EXCHANGE/APTC.

- KELLY:
- Nebraska's Parent/Caretaker Relative income maximum is*:

By household size/month:

1 - \$569

2 - \$704

3 - \$841

4 - \$976

5 - \$1,112

6 - \$1,247

7 - \$1,383

Add- on for each
additional family member
- \$133

* Federal Poverty Levels and federal tax filing thresholds are subject to change yearly.

- Kelly's Medicaid household income of \$1,500/month for a household size of 2 exceeds the maximum of \$704/month, so Kelly is not eligible for Medicaid based on MAGI. But she may be eligible for premium tax credits and cost sharing reductions through the Marketplace.
- ISSAC (Kelly's son):
 - Nebraska's Medicaid income standard for children ages 6 through 18 is 133% FPL, and the CHIP standard is 213% FPL.
 - With a Medicaid/CHIP household income of 116% FPL, Isaac is eligible for Medicaid. Even if he was not eligible for Medicaid he may be eligible for CHIP. If Isaac had not been eligible for Medicaid, he may have been eligible for CHIP because he is uninsured and his FPL percentage is below the CHIP income standard.
- STANLEY:
 - Nebraska's Parent/Caretaker Relative income maximum is*:

By household size/month:

1 - \$569

2 - \$704

3 - \$841

4 - \$976

5 - \$1,112

6 - \$1,247

7 - \$1,383

Add- on for each
additional family member
- \$133

* Federal Poverty Levels and federal tax filing thresholds are subject to change yearly.

- Stanley's Medicaid household income of \$2,500/month for a household size of 3 exceeds the maximum of \$822/month, so Stanley is not eligible for Medicaid based on MAGI. But he may be eligible for premium tax credits and cost sharing reductions through the Marketplace.
- TRENT (Stanley's son):
 - Nebraska's Medicaid income standard for children ages 6 to 18 is 133% FPL, and the CHIP standard is 213% FPL.
 - With a Medicaid/CHIP household income of 154% FPL, Trent is not eligible for Medicaid. However, he is eligible for CHIP because he is uninsured and his FPL percentage is below the CHIP income standard.
- JACOB (Stanley and Kelly's son):
 - Nebraska's Medicaid income standard for children ages 1 to 5 is 145% FPL, and the CHIP standard is 213% FPL.
 - With a Medicaid/CHIP household income of 174% FPL, Jacob is not eligible for Medicaid. However, he is eligible for CHIP because he is uninsured and his FPL percentage is below the CHIP income standard.

Notes:

- If Kelly and Stanley were married and filing jointly, the tax household would include all family members – Kelly, Stanley, Isaac, Trent, and Jacob – and the Medicaid/CHIP household would be the same as the tax household.
- If Kelly and Stanley were married and filing separately, each would be included in the other's household. Kelly's Medicaid household would be her tax household + Stanley, and Stanley's Medicaid household would be his tax household + Kelly.

SIMPLIFIED EXAMPLE 4 – DOUG'S FAMILY

Doug is a 50-year-old man applying for coverage for himself, his 18-year-old daughter Elizabeth, Elizabeth's 19-year-old husband Andrew, and Andrew and Elizabeth's 1-year-old son Samuel. Doug claims Elizabeth as a tax dependent, and Andrew claims Samuel as a tax dependent. All of the family members live together. No one in the household is blind or disabled. No one in the household has health insurance. Elizabeth is pregnant and is expecting twins. When the twins are born, Andrew expects to claim himself, Samuel, and the twins as tax dependents (Doug will continue to claim Elizabeth as a tax dependent, as she is still a minor).

Relevant Information:

- Doug earns \$2,000/month (\$24,000/year)
- Andrew earns \$2,083/month (\$25,000/year)
- There are no other sources of income
- Tax filing threshold: Tax dependents with more than \$6,300* per year of earned income must file taxes.
- Nebraska's Medicaid income standard for children ages 6 through 18 is 133% FPL
- Nebraska's Medicaid income standard for children ages 1 through 5 is 145% FPL
- Nebraska's CHIP income standard is 213% FPL
- Nebraska's Medicaid income standard for pregnant women is 194% FPL

- Nebraska's Parent/Caretaker Relative income maximum is:

By household size/month:

1 - \$569
2 - \$704
3 - \$841
4 - \$976
5 - \$1,112
6 - \$1,247
7 - \$1,383
Add- on for each
additional family member
- \$133

* *Federal Poverty Levels and federal tax filing thresholds are subject to change yearly.*

1. CONSTRUCT A MEDICAID/CHIP HOUSEHOLD FOR EACH APPLICANT.

- DOUG expects to file taxes and he does not expect to be claimed as a tax dependent. Therefore his Medicaid eligibility will be determined under Nebraska Parent/Caretaker Relative standards. Doug's household consists of the taxpayer, all persons who the taxpayer expects to claim as a tax dependent, *and the number of expected unborns.*
 - DOUG'S MEDICAID HOUSEHOLD = Doug + Elizabeth + 2 Unborns
- ELIZABETH is not expected to file taxes and she is claimed as a tax dependent by her father Doug. Elizabeth's Medicaid eligibility will be determined under Nebraska's standards for children age 6 through 18. *However, if Elizabeth fails Medicaid eligibility under children's standards, she may be eligible as a pregnant minor under pregnant women's standards.*
 - None of the exceptions for tax dependents listed at 1-B-ii apply to Elizabeth.
 - Elizabeth's household is the same as Doug's, the taxpayer claiming her as a dependent, *and this includes the number of infants Elizabeth expects to deliver.* And because Elizabeth is married and living with her spouse, her household also includes Andrew.
 - ELIZABETH'S MEDICAID/CHIP HOUSEHOLD = Elizabeth + Doug + Andrew + 2 Unborns
- ANDREW expects to file taxes and he does not expect to be claimed as a tax dependent. Therefore his Medicaid eligibility will be determined under Nebraska Parent/Caretaker Relative standards. Andrew's household consists of the taxpayer, a spouse living with the taxpayer, and all persons who the taxpayer expects to claim as a tax dependent.
 - ANDREW'S MEDICAID HOUSEHOLD = Andrew + Elizabeth + Samuel + 2 Unborns

- SAMUEL is not expected to file taxes and he is claimed as a tax dependent by his father Andrew. Samuel's Medicaid eligibility will be determined under Nebraska's standards for children age 1 through 5. If Samuel fails Medicaid eligibility, he may be eligible for CHIP because he is uninsured.
 - Samuel falls into one of the exceptions listed at 1-B-ii: he is living with both of his parents.
 - Because Samuel falls into one of the exceptions, we look to the rules for non-filers to determine Samuel's household. This includes Samuel plus both his parents and his expected number of unborn siblings because they all live together.
 - SAMUEL'S MEDICAID/CHIP HOUSEHOLD = Samuel + Andrew + Elizabeth + 2 Unborns

2. DETERMINE THE MEDICAID/CHIP HOUSEHOLD INCOME FOR EACH HOUSEHOLD.

- DOUG'S MEDICAID HOUSEHOLD = Doug + Elizabeth + 2 Unborns
 - Doug is required to file taxes and is not the child or expected tax dependent of another member of his household. Elizabeth is the child and expected tax dependent of Doug.
 - Doug earns \$2,000/month, so his MAGI-based income = \$2,000/month. Doug's household income = \$2,000/month.
 - This household income equates to \$2,000 for a household size of 4.
 - DOUG'S MEDICAID HOUSEHOLD INCOME = \$2,000/month.
- ELIZABETH'S MEDICAID/CHIP HOUSEHOLD = Elizabeth + Doug + Andrew + 2 Unborns
 - Elizabeth is the expected tax dependent of Doug, but Elizabeth is not required to file a tax return.
 - Doug earns \$2,000/month, so his MAGI-based income = \$2,000/month.
 - Andrew earns \$2,083/month, so his MAGI-based income = \$2,083.
 - Elizabeth's household income equals the sum of the MAGI of every member of her household. Elizabeth's household income = \$4,083/month.
 - This household income equates to 178% FPL* for a household size of 5.
 - ELIZABETH'S MEDICAID/CHIP HOUSEHOLD INCOME = 178% FPL.
- ANDREW'S MEDICAID HOUSEHOLD = Andrew + Elizabeth + Samuel + 2 Unborns
 - Andrew is expected to file taxes and is not the child or expected tax dependent of another member of his household. Samuel is the child and expected tax dependent of Andrew, and when the twins are born, Andrew expects to claim them as tax dependents.
 - Andrew earns \$2,083/month, so his MAGI-based income = \$2,083/month

- This household income equates to \$2,083 for a household size of 5.
- ANDREW'S MEDICAID/CHIP HOUSEHOLD INCOME = \$2,083/month.

Note: Although Elizabeth is a tax dependent of her father Doug, Doug is not included in Andrew's household. Thus, if Elizabeth had any income, it would count, regardless of whether she had a filing requirement. This would also apply in Sam's determination, below.

- SAMUEL'S MEDICAID/CHIP HOUSEHOLD = Samuel + Andrew + Elizabeth + 2 Unborns
 - Samuel's Medicaid/CHIP household income determination is the same as Andrew's; however, because Samuel is a child, his income must be expressed in a percentage of FPL.
 - This household income equates to 90% FPL* for a household size of 5.
 - SAMUEL'S MEDICAID/CHIP HOUSEHOLD INCOME = 90% FPL.

3. DETERMINE WHETHER EACH INDIVIDUAL IS ELIGIBLE FOR MEDICAID/CHIP, OR WHETHER THEY ARE POTENTIALLY ELIGIBLE FOR THE EXCHANGE/APTC.

- DOUG:
 - Nebraska's Parent/Caretaker Relative income maximum is:

<u>By household size/month:</u>
1 - \$569
2 - \$704
3 - \$841
4 - \$976
5 - \$1,112
6 - \$1,247
7 - \$1,383
Add- on for each additional family member - \$133

* *Federal Poverty Levels and federal tax filing thresholds are subject to change yearly.*

- Doug's Medicaid household income of \$2,000/month for a household size of 4 exceeds the maximum of \$976/month, so Doug is not eligible for Medicaid based on MAGI. But he may be eligible for premium tax credits and cost sharing reductions through the Marketplace.

- **ELIZABETH:**
 - Nebraska's Medicaid income standard for children ages 6 to 18 is 133% FPL, and the CHIP standard is 213% FPL.
 - Nebraska's Medicaid income standard for pregnant women is 194% FPL.
 - With a Medicaid/CHIP household income of 194% FPL, Elizabeth is not eligible for Medicaid as a child age 6 through 18. However, when a pregnant minor does not qualify for Medicaid under children's standards, she may qualify under pregnant women's standards.
 - With a Medicaid/CHIP household income of 194% FPL, Elizabeth is eligible for Medicaid as a pregnant woman. If Elizabeth had failed Medicaid eligibility under the pregnant women's group, she may have been eligible for CHIP because she is uninsured.
- **ANDREW:**
 - Nebraska's Parent/Caretaker Relative income maximum is*:

By household size/month:

1 - \$569
2 - \$704
3 - \$841
4 - \$976
5 - \$1,112
6 - \$1,247
7 - \$1,383
Add- on for each
additional family member
- \$133

* *Federal Poverty Levels and federal tax filing thresholds are subject to change yearly.*

- Andrew's Medicaid household income \$2,083/month for a household size of 5 exceeds the maximum of \$1,112/month, so Andrew is not eligible for Medicaid based on MAGI. But he may be eligible for premium tax credits and cost sharing reductions through the Marketplace.
- **SAMUEL:**
 - Nebraska's Medicaid income standard for children ages 1 to 5 is 145% FPL, and the CHIP standard is 213% FPL.
 - With a Medicaid/CHIP household of 90% FPL, Samuel is eligible for Medicaid. If Samuel had not been eligible for Medicaid, he may have been eligible for CHIP because he is uninsured and his FPL percentage is below the CHIP income standard.

Joint Custody

In situations where a child spends an equal number of nights with each parent, the income of each parent must be used to determine eligibility for the child.

Determination of Medical Budgetary Units for Medically Needy and Non-Filers

1. Mom -----unmarried-----Dad

Age 19

Age 19

Her child

Alleged child in common

Has paternity for their child been established?

If No:

ALLEGED CHILD IN COMMON/MOM/ MOM'S CHILD UNITS CONSIST OF –

Mom

Her child

Alleged child in common

*The unit remains this way unless paternity is established.

ALLEGED DAD'S UNIT CONSISTS OF-

Dad

There are separate Medicaid units established for Mom and the alleged father. Only income of the Mom would be considered for Mom and the alleged child in common.

If Yes:

CHILD IN COMMON'S UNIT-

Mom

Her child

Dad

Their child in common

MOM/ MOM's CHILD UNITS CONSIST OF –

Mom

Her child

Their child in common

DAD'S UNIT CONSISTS OF-

Dad

Their child in common

Note: If the family relationships are set correctly, the income will allocate correctly.

2. Mom-----unmarried-----Dad

Age 17

Age 18

Alleged child together

Has paternity for their child been established?

If No:

ALLEGED CHILD IN COMMON/MOM/ UNITS CONSIST OF –

Mom

Alleged child in common

*The unit remains this way unless paternity is established.

ALLEGED DAD'S UNIT CONSISTS OF-
Dad

There would be separate Medicaid units established for Mom and the alleged father. Only income of the Mom would be considered for Mom and the alleged child in common.

If Yes:

CHILD IN COMMON'S UNIT-
Mom
Dad
Their child in common

MOM'S UNIT CONSISTS OF –
Mom
Their child in common

DAD'S UNIT CONSISTS OF-
Dad
Their child in common

Paternity:

Unmarried Parents: When unmarried parents are living together as a family, the alleged father is not financially responsible unless he has acknowledged paternity or a court has determined that he is the father of the child after the birth.

Children of a Marriage: A woman's spouse is considered the father of any children who are conceived or born during a marriage even if the couple is separated and/or has filed for divorce or annulment unless there is a court order that states otherwise. If a woman states that her spouse is not the father of her child, establishment of paternity must be pursued, unless good cause exists.

Determination of Paternity: Paternity cannot be established unless an alleged father has signed a written and notarized paternity acknowledgment form or a court has determined him to be the father. Note: Paternity cannot be established for an unborn.

Military Service:

If a parent is absent due to active duty in the uniformed services of the United States, that parent is still considered part of the assistance unit and his/her income is considered available to the unit. Uniformed service is defined as the Army, Navy, Air Force, Marine Corps, Coast Guard, Environmental Sciences Services Administration, and Public Health Service of the United States. If the client states that separation is due to reasons other than performance in military service, the client must provide proof of bona fide separation.

If the parent in the military is incarcerated, s/he is no longer considered part of the assistance unit.