

<p>Indiana Health Coverage Program Policy Manual</p> <p>Chapter 3200</p> <p>ASSISTANCE GROUPS (AG)</p> <p>Sections 3200.00.00 – 3225.00.00</p>
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3200.00.00 ASSISTANCE GROUPS

This chapter contains the following sections:

- Assistance Group Definition (Section 3205)
- Medicaid Assistance Groups (MED 1) (Section 3210)
- Medicaid Assistance Groups (MED 2) (Section 3215)
- Medicaid Assistance Groups (MED 3) (Section 3220)
- QMB/QDW/SLMB Assistance Groups (MED 4) (Section 3230).

The program-specific sections will discuss policy on composition of the assistance groups.

3205.00.00 ASSISTANCE GROUP DEFINITION

The assistance group (AG) is an individual or group of individuals whose income, resources, needs, and/or expenses are considered together in the eligibility determination for an assistance category.

For categories of assistance subject to the modified adjusted gross income (MAGI) methodology for income and household size, the AG determination is aligned with tax filing rules, in accordance with the requirements laid out in the Affordable Care Act (ACA) of 2010.

For categories of assistance not subject to MAGI methodology, the AG determination is based upon relationship and living arrangement. Within the AG for non-MAGI categories of assistance, individuals may be participating or nonparticipating members, depending upon each program's eligibility requirements.

Participating members are individuals for whom eligibility for a benefit is considered. Nonparticipating members are those individuals whose needs, income, expenses and/or resources are considered in determining the eligibility and benefit level of the participating members, but who are not eligible for benefit consideration on their own behalf. Household members who are not, according to specific program regulations, eligible for membership in the AG as participants or non-participants, are excluded from consideration in the eligibility determination; as such, they are also excluded from any requirement to provide personal demographic or financial information to the agency.¹ Please refer to IHCPPM 2404.00.00.

Non-applicant/recipient household members who are mandatory non-participating members are not required to provide a Social Security Number (SSN), however they are required to provide any applicable financial and/or non-financial information needed to determine eligibility for applicant/recipient or other mandatory participating AG member (based off tax dependent relationship for MAGI groups and AG for non-MAGI households. For example,) mandatory non-participating AG members are not required to provide their SSN, but are required to provide proof of their income to determine their child's eligibility.

When applying for Medicaid coverage, an applicant's AG is defined differently depending on the category of assistance under which he or she is being considered for eligibility. An applicant's AG may change as the application moves through the Medicaid eligibility hierarchy and she is considered for different eligibility categories. Some categories are subject to MAGI methodology for determination of the applicant's AG, and some are not.

The ACA did not change the AG determination rules for applicants being considered for eligibility for a non-MAGI category of assistance.

3205.05.00 MAGI ASSISTANCE GROUP DEFINITION

The types of individuals who would be likely to be considered for eligibility under categories of assistance subject to the MAGI household size (AG) determination methodology are as follows:

- Children under one year of age (MA Y)
- Children one to five years of age (MA Z)
- Children six to nineteen years of age (MA 2, MA 9, MA 10)
- Children between nineteen and twenty-one residing in an inpatient psychiatric facility (MA O)
- Parents or caretaker relatives (MAGF); Pregnant women (MAGP)
- Family Planning Services (MA E).

For eligibility under the Healthy Indiana Plan for uninsured adults between ages 19 and 64, please, refer to IHCPPM Chapter 3500.

A child or adult who is disabled or blind and applying for Medicaid coverage will also be considered for eligibility under a category of assistance that is not subject to MAGI household size (AG) determination rules. Additionally, children under the age of 19 with adoptive assistance, foster children, and former foster children up to age 26 who were enrolled in Medicaid on their 18th birthday are eligible under categories of assistance that are not subject to MAGI household size (AG) determination rules.

Under MAGI methodology, the basic rules for who is counted as part of the household size (AG) of the applicant are aligned with federal tax filing rules. There are different rules for determining the AG of applicants who are tax filers, applicants who are tax dependents and applicants who are neither tax filers nor tax dependents.

3205.05.05 BASIC MAGI RULES FOR DETERMINING THE AG OF AN INDIVIDUAL WHO IS NEITHER A TAX FILER NOR A TAX DEPENDENT

MAGI Rules CHART

<https://www.in.gov/fssa/ompp/files/Rules-chart.pdf>

“SFU” stands for standard filing unit, and refers to the household of included members for Medicaid determination under MAGI rules. The federal regulations for MAGI households can be found at 42 CFR 435.603(f).⁸

MAGI SFU RULE 1: Tax Filers

Start Here:

1. This person will file a tax return for the year in which eligibility is being determined.
2. This person will NOT be claimed as a dependent on any other person’s taxes.

If either statement is **not** true, go to Rule 2. If both statements are true, continue below with Household Composition for Rule 1:

Household Composition for Rule 1:

The Tax Filer, and if living together:

- Spouse
- Tax-Filer’s dependents

And outside of the home:

- Spouse, if plan to file jointly (state-specific)
- Tax-Filer’s children who can be claimed as dependents through a custody agreement or court order

Income Included for Rule 1:

Include income for everyone in the household

Exception: When dependent/s and their parent/s or claiming tax filer/s are living in same home and pulled into the same MAGI household, exclude the income of a dependent who is not required to file taxes, even if the dependent voluntarily files a tax return.

MAGI SFU RULE 2: Dependents

1. This person will be claimed as a dependent by a spouse or single parent who lived in the same home.
2. If both parents live in the home: This person will be claimed as a dependent by both parents, who will file taxes jointly.

If both statements are **not** true, go to top of Rule 3. If one of these statements is true, continue below with Household Composition for Rule 2:

Household Composition for Rule 2:

The household composition is the same as that of the Tax Filer who is claiming this person as a Dependent

Income Included for Rule 2:

Included income will be the same as that of the Tax Filer who is claiming this person as a Dependent

MAGI SFU RULE 3: Non-Filers

If Rules 1 or 2 do not apply, use the Rules below.

This person will **not** file a tax return for the year in which eligibility is being determined.

~ or ~

1. This person will be claimed as a dependent by a tax filer other than listed for Rule 2.

~ or ~

2. Any other tax relationship/filing status.

Household Composition for Rule 3:

The Non-Filer, and if living together

- Spouse ⁹
- Non-Filer's children age <19 ¹⁰
And if non-Filer is <19 ¹¹
- Parents who live in the home
- Siblings also <19 who live in the home

Income Included for Rule 3:

Include income for everyone in the household

Exception: When dependent/s and their parent/s or claiming tax filer/s are living in same home and pulled into the same MAGI household, exclude the income of a dependent who is **not required** to file taxes, even if the dependent voluntarily files a tax return.

PLEASE NOTE:

- All parent/child/sibling relationships referred to include biological, adopted, or step relationships.
- The “household” is the same as what we sometimes call the “assistance group” or “standard filing unit.” Within a family or case, each individual’s household may be different.
- MAGI use IRS income rules ¹² with a few exceptions. Detailed regulations are found at 42 CFR (Code of Federal Regulations) ¹³ and Indiana Policy is found in IHCPPM 2800 and 3200.
- Tax relationships are based on client attestation and no additional verifications are needed unless questionable; for example, tax dependent is expected to have significantly more income than the filing threshold or is claimed by non-custodial parent (see next). Per 42 CFR 435.603,¹⁴ if the Tax Filer/Tax Dependent relationship is not “reasonably established,” the dependent should not be counted in the Tax Filer’s household, and the dependent’s own household should be determined according to Rule 3. If income appears to be too high for the individual to be a dependent rather than being required to file their own taxes, and they do not verify a reason explaining the discrepancy, they should be figured by Rule 3.
- Non-custodial parents who state they claim their children on their taxes will need to provide a court-ordered divorce/custody agreement showing tax arrangement, or IRS Form 8332 signed by the parent with custody. If not verified, the tax filer is still figured by Rule 1, but the dependent/s will not be included in the tax filer’s household size.
- Per 42 CFR 435.603(f)(2)(iii),¹⁵ a court order or binding separation, divorce, or custody agreement controls— in the absence of such agreement, the custodial parent is the one with whom the child stays $\geq 51\%$ of the time.
- The income of individuals aged 19 or older in the household is always counted, except for adult children claimed as Tax Dependents by a Tax Filer parent (Rule 2). For these adults (ex: disabled children, college students), income only counts if dependent is required to file taxes.
- The household size of a pregnant woman increases by the number of children she is expected to deliver, but household size remains the same for other household members until the birth/s.
- Spouses who live separately (including when one spouse is incarcerated) but will file taxes jointly for the year in which eligibility is being determined should be included in each other’s MAGI household. If unable to verify the other spouse’s income, attestation

can be accepted if not questionable. In cases of domestic violence, if spouse's income is not known, figure household without including him/her.

- Best practice is to enter all income so that it would be correctly counted whether the category which forms is MAGI or non-MAGI.

3205.10.00 BASIC MAGI RULES FOR DETERMINING THE AG OF A TAX FILER

A "tax filer" as used herein applies to an individual who meets either of the following criteria:

- Actually, filed a tax return and was not claimed as a tax dependent by anyone else in the year for which eligibility is determined or renewed
- Expects to file a tax return and does not expect to be claimed as a tax dependent by anyone else in the year for which eligibility is determined or renewed. A tax filer's AG when being considered for a MAGI category of assistance consists of himself/herself and any person(s) that will be claimed as his or her tax dependent(s).

In the case of married couples living together, each spouse will be counted in the other's AG.

This rule applies regardless of whether the couple expects to file a joint tax return or not.

The types of individuals that could be claimed as a taxpayer's dependents and therefore included in his or her AG include the following:

- Taxpayer's biological, adopted, or stepchild(ren)
- Other qualifying children or relatives.

Per the IRS Publication 501,¹ the only two options married couples have to file taxes are "married filing jointly" and "married filing separate." However, you can claim an exemption for your spouse in certain circumstances but never as a dependent. The Eligibility system will always treat married couples as filing jointly.

3205.15.00 BASIC MAGI RULES FOR DETERMINING THE AG OF A TAX DEPENDENT

A "tax dependent" as used herein applies to an individual:

- Was actually claimed as a dependent by someone else in the year for which eligibility is determined or renewed; or
- Expects to be claimed as a tax dependent in the year for which his or her eligibility is determined or renewed.

The general rule for a tax dependent's AG for a MAGI category is the same as that of the tax filer that will claim him or her as a dependent. Generally, the tax dependent's AG will include the tax filer claiming him or her as a dependent and all other tax dependents claimed by that tax filer.

Also, if a person files taxes but is still claimed as a dependent by another person, the person is still considered a tax dependent for MAGI purposes.

There are three MAGI rules to determine the AG size of a MAGI Household:

- Rule 1 – Tax Filers
- Rule 2 – Dependents
- Rule 3 – Non-Filers.

Rule 1 – Tax Filers:

1. This person will file a tax return for the year in which eligibility is being determined.
2. This person will NOT be claimed as a dependent on any other person's taxes.

If the above two statements are true, then the AG would be:

- The tax filer, **and if living together** the Spouse and tax filer's dependents.
- The tax filer, **and if living outside of the home** the Spouse, if filing taxes jointly and tax filer's children, who can be claimed as dependents through a custody agreement or court order.²

The exception to this would be when a dependent and their parent or claiming tax filers are living in the same home and are pulled in the same MAGI household, **exclude** the income of a dependent who is **not required** to file taxes; even if the dependent voluntarily files a tax return.⁴

Rule 2 – Dependents:

If the first two statements under Rule 1 are not true for the member, then you must move to Rule 2.

1. This person will be claimed as a dependent by a single parent who lives in the same home.
2. If both parents live in the home, this person will be claimed as a dependent by both parents, who will file taxes jointly.

If one of the two statements listed above is true, then the AG would be:

The same as that of the tax filer who is claiming this person as a dependent.⁵

Rule 3 – Non-Filers:

If both statements under Rule 2 are **not true**, then go to Rule 3. Information regarding Rule 3 is explained under 3205.20.00.

Additional information to determine a MAGI AG:

- All parent/child/sibling relationships referred to include biological, adopted, or step relationships. The “household” is the same as what we call the “assistance group.” Within a family or case, each individual’s household may be different.
- Tax relationships are based on client attestation and no additional verifications are needed unless questionable.
 - For example: A tax dependent is expected to have significantly more income than the filing threshold or is claimed by non-custodial parent. If the tax filer/tax dependent relationship is not “reasonably established” the dependent should not be counted in the tax filer’s household, and the dependent’s own household should be determined according to Rule 3.
 - If income appears to be too high for the individual to be a dependent rather than being required to file their own taxes, and they do not verify a reason explaining the discrepancy, they should be figured by Rule 3.⁶
- Non-custodial parents who state they claim their children on their taxes will need to provide a court-ordered divorce/custody agreement showing tax arrangement, or IRS Form 8332 signed by the parent with custody. If not verified, the tax filer is still figured by Rule 1, but the dependent(s) will not be included in the tax filer’s household size.⁷
- The income of individuals aged 19 or older in the household is always counted, except for adult children claimed as tax dependents by a tax filer parent (Rule 2). For these adults (ex: disabled children and college students), income only counts if dependent is required to file taxes.
- The household size of a pregnant woman increases by the number of children she is expected to deliver, but household size remains the same for other household members until the birth.
- Spouses who live separately (including when one spouse is incarcerated) but will file taxes jointly for the year in which eligibility is being determined should be included in each other’s MAGI household. If unable to verify the other spouse’s income, attestation can be accepted if not questionable.
- In cases of domestic violence, if spouse’s income is not known, figure household without including him/her.
- Best practice is to enter all income so that it would be correctly counted whether the category which forms is MAGI or Non-MAGI.

3206.00.00 PRIMARY RESIDENCE (MED 2, MED 3)

When determining the Assistance Group deciding who “lives” together is taken into account.

Sometimes this means that the worker must determine the residence of an individual. The residence of an individual is the address reported by that individual.

Some assistance groups may include members who have multiple addresses, such as children in school or under joint physical custody.

The primary residence is the location where the individual spends the majority of time during the month.

An individual who spends the majority of his/her time away from the residence of the assistance group but who has no consistent alternative location due to employment which requires frequent travel, is considered a member of the assistance group. However, if the individual establishes a residence away from the assistance group, then he/she would not be considered as a member. This also applies to students who live away at school and only return home on weekends.

When the entire assistance group has multiple residences, the primary residence is determined in the manner described above.

3210.00.00 MEDICAID ASSISTANCE GROUPS (MED 1)

The MED 1 categories of assistance are not subject to MAGI methodology for the determination of income and household size (AG). For the MED 1 categories, there is one participating AG member. Nonparticipating members are those individuals whose income, resources, and/or expenses must be considered in the eligibility determination and/or in the post-eligibility calculation.

3210.05.00 NON-INSTITUTIONALIZED APPLICANT/RECIPIENT (MED 1)

The policy contained in this section only applies to the MA A, MA B, and MA D categories of assistance.

When the applicant/recipient (participating member) is in a living arrangement other than a Medicaid certified long-term care facility, the AG consists of the applicant/recipient and the nonparticipating members listed below:

- The spouse of the applicant/recipient if the couple is living together or separated only for medical reasons.
- A spouse receiving HCBS Waiver services will be excluded from non-waiver spouse applicant/recipient.
- The biological or adoptive parent(s) of a child applicant/recipient who resides with the parent(s) and who does not qualify for certain Home and Community Based Services (HCBS) waivers as specified in Section 3220.15.00.
- The biological, adoptive, or stepchild of the applicant/recipient who is living in the same home.
- A child who is a sibling of the child applicant/recipient who lives with the applicant/recipient and his biological or adoptive parent.

- The step-parent of a child applicant/recipient living with the applicant/recipient and his biological parent
- An essential person other than a spouse or parent who lives with the applicant/recipient and who provides essential care and services to him.

As used in this section a "child" is a person who is under the age of 18 or who is a student aged 18 – 21.

For a complete understanding of the way in which income and resources of nonparticipating AG members are considered, refer to Sections 3455.00 (Budgeting), 2600 (Resources), and 1610.00 (Category description).

3210.10.00 APPLICANT/RECIPIENT IN LONG TERM CARE (MED 1)

The policy stated in this section only applies to the MA A, MA B, and MA D categories of assistance when the applicant/recipient resides in a Medicaid certified facility.

The AG of an applicant/ recipient in long term care consists of:

- The applicant/recipient
- The applicant's/recipient's spouse who also resides in a long-term care facility or hospital if the couple is separated only for medical reasons
- The applicant's/recipient's spouse who does not live in a hospital, nursing facility, ICF/MR, CRF/DD, or psychiatric facility (referred to as the community spouse)
- The following individuals who live with the community spouse of the applicant/recipient residing in a Medicaid certified facility:
 - Biological or adoptive child under age 21 of either spouse.
 - Biological or adoptive child age 21 and over who is claimed as a tax dependent.
 - Parents of either spouse, who are claimed as tax dependents; and
 - Siblings of either spouse who are claimed as tax dependents.

3210.15.00 CHILDREN APPROVED FOR CERTAIN HCBS WAIVERS (MED 1)

The policy contained in this section only applies to the MA D and MA B categories of assistance.

The only member of the AG is the applicant/recipient if he is under age 21 and approved for Home and Community Based Services (HCBS) under any of Indiana's waivers. Please, refer to IHCPM 3305.00.00 for waiver types

3210.20.00 RCAP MEDICAID AG MEMBERS (MED 1)

The policy contained in this section only applies to the MA R category of assistance.

The AG consists of the applicant/recipient who has been determined eligible for Residential Care Assistance Program (RCAP) and his/her spouse if the couple is living together or separated only for medical reasons. The spouse's resources are considered in the Medicaid eligibility determination.

3215.00.00 MEDICAID ASSISTANCE GROUPS (MED 2)

The only category of assistance under MED 2 is MA Q, Refugee Medical Assistance (RMA). MA Q is the category of last resort after all other categories have been explored.

3215.10.00 REFUGEE MEDICAL ASSISTANCE GROUPS (MED 2)

Refugee eligibility is determined on the basis of need. A refugee AG is comprised of one or more related refugees of any age who live together. The following sections discuss additional AG requirements.

3215.10.05 REFUGEE MANDATORY PARTICIPATING AG MEMBERS (MED 2)

The Refugee Cash Assistance eligibility determination must include the following mandatory AG participants who live together:

- The applicant/recipient
- The applicant's/recipient's dependent child under the age of 18
- The applicant's/recipient's spouse who has refugee status
- The parent of the dependent child if he has refugee status.

3215.10.10 REFUGEE OPTIONAL AG PARTICIPANTS (MED 2)

Any legal or blood relative with refugee status, who is either a dependent child or a caretaker living with the AG, who is not mandatory, may be included in the AG.

3215.10.15 REFUGEE MANDATORY NONPARTICIPATING AG MEMBERS (MED 2)

Individuals who live with the AG and are excluded from the AG include:

- Individuals who would be mandatory participating members but who are serving a period of ineligibility due to the receipt of a lump sum payment
- Sanctioned individuals
- Non-recipient stepparents
- Stepparent's dependent child
- Non-recipient parent of a minor parent
- The refugee's spouse who does not have refugee status.

The income of these individuals is counted in the eligibility determination. The resources of lump sum ineligible members, sanctioned members, and a non-refugee spouse are also counted. However, resources of the remaining AG members are not counted.

3215.10.20 REFUGEE EXCLUDED MEMBERS (MED 2)

Individuals who live with the AG, but are excluded from participation in the AG, include:

- SSI recipients
- A child receiving IV-E payments
- Children for whom foster care maintenance or adoption assistance payments are made, whether provided by a federal, state, or local agency. This does not apply to children receiving adoption assistance if their exclusion results in a reduction in the AG's benefits.

The income, needs, expenses, and resources of these individuals are not counted in the Refugee Cash Assistance eligibility determination.

3218.00.00 TRANSITIONAL MEDICAL ASSISTANCE

Transitional Medical Assistance (TMA) is available to adults who no longer qualify for MAGF due to earnings and certain children who were living with the adult who lost MAGF eligibility while he was receiving MAGF. Please, refer to IHCPPM Chapter 3800. The category for TMA is MA F, which is not considered MED 2 or MED 3. MA F, however, is considered a Hoosier Healthwise category.

3220.00.00 MEDICAID ASSISTANCE GROUPS (MED 3)

Individuals whose eligibility is being considered under the MED 3 categories of assistance are subject to MAGI methodology for determination of household size (AG). Refer to sections 3205.05.00, 3205.10.00, 3205.15.00, and 3205.20.00 for the MAGI rules for determining the AG for tax filers, tax dependents, and individuals who do not qualify as either tax filer or tax dependents under this chapter.

3220.05.00 LOW INCOME PARENTS/OTHER CARETAKER RELATIVES AND ADULTS (MED 3)

Low-income parents and caretakers and other adults that are being considered for eligibility under the MAGF, MASP, and MASB categories of assistance are subject to MAGI rules for determination of their AG.

Generally, for adult Medicaid applicants or recipients who plan to file a federal tax return, the AG consists of him/herself and all other individuals to be claimed as tax dependents. If the applicant or recipient is married, the AG also includes the spouse regardless of whether the couple will file

a joint return or whether the spouse will be claimed as a tax dependent by the applicant/recipient.

If the adult Medicaid applicant or recipient is to be claimed as a tax dependent, please, refer to IHCP 3205.15.00.

Example 1:

Jenny, who does not plan to file a federal tax return, is applying for Medicaid eligibility, and lives with her husband Shawn, who also does not plan to file. Jenny and Shawn live with their three children: Anna, Joe, and Peter. Anna and Joe are their shared biological children. Peter is Shawn's biological son from a previous relationship. Jenny also has another biological son, David, who does not live with them.

Since neither adult plan to file a federal tax return and are not claimed as tax dependents, their AGs are determined in accordance with the rules for non-filers and non-dependents. Jenny's AG consists of herself, Shawn, Anna, Joe, and Peter. Her two biological children and one stepchild living with her are all included, but since her other son David does not live with her, he is not.

Shawn's AG consists of himself, Jenny, Anna, Joe, and Peter. His three biological children living with him are all included, but since his stepson David does not live with him, he is not. Shawn's AG consists of himself, Jenny, Anna, Joe, and Peter. His three biological children living with him are all included, but since his stepson David does not live with him, he is not included.

Example 2: Karen and her husband Stan live with Karen's elderly and disabled mother, Susan, their 18-year-old daughter, Emma, and Emma's infant son, Jeffrey. Karen plans to file a federal tax return and will claim all of them as her dependents.

Karen is applying for coverage for herself and for Jeffrey. Since Karen is a tax filer, her AG consists of herself and all those she will claim as dependents: Susan, Stan, Emma, and Jeffrey. As Karen's tax dependents, Susan, Stan, and Emma would all have the same AG as Karen if any of them were to be considered for Medicaid eligibility under a MAGI category of assistance.

Jeffrey, however, has a different AG than Karen because he falls into one of the exceptions for tax dependents, as he is a dependent claimed by someone other than his biological, adopted, or stepparent or spouse. His AG is determined in accordance with the rules for non-filers and non-dependents. Therefore, Jeffrey's AG consists of only himself and his mother Emma, since she lives with him and he is under the age of 19.

Example 3:

Bill and his partner Kim live together with their four children, all under the age of 19: their two shared biological children Lisa and Gabriel, Kim's biological daughter Cindy, and Bill's biological son Levi.

Bill and Kim each plan to file separate federal tax returns. Bill claims Levi and Gabriel as tax dependents, so his AG consists of himself and his two sons. Kim is not a part of his AG because the two are not married. Kim claims Cindy and Lisa as her tax dependents, so her AG consists of herself and her two daughters. Bill is not a part of her AG because the two are not married. Levi and Cindy's AGs are the same as Bill's and Kim's, respectively, because they are claimed as their parents' tax dependents.

However, the AG for Gabriel and Lisa must be determined in accordance with the rules for non-filers and non-dependents. As the two shared biological children of the relationship, Gabriel and Lisa fall into one of the exceptions a tax dependent as "individuals under age 19 living with both parents who do not plan to file a joint return and expect to be claimed as a dependent only by one parent". Therefore, Gabriel's AG consists of himself, both of his parents, and his three siblings with whom he lives (since he is under 19). Similarly, Lisa's AG consists of herself, both of her parents, and her three siblings with who she lives (since she is under 19).

3220.10.00 AG DETERMINATION/CHILDREN (MED 3)

The policy discussed in this section refers to the following Medical Assistance categories:

- Children under one year of age (MA Y)
- Children one to five years of age (MA Z)
Children six to nineteen years of age (MA 2, MA 9, MA 10)
Children between nineteen and twenty-one residing in an inpatient psychiatric facility (MA O)

All these categories of assistance are subject to MAGI methodology for household size and composition. Again, there are different rules for tax filers, tax dependents, and those who are neither filers nor dependents.

Most children eligible for Medicaid under these categories of assistance will be subject to the MAGI household size (AG) determination rules for tax dependents, or the rules for those who are neither tax filers nor dependents. These rules are described in Sections 3205.15.00 and 3205.20.00.

Some examples of the AG composition of applicants/recipients eligible under the children's categories of assistance follow. They primarily concern cases in which children are not tax filers nor tax dependents or fall into one of the exceptions for dependents, as these situations are more complex than if the children are simply dependents of their parents.

Example 1:

Ryan, age nine, and Core, age seven, are brother and sister and live with their aunt and uncle, Sally and Doug. Sally and Doug have not legally adopted the children, but they claim them as

tax dependents. Even though these children are claimed as tax dependents, their AG is not determined in accordance with the rules for tax dependents. This is because they fall into the exception of children who expect to be claimed as tax dependents by someone other than a biological, adoptive, or stepparent. Ryan and Cora's AGs are determined using the same rules for people who are non-filers and non-dependents.

According to these rules, the AG includes the individual, and, if living with the individual, his or her spouse; biological, adopted, and stepchildren and parents, and biological, adopted, and step siblings, since they are under the age of 19. Therefore, Ryan's AG consists of himself and his sister Cora, and Cora's AG consists of herself and her brother, Ryan.

Example 2:

Jill is one year old and lives with her brother, Derek, who is four years old, and her mother, Lori. Lori does not expect to file a federal tax return, so she will not claim her children as tax dependents. Neither will anyone else. Therefore, Jill and Derek's AGs will be determined in accordance with the rules for non-filers and non-dependents. According to these rules, the AG includes the individual, and, if living with the individual, his or her spouse; biological, adopted, and stepchildren; and biological, adopted, and stepparents and siblings (if they are under the age of 19).

Jill's AG will consist of herself, her mother, and her brother Derek, since Derek is under the age of 19 and she lives with them both. Similarly, Derek's AG will consist of himself, his mother, and his sister Jill.

Example 3:

Carol and Steve are divorced and have three-year-old twins, Molly and Jason. Carol is the custodial parent, as determined by the court, for both of the children, but she allows Steve to claim Molly as a tax dependent. Carol plans to file a federal tax return and will claim Jason. Although Molly is a tax dependent, she is claimed by a non-custodial parent and therefore falls into one of the exceptions. Her AG will be determined in accordance with the rules for non-tax filers and non-dependents.

Molly's AG consists of herself, her mother Carol, and her brother Jason, because they are all live together and she is under the age of 19. Jason's AG is the same as Carol's since she is his custodial parent and will claim him as a tax dependent.

Example

4: Mike, age 20, lives with his wife Angela, 19, their infant daughter Madison, and his 15-year-old brother, Murray. Mike plans to file a federal tax return and claim Angela, Madison, and Murray as his dependents. Therefore, Mike's AG consists of four people—himself and his three dependents. Angela and Madison's AGs are the same as Mike's AG.

Murray's AG, however, is different. Although he is a tax dependent, he is being claimed by his

brother—someone other than his spouse or biological, adopted, or stepparent. Therefore, Murray’s AG is determined in accordance with the rules for non- filers and non-dependents. Murray’s AG consists only of himself—although he is living with his brother Mike, Mike is 20, and siblings are only included in the AG of non-filers and non-dependents if they are under the age of 19.

Example 5:

Sam, age 6, lives with his parents, Debbie and Duane, and his brother, Tommy, age 4. Duane expects to file a federal tax return. Debbie will not, and Duane cannot claim Debbie as a dependent nor include her in his AG, since the two are not married. Duane will claim both Sam and Tommy as dependents.

Although they are being claimed as dependents, the children fall into the exception of living with both parents who do not expect to file a joint tax return and expect to be claimed only by one parent. Therefore, their AGs are determined in accordance with the rules for non-filers and non-dependents.

Sam’s AG consists of himself, both of his parents, and Tommy, and Tommy’s AG consists of himself, both of his parents, and Sam. Duane’s AG consists of himself and his two sons, since he is a tax filer claiming them. Debbie is a non-filer and non-dependent, so she is subject to those rules. Her AG consists of herself and her two sons, with whom she lives, but it would not include Duane since the two are not married.

3220.15.00 AG DETERMINATION/PREGNANT WOMEN (MED 3)

The policy discussed in this passage refers only to the MAMA and MAGP categories of assistance.

Pregnant women being considered for Medicaid eligibility under MAMA or MAGP are subject to MAGI methodology for determination of household size (AG). If the pregnant woman is a tax filer, her AG is determined in accordance with the rules for tax filers; if she is a tax dependent, her income is determined in accordance with the rules for tax dependents, and if she is neither a filer nor a dependent, her AG will be determined in accordance with those rules.

An unborn child or children can only be counted in the AG of the pregnant woman. The unborn child(ren) cannot be counted as a part of the AG of the father or siblings, even if the father and mother are married and the other children all live together. Additionally, if the pregnant woman is claimed as a dependent, the unborn child(ren) cannot be counted in the AG of the filer that claims her.

Some examples of the AG composition of applicants/recipients eligible under MAMA and MAGP follow.

Example 1:

Charlotte lives with her parents and is pregnant with twins. Her parents file a joint return and claim her and her younger brother as dependents. As a tax dependent, Charlotte's AG is the same as the tax filers that claim her. In addition, because she is pregnant, her AG will include her unborn children.

Charlotte's AG consists of herself, both of her parents, her brother, and her unborn children.

Her parents are tax filers, so their AG consists of themselves and their 2 children. They cannot include Charlotte's unborn children in their AG's.

Example 2:

Emily is pregnant with her fourth child. She lives with her husband and their other three children. Emily files taxes jointly with her husband, so Emily's AG is determined in accordance with the rules for tax filers. Her AG consists of herself, her husband, their three children and the unborn child.

Her husband's AG consists of himself, Emily, and his three children. He cannot count the unborn child in his AG.

The three children's AG consists of the parents and siblings. Emily's unborn child cannot be counted in their AG's.

3220.20.00 AG DETERMINATION/NEWBORNS

The policy in this section applies to the MA X category. (Refer to Sections 1620.75.00 and 2428.00.00 for category description and eligibility information).

The AG consists only of the newborn child.

There is no financial eligibility determination for this category.

3220.25.00 AG DETERMINATION/FAMILY PLANNING SERVICES

The policy in this section applies to the MA E category. (Refer to Section 1620.80.00 and 2410.05.05).

This category of assistance is subject to MAGI methodology for household size and composition.

3225.00.00 QMB/QDW/SLMB/QI ASSISTANCE GROUPS (MED 4)

The members of a Qualified Medicare Beneficiary (QMB), (refer to 1610.30.00 for category description); Qualified Disabled Worker (QDW), (refer to 1610.40.00 for category description); Specified Low-Income Medicare Beneficiary (SLMB) (refer to 1610.35.00 for category description) and Qualified Individuals (QI) (refer to 1610.45.00 for category description) AGs are as follows:

- The applicant/recipient
- The spouse of the applicant/recipient when they are living in the community together
- The applicant's/recipient's biological, adoptive, and stepchild under age 18 or an 18–21-year-old student, living with the applicant/recipient
- The applicant's/recipient's essential person as defined in section 3220.05.00

When one spouse is on an HCBS waiver or in a facility, the income and resources of the spouses will not be included in each other's MED 4 budget.

For a complete understanding of the way in which income and resources of nonparticipating members are considered in determining eligibility, refer to Chapters 3400 (Budgeting) and 2600 (Resources).

⁸ 42 CFR 435.603(f)

⁹ 42 CFR 435.603(f)(3)(i) and (42 CFR 435.603(f)(3)(4)

¹⁰ 42 CFR 435.603(f)(3)(ii) and (42 CFR 435.603(f)(3)(iv)

¹¹ 42 CFR 435.603(f)(3)(iii) and (42 CFR 435.603(f)(3)(iv)

¹² IRS.GOV

¹³ 42CFR435.603

¹⁴ 42CFR435.603

¹⁵ 42 CFR 435.603(f)(2)(iii)

¹ IRS.GOV

² 42 CFR 435.603(f)(2)(iii)

⁴ 42 CFR 435.603(d)(2)(i)

⁵ 42 CFR 435.603(f)(2)

⁶ 42 CFR 435.603(f)(5)

⁷ 42CFR435.603