

CHAPTER M04

MODIFIED ADJUSTED GROSS INCOME (MAGI)

M04 Changes

Changed With	Effective Date	Pages Changed
TN #DMAS-2	10/1/16	Appendix 2, pages 1, 2 Appendices 3, 5
TN #DMAS-1	6/1/16	Pages 3, 5, 6, 12, 13, 14a Appendices 1, 2, 6 and 7 Appendix 2, page 2 was added. Page 13a is a runover page.
UP #11	7/1/15	Appendices 3 and 5
TN #100	5/1/15	pages 2, 11, 12, 13, 14 Appendices 1, 2, 3, 5, 6 and 7 Page 1 is a runover page.
Update (UP) #10	5/1/14	Table Contents pages 2, 3, 5, 6, 10-15 Appendices 1, 2 and 6 Appendix 7 was added.
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M0410.000 MODIFIED ADJUSTED GROSS INCOME (MAGI)

M0410.100 MAGI GENERAL INFORMATION

A. Introduction

Beginning October 1, 2013, determinations of eligibility for most families and children (F&C) Medicaid covered groups and the Family Access to Medical Insurance Security Plan (FAMIS) will be done using the Modified Adjusted Gross Income (MAGI) methodology. MAGI methodology will also be used to determine eligibility for participation in the Federal Health Insurance Marketplace. Medicaid, FAMIS and the Federal Health Insurance Marketplace (HIM) are called insurance affordability programs. Medicaid and FAMIS are collectively referred to as medical assistance (MA) programs.

The goal of using MAGI methodology for all insurance affordability programs is to align financial eligibility rules, provide a seamless and coordinated system of eligibility and enrollment, and maintain the eligibility of low-income populations, especially children.

B. Legal Base

The Patient Protection and Affordable Care Act of 2010 (Pub. L. No. 111-148), as amended by the Health Care and Education Reconciliation Act of 2010 (Pub. L. No. 111-152) (collectively referred to as the Affordable Care Act [ACA]) is the legal base for the changes required to be made in the Medicaid and CHIP (FAMIS) eligibility determinations.

MAGI and household income are defined in section 36B(d)(2)(A) and (B) of the Internal Revenue Service Code (IRC). The MAGI-based methodology under the Medicaid statute includes certain unique income counting and household (HH) composition rules reflected in the Centers for Medicare and Medicaid Services (CMS) regulations at 42 CFR 435.603 and discussed in section III.B. of the preamble to the eligibility final rule published in the Federal Register on March 23, 2012.

C. Policy Principles

1. What is MAGI?

MAGI:

- is a methodology for how income is counted and how household composition and family size are determined,
- is based on federal tax rules for determining adjusted gross income (with some modification), and
- has no asset test.

2. MAGI Rules

- MAGI has an income disregard equal to 5% of the federal poverty level (FPL) for the individual's household size. The disregard is only given if the individual is not eligible for coverage due to excess income. It is applicable to individuals in both full-benefit and limited-benefit covered groups.

If the individual meets multiple Medicaid covered groups (and/or FAMIS) his gross income is compared first to the income limit of the group with the highest income limit under which the individual could

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be eligible. If the income exceeds the limit, the 5% FPL disregard can be allowed, and the income again is compared to the income limit.

- When considering tax dependents in the tax filer's household, the tax dependent may not necessarily live in the tax filer's home.
- Under MAGI counting rules, an individual may be counted in more than one household but is only evaluated for eligibility in his household.
- Use non-filer rules when the household does not file taxes.
- Use non-filer rules when the applicant is claimed as a tax dependent by someone outside the applicant's household.
- Non-filer rules may be used in multi-generational households.

3. Eligibility Based on MAGI

MAGI methodology is used for eligibility determinations for insurance affordability programs including Medicaid, FAMIS, the Advance Premium Tax Credit (APTC) and cost sharing reductions through the Health Insurance Marketplace for the following individuals:

- a. Children under 19
- b. Parent/caretaker relatives of children under the age of 18 - *Low Income Families With Children (LIFC)*
- c. Pregnant women
- d. Individuals Under Age 21
- e. Plan First.

4. Eligibility NOT Based on MAGI

MAGI methodology is NOT used for eligibility determinations for:

- a. individuals for whom the agency is not required to make an income determination:
 - Supplemental Security Income (SSI) recipients
 - Auxiliary Grant recipients
 - IV-E foster care or adoption assistance recipients
 - Deemed newborns
 - BCCPTA (Breast and Cervical Cancer Prevention and Treatment Act) enrollees.
- b. individuals who are eligible on the basis of being aged (age 65 or older), blind or disabled;
- c. *individuals who are eligible only in the 300% of SSI covered group;*
- d. individuals evaluated as Medically Needy;

5. Special Medical Needs Adoption Assistance Children

A Special Medical Needs Adoption Assistance (AA) child *is* subject to modified MAGI methodology for the *child's initial* Medicaid eligibility determination. *These* children are in their own household apart from parents and siblings. Parents' and siblings' income is not counted for these children.

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- 4. Children in Level C Psychiatric Residential Treatment Facilities (PRTFs)** *Children placed in Level C PRTFs are considered absent from their home if their stay in the facility has been 30 consecutive days or more. A child who is placed in a Level C PRTF is considered NOT living with his parents for MAGI purposes as of the first day of the month in which the 30th day of psychiatric residential placement occurs. Long-term care rules do not apply. See M0520.100 B.3.*

M0420.100 Definitions

A. Introduction The definitions below are used in this chapter. Some of the definitions are also in subchapter M0310. Some of the definitions are from the IRC.

B. Definitions

- 1. Caretaker Relative** means a relative of a “dependent” child by blood, adoption, or marriage with whom the child lives, who assumes primary responsibility for the child’s care. This includes the caretaker relative’s spouse.
- 2. Child** means a natural, biological, adopted, or stepchild.
- 3. Dependent Child** means a child under age 18, or age 18 and a full-time student in a secondary school, who lives with his parent or caretaker-relative.
- 4. Family** means the tax filer (including married tax filers filing jointly) and all claimed tax dependents.
- 5. Family Size** means the number of persons counted as an individual’s household. The family size of a pregnant woman’s household includes the pregnant woman plus the number of children she is expected to deliver. When determining the family size of other individuals who have a pregnant woman in their household, the pregnant woman is counted as just one person.
- 6. Household** A household is determined by tax dependency. Parents, children and siblings are included in the same household. A child claimed by non-custodial parent is evaluated for eligibility in the household in which he is living and is also counted in the family size of the parent claiming him as a dependent. There can be multiple households living in the home.

This definition is different from the use of the word household in other programs such as the Supplemental Nutrition Assistance Program (SNAP).
- 7. Non-filer Household** means individuals who do not expect to file a Federal tax return and/or do not expect to be claimed as a tax dependent for the taxable year in which an initial determination or renewal of eligibility is being made. A non-filer household can also be a child who lives in the household with his custodial parent who is claimed on his non-custodial parent’s taxes.

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- 8. Parent** means a natural, biological, adoptive, or stepparent.
- 9. Reasonable Compatibility** means the income attested to (declared) by the applicant is within 10% of income information obtained from electronic sources. If the income from both sources meets the 10% requirement, then the attestation is considered verified.
- The applicant's income reported on the application is verified through a match with income data in the federal Hub, if is available. The eligibility/enrollment system will compare the reported income with the income from the data match and determine if reasonable compatibility exists. If reasonable compatibility exists, the income will be labeled verified, and no further verification of the income is necessary.
- If reasonable compatibility does not exist or income data was not available through the Hub, the income will be labeled unverified. If the system indicates that the income is not verified and the attestation is below the medical assistance income level, documentation of income is required.
- 10. Sibling** means a natural, biological, stepsibling or half-sibling.
- 11. Tax-Dependent** means an individual for whom another individual claims a deduction for a personal exemption under section 151 of the Internal Revenue Code of 1986 for a taxable year.
- 12. Tax-filer Household** means individuals who expect to file a Federal tax return and/or who expect to be claimed as a tax dependent for the taxable year in which an initial determination or renewal of eligibility is being made.

M0430.100 MAGI HOUSEHOLD COMPOSITION

- A. Introduction** The household composition is the basis for the financial eligibility determination for each person in the home who applies for MA. Eligibility is based on the countable income of the household members.
- The MAGI rules for household composition represent a major change for Medicaid. Included in the MAGI household composition are:
- stepparents and stepchildren,
 - children/siblings with income,
 - children ages 21 and older who are claimed as tax dependents, and
 - other adult tax dependents.
- B. Household Composition Rules** Tax filers and tax dependents use the tax household rules with limited exceptions. In most cases, the household is determined by principles of tax dependency.
- Parents, children and siblings are included in the same household.

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- Stepparents and parents are treated the same.
- Children and siblings with or without income are included in the same household as the rest of the family.
- Older children are included in the family if claimed as tax dependent by the parents.
- Married couples living together are **always** included in each other's household even if filing separately.
- Dependent parents may be included in the household if they are claimed for income tax purposes.

1. Tax Filer Household Composition

The tax filer household is determined based on the rules of tax dependency. Parents, children and siblings are included in the same household. The tax filer's household consists of the tax filer and all tax dependents who **are expected to be claimed for the current year**. This could include non-custodial children claimed by the tax filer, but living outside the tax filer's home and dependent parents claimed by the tax filer, but living outside the tax filer's home.

The tax filer household is composed of the individual who expects to file a tax return this year and does not expect to be claimed as dependent by another tax filer. The household consists of the tax filer and all individuals the individual expects to claim as a tax dependent.

2. Tax Dependent Household Composition

means all dependents expected to be claimed by another tax filer for the taxable year. Except for Special Medical Needs AA children *and children who have been in a Level C PRTF for at least 30 consecutive days*, the tax dependent's household consists of the tax dependent, his parents and his siblings living in the home. If the tax dependent is living with a tax filer other than a parent or spouse, the tax dependent is included in the tax filer household, but the tax filer is NOT included in the tax dependent's household. **A Special Medical Needs AA child or a child who has been in a Level C PRTF for at least 30 consecutive days is in his own household with no parents or siblings.**

Exceptions to the tax household composition rules apply when:

- individuals other than biological, adopted or stepchildren are claimed as tax dependents,
- children are claimed by non-custodial parents,
- married couples and children of parents are not filing jointly.
- the tax dependent is a Special Medical Needs AA child *or a child who has been in a Level C PRTF for at least consecutive 30 days*.

3. Non Filer Household Composition

The Non Tax Filer household rules mirror the tax filer rules to the maximum extent possible.

- The household consists of parents and children under age 19.
Exception: A Special Medical Needs AA child *or a child who has been in a Level C PRTF for at least 30 consecutive days* is in his own household with no parents or siblings.

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- Non-filer rules are used when a child is claimed as a tax dependent of someone not living in the home.
- Non-filer rules are used in the case of a multi-generational household where the tax dependent is also the parent of a child.
- Children under age 19 living with a relative other than a parent are included only in their own household.
- Spouses, parents, stepparents and children living together are included in the same household. Exception: *A Special Medical Needs AA child or a child who has been in a Level C PRTF for at least 30 consecutive days* is in his own household with no parents or siblings.
- For non-filers, a “child” is defined as under age 19.

4. Married Couple

In the case of a married couple living together, the spouse is always included in the household of the other spouse, regardless of their tax filing status.

M0430.200 TAX FILER HOUSEHOLD EXAMPLES

A. Married Parents and Their Tax Dependent Children

Sam and Sally are a married couple. They file taxes jointly and claim their two children Susie and Sarah as tax dependents. All of them applied for MA.

The MAGI household is the same as their tax household because the tax filers are a married couple filing jointly and claiming their dependent children. No additional individuals live in the home.

Ask the following questions for each tax dependent to determine if exceptions exist:

- Is Susie the tax dependent of someone other than a spouse or a biological, adopted, or stepparent? No, also applies to Sarah
- Is Susie a child living with both parents, but the parents do not expect to file a joint tax return? No, also applies to Sarah
- Is Susie a child who expects to be claimed by a non-custodial parent? No, also applies to Sarah

The following table shows each person’s MAGI household:

Person	# - Household Composition	Reason
Sam	4 - Sam, Sally, Susie, Sarah	Tax-filer & dependents
Sally	4 – Sally, Sam, Susie, Sarah	Tax filer & dependents
Susie	4 – Susie, Sam, Sally, Sarah	Tax dependent, tax-filer parents and other tax dependent
Sarah	4 - Sarah, Sam, Sally, Susie	Tax dependent, tax-filer parents and other tax dependent

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B. Parent, Stepparent, and Parent's Child (not child of stepparent)

John and Joan are a married couple. They file taxes jointly and claim Joan's son by a first marriage, JP age 17, as a tax dependent. All of them applied for MA.

The tax household includes John, Joan and JP. Since no one is claimed as a tax dependent by anyone else, the tax household and MAGI household are the same.

Ask the following questions for each tax dependent to determine if exceptions exist:

- Is JP the tax dependent of someone other than a spouse or a biological, adopted, or stepparent? No
- Is JP a child living with both parents, but the parents do not expect to file a joint tax return? No
- Is JP a child who expects to be claimed by a non-custodial parent? No

The following table shows each person's tax filer household:

Person	# - Household Composition	Reason
John	3 – John, Joan, JP	Tax-filer & dependents
Joan	3 – Joan, John , JP	Tax-filer & dependents
JP	3 – JP, Joan, John	Tax dependent and tax-filer parents

M0430.300 NON TAX FILER HOUSEHOLD EXAMPLES

A. Example for non-filer HH with child over age 19

Jill lives with her daughter, Lea, age 19 and her son, Mike, age 15. Lea and Mike's father is deceased. Jill and Mike receive Social Security survivor's benefits. They do not file taxes. All applied for MA. The following table shows each person's MAGI household:

For individuals who neither file a tax return nor are claimed as a tax dependent for the taxable year in which an initial determination or renewal of eligibility is being made, the household consists of the individual and, if living with the individual:

- the individual's spouse
- the individual's natural, adopted and stepchildren under the age 19
- the individual's natural, adopted and stepparents and natural, adoptive and step siblings under the age of 19.

Person	# - Household Composition	Reason
Jill	2 Jill, Mike	Non tax filer household-parent and child under age 19
Mike	2 Mike, Jill	Non tax filer household-child under age 19 and parent
Lea	Lea	Non-filer over age 19

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B. Married Parents and Their Dependent Children

Josh and Penny are a married couple. They live with their children Daisy and Kate, both under age 18. They do not expect to file federal taxes this year so non-filer rules are used. All applied for MA. The following table shows each person's MAGI household:

Person	# - Household Composition	Reason
Josh	Josh, Penny, Daisy, Kate	Non-filer household-married parents living with 2 children in common
Penny (Spouse)	Josh, Penny, Daisy, Kate	Non-filer household-married parents living with 2 children in common
Daisy	Josh, Penny, Daisy, Kate	Non-filer household-married parents living with 2 children in common
Kate	Josh, Penny, Daisy, Kate	Non-filer household-married parents living with 2 children in common

C. Parent, Stepparent, and Parent's Child (not child of stepparent)

Paul and Pattie are a married couple. They live with Pattie's son by a first marriage, Edgar age 17. They do not plan to file taxes this year. The household for the MAGI determination is the non-filer household which includes Paul (stepparent/spouse), Pattie (parent/spouse) and Edgar (child/stepchild). All of them applied for MA. The following table shows each person's tax filer household:

Person	# - Household Composition	Reason
Paul	3-Paul, Pattie, Edgar	Non filers – spouses, parent, stepparent and child/stepchild under age 19
Pattie	3-Pattie, Paul, Edgar	Non filers - spouses, parent, stepparent and child/stepchild under age 19
Edgar	3-Edgar, Paul, Pattie	Non filer lives with parents

M0430.400 TAX FILER AND NON TAX FILER HOUSEHOLD EXAMPLES

A. Parent and Child Claimed by Non-custodial Parent

Linda and her daughter, Liza, live in the home. Linda works and claims only herself as a tax dependent. Liza is claimed by her father who does not live in the home. Both applied for MA.

Linda's is a tax filer claiming only herself. Her tax household and MAGI household are the same. Liza is a tax dependent claimed by a non-custodial parent so a tax dependent exception exists and non-filer rules must be used. The following table shows each person's MAGI household:

Person	# - Household Composition	Reason
Linda	1- Linda	Tax-filer with no additional tax dependent
Liza	2 - Liza, Linda	Non-filer child and parent living in the home

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B. Three Generation Household – Grandmother is Tax Filer

Mary is a working grandmother who claims her daughter, Samantha, age 20 and a full-time student, and granddaughter, Joy, age 2 as tax dependents. Although Samantha has a part-time job, she is not required to file taxes. All applied for MA.

The tax household includes Mary (the tax filer), Samantha (Mary’s dependent child), and Joy (Mary’s tax dependent). Mary’s MAGI household is the same as her tax household and includes Mary, Samantha and Joy. Samantha’s MAGI household is the same as Mary’s because Samantha is a tax dependent and no tax dependent exceptions exist. Joy’s is also a tax dependent, but meets an exception because she is not the child of the tax filer. Her MAGI household is a non-filer household and includes just Samantha and Joy; parent and child living in the home.

The following table shows each person’s MAGI household:

Person	# - Household Composition	Reason
Mary	3 – Mary, Samantha, Joy	Tax-filer & dependents
Samantha	3 – Samantha, Mary, Joy	Tax-filer & dependents
Joy	2 – Joy, Samantha	Non-filer parent and child

C. Three Generation Household – Second Generation Tax Filer

Rose is a tax dependent of her daughter, Lee, age 18. Lee works and claims her son, Peter, and Rose as tax dependents. All applied for MA.

The tax household includes Lee (tax filer), Rose (tax dependent), and Peter (tax dependent). Rose is not the child of the tax filer so a tax dependent exception exists and non-filer rules are used for her MAGI household. Lee is a tax filer with dependents so her MAGI household is the same as her tax household. Peter is a tax dependent living with his tax filer parent so his MAGI household is the same as the tax household.

The following table shows each person’s MAGI household:

Person	# - Household Composition	Reason
Rose	2– Rose and Lee	Non-filer, has child under age 19
Lee	3 – Lee, Rose and Peter	Tax-filer with dependents
Peter	3 – Peter, Lee and Rose	Tax dependent lives with tax-filer parent and parent’s other tax dependent

D. Two Parents Not Married To Each Other, One Is Tax Filer; With Children, One Is Child Of One Parent And Other Is Child-In-Common

Bob and Ann live together with Bob’s son, John age 14, and their child-in-common, Jane age 12. Ann works and files taxes claiming both children as dependents. Bob does not file taxes. All applied for MA.

Bob is a non-filer and is not claimed as a tax dependent of anyone. His MAGI household uses non-filer rules and includes Bob and his children living in the home. Ann is a tax filer with tax dependents; her MAGI household is the same as her tax household. John is a tax dependent of someone other than his parent so non-filer rules are used. John’s MAGI household includes John, his father Bob and his sibling Jane. Jane is a tax dependent of her tax filer mother, but her parents are not filing jointly so non-filer rules are used and her MAGI household includes her parents and siblings.

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The following table shows each person's MAGI household:

Person	# - Household Composition	Reason
Bob	3 - Bob, John and Jane	Non-filer with children
Ann	3 - Ann, John and Jane	Tax filer and her dependents
John	3 - John, Bob, and Jane	Non-filer with parent and siblings-no direct relation to tax filer Ann
Jane	4 - Jane, Bob, Ann and John	Non-filer child with 2 parents and half-sibling

E. Two Parents Not Married To Each Other, Both File Taxes; 1 Child-In-Common, One Child Not In Common; Mom Is Pregnant

Jill and Max are both tax filers. Also in the home are Max's son, Mark and their child-in-common, May. Jill is pregnant, expecting 1 baby. Max claims both children on his taxes. All applied for MA.

Jill is a tax filer who claims no additional dependents. Her MAGI household is the same as her tax household for Medicaid coverage in the LIFC covered group and includes her unborn child when determining her eligibility as a pregnant woman. Max is a tax filer with two dependent children; his MAGI household is the same as his tax household. Mark is a tax dependent living with his tax filer parent and no exceptions exist; his MAGI household is the same as the tax household. May is a tax dependent, but her parents are not filing jointly so an exception exists and non-filer rules are used for her MAGI household.

The following table shows each person's MAGI household:

Person	# - Household Composition	Reason
Jill	2 - Jill and 1 unborn	Tax-filer pregnant woman; no other dependents
Jill	1 - Jill	Tax filer household for determining eligibility as LIFC
Max	3 - Max, Mark and May	Tax filer and two dependent children
Mark	3 - Mark, Max and May	Tax filer rules, tax household rules for person filing for him
May	4 - May, Max, Jill and Mark	Non-filer rules child with parents not filing jointly non-married parents and half sibling.

F. Tax Filer, Spouse, Their Child, His Child Not Living In the Home

Gerry and Bree are married and file their taxes jointly. Also in the home is their son, Tad age 7, whom they claim as their dependent. They also claim Gerry's daughter, Tansy age 10, who does not live with them. Gerry, Bree and Tad applied for MA.

Gerry and Bree are tax filers who are married, filing jointly claiming two dependent children. Their MAGI household is the same as their tax household.

Tad is a tax dependent child and no tax dependent exceptions exist; Tad's MAGI household is the same as the tax household. The following table shows each person's MAGI household:

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Person	# - Household Composition	Reason
Gerry	4 – Gerry, Bree, Tad and Tansy	Tax filers and dependent children
Bree	4 – Gerry, Bree, Tad and Tansy	Tax filers and dependent children
Tad	4 – Gerry, Bree, Tad, Tansy	Tax filer and dependents

G. Tax Filer, Her Son and Her Nephew

Daria lives with her son, Jack age 11, and her nephew Billy age 8. All applied for MA.

Daria is a tax filer who claims her son and nephew as dependents. Her MAGI household is the same as her tax household. Jack is a tax dependent and no exceptions exist; his MAGI household is the same as the tax household. Billy is a tax dependent claimed by a tax filer who is not his parent so an exception exists and non-filer rules are used. Billy's MAGI household consists of Billy only because he has no parents or siblings in the home. The following table shows each person's MAGI household:

Person	# - Household Composition	Reason
Daria	3 – Daria, Jack and Billy	Tax filer and dependent children
Jack	2 – Jack and Daria	Non filer and parent living in home
Billy	1 – Billy	Non filer rules; Daria is not his parent, Jack is not his sibling

H. Tax Filer, Spouse, Their Child, His Parent Not Living In the Home

Dave lives with his wife Jean and their child, Cathy age 8. Dave files taxes separately from his wife who files her own taxes each year. Dave claims their child Cathy and his mother, Becky, as his tax dependents. Dave, Jean and Cathy applied for MA.

Dave's MAGI household includes the individuals in his tax household and his wife, Jean because married spouses are always included in each other's MAGI household. Jean is also a tax filer with no additional dependents. Jean's MAGI household includes Dave because married spouses are always included in each other's MAGI household. Cathy is a tax dependent whose parents are not filing jointly so non-filer rules are used; her MAGI household includes herself and her parents. The following table shows each person's MAGI household:

Person	# - Household Composition	Reason
Dave	4 – Dave, Jean, Cathy and Becky	Tax filer, spouse, dependent child and dependent parent
Jean	2 – Dave, Jean,	Tax filer and spouse
Cathy	3 – Cathy, Dave, Jean	Non filer rules; child and parents in home

M0440.100 HOUSEHOLD INCOME

A. General Rule

The income counted under MAGI rules is the income counted for federal tax purposes with few exceptions. All taxable income sources and some non-taxable income sources are counted for the MA eligibility determinations.

Whenever possible, income reported on the application will be verified through a data match with the federal Hub. If no data sources exists to verify the attestation,

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and the attestation is below the medical assistance income level, documentation of income is required.

If an income calculation must be made, use the information in subchapter M0710 for estimating income, subchapter M0720 for sources of earned income, and subchapter M0730 for sources of unearned income with the exceptions in B. below.

B. MAGI Income Rules

1. Income That is Counted

- a. Gross earned income is counted. There are no earned income disregards.
- b. Earnings and unearned income, including Social Security benefits, of everyone in the household are counted, except the income of a
 - a tax dependent who is claimed by his parent(s), or
 - *the income of a child under 19 in a non-filer household*

who is not required to file taxes *because the tax filing threshold is not met.*
- c. Depreciation and capital losses are deducted in calculating countable income from self-employment and farming.
- d. Losses are subtracted from self-employment income. If the losses exceed income, the resulting negative dollar amount offsets other countable income.
- e. Foreign income and interest, including tax-exempt interest, are counted.
- f. Stepparent income is counted.

2. Income That is Not Counted

- a. Child support received is not counted as income (it is not taxable income).
- b. Workers Compensation is not counted.
- c. When a child is included in a parent or stepparent's household, the child's *income is not* countable *as* household income unless the child is required to file taxes because the tax-filing threshold is met. *Any* Social Security benefits the child *may have* do not count in determining whether or not the tax filing threshold is met.
- d. Veterans benefits which are **not** taxable in IRS pub 907 are not counted:
 - Education, training, and subsistence allowances,
 - Disability compensation and pension payments for disabilities paid either to veterans or their families,
 - Veterans' insurance proceeds and dividends paid either to veterans or their beneficiaries, including the proceeds of a veteran's endowment policy paid before death,

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- Interest on insurance dividends left on deposit with the VA,
 - Benefits under a dependent-care assistance program,
 - The death gratuity paid to a survivor of a member of the Armed Forces who died after September 10, 2001, or
 - Payments made under the VA's compensated work therapy program.
- e. Alimony **paid** to a separated or former spouse outside the home is deducted from countable income.
- f. Interest paid on student loans is deducted from countable income.
- g. Proceeds from life insurance.
- i. *A parsonage allowance.*

3. American Indian-Alaska Native Payments

In addition, the following payments to American Indian/Alaska Natives are not counted as income:

- a. distributions received from the Alaska Native Corporations and Settlement Trusts (Public Law 100-241),
- b. distributions from any property held in trust, subject to Federal restrictions, located within the most recent boundaries of a prior Federal reservation, or otherwise under the Supervision of the Interior,
- c. distribution and payments from rents, leases, rights of way, royalties, usage rights, or natural resource extractions and harvest from:
- rights of any lands held in trust located within the most recent boundaries of a prior Federal reservation or under the supervision of the Secretary of the Interior,
 - federally protected rights regarding off-reservation hunting, fishing, gathering or usage of natural resources,
 - distributions resulting from real property ownership interests related to natural resources and improvements,
 - located on or near a reservation or within the most recent boundaries of a prior Federal reservation, or
 - resulting from the exercise of federally-protected rights relating to such property ownership interests.
- d. payments resulting from ownership interests in or usage rights to items that have unique religious, spiritual, traditional, or cultural significance or right or rights that support subsistence or a traditional lifestyles according to applicable Tribal Law or custom.
- e. Student financial assistance provided under the Bureau of Indian Affairs Education Program.

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C. Monthly Income Determinations

Medicaid and FAMIS income eligibility is determined using current monthly income.

Sources and amounts of income that are verified electronically and are reasonably compatible do not require additional verification. When income cannot be verified electronically, the information reported is not reasonably compatible (see M0420.100 for the definition) and/or the source of income is new or has changed, the individual must be asked to provide current verification of the household income so a point-in-time income eligibility determination can be made.

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D. Steps for Calculating MAGI

For non-filers or any other individuals whose income cannot be verified by the Hub, use the following steps for calculating an individual's MAGI. Subtract any deductions listed below if they are reported by the individual.

For tax filers whose income is verified in the Hub, the steps below are not followed: no MAGI calculation is required.

<p>Adjusted Gross Income (AGI)</p> <p>Line 4 on Internal Revenue Service (IRS) Form 1040 EZ</p> <p>Line 21 on IRS Form 1040A</p> <p>Line 37 on IRS Form 1040</p>	<p>Include:</p> <ul style="list-style-type: none"> • Wages, salaries, tips, etc • Taxable interest • Taxable amount of pension, annuity or Individual Retirement Account (IRA) distributions and Social Security benefits • Business Income, farm income, capital gain, other gains (or loss) • Unemployment Compensation • Ordinary dividends • Alimony received • Rental real estate, royalties, partnerships • S corporations, trusts, etc. • Taxable refunds, credits, or offset of state and local income taxes • Other income 	<p>Deduct:</p> <ul style="list-style-type: none"> • Certain self-employment expenses • Student loan interest deduction • Educator expenses • IRA deduction • Moving expenses • Penalty on early withdrawal of savings • Health savings account deduction • Alimony paid • Domestic production activities deduction • Certain business expenses of reservists, performing artists, and fee-basis government officials
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Note: Check the IRS website for detailed requirements for the income and deduction categories above. Do not include Veteran's disability payments, Worker's Compensation or child support received. Pre-tax contributions, such as those for child care, commuting, employer-sponsored health insurance, flexible spending accounts and retirement plans such as 401(k) and 403(b), are not included in AGI but are not listed above because they are already subtracted out of W-2 wages and salaries.

<p>Add (+) back certain income</p>	<ul style="list-style-type: none"> • Non-taxable Social Security benefits (line 20a minus 20b on Form 1040) • Tax –exempt interest (Line 8b on Form 1040) • Foreign earned income and housing expenses for Americans living abroad (calculated in IRS Form 2555)
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<p>Exclude (-)from income</p>	<ul style="list-style-type: none"> • Social Security benefits received by a child are not countable for his eligibility when a parent is in the household, unless the child is required to file taxes. • Scholarships, awards, or fellowship grants used for education purposes and not for living expenses • Certain American Indian and Alaska Native income derived from distributions, payments, ownership interests, real property usage rights and student financial assistance • <i>Proceeds from life insurance</i> • An amount received as a lump sum is counted only in the month received.
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M0450.100 STEPS FOR DETERMINING MAGI-BASED ELIGIBILITY

A. Determine Household Composition

1. **Does the individual expect to file taxes?**
 - a. If No - Continue to Step 2
 - b. If Yes - Does the individual expect to be claimed as a tax dependent by anyone else?
 - 1) If No - the household consists of the tax filer, a spouse living with the tax filer, and all persons whom the tax filer expects to claim as a tax dependent
 - 2) If Yes - Continue to Step 2

2. **Does the Individual Expect to be Claimed As a Tax Dependent?**
 - a. If No - Continue to Step 3
 - b. If Yes - Does the individual meet any of the following exceptions?
 - 1) the individual expects to be claimed as a tax dependent of someone other than a spouse or a biological, adopted, or stepparent;
 - 2) the individual is a child (under age 19) living with both parents, but the parents do not expect to file a joint tax return; or
 - 3) the individual is a child under age 19 who expects to be claimed by a non-custodial parent?
 - i. If no - the household is the household of the tax filer claiming her/him as a tax dependent.
 - ii. Is the individual married? If yes – does the household also include the individual’s spouse?
 - iii. If yes - Continue to Step 3.
 - 4) the child is a *Special Medical Needs* AA child?

If yes, continue to Step 3 below.

3. **Individual Is Neither Tax Filer Nor Tax Dependent Or Meets An Exception In 2. b Above**

For individuals, *other than Special Medical Needs AA children*, 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 2.b above, the household consists of the individual and, if living with the individual:

 - the individual’s spouse;
 - the individual’s natural, adopted and step children under the age 19; and
 - In the case of individuals under age 19, the individual’s natural, adopted and stepparents and natural, adoptive and stepsiblings under age 19.

The household of a *Special Medical Needs* AA child consists only of the child.

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B. Determine the MA Income for Each Member of the Household

1. Is Any Household Member The Child Or Expected Tax Dependent Of Another Member Of The Household?

- a. If yes - is the individual expected to be required to file a tax return?
- 1) If yes, continue to Step 2 and include child's income in total household income.
 - 2) If no, continue to Step 2, but do not include child's income in total household income.
- b. If no, continue to Step 2.

2. Determine MAGI Income For Each Member

Determine MAGI-based income of each member of the individual's household, unless income of such member is flagged as not being counted in step 1. Recall that, for purposes of MA eligibility, the following rules apply:

- An amount received as a lump sum is counted as income only in 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/Alaska Natives are excluded from income.
- Child support is not countable income.
- *Social Security benefits received by a child are not countable for his eligibility when a parent is in the household, unless the child is required to file taxes.*
- *Alimony paid and interest paid on student loans is deducted from income.*
- *Foreign income and interest, including tax-exempt interest, are counted.*

3. Using the 5% of FPL Disregard

If the individual's household income is over the income limit for his covered group, subtract an amount equal to 5% of FPL for his household size (see M04, Appendix 1). Compare the countable income against the income limit for the individual's covered group to determine his income eligibility.

If the individual meets multiple Medicaid covered groups (and/or FAMIS) his gross income is compared first to the income limit of the full-benefit covered group with the highest income limit for which the individual could be eligible. If the income exceeds the limit, subtract 5% FPL based on his household size and compare the income again to the income limit. If he is still not eligible, the same process is followed for Plan First, if the individual is age 19 through 64 years.

C. Household Income

Household income is the sum of the MAGI-based income for every member of the individual's household as determined in step 2 above.

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M0450.200 INCOME EXAMPLES – TAX FILER HOUSEHOLDS

**A. Example #1
Tax Filer Single
Parent, Two Children
(Using Oct. 1, 2013
figures)**

John is a single parent living with two children, Jack and Betty ages 6 and 10, who he claims as tax dependents. John earns \$3,000 per month, with projected annual income of \$36,000.

The MAGI households are:

Person	# - Household Composition	Reason
John	3 – John, Jack, Betty	Tax-filer & 2 dependents
Jack	3 – Jack, John, Betty	Tax dependent, taxpayer & other tax dependent
Betty	3 – Betty, John, Jack	Tax dependent, taxpayer & other tax dependent

John's eligibility determination:

Potential covered groups:

LIFC
Plan First

The full-coverage Medicaid covered group John meets that has the highest income limit is LIFC.

Monthly Income limits:

LIFC, Group II for HH of 3 = \$556
Plan First 211% FPL for HH of 3 = \$3,436
5% FPL for HH of 3 = \$82

John's gross HH income of \$3,000.00 exceeds the LIFC income limit for 3 of \$556. He is entitled to the 5% FPL disregard.

\$3,000.00 gross household income
- 82.00 5% FPL for 3
\$2,918.00 countable income (after 5% FPL disregard)

His countable income of \$2,918.00 is compared to the LIFC income limit for 3 of \$556; it exceeds the LIFC limit so John is not eligible for full-coverage MA.

His gross HH income of \$3,000.00 is compared to the Plan First 211% FPL income limit for 3, \$3,436. John is eligible for Plan First.

John is also referred to the HIM.

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Jack's eligibility determination:

Potential covered groups:

Child < Age 19
FAMIS.

Monthly Income limits:

Child < 19 143% FPL for a HH of 3 = \$2,329
FAMIS 200% FPL for HH of 3 = \$3,255
5% FPL for 3 = \$82

Jack's gross HH income of \$3,000 (his father's earnings) exceeds the Medicaid Child < Age 19 143% FPL income limit for 3 (\$2,329) so Jack is entitled to the 5% disregard.

\$3,000.00 gross household income
- 82.00 5% FPL for 3 disregard
\$2,918.00 countable income (after 5% disregard)

Jack's countable income of \$2,918.00 exceeds the Medicaid Child < Age 19 143% FPL limit for 3 (\$2,329). He is not eligible for Medicaid.

His gross HH income of \$3,000.00 is then compared to the FAMIS income limit for a HH of 3, \$3,255. Jack's gross HH income is < the FAMIS income limit for 3 and Jack is eligible for FAMIS. (If his gross HH income had been over the FAMIS income limit, his countable income after the 5% disregard would have been compared to the FAMIS income limit).

Betty's income eligibility determination is the same as Jack's; she is eligible for FAMIS.

**B. Example #2
Tax Filer Three
Generation Household
(Using Oct. 1, 2013
figures)**

Mary Lewis is a working grandmother who claims her daughter (Samantha), age 20 and a full-time student, and granddaughter Joy (Samantha's daughter), age 2, as tax dependents.

Mary earns \$4,500/month (\$54,000/year).
Samantha earns \$300/month (\$3,600/year)
Projected annual income for tax household = Mary's income (Samantha not required to file) = \$54,000 per year

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Tax household = Mary, Samantha and Joy.
MAGI Households:

Person	# - Household Composition	Reason
Mary	3 – Mary, Samantha, Joy	Tax-filer & 2 tax dependents
Samantha	3 – Samantha, Mary, Joy	Tax dependent, tax filer, & other tax dependent
Joy	2 – Joy, Samantha	Non-filer child & child's parent with whom child lives

Medicaid income limit = 143% FPL (\$1,849) for HH of two people

Mary's eligibility determination:

Potential covered groups:

Plan First

Monthly Income Limits:

Plan First 211% FPL income limit for HH of 3 = \$3,436
5% FPL for 3 = \$82

HH gross monthly income:

\$4,500 Mary's earnings
(Samantha's earnings are excluded because she is a child for tax purposes and is not required to file taxes).

Her gross HH income of \$4,500.00 is compared to the Medicaid Plan First 211% FPL income limit for 3, \$3,436. Her gross HH income exceeds the Plan First limit. She is entitled to the 5% FPL disregard.

\$4,500.00 gross household income
- 82.00 5% FPL for 3
\$4,418.00 countable income (after 5% FPL disregard)

Her countable income of \$4,418.00 is then compared to the Plan First income limit of \$3,436; her countable income exceeds the Plan First limit. Mary is not eligible for Plan First.

Mary is referred to the HIM.

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Samantha's eligibility determination:

Potential covered groups:

LIFC
Plan First.

Monthly Income limits:

LIFC income limit, Group I for HH of 3 = \$457
5% FPL for 3 = \$82
Plan First 211% FPL income limit for HH of 3 = \$3,436

HH monthly income:

\$4,500 Mary's earnings
(Samantha's income is not counted in this HH).

\$4,500 exceeds the LIFC limit for 3 (\$457) so she is entitled to the 5% disregard. Her income eligibility is determined as follows:

$$\begin{array}{r} \$4,500.00 \text{ gross household income} \\ - \quad 82.00 \text{ 5\% FPL for 3} \\ \hline \$4,418.00 \text{ countable income} \end{array}$$

Samantha's countable income of \$4,418 still exceeds the LIFC income limit for 3 of \$457 so she is not eligible for full coverage MA.

Her gross HH income of \$4,500.00 is compared to the Plan First 211% FPL income limit for 3 of \$3,436. Her household income exceeds the Plan First income limit for 3 so she is entitled to the 5% FPL disregard. Her countable income of \$4,418 also exceeds the Plan First limit so Samantha is not eligible for MA.

Samantha is referred to the HIM.

Joy's eligibility determination:

Potential covered groups:

Child < Age 19
FAMIS.

Monthly Income limits:

Child < 19 143% FPL for a HH of 2 = \$1,849
FAMIS monthly 200% FPL for HH of 2 = \$2,585
5% FPL for 2 = \$65

HH gross monthly income:

\$300 Samantha's earnings

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\$300 is less than the Medicaid Child < Age 19 limit for 2 (\$1,849) so Joy is eligible for Medicaid in the Child < Age 19 covered group. The 5% disregard is not applied because it is not necessary since her gross household income is within the Medicaid Child < Age 19 income limit.

M0450.300 INCOME EXAMPLES – NON TAX FILER HOUSEHOLDS

A. Example #1 Non Tax Filer Single Parent, Two Children (Using Oct. 1, 2013

Mark receives of \$2,000 per month disability, with projected annual income of \$24,000. Mike and Ike each receive \$600 monthly or \$14,400 annually, from interest from the trusts their grandparents set up for them.

The MAGI households are:

Person	# - Household Composition	Reason
Mark	3 – Mark, Mike & Ike	Non tax filer & his 2 children < 19
Mike	3 – Mike, Mark & Ike	Non-filer child < 19, his parent & his sibling < 19
Ike	3 – Ike, Mark & Mike	Non-filer child < 19, his parent & his sibling < 19

Mark's eligibility determination:

Potential covered groups:

LIFC
Plan First

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Monthly Income limits:

LIFC, Group III for HH of 3 = \$762
 Plan First monthly income limit 211% FPL for 3 = \$3,436
 5% FPL for 3 = \$82

HH income:

\$2,000.00 Mark's benefits
 + 600.00 Mike's trust income
 + 600.00 Ike's trust income
 \$3,200.00 gross household income

Mark's gross HH's \$3,200 monthly income exceeds the LIFC income limit for 3 of \$762 per month. He is entitled to the 5% disregard. His income eligibility is determined as follows:

\$3,200.00 gross household income
 - 82.00 5% disregard
 \$3,118.00 countable income

Mark's countable income exceeds the LIFC Group III income limit for 3, \$762. Mark is ineligible for full coverage MA.

His gross HH income of \$3,200.00 is compared to the Plan First 211% FPL income limit for 3, \$3,436. His HH income is less than the Plan First income limit, so he is eligible for Plan First.

Mark is also referred to the HIM.

Mike's eligibility determination:

Potential covered groups:

Child < Age 19
 FAMIS.

Monthly Income limits:

Child < Age 19, 143% FPL for a HH of 3 = \$2,329
 FAMIS, 200% FPL for HH of 3 = \$3,255
 5% FPL for 3 = \$82

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HH income:

\$2,000.00 Mark's benefits
+ 600.00 Mike's income
+ 600.00 Ike's income
\$3,200.00 gross household income

Mike's gross HH's \$3,200 monthly income exceeds the Medicaid Child < Age 19 143% FPL income limit for 3, \$2,329. He is entitled to the 5% disregard. Mike's income eligibility is determined as follows:

\$3,200.00 gross household income
- 82.00 5% FPL disregard
\$3,118.00 countable income

Mike's countable income of \$3,118.00 exceeds the Medicaid Child < Age 19 143% FPL income limit for 3, \$2,329. Mike is not eligible for Medicaid.

His gross HH income of \$3,200.00 is compared to the FAMIS 200% FPL income limit for 3, \$3,255. He is eligible for FAMIS because his gross HH income is less than the FAMIS income limit for his household size.

Ike's income eligibility determination:

Potential covered groups:

Child < Age 19
FAMIS

Monthly Income limits:

Child < Age 19, 143% FPL for a HH of 3 = \$2,329
FAMIS, 200% FPL for HH of 3 = \$3,255
5% FPL for 3 = \$82

HH income:

\$2,000.00 Mark's benefits
+ 600.00 Mike's income
+ 600.00 Ike's income
\$3,200.00 gross household income

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Ike's gross HH's \$3,200 monthly income exceeds the Medicaid Child < Age 19 143% FPL income limit for 3, \$2,329. He is entitled to the 5% disregard. Ike's income eligibility is determined as follows:

\$3,200.00	gross household income
- 82.00	5% FPL disregard
\$3,118.00	countable income

Ike's countable income of \$3,118.00 exceeds the Medicaid Child < Age 19 143% FPL income limit for 3, \$2,329. Ike is not eligible for Medicaid.

His gross HH income of \$3,200.00 is compared to the FAMIS 200% FPL income limit for 3, \$3,255. Ike is eligible for FAMIS because his gross HH income is less than the FAMIS income limit for his household size.

**B. Example #2
Non Tax Filer Three
Generation Household
(Using Oct. 1, 2013
figures)**

Sally Green is age 62, a grandmother who does not expect to file taxes this year. She is not disabled. She lives with her daughter Jane, age 20 and a full-time student, and her granddaughter Dee (Jane's daughter), age 2. Sally takes care of Dee while Jane is attending school and working at her part-time job. Jane is pregnant with 1 unborn. They live in a Group I locality.

Income:

Sally receives SSA widow's benefits of \$1,500 per month, with projected annual income of \$18,000.

Jane earns \$300 per month or \$3,600 annually and is not required to file taxes.

The MAGI non-filer households are:

Person	# - Household Composition	Reason
Sally	1 – Sally	Non-filer grandmother
Jane (PG)	3 – Jane, Jane's unborn child & Dee	Non-filer, her unborn child & non-filer's child < 19
Jane (LIFC)	2 – Jane, Dee	Non-filer & non-filer's child < 19
Dee	2 – Dee, Jane	Non-filer child < 19 & non-filer child's parent

Sally's eligibility determination:

Potential covered groups:

Plan First

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Monthly Income limits:

Plan First 211% FPL income limit for HH of 1 = \$2,022
5% FPL for 1 = \$48

HH gross monthly income = \$1,500 Sally's SSA benefits

Her gross HH income of \$1,500.00 is compared to the Plan First 211% FPL income limit for 1, \$2,022. Her countable income is less than the Plan First income limit. Sally is eligible for Plan First.

Sally is also referred to the HIM.

Jane's eligibility determination:

Potential covered groups:

LIFC
Pregnant Women
FAMIS MOMS (through December 31, 2013)

Monthly Income limits:

LIFC, Group I for HH of 2 = \$358
Pregnant Women 143% FPL for a HH of 3 = \$2,329
FAMIS MOMS, 210% FPL for HH of 3 = \$3,419
5% FPL for 3 = \$82

HH monthly income = \$300 Jane's earnings.

Jane is over age 19 and not a child, so her earnings must be counted even though she is not required to file taxes. Her mother is not in her HH, so her mother's income is not counted when determining Jane's eligibility.

\$300 is less than the LIFC limit for 2 (\$358) so the 5% disregard is not applied (it is not necessary). Jane is eligible for Medicaid in the LIFC covered group.

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Dee's eligibility determination:

Potential covered groups:

Child < Age 19
FAMIS

Monthly Income limits:

Child < Age 19 143% FPL for a HH of 2 = \$1,849
FAMIS, 200% FPL for HH of 2 = \$2,585
5% FPL for 2 = \$65

HH monthly income:

\$300 (Jane's gross earnings)

\$300 is less than the Medicaid Child < Age 19 143% FPL income limit for 2 (\$1,849) so Dee is eligible for Medicaid in the Child < Age 19 covered group. The 5% disregard is not applied because it is not necessary; her gross HH income is within the Medicaid Child < Age 19 income limit.

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5% FPL DISREGARD	
EFFECTIVE 1/25/16	
(NO CHANGE FROM 2015)	
Household Size	Monthly Amount
1	\$ 50
2	67
3	84
4	102
5	119
6	136
7	154
8	171
Each additional, add	18

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PREGNANT WOMEN 143% FPL INCOME LIMITS ALL LOCALITIES EFFECTIVE 1/25/16		
Household Size	143% FPL Monthly Amount	149% FPL (143% FPL + 5% FPL Disregard as Displayed in VaCMS)
2*	1,910	1,977
3	2,403	2,487
4	2,896	2,998
5	3,390	3,509
6	3,883	4,019
7	4,377**	5,531
8	4,873**	5,044
Each additional, add	496**	18

**A pregnant woman's household is at least two individuals when evaluated in the Pregnant Women covered group.*

***No change for 2016.*

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CHILD UNDER AGE 19 143% FPL INCOME LIMITS ALL LOCALITIES EFFECTIVE 1/25/16			
# of Persons in House- hold	109% FPL (for Determining Aid Category)	143% FPL	149% FPL (143% FPL + 5% FPL Disregard as Displayed in VaCMS)
	<i>Monthly Limit</i>	<i>Monthly Limit</i>	<i>Monthly Limit</i>
<i>1</i>	<i>\$1,080</i>	<i>\$ 1,416</i>	<i>\$1,466</i>
<i>2</i>	<i>1,465</i>	<i>1,910</i>	<i>1,977</i>
<i>3</i>	<i>1,832</i>	<i>2,403</i>	<i>2,487</i>
<i>4</i>	<i>2,208</i>	<i>2,896</i>	<i>2,998</i>
<i>5</i>	<i>2,584</i>	<i>3,390</i>	<i>3,509</i>
<i>6</i>	<i>2,960</i>	<i>3,883</i>	<i>4,019</i>
<i>7</i>	<i>3,337*</i>	<i>4,377*</i>	<i>5,531</i>
<i>8</i>	<i>3,715*</i>	<i>4,873*</i>	<i>5,044</i>
<i>Each add'l, add</i>	<i>378*</i>	<i>496*</i>	<i>18</i>

**No change for 2016.*

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LIFC INCOME LIMITS

EFFECTIVE 7/1/15
(No Change for 2016)

Group I

Household Size	Income Limit
1	
2	\$244
3	371
4	472
5	573
6	675
7	761
8	859
	962
Each additional person add	100

Group II

Household Size	Income Limit
1	\$319
2	457
3	575
4	687
5	808
6	911
7	1,020
8	1,139
Each additional person add	113

Group III

Household Size	Income Limit
1	481
2	644
3	788
4	925
5	1,093
6	1,216
7	1,353
8	1,496
Each additional person add	138

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GROUPING OF LOCALITIES EFFECTIVE 7/01/01

GROUP I	GROUP II	GROUP III
<u>Counties</u>	<u>Counties</u>	<u>Counties</u>
Accomack	Albemarle	Arlington
Alleghany	Augusta	Fairfax
Amelia	Chesterfield	Montgomery
Amherst	Henrico	Prince William
Appomattox	Loudoun	
Bath	Roanoke	
Bedford	Rockingham	<u>Cities</u>
Bland	Warren	Alexandria
Botetourt		Charlottesville
Brunswick	<u>Cities</u>	Colonial Heights
Buchanan	Chesapeake	Falls Church
Buckingham	Covington	Fredericksburg
Campbell	Harrisonburg	Hampton
Caroline	Hopewell	Manassas
Carroll	Lexington	Manassas Park
Charles City	Lynchburg	Waynesboro
Charlotte	Martinsville	
Clarke	Newport News	
Craig	Norfolk	
Culpeper	Petersburg	
Cumberland	Portsmouth	
Dickenson	Radford	
Dinwiddie	Richmond	
Essex	Roanoke	
Fauquier	Staunton	
Floyd	Virginia Beach	
Fluvanna	Williamsburg	
Franklin	Winchester	
Frederick		
Giles		
Gloucester		
Goochland		
Grayson		
Greene		
Greensville		
Halifax	<u>Cities</u>	
Hanover	Bristol	
Henry	Buena Vista	
Highland	Danville	
Isle of Wight	Emporia	
James City	Franklin	
King George	Galax	
King & Queen	Norton	
King William	Suffolk	
Lancaster		
Lee		
Louisa		
Lunenburg		

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INDIVIDUALS UNDER AGE 21 INCOME LIMITS

EFFECTIVE 7/01/15
(No Change for 2016)

Group I

Household Size	Income Limit
1	\$233
2	361
3	463
4	562
5	662
6	742
7	840
8	943
Each additional person add	96

Group II

Household Size	Income Limit
1	\$316
2	458
3	574
4	688
5	812
6	1,002
7	1,020
8	1,138
Each additional person add	111

Group III

Household Size	Income Limit
1	\$420
2	564
3	683
4	799
5	945
6	1,043
7	1,156
8	1,273
Each additional person add	112

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PLAN FIRST 200% FPL INCOME LIMITS ALL LOCALITIES EFFECTIVE 1/25/16		
Household Size	200% FPL Monthly Amount	205% FPL (200% FPL + 5% FPL Disregard as Displayed in VaCMS)
1	\$ 1,980	\$2,030
2	2,670	2,737
3	3,360	3,744
4	4,050	4,152
5	4,740	4,869
6	5,430	5,566
7	6,122*	6,276
8	6,815*	6,986
Each additional, add	694*	712

**No change for 2016.*

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TREATMENT OF INCOME FOR FAMILIES & CHILDREN COVERED GROUPS

INCOME	MAGI COVERED GROUPS	MEDICALLY NEEDY AND 300% SSI F&C COVERED GROUPS
Earnings	Counted with no disregards	Counted with appropriate earned income disregards
Social Security Benefits Adult's MAGI household	Benefits received by a parent or stepparent are counted for his eligibility determination, as well as the eligibility determinations of his spouse and children in the home.	Counted if anyone in the Family Unit/Budget Unit receives
Social Security Benefits Child's MAGI household	Benefits received by a child with at least one parent/stepparent in household are not countable unless the child is required to file taxes. When the child is in his own household, benefits are always countable.	Counted if anyone in the Family Unit/Budget Unit receives
Child Support Received	Not counted	Counted – subject to \$50 exclusion
Child Support Paid	Not deducted from income	Not deducted from income
Alimony Received	Counted	Counted – subject to \$50 exclusion if comingled with child support
Alimony Paid	Deducted from income	Not deducted from income
Worker's Compensation	Not counted	Counted
Veteran's Benefits	Not counted	Counted
Scholarships, fellowships, grants and awards used for educational purposes	Not counted	Not counted
Foreign Income (whether or not excluded from taxes)	Counted	Counted
Interest (whether or not excluded from taxes)	Counted	Counted
Lump Sums	Income in month of receipt	Income in month of receipt
Gifts, inheritances, life insurance proceeds	Not counted	Counted as lump sum in month of receipt
<i>Parsonage allowance</i>	<i>Not counted</i>	<i>Counted</i>

