

2669 - MAGI BUDGETING

POLICY STATEMENT	Modified Adjusted Gross Income (MAGI) methodologies are used to budget all applications and periodic renewals of financial eligibility for Parent/Caretaker with Child(ren), Children Under 19 Years of Age, and Pregnant Women Medicaid.
BASIC CONSIDERATIONS	<p>The MAGI budget includes the taxable income of all individuals in the budget group (BG).</p> <p>Do not include the taxable income of a BG tax dependent child if not required to file a tax return. This amount changes yearly and is determined by the Internal Revenue Service (IRS).</p> <p>A percentage of the Federal Poverty Level (FPL) is used to determine financial eligibility for Family Medicaid MAGI classes of assistance (COAs) based on the BG's net taxable income.</p> <p>Net taxable income is the BG's income after deducting the following:</p> <ul style="list-style-type: none"> • cost of doing business for self-employed or farming/fishing individuals. • Before-Tax deductions • 1040 deductions • MAGI 5% FPL deduction <p>Refer to Section 2655, Family Medicaid Deductions, and Section 2415, Self Employment.</p>
PROCEDURES	<p>Follow the steps below to determine eligibility for MAGI COAs.</p> <p>Step 1 For self employed or farming/fishing individuals, deduct all allowable IRS deductions. Refer to Section 2415, Self Employment.</p> <p>Step 2 Deduct any before-tax deductions of taxable income.</p> <p>Step 3 Deduct any 1040 deductions of taxable income.</p>

PROCEDURES**(cont.)**

Step 4 Subtract from the net taxable income 5% of the 100% FPL for the budget group size. Please refer to Appendix A-2 for the deduction amounts for each budget group size.

Step 5 Select the appropriate income limit; either the Parent/Caretaker with Child(ren) limit, or the appropriate Pregnant Women or Children Under 19 Years of Age net taxable limit using the criteria below. Refer to Appendix A2, Financial Limits for Family Medicaid.

- 220% of the FPL for pregnant women and infants born to Medicaid-eligible women

NOTE: Infants born to Medicaid-eligible mothers are considered to have met the Deemed Newborn Medicaid income limit, regardless of the budget group's income at the time of delivery.

- 205% of the FPL for children, birth through the month the child reaches age one for children who are ineligible for Deemed Newborn Medicaid.
- 149% of the FPL for children age one through the month in which the child turns age six.
- 133% of the FPL for children age six through the month in which the child turns age 19.
- Parent/Caretaker with Child(ren) net taxable limit.

Step 6 Compare the net taxable income amount to the appropriate income limit for the BG size.

- If the net taxable income is less than or equal to the appropriate income level, approve the AU members for Medicaid.

If the net taxable income exceeds the appropriate income level for the BG size, the AU members are ineligible for Medicaid. If ineligible for Parent/Caretaker with Child(ren), complete a CMD to Children Under 19 Years of Age Medicaid coverage; refer the adults to the Federally Facilitated Marketplace (FFM). If ineligible for Children Under 19 Years of Age coverage, refer the ineligible child(ren) to PeachCare for Kids® (PCK) or the FFM.

PROCEDURES
(cont.)

Step 6
(cont.) **NOTE:** Because the Children Under 19 Years of Age income limits vary based on the age of the child, it is possible that a child(ren) may be eligible for Medicaid while another child(ren) in the same BG may be ineligible. Complete a CMD as indicated above for an ineligible child(ren) in a budget group.