

**South Carolina Department of Health and Human Services  
Medical Care Advisory Committee  
Item for Committee Advisement**

**PREPARED BY:** Lori Risk, Policy and Process Director

**PRESENTED BY:** Michael Jones, Program Director  
Eligibility, Enrollment & Member Services

**DATE:** October 28, 2013

**SUBJECT:** Medicaid Children's Health Insurance Program (CHIP)

**OBJECTIVE:** Provide the qualifying ages for children and the income eligibility standards the state uses for determining eligibility under its Medicaid Children's Health Insurance Program.

**BACKGROUND:** The Affordable Care Act mandates the use of Modified Adjusted Gross Income methodology for eligibility determination for designated eligibility groups of Medicaid applicants and beneficiaries. Existing Medicaid Children's Health Insurance Programs using a net income standard must convert their existing income standards (Medicaid CHIP Federal Poverty Levels (FPL)), to MAGI-equivalent standards. Effective January 1, 2014, the minimum qualifying income level for Medicaid is increased to 133% FPL for children ages 6 up to 19, making 133% FPL the minimum income level for all children under 19 (42 CFR 435.118). States with a Medicaid CHIP program at income standards below 133% FPL must submit a state plan amendment to reflect revised income standards, with a lower level of no less than 133% of the FPL to be in compliance with this requirement. States may continue to receive title XXI funding for children transitioning to Medicaid and also receive title XXI funding for children newly eligible for Medicaid as a result of this requirement. All other Medicaid rules under the state's Medicaid plan apply.

**BUDGETARY IMPACT:** CMS anticipates that methodology for Modified Adjusted Gross Income will be cost neutral. With the enhanced CHIP funding for these children the State will be required to provide fewer State dollars for these children.

**EXPECTED OUTCOMES:** Compliance with Federal mandate. Income standards will be updated to reflect the MAGI-based equivalent standard.

**EXTERNAL GROUPS AFFECTED:** Medicaid applicants and beneficiaries up to age 19.

**RECOMMENDATION:** Amend State Plan with appropriate language and make necessary policy and procedure updates to ensure compliance.

**EFFECTIVE DATE:** January 1, 2014