

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

**PREPARED BY:** Betty Moses, Lori Risk

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

**DATE:** July 12, 2013

**SUBJECT:** Children Ineligible for Medicaid as a Result of the Elimination of Income Disregards

**OBJECTIVE:** To affirm the state's compliance with the federal mandate to provide CHIP coverage to children who lose Medicaid coverage due to the elimination of disregards under MAGI.

**BACKGROUND:** The Affordable Care Act requires states to maintain coverage under CHIP for children who lose Medicaid coverage due to the elimination of disregards under Modified Adjusted Gross Income (MAGI) methodologies. This protection applies only to children enrolled in Medicaid on December 31, 2013 who lose eligibility at their first MAGI based renewal due to the elimination of disregards. South Carolina does not currently provide a separate CHIP program, but will be required to create a special eligibility group under CHIP for this population. This protected status remains in place until the child's next scheduled renewal (i.e., 12 months).

**BUDGETARY IMPACT:** The children impacted in this change are already enrolled in Medicaid, therefore we are not projecting any additional costs. Also 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 and continued coverage of children who would lose Medicaid eligibility as a result of the elimination of income disregards.

**EXTERNAL GROUPS AFFECTED:** Medicaid enrolled children who lose eligibility due to the elimination of disregards.

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

**EFFECTIVE DATE:** January 1, 2014