

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

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

DATE: July 16, 2013

SUBJECT: Modified Adjusted Gross Income (MAGI)-Based Eligibility Groups

OBJECTIVE: To modify Medicaid income eligibility criteria for MAGI-based eligibility groups and to identify which eligibility groups are covered by the State.

BACKGROUND: The Affordable Care Act mandates the use of Modified Adjusted Gross Income methodology for eligibility determinations for designated eligibility groups of Medicaid applicants and beneficiaries. As part of the transition to MAGI-based methodologies, states are required to convert current income eligibility standards to a MAGI equivalent, establishing a MAGI-based income standard that is not less than the effective income standard in effect for each eligibility group on the date of the ACA enactment. Federal regulations also consolidated multiple mandatory and optional eligibility groups into new overarching categories including Infants and Children under age 19, Pregnant Women and Parents & Other Caretaker Relatives. Additionally, states are required to provide Medicaid to former foster children who were on Medicaid when they turned 18 or aged out of foster care, up to age 26. Through the SPA process, the state is required to specify which eligibility groups are covered by the state and to provide an income standard for each eligibility group.

BUDGETARY IMPACT: CMS anticipates that methodology for Modified Adjusted Gross Income will be cost neutral. However, additional costs may be incurred with the addition of individuals eligible for the newly mandated coverage group.

EXPECTED OUTCOMES: The state will continue to cover current eligibility groups and will begin to provide coverage to certain former foster children up to age 26. Income standards will be updated to reflect the MAGI-based equivalent standard.

EXTERNAL GROUPS AFFECTED: Medicaid applicants and beneficiaries who would be eligible under the following categories: Low Income Families (LIF), Partners for Healthy Children (PHC), Family Planning (FP) and Optional Coverage for Women and Infants (Pregnant Women) and certain former foster children.

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

EFFECTIVE DATE: January 1, 2014 (Implemented Oct 1, 2013 for eligibility effective January 1, 2014.)