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# 206.01 Introduction

**(Eff. 01/01/14)**

This chapter contains information concerning the forms, acronyms and definitions related to the Affordable Care Act and the implementation of Modified Adjusted Gross Income (MAGI) methodology for certain Medicaid categories.

# 206.02 Forms

**(Eff. 01/01/14)**

The following applications and forms will be used to determine eligibility for MAGI based eligibility.

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| Form Number | Application Title | Application Purpose |
| [3400](https://www.scdhhs.gov/sites/default/files/Form%203400%20Application.pdf) | Healthy Connections Application for Medicaid and/or Affordable Health Coverage | Single Streamline Application |
| [3400-01](https://www.scdhhs.gov/sites/default/files/Form3400-01-ExtraPerson.pdf) | Form for Additional Household Members | Form for additional persons in the household to be added to application |
| 2800 – Addendum | MAGI Addendum for DHHS Form 2800 | Collect additional information not on DHHS Form 2800 for a MAGI based decision |

# 206.03 Acronyms

**(Eff. 01/01/14)**

|  |  |
| --- | --- |
| **ACA** | Affordable Care Act |
| **CHIP** | Children’s Health Insurance Program |
| **FFC** | Former Foster Care |
| **FFM** | Federally Facilitated Marketplace |
| **FP** | Family Planning |
| **FPL** | Federal Poverty Level |
| **HCBS** | Home and Community-Based Services Waiver Program |
| **LIF** | Low-Income Families (Replaced by Parent/Caretaker Relative) |
| **MAGI** | Modified Adjusted Gross Income |
| **MEDS** | Medicaid Eligibility Determination System |
| **OCWI** | Optional Coverage for Pregnant Women/Infants |
| **PCAT** | Payment Category |
| **PCR** | Parent/Caretaker Relative |
| **PHC** | Partners for Healthy Children |
| **PPACA** | The Patient Protection and Affordable Care Act |
| **PW** | Pregnant Women |
| **SC DHHS** | South Carolina Department of Health and Human Services |
| **SC MPPM** | South Carolina Medicaid Policies and Procedures Manual |
| **SSI** | Supplemental Security Income |

# 206.04 Definitions

**(Rev. 09/01/14, Eff. 01/01/14)**

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| --- | --- |
| **ACCESS** | A web based eligibility system for the determination and maintenance of the Medicaid program for South Carolina and for coordination and communication with the [Federally Facilitated Marketplace](#Defn_FFM). ACCESS replaces MEDS in 2014. |
| **Adjusted Gross Income (AGI)** | AGI equals an individual’s gross income with certain deductions subtracted. AGI is shown on IRS Form 1040, Line 37. |
| **Affordable Care Act (ACA)** | This Act was signed into law in March 2010. It implemented the use of a new Medicaid application, the use of [MAGI](#Defn_MAGI) methodology for eligibility determination, and other policy and procedure changes. Also known as The [Patient Protection and Affordable Care Act](#Defn_PPACA). |
| **Caretaker Relative** | A person who provides the majority of care and supervision for a [Dependent Child](#Defn_Dep_Child) and is a relative or spouse of a relative of the following degree (including grand, great, step or half relation), * Brother/Sister,
* Niece/Nephew,
* Aunt/Uncle,
* first cousin, or
* Cousin once removed.
 |
| **Child** | A person under the age of 19. |
| **Children’s Health Insurance Program (CHIP)** | Health coverage for children in families with income above a certain level who do not have private health coverage. |
| **Countable Income** | Generally, taxable income under the IRS Code will be considered as countable income for MAGI based eligibility categories. This includes wages, tips, unemployment payments, pensions, annuities, and self-employment. See [Countable Income Adjustments](#Defn_CIA).The income of a [Child](#Defn_Child) is not counted unless he/she is required to file an income tax return or if the child’s parents are not a part of his/her household. |
| **Countable Income Adjustments** | [ACA](#Defn_ACA) categorizes the following non-taxable income as countable income and must be added to [AGI](#Defn_AGI): * Social Security Benefits,
* Tax-exempt interest, and
* Foreign earned income & housing expenses for Americans living abroad.
 |
| **Custodial Parent** | A [Parent](#Defn_Parent) or parents who has/have custody of a [Child](#Defn_Child). In the event of a shared custody agreement, the custodial parent is the parent with whom the child spends most nights.**Note:** In the event of a joint custody arrangement with both parents indicating the child spends the same amount of time with each; consider the parent claiming the child as a tax dependent as the custodial parent. |
| **Deemed Infant** | An infant born to a woman receiving benefits in any full Medicaid program at the time of delivery. |
| **Dependent Child** | A [Child](#Defn_Child) under the age of 18 or under the age of 19 if a full-time student in a secondary school. The secondary school includes high school or schools with equivalent levels of vocational or technical training such as a GED. |
| **Earned Income** | Money received because of employment (such as wages, salary, or commissions) including earnings from Self Employment. |
| **Ex Parte** | Determination of Medicaid eligibility based on information available to the agency with no or limited contact with the person. An ex parte determination is completed prior to denying an application or terminating existing Medicaid eligibility. |
| **Family** | The following definitions apply to PCR program, Transitional Medicaid, 4-Month Extension, and the Refugee Assistance Program. (205.02.02)A family includes the following individuals living in the household:* Individuals whose needs and income were included in the eligibility determination at the time PCR benefits were terminated;
* Individuals whose needs and income would be taken into account in determining eligibility for the parent or caretaker relative’s budget group if the family were applying for the current month; and
* A child born after PCR benefits were terminated, or a child or parent who returns home after the benefits were terminated. Such a child or parent is included in the family for the purposes of Transitional Medicaid benefits.
 |
| **Family Planning (FP)** | Family Planning is a limited benefit program that pays for family planning services, such as birth control, testing, and other preventative services. |
| **Federal Poverty Level (FPL)** | Poverty guidelines updated periodically (typically annually) in the Federal Register by the U.S. Department of Health and Human Services. This reflects the minimum amount of yearly gross income that a family needs for food, clothing, transportation, shelter, and other necessities.  |
| **Federally Facilitated Marketplace (FFM)** | The FFM is the federal health insurance exchange, which determines if applicants are eligible for other insurance affordability programs and tax credits.  |
| **Former Foster Care (FFC)** | This program allows an applicant, who was a Medicaid recipient in South Carolina at the time they aged out of the Foster Care System, to be eligible until their 26th birthday. |
| **Healthy Connections** | South Carolina’s Medicaid program. |
| **Healthy Connections Citizen Portal** | The Portal receives Medicaid applications from applicants online, submitted at apply.scdhhs.gov. |
| **Healthy Connections Member Service Center** | The Center helps applicants seeking assistance with telephone applications. All telephone applications are forwarded there. |
| **Household** | Medicaid eligibility determinations will be based upon an individual’s household.  |
| **Household Composition** | Household composition is based on tax filing status, tax dependency, or non-filer rules. Refer to MPPM Chapter 202 – MAGI – Household Composition, for specific policy. Household Composition determines what income standard is to be used to determine eligibility for the person.  |
| **Identity Proofing** | The process used to verify the identity of an individual submitting an on-line application. See [Remote Identity Proofing](#Defn_RIDP). |
| **In Kind Income** | Non-monetary assistance such as food, shelter or something the individual can use or convert to obtain food or shelter. |
| **Income Verification** | Verifies income for all categories, including MAGI and non-MAGI eligibility groups.  |
| **Low-Income Families (LIF)** | Program for parents or caretakers of a dependent child. See [Parent/Caretaker Relative](#Defn_PCR). |
| **MAGI Budget Workbook** | The Workbook can be used by the eligibility worker to manually determine an applicant’s eligibility using MAGI rules. |
| **MAGI Eligibility Category** | Eligibility for these categories is determined by MAGI rules. They include [Pregnant Women](#Defn_PW) (PW), [Family Planning](#Defn_FP) (FP), [Partners for Healthy Children](#Defn_PHC) (PHC), [Parent/Caretaker Relative](#Defn_PCR) (PCR), Regular Foster Care, Subsidized Adoption, and [Former Foster Care](#Defn_FFC) (FFC). |
| **MAGI Household** | Non-filer rules (check training material) |
| **MAGI Rules** | Rules applied for MAGI eligibility categories when determining household composition. |
| **Medicaid** | A government insurance program for persons of all ages whose income and, for certain programs, resources are insufficient to pay for health care. Eligibility is categorical—that is, to enroll you must be a member of a category defined by law; some of these categories include low-income children below a certain age, pregnant women, parents of Medicaid-eligible children who meet certain income requirements, and low-income seniors. |
| **Medicaid Eligibility Determination System (MEDS)** | A computer system that processes Medicaid applications after receiving them from OnBase. MEDS will be replaced by ACCESS in 2014. |
| **Modified Adjusted Gross Income (MAGI)** | MAGI is a methodology that defines how income is counted and household composition for eligibility determinations.The MAGI income calculation is: [Adjusted Gross Income](#Defn_AGI) PLUS [Countable Income Adjustments](#Defn_CIA) MINUS [Non-Countable Income Adjustments](#Defn_NCIA) |
| **Non-Countable Income** | Generally, income that is not taxable under IRS code is not countable. Types of income not to be counted under MAGI rules include TANF, SSI, child support payments received, gifts, scholarships for tuition, certain Native American and Alaska Native income, and certain salary deferrals, e.g. cafeteria/ flexible-spending plans and contributions to 401(k) plans. See [Non-Countable Income Adjustments](#Defn_NCIA).The income of a [Child](#Defn_Child) is not counted unless he/she is required to file an income tax return or if the child’s parents are not a part of his/her household. |
| **Non-Countable Income Adjustments** | [ACA](#Defn_ACA) categorizes the following taxable income as non-countable income for Medicaid eligibility determinations: * 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;
* An amount received as a lump sum is counted as income only in the month received.
 |
| **Non-Custodial Parent** | A [Parent](#Defn_Parent) who either does not have physical custody of their child, or has physical custody less than 50% most nights. It may include unwed, separated, or divorced parents. |
| **Non-MAGI Eligibility Category** | Eligibility for these categories is not determined by MAGI rules. They include Aged, Blind, and Disabled, Specified Low-Income Beneficiaries, Qualifying Individual, General Hospital, Nursing Home, Katie Beckett, Home and Community-Based Services, Qualified Disabled Working Individuals, Working Disabled, Optional State Supplementation, Transitional Medicaid, and Breast and Cervical Cancer Program. |
| **OnBase** | A document management computer system that manages the workflow of Medicaid applications. |
| **Optional Coverage for Pregnant Women/Infants (OCWI)** | See [Pregnant Women (PW) and Infants](#Defn_PW). |
| **Parent** | A mother and/or father (includes natural, step or adopted), who provides the majority of care for a dependent child. |
| **Parent/Caretaker Relatives (PCR)** | Medicaid Health Insurance coverage for [Parents](#Defn_Parent) and [Caretaker Relatives](#Defn_PCR) of [Dependent Children](#Defn_Dep_Child). |
| **Partners for Healthy Children (PHC)** | [Medicaid](#Defn_Medicaid) or [CHIP](#Defn_CHIP) Health Insurance coverage for [Children](#Defn_Child). |
| **Patient Protection and Affordable Care Act (PPACA)** | This Act was signed into law in March 2010. It implemented the use of a new Medicaid application, the use of MAGI eligibility determination, and other policy and procedure changes. Also known as the [Affordable Care Act](#Defn_ACA). |
| **Pregnant Women (PW) and Infants** | This program provides Medicaid coverage to pregnant women with low income and Infants up to age 1. |
| **Reasonable Compatibility** | A standard used to determine income verification. If the applicant’s reported income is less than the income limit and the electronic source is greater than the income limit, the reported income is reasonably compatible and acceptable if the difference between the data source and the reported income is less than or equal to 10% of the data source. |
| **Remote Identity Proofing** | Verification of the identity of an individual submitting an on-line application is first attempted using electronic services. If the result is anything other than “Pass”, the individual will be required to supply hard copy documentation of identity before verification of application information can be completed. |
| **Stepparents** | See [Parent](#Defn_Parent) |
| **Supplemental Security Income (SSI)** | This is a program administered by the Social Security Administration for low-income citizens who are aged, blind, or disabled. |
| **Tax Dependent** | An individual expected to be claimed as a dependent by someone else for the taxable year in which a determination is made for Medicaid. |
| **Tax Filer** | An individual who expects to file a tax return for the taxable year in which a determination is made for Medicaid. |
| **Tax Household** | Comprised of the tax filer, their spouse if married, and all claimed dependents. |
| **Tax Non-Filer** | An individual who is not expected to file a tax return and not expected to be claimed as a tax dependent by someone else. |
| **The Benefit Bank** | A community partner that assist individuals to apply to Medicaid via the online or telephone application. |
| **Unearned Income** | Money received from any source other than employment. |
| **United Way Help Desk** | A community partner that answers citizens’ questions about the Affordable Care Act and health insurance. |
| **Verification** | The process in which an applicant’s identity is verified. |