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| Health Care Finance and Administration | Section: Categories of Eligibility |
| Policy Manual Number: 015.040 | Chapter: Caretaker Relative MAGI |

CARETAKER RELATIVE MAGI

Legal Authority: 42 CFR 435.4; 42 CFR 435.110; 42 CFR 435.112; 42 CFR 435.115; 42 CFR 435.603

1. Overview of Caretaker Relative MAGI category

The Caretaker Relative MAGI category is only available to parents and caretaker relatives of dependent children under age 18, or 18 and a full-time student. Although there are some similarities between the Caretaker Relative MAGI category and the former AFDC-MO Medicaid category, there are a number of important differences:

- Eligible parents and caretaker relatives must have a dependent child under age 18, or 18 and a full-time student, living in the home, but the child does not have to be deprived of parental support;
- Children are not eligible under the Caretaker Relative MAGI category, unless the child is considered the caretaker relative of another child;
- The MAGI financial methodology is used for the Caretaker Relative MAGI category;
- The dependent child of the parent or caretaker relative is not required to be eligible for or receive TennCare Medicaid; and
- The Caretaker Relative MAGI category has a more limited set of relatives who may gain eligibility as a caretaker relative.

2. Policy Statement

TennCare Medicaid benefits are available to parents and caretaker relatives of a dependent child under age 18, or 18 and a full-time student, whose household income is at or below the income eligibility standard, by household size, and who meet all non-financial eligibility requirements.

3. Non-Financial Eligibility Requirements

- a. Age:** There is no minimum or maximum age for the Caretaker Relative MAGI category.
- b. Caretaker Relative Status:** A caretaker relative of a child is a relative by blood, adoption, or marriage with whom a dependent child, under age 18 or 18 and full-time student, is living, who assumes primary responsibility for the child's care, and is one of the following:
 - The child's father, mother, grandfather, grandmother, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, aunt, first cousin, nephew, or niece; or
 - The spouse of such parent or relative, even after the marriage is terminated by death or divorce.

An assumption of primary responsibility may be apparent if the individual claims the child as a tax dependent, but it is not required.

| | |
|--|------------------------------------|
| Health Care Finance and Administration | Section: Categories of Eligibility |
| Policy Manual Number: 015.040 | Subject: Caretaker Relative MAGI |

- c. **Citizenship:** A parent or caretaker relative must be a U.S. Citizen, U.S. National or eligible non-citizen.
- d. **Enumeration:** A parent or caretaker relative must possess and provide a valid Social Security Number (SSN) or proof of an SSN application, unless he or she meets an exception.
- e. **State Residence:** A parent or caretaker relative must be a resident of Tennessee.
- f. **Cooperation with Child Support Services:** An eligible parent or caretaker relative must agree to cooperate with Child Support Services in establishing paternity of a child born out of wedlock and in obtaining medical support and payments for himself or herself and anyone for whom the individual can legally assign rights. Proof of non-compliance from the Department of Human Services Child Support Enforcement Office may lead to ineligibility.

4. Financial Eligibility Requirements

a. Household Composition

Household composition for this category uses MAGI methodology. It is possible for household members to have different household sizes when determining eligibility. For additional information regarding household size see the *Household Composition for MAGI* policy.

b. Income Standard

| Household Size | Income Standard | Household Size | Income Standard |
|----------------|-----------------|----------------|-----------------|
| 1 | \$1,018 | 11 | \$3,259 |
| 2 | \$1,329 | 12 | \$3,431 |
| 3 | \$1,611 | 13 | \$3,601 |
| 4 | \$1,867 | 14 | \$3,770 |
| 5 | \$2,102 | 15 | \$3,935 |
| 6 | \$2,320 | 16 | \$4,098 |
| 7 | \$2,524 | 17 | \$4,257 |
| 8 | \$2,718 | 18 | \$4,411 |
| 9 | \$2,903 | 19 | \$4,557 |
| 10 | \$3,084 | 20 | \$4,693 |
| | | Add on | N/A |

Note: The Federally Facilitated Marketplace (FFM) could not program TennCare Caretaker Relative dollar figure thresholds into its eligibility processing functionality. The numbers above are contained within the TennCare State Plan. While applications are being processed through the FFM, the income standard for Caretaker Relatives is 103% of the Federal Poverty Level, beginning April 1st, 2016, until the income standard is revised in 2017.

| | |
|--|------------------------------------|
| Health Care Finance and Administration | Section: Categories of Eligibility |
| Policy Manual Number: 015.040 | Subject: Caretaker Relative MAGI |

c. Budget Overview

i. Total Gross Income Computation (for each household member)

Household Member's Total Countable Income is the total countable income for each individual.

Question 1: Is the household member a child or tax dependent? Yes or No

Question 2: Is the household member's income below the tax threshold? Yes or No

These two questions determine whether the household member's income will be included in the Total Net Income Computation. If both answers are yes and the individual is a child/tax dependent of their parent (natural, adopted or step), the Total Gross Income for that individual is \$0.

Total Gross Income, when applicable, is used in the Modified Adjusted Gross Income Computation.

ii. Modified Adjusted Gross Income Computation (for each household member)

Total Gross Income

- Legally Obligated Alimony

- Student Loan Interest Paid

- Other Expenses

Modified Adjusted Gross Income

iii. Total Net Income Computation (for household)

Modified Adjusted Gross Income (total of included household members)

- 5% Disregard of FPL (5% FPL, based on household size and converted to a dollar amount, is deducted if the applicant's MAGI is greater than the Caretaker Relative Income Standard)

= Total Net Income

Is Total Net Income less than or equal to the Caretaker Relative Income Standard (based on household size)?

If Yes, Pass. If No, Fail.

d. Example Budget

Example 1: The following budget is based on a household with an unmarried grandparent and grandchild. The grandparent meets the caretaker relative status requirements, but does not file taxes. This budget determines eligibility for the grandparent. The household size for the grandparent is 1 (the applying grandparent). The grandchild is not included in the household size based on non-filer rules. The grandparent is not eligible because his or her reported net income is above the income standard for this category.

| | |
|--|------------------------------------|
| Health Care Finance and Administration | Section: Categories of Eligibility |
| Policy Manual Number: 015.040 | Subject: Caretaker Relative MAGI |

| Total Gross Income Computation | | Grandparent | Child |
|--|---|--------------------|---------------|
| Household Member's Total Countable Income | | \$2,050.00 | \$0.00 |
| Is the household member a child/tax dependent | | No | Yes |
| Is income below the tax threshold? | | No | Yes |
| Total: Gross Income | = | \$2,050.00 | \$0.00 |
| Modified Adjusted Gross Income Computation | | | |
| Total Gross Income | | \$2,050.00 | \$0.00 |
| Legally Obligated Alimony | - | \$0.00 | \$0.00 |
| Student Loan Interest Paid | - | \$0.00 | \$0.00 |
| Other | - | \$0.00 | \$0.00 |
| Modified Adjusted Gross Income | = | \$2,050.00 | \$0.00 |
| Total Net Income Computation | | | |
| Modified Adjusted Gross Income | | \$2,050.00 | |
| 5% Disregard of FPL (100% FPL for household of 1 = \$980.83)(5% of \$980.83 = \$49.05) | - | \$49.05 | |
| Total: Net Income | = | \$2,000.95 | |
| Caretaker Relative Income Standard (household size 1) | | \$1,018.00 | |
| Income Eligibility Determination | | FAIL | |

The above budget is current as of January 2015.

Example 2: The following budget is based on a household with a mother and father that have 3 dependent children. This budget is to determine eligibility for the mother. The children do not have income. The mother's income is \$200 per month. The father's income is \$2,010 per month. The couple files taxes jointly. The mother's income is below the tax threshold, but she is not a claimed dependent; therefore, the mother's income is included in the MAGI for the household.

The MAGI total for the household is \$2,210. The mother's household income of \$2,210 is over \$2,102, the Caretaker Relative income standard for a household of 5. Applying a 5% disregard of \$116.29 makes the mother eligible for this category. The mother is considered income eligible for the Caretaker Relative category.

| Total Gross Income Computation | | Mother | Father | Child | Child | Child |
|---|---|------------------|--------------------|----------------|----------------|----------------|
| Household Member's Total Countable Income | | \$200.00 | \$2,010.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 |
| Is the household member a child/tax dependent | | No | No | Yes | Yes | Yes |
| Is income below the tax threshold? | | Yes | No | Yes | Yes | Yes |
| Total: Gross Income | = | \$ 200.00 | \$ 2,010.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 |
| Modified Adjusted Gross Income Computation | | | | | | |
| Total Gross Income | | \$200.00 | \$2,010.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 |
| Legally Obligated Alimony | - | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 |
| Student Loan Interest Paid | - | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 |
| Other | - | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 |
| Modified Adjusted Gross Income | = | \$ 200.00 | \$ 2,010.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 |

| | |
|--|------------------------------------|
| Health Care Finance and Administration | Section: Categories of Eligibility |
| Policy Manual Number: 015.040 | Subject: Caretaker Relative MAGI |

| Total Net Income Computation | | | | | |
|---|---|-------------|--|--|--|
| Modified Adjusted Gross Income | | \$ 2,210.00 | | | |
| 5% Disregard of FPL (100% FPL for household of 5 = \$2,367.50)(5% of \$2,367.50 = \$118.38) | - | \$ 118.38 | | | |
| Total: Net Income | = | \$ 2,091.62 | | | |
| Caretaker Relative Income Standard (Household size 5) | | \$ 2,102.00 | | | |
| Income Eligibility Determination | | PASS | | | |

The above budget is current as of January 2015.

e. Resource Test

There is no resource test for the Caretaker Relative MAGI category.

| Document Title | Caretaker Relative MAGI | | | | |
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| 4.1.2016 | 4-b, 4-d | Financial Eligibility Requirements | 2,4,5 | Updated 2016 Caretaker Relative FPLs | AF |
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