

Health Care Finance and Administration	Section: Categories of Eligibility
Policy Manual Number: 015.020	Chapter: Child 1-5 MAGI

CHILD 1-5 MAGI

Legal Authority: 42 CFR 435.4; 42 CFR 435.112; 42 CFR 435.115; 42 CFR 435.118; 42 CFR 435.603

1. Policy Statement

TennCare Medicaid benefits are available to children aged 1 through 5 whose household income is equal to or less than 142% of the Federal Poverty Level (FPL) based on household size, and who meet all non-financial eligibility requirements.

2. Non-Financial Eligibility

Children eligible for the Child 1-5 MAGI category must meet all non-financial eligibility requirements. Additional information about each condition of eligibility is available in the Non-Financial Eligibility chapters.

- a. **Age:** A child must be age 1 through 5.
- b. **Citizenship:** A child must be a U.S. Citizen, U.S. national or eligible non-citizen.
- c. **Enumeration:** A child must possess and provide a valid Social Security Number (SSN) or proof of application for a SSN, unless they meet an exception.
- d. **State Residence:** A child must be a resident of Tennessee.
- e. **Cooperation with Child Support Services:** A child is not required to agree to cooperate with Child Support Services. If the parent or caretaker of a child who is applying for benefits refuses to cooperate, the child will not be penalized. The child will be reviewed for or maintain eligibility in this category.

3. Financial Eligibility Requirements

a. Household Composition

Household composition for this category uses Modified Adjusted Gross Income (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

The income standard for the Child 1-5 MAGI category is 142% FPL.

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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 Child 1-5 MAGI Income Standard)
 = Total Net Income

Is Total Net Income less than or equal to the Child 1-5 MAGI Income Standard (based on household size)?

If Yes, Pass. If No, Fail.

d. Example Budget

The following budget is based on a household with a dependent 3 year old child and includes the child’s mother. This budget determines eligibility for the child. This child does not meet the income standard to be eligible in this category. Application of the 5% disregard does not result in the child meeting the income standard for the Child 1-5 MAGI category.

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Total Gross Income Computation		Child	Mother
Household Member's Total Countable Income		\$ 0.00	\$2,050.00
Is the household member a child/tax dependent		Yes	No
Is income below the tax threshold?		Yes	No
Total: Gross Income	+	\$ 0.00	\$ 2,050.00
Modified Adjusted Gross Income Computation			
Total Gross Income		\$ 0.00	\$ 2,050.00
Legally Obligated Alimony	-	\$ 0.00	\$ 0.00
Student Loan Interest Paid	-	\$ 0.00	\$ 0.00
Other	-	\$ 0.00	\$ 10.00
Modified Adjusted Gross Income	=	\$ 0.00	\$ 2,040.00
Total Net Income Computation			
Modified Adjusted Gross Income		\$2,040.00	
5% Disregard of FPL (100% FPL for household of 2 = \$1,327.50)(5% of \$1,327.50 = \$66.38)	-	\$ 66.38	
Total: Net Income	=	\$1,973.62	
Child 1-5 MAGI Income Standard		\$1,886.00	
Income Eligibility Determination		FAIL	

The above budget is current as of January 2015.

e. Resource Test

There is no resource test for the Child 1-5 MAGI category.