Part I: Determining Households & Income
Webinar Logistics

• All attendees are muted and in listen-only mode

• To ask a question:
  ▪ Click on the Q&A icon in the control panel at the bottom of your webinar screen
  ▪ Type your question into the box

• We will monitor questions and pause to answer a few during the presentation and once more at the end

• You can also email questions to beyondthebasics@cbpp.org

• All webinars are recorded and will be available for viewing at www.healthreformbeyondthebasics.org
Agenda

• We’ll discuss:
  • How to determine who is in the household for Medicaid and premium tax credit (PTC) purposes
  • How to estimate household income
  • Putting household and income together to determine eligibility for Medicaid or PTC
Why Household Size & Income Matter
First, the application determines Medicaid/CHIP eligibility

- In Medicaid expansion states, generally adults up to 138% of the federal poverty line (FPL)
- In non-expansion states, very low adult eligibility levels
- For children and pregnant women, higher eligibility levels

If not Medicaid eligible, the application determines eligibility for a premium tax credit (PTC)

- Have income above 100% FPL (Note: There is no income cap.)
  - Individual: $13,590+
  - Family of four: $27,750+
- Have an eligible filing status
- Not eligible for or enrolled in other minimum essential coverage (MEC)

Notes: We’ll talk about Medicaid and PTC in reverse to introduce the tax credit rules, since there are several exceptions in Medicaid’s application of the rules. Also, screenshots are from HealthCare.gov but the law applies to every state.
The federal poverty line (FPL) calculation requires...

- Number of individuals in a household
- Income of household members

...to determine premium tax credit and cost-sharing reduction eligibility

<table>
<thead>
<tr>
<th>Household Size</th>
<th>2022 Federal Poverty Line (for 2023 coverage)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>1</td>
<td>$13,590</td>
</tr>
<tr>
<td>2</td>
<td>$18,310</td>
</tr>
<tr>
<td>3</td>
<td>$23,030</td>
</tr>
<tr>
<td>4</td>
<td>$27,750</td>
</tr>
<tr>
<td>5</td>
<td>$32,470</td>
</tr>
</tbody>
</table>

Note: 2022 federal poverty guidelines are used to determine eligibility for 2023 coverage.
### Expected Contributions at Certain Income Levels (2023)

<table>
<thead>
<tr>
<th>Annual Household Income</th>
<th>Expected Premium Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of FPL</td>
<td>Income Amount (For HH of 1 using 2022 FPL)</td>
</tr>
<tr>
<td>&lt; 150%&lt;sup&gt;1&lt;/sup&gt;</td>
<td>&lt;$20,385</td>
</tr>
<tr>
<td>200%</td>
<td>$27,180</td>
</tr>
<tr>
<td>250%</td>
<td>$33,975</td>
</tr>
<tr>
<td>300%</td>
<td>$40,770</td>
</tr>
<tr>
<td>350%</td>
<td>$47,565</td>
</tr>
<tr>
<td>400%</td>
<td>$54,360</td>
</tr>
<tr>
<td>&gt; 400%</td>
<td>&gt;$54,360</td>
</tr>
</tbody>
</table>

<sup>1</sup> Individuals who are eligible for Medicaid are ineligible for PTC

**Note:** 2022 federal poverty guidelines are used to determine eligibility for 2023 coverage.
Beyond the Basics resource includes:

- Annually updated FPL levels for current and prior year
- Expected premium contributions
- Employer coverage affordability threshold
- Out-of-pocket maximums, including for CSR plans
- Tax filing thresholds
- Repayment caps for APTC

Available at: https://www.healthreformbeyondthebasics.org/reference-guide-yearly-thresholds/
Why Tax Filing Status Matters
**Tax Filing Status**

- **Single**: Is unmarried, or legally separated or divorced (as defined by state law).
- **Married Filing Jointly**: A person is legally married, whether living with or apart from his or her spouse, and files taxes together with his or her spouse.
- **Married Filing Separately**: A person is legally married, whether living with or apart from his or her spouse, and files taxes separately from his or her spouse.
- **Head of Household**: A person is unmarried or considered unmarried for tax purposes, pays more than half of the costs of keeping up the home for a qualifying person whom he or she will claim as a dependent.

*Marital status: Learn more about marital status.*

What’s Maria’s marital status?
- Single
- Married

Married to: Victor
Marital Status & Premium Tax Credits

• In general, a person who is married must file jointly with their spouse to be eligible for PTC

• Three exceptions to the joint filing requirement
  ▪ Head of Household → Incorporated into HealthCare.gov
  ▪ Domestic abuse → Requires a workaround on HealthCare.gov
  ▪ Abandoned spouse → Requires a workaround on HealthCare.gov

• Be aware that some married immigrants who file Form 1040-NR cannot file jointly and therefore may not be eligible for PTC

Note: A person who will file taxes as Married Filing Separately and doesn’t qualify for one of these exceptions could still be eligible to enroll in Medicaid or full-cost health insurance in the Marketplace (without PTC)
## Tax rules for when a married person can file as Head of Household

A married person is *considered unmarried* and is eligible to file as Head of Household if he or she can answer YES to each of the following questions:

- Will you file taxes separately from your spouse?
- Will you live apart from your spouse from July 1 to Dec 31?
- Will you pay more than half of the cost of keeping up your home?
- Is yours the main home of your child, stepchild, or foster child (of any age) for more than half the year?
- Are you eligible to claim the child as a dependent? (You meet this test if you are eligible to claim the child but the child is instead claimed by a noncustodial parent.)

If all the answers are Yes, the applicant is considered unmarried and can file as Head of Household. If the answer to any of these questions is No, the applicant cannot file as Head of Household.

**Note:** A special rule allows the resident spouse of a nonresident (as defined for tax purposes) to qualify as *considered unmarried* if they have a qualifying person and meet the other tests.
Head of Household Questions

Tax relationships
Now, tell us about the household’s federal income tax returns. We’ll use this information to see who’s eligible for savings, like premium tax credits.

Maria’s tax relationships
Will Maria file a 2023 joint federal income tax return with Victor?
Learn more about joint tax filing.
- Yes
- No

Who will Maria claim as a dependent on their 2023 federal tax return?
- Child

Where does everyone live?
Do all of these people live together at this address?
- Maria
- Victor
- Child

Review everyone’s address
Maria and Child’s home address:
123 Main Street
Arlington, VA 22202

Victor’s home address:
456 Central Lane
Arlington, VA 22204

Head of household
Will Maria file as Head of Household on their 2023 federal income tax return?
- Yes
- No

Select everyone who lives at this address with Maria.
- Victor
- Child
- None of these people
Exceptions to the Joint Filing Requirement for PTC

A married person can claim to be Single on the HealthCare.gov application under either of these circumstances:

**Domestic abuse**
- Will live apart from their spouse
- Will be unable to file a joint return because of domestic abuse

**Abandoned spouse**
- Will live apart from their spouse
- Will be unable to locate spouse after using reasonable diligence

**Note:** These exceptions can be used for a maximum of 3 consecutive years.
Determining Households for Premium Tax Credits
Households for Premium Tax Credits

- The application includes all individuals who are expected to be on the household’s tax return, even if they don’t want or are ineligible for coverage.
- This includes:
  - Self and spouse
  - Tax dependents
Determining Tax Dependents

**Children**
A child can include the tax filer’s child, step child, adopted child, foster child, brother, sister, niece, nephew or grandchild

**In general a child can be claimed as a Qualifying Child if they…**

- **Citizen/Resident**: Is a U.S. citizen or resident (for tax purposes) of the U.S., Canada or Mexico
- **Primary Home**: Lives with the tax filer for more than half the year
- **Age**: Is under 19 at the end of the year (or 24 if a full-time student or any age if disabled)
- **Support**: Doesn’t provide more than half of her own support

Who Can Be Claimed as a Qualifying Child?
Children of Divorced or Separated Parents

The parent who claims the child as a tax dependent claims PTC for the child

Usually this is the custodial parent:

- If the custodial parent claims the child on the tax return, the custodial parent can claim PTC for the child
- This is true even if the noncustodial parent is legally responsible for insuring the child

But sometimes a child is claimed by the noncustodial parent:

- The custodial parent must sign a tax form granting the noncustodial parent the child’s exemption (Form 8332)
- If permitted to claim the child as a tax dependent, the noncustodial parent can claim PTC for the child
Determining Tax Dependents

Other individuals
Other individuals can include a relative or a full-time member of the tax filer’s household who is not a relative.

In general a person can be claimed as a Qualifying Relative if they:

- Is a U.S. citizen or resident (for tax purposes) of the U.S., Canada or Mexico
- Receives more than 50% of his support from the tax filer
- Is related to the tax filer or lives in the tax filer’s home all year
- Gross income less than $4,400 (in 2022) - Generally doesn’t include Social Security

Cannot be claimed as a Qualifying Child by anyone

Who Can Be Claimed as a Qualifying Relative?

Beyond the Basics
Example: Can Amber be claimed as a tax dependent?

Amber
• 24 years old
• Lives with parents, rent-free
• Has no income

Can Amber be claimed as a Qualifying Child?  ✗ No

Children
A child can include the tax filer’s child, step child, adopted child, foster child, brother, sister, niece, nephew or grandchild

In general a child can be claimed as a Qualifying Child if they:

- Citizen / Resident
  ✓

- Primary Home
  ✓

- Age
  ✗

- Support
  ✓
Example: Can Amber be claimed as a tax dependent?

Can Amber be claimed as a Qualifying Relative? ✓ Yes

Other individuals
Other individuals can include a relative or a full-time member of the tax filer’s household who is not a relative

Result: Amber is a tax dependent and can be on her parents’ marketplace application.
Example: Can Jay be claimed as a tax dependent?

Jay and Kim
- Live together in North Carolina (non-expansion state) and are not married
- Kim expects to earn $25,000 in 2023
- Jay is a musician and expects to earn $4,200 in 2023

Can Jay be claimed as a dependent? (Qualifying Relative)

Yes

Other individuals
Other individuals can include a relative or a full-time member of the tax filer’s household who is not a relative

In general a person can be claimed as a Qualifying Relative if they...

- Not a Qualifying Child
- Citizen / Resident
- Support
- Relation / Primary Home
- Income
Determining Households for MAGI Medicaid
Determining Households for Medicaid

Modified Adjusted Gross Income (MAGI) rules apply to:

- ADULTS (in state that expanded Medicaid)
- CHILDREN
- PARENTS / CARETAKER RELATIVES
- PREGNANT WOMEN

Different household & income rules apply to:

- SENIORS (people 65 & over)
- MOST PEOPLE WITH DISABILITIES
Determining Households for Medicaid

Three categories of individuals:

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tax filers not claimed as a tax dependent</td>
</tr>
<tr>
<td>2</td>
<td>Tax dependents (with 3 exceptions)</td>
</tr>
<tr>
<td>3</td>
<td>Non-filers not claimed as a tax dependent</td>
</tr>
</tbody>
</table>

- Separate determination for each individual
  - Members of a family can have different household sizes
- Based on expected filing status
<table>
<thead>
<tr>
<th>Tax filer not claimed as a dependent</th>
<th>Tax dependent</th>
<th>Non-filer / non-dependent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual’s household is:</td>
<td>Individual’s household is:</td>
<td>For individuals age 19 and above:</td>
</tr>
<tr>
<td>• Tax filer and all persons whom taxpayer expects to claim as a dependent¹²³⁴</td>
<td>• The household of the tax filer claiming individual as a dependent²³⁴</td>
<td>• Household is the individual plus, if living with individual, spouse and children under age 19³⁴⁵</td>
</tr>
<tr>
<td></td>
<td>EXCEPTIONS (apply the rules for non-filer)</td>
<td>For individuals under age 19⁵:</td>
</tr>
<tr>
<td></td>
<td>• Tax dependents not a child of the taxpayer</td>
<td>• Household is the individual plus siblings under 19⁵, parents (including step-parents) and children living with individual³⁴</td>
</tr>
<tr>
<td></td>
<td>• Individuals under 19⁵ living with both parents not expected to file a joint return</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Individuals under 19⁵ claimed as tax dependent by non-custodial parents</td>
<td></td>
</tr>
</tbody>
</table>

¹ For married couples filing jointly, each spouse is considered a tax filer
² Married couples living together are always in each other’s household regardless of how they file
³ A pregnant woman is counted as herself plus the number of children she is expecting
⁴ For individuals whose household includes a pregnant woman, states can count the pregnant woman as 1, 2, or 1 plus the number of children she is expecting
⁵ States can extend the age limit to include individuals under 21 who are full-time students.
Summary of Medicaid Household Rules

For a printable PDF version of this chart, see Reference Guide: Medicaid Household Rules
Example: Three-Generation Household

Sonya, Kyla and Diane
• Sonya lives with and supports her 60-year-old mother, Diane and 7-year-old daughter, Kyla
• Sonya is the tax filer and will claim Diane and Kyla as tax dependents

What are the Medicaid households for this family?

<table>
<thead>
<tr>
<th>Counted in Household</th>
<th>HH Size for Medicaid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sonya</td>
<td>Kyla</td>
</tr>
<tr>
<td>Sonya</td>
<td>✓</td>
</tr>
<tr>
<td>Kyla</td>
<td>✓</td>
</tr>
<tr>
<td>Diane</td>
<td>✓</td>
</tr>
</tbody>
</table>

MEDICAID HH RULE
TAX FILER
✓ Tax filer
✓ Spouse and dependents on the tax return
Example: Three-Generation Household

Sonya, Kyla and Diane
- Sonya lives with and supports her 60-year-old mother, Diane and 7-year-old daughter, Kyla
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<td>✓</td>
</tr>
<tr>
<td>Kyla</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Diane</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

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<th>Counted in Household</th>
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<tbody>
<tr>
<td>Sonya</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Kyla</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Diane</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

**MEDICAID HH RULE**
- TAX DEPENDENT
  - ✓ Same household as tax filer claiming individual as dependent
Example: Three-Generation Household

Why is Diane a household of 1 for Medicaid?
• She is Sonya’s tax dependent, but she is not Sonya’s child or spouse. Therefore, she is treated as a non-filer.
• As a non-filer, Diane’s household includes herself and any spouse or children living with her. Sonya is her daughter, but she is not considered a child because of her age.

What are the Medicaid households for this family?

<table>
<thead>
<tr>
<th>Counted in Household</th>
<th>HH Size for Medicaid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sonya</td>
<td>✓✓✓</td>
</tr>
<tr>
<td>Kyla</td>
<td>✓✓✓</td>
</tr>
<tr>
<td>Diane</td>
<td>✓✓✓</td>
</tr>
</tbody>
</table>

**MEDICAID HH RULE**
Tax Dependent Exception – Not Child of Taxpayer
Apply Non-Filer Rules

*If 19 or older:*
✓ Individual
✓ Spouse & children under age 19 living with individual
**Example: Non-Married Parents**

**Dan, Jen, Drew and Mary**
- Dan and Jen live together with their 2 children, Drew and Mary
- Dan and Jen both have income
- On their tax returns, Jen will claim the children and Dan will file on his own

**What are the Medicaid households for this family?**

<table>
<thead>
<tr>
<th>Counted in Household</th>
<th>HH Size for Medicaid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dan</td>
<td>✓</td>
</tr>
<tr>
<td>Jen</td>
<td>✓•✓•✓</td>
</tr>
<tr>
<td>Drew</td>
<td>✓•✓•✓•</td>
</tr>
<tr>
<td>Mary</td>
<td>✓•✓•✓•</td>
</tr>
</tbody>
</table>

**MEDICAID HH RULE**
- ✓ Tax filer
- ✓ Spouse and dependents on the tax return
**Example: Non-Married Parents**

**Why are Drew and Mary a household of 4 for Medicaid?**

- The children are tax dependents, but they fall under one of the exceptions to the tax dependent rule — they are children living with both parents who are unmarried.
- Using the non-filer rule as it applies to individuals under 19, for each child we count their parents and their siblings who are living with them.

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**What are the Medicaid households for this family?**

<table>
<thead>
<tr>
<th></th>
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<th>HH Size for Medicaid</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dan</td>
<td>Jen</td>
</tr>
<tr>
<td>Dan</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Jen</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Drew</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Mary</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

**MEDICAID HH RULE**

**Tax Dependent Exception – Child Living with Both Parents Apply Non-Filer Rules**

*If Under 19:*
- ✓ Individual
- ✓ Siblings, parents, and children living with individual
What Counts as Income for PTC & Medicaid
What Is Modified Adjusted Gross Income (MAGI)?

Adjusted Gross Income (AGI)

As defined by the IRS, AGI is gross income minus adjustments to income.

Non-Taxable Social Security Benefits

Social Security benefits not included in gross income.

Tax-Exempt Interest

Interest income that is not subject to federal income tax.

Excluded Foreign Income

Foreign earned income excluded from taxation of individuals who live abroad.

==

Modified Adjusted Gross Income (MAGI)
General Rules About Counting Income

All income is taxable unless specifically excluded by law from taxation

<table>
<thead>
<tr>
<th>Examples of Taxable Income</th>
<th>Examples of Non-Taxable Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages, salaries, bonuses</td>
<td>Veterans’ benefits</td>
</tr>
<tr>
<td>Self-employment income</td>
<td>TANF payments</td>
</tr>
<tr>
<td>Some Social Security benefits*</td>
<td>Child support payments</td>
</tr>
<tr>
<td>Unemployment compensation</td>
<td>Workers’ compensation</td>
</tr>
<tr>
<td>Most retirement distributions</td>
<td>Supplemental Security Income (SSI)</td>
</tr>
</tbody>
</table>

See IRS Publications 17 and 525 for more details on what income is taxable and not taxable

**Pre-tax deductions** (such as retirement contributions): Not included in MAGI

**Social security** (including survivor benefits and SSDI): Even the untaxed portion is included in the MAGI of a person with a tax filing requirement

**Alimony**: For agreements after January 1, 2019, neither spouse can include alimony on the tax return; under older agreements, couples can choose to include or not
General Rules About Counting Income

Income can come in the form of money, goods, or services

Cash income is taxable and included even if:

“I haven’t declared it in the past”
“It’s on the side”
“It’s not my main job”
“I only work sometimes”

Bottom line: Enter all income in the HealthCare.gov application
### Advice for estimating income:
- Does the person have regular monthly income?
- If no regular income, what jobs are lined up for the year?
- If no good projected estimate, consider adding or subtracting from previous year’s income (if available)
- Make estimates by job or by month (using receipts, invoices, bank records, etc.)

### Advice for estimating expenses:
- Does the person have regular monthly expenses?
- What large expenses does the person anticipate?
- What were the person’s expenses in previous year?
- Use receipts, credit/debit card records, known costs of supplies

### What types of business expenses may be deductible?
- Advertising
- Commissions
- Contract labor
- Legal or professional fees
- Office supplies
- Rent/lease/repair of equipment
- Business meals and entertainment
- Telephone and utilities
- Business mileage or transportation expenses
Self-Employment Income Estimator Tool

• Use this tool to estimate annual self-employment income.

• Download the PDF and fill it out on your computer so you can email the completed form to your client for their records.
Enter Dependents’ Income in the Application

- MAGI of tax filer and all dependents who are required to file a tax return
  - If the dependent does not have a tax filing requirement, none of their income is included in MAGI
  - If the dependent does have a tax filing requirement, income is included
- It’s complicated! But the HealthCare.gov application is programmed to determine whether dependent income is counted
Example: Single Adult with Dependent

Jill and Ryan
• Jill is Ryan’s mother and claims him as a tax dependent
• Jill’s income: $27,000
• Ryan’s income from part-time work: $3,000

Whose income is counted in the household income for PTC?
• Jill’s income is counted
• Ryan’s income is not counted because he doesn’t have a tax filing requirement
• However, enter both Jill and Ryan’s income in the HealthCare.gov application

<table>
<thead>
<tr>
<th></th>
<th>Premium Tax Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HH</td>
</tr>
<tr>
<td>Jill</td>
<td>2</td>
</tr>
<tr>
<td>Ryan</td>
<td>2</td>
</tr>
</tbody>
</table>
Annual vs. Monthly Income Counting
Entering Monthly Income

Medicaid

• In general, Medicaid eligibility is based on current monthly income

Maria’s income

If Maria has more than one source of income, you’ll be able to enter more later.

Select a type of income Maria currently gets this month.
Learn more about types of income to report.

Job (like salary, wages, commissions, or tips)
Learn more about reporting job income.

Enter the employer name.

ABC Co

Enter the amount Maria gets paid.
Learn how to calculate income.

$15

How often is Maria paid this amount?

- Hourly
- Daily
- Weekly
- Every 2 weeks
- Twice a month
- Monthly
- Yearly
- One time only
Entering Annual Income

Advance Premium Tax Credit

- Eligibility for advance PTC is based on projected annual income for the coverage year.
- Annual income is calculated based on monthly income, but that might not be accurate.
- If the application’s annual income estimate isn’t right, correct it by adjusting the annual income, not by adjusting the monthly amount.

Maria’s expected yearly income for 2023

About $31,176.00

We calculated this expected yearly income amount based on what you entered for Maria’s monthly income and expenses. Is this correct for 2023?

- Yes
- No

Is Maria’s income for 2023 hard to predict?

- Yes
- No

If you’re not sure, make your best estimate of Maria’s income total for 2023.

$  

We can help you better estimate Maria’s income, if you need it:

- If their income is hard to predict or changes (like getting unemployment or having a short-term job): Use income calculator.
- If you roughly know their monthly income, even if the amounts change: Enter monthly amounts.
### Entering Annual Income

We can help you better estimate Maria’s income, if you need it.

If their income is hard to predict or changes (like getting unemployment or having a short-term job):
- Use income calculator
- If you roughly know their monthly income, even if the amounts change:
  - Enter monthly amounts

https://www.healthcare.gov/income-calculator/

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#### Calculate yearly income

Use this tool to help calculate each household member’s yearly income.

1. **If income has changed or may be hard to estimate**
   - We know some people’s income and expenses may change throughout the year or be hard to estimate. Use this tool for help making the best estimate. If you or your household members’ income changes after you submit an application, come back to the Marketplace and update your application. This will help make sure you’re getting the right amount of savings.

<table>
<thead>
<tr>
<th>Household member’s name</th>
<th>Optional</th>
<th>Maria</th>
</tr>
</thead>
</table>

**Income**

If this person gets this income at different times during the year, enter it as multiple income sources.

<table>
<thead>
<tr>
<th>Income type</th>
<th>Amount</th>
<th>How often</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job (like salary, wages, commissions)</td>
<td>$400</td>
<td>Weekly</td>
</tr>
</tbody>
</table>

**When does this person get this income during the year?**

If this person will get income for the entire year, enter January 1 - December 31.

<table>
<thead>
<tr>
<th>Income type</th>
<th>Income start date (in coverage year)</th>
<th>Income end date (in coverage year)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Month / Day / Year</td>
<td>Month / Day / Year</td>
</tr>
</tbody>
</table>

[Calculate] [Cancel]
## Entering Annual Income

### Estimate Maria's income

Enter Maria's expected income for each month of 2023. Don't worry if this isn't the exact total, we just need a close estimate.

Learn more about types of income to report.

<table>
<thead>
<tr>
<th>Month</th>
<th>January 2023</th>
<th>$1,920</th>
<th>February 2023</th>
<th>$1,920</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 2023</td>
<td>$2,400</td>
<td></td>
<td>April 2023</td>
<td>$2,400</td>
</tr>
<tr>
<td>May 2023</td>
<td>$2,400</td>
<td></td>
<td>June 2023</td>
<td>$1,920</td>
</tr>
<tr>
<td>July 2023</td>
<td>$1,920</td>
<td></td>
<td>August 2023</td>
<td>$1,920</td>
</tr>
<tr>
<td>September 2023</td>
<td>$2,400</td>
<td></td>
<td>October 2023</td>
<td>$2,400</td>
</tr>
<tr>
<td>November 2023</td>
<td>$1,920</td>
<td></td>
<td>December 2023</td>
<td>$1,920</td>
</tr>
</tbody>
</table>

### Additional Information

- **Use income calculator**
- **If you roughly know their monthly income, even if the amounts change:** Enter monthly amounts.
Example: Gap-Filling Rule

• Carla lives alone in a Medicaid expansion state and starts a seasonal job at a ski resort

• In November 2022, she applies for coverage at HealthCare.gov and provides this income information:
  ▪ November income is: $1,600 (141% FPL)
  ▪ Projects 2023 income to be: $13,000 (95% FPL)

• The Marketplace assesses her monthly income to be too high for Medicaid but her annual income to be too low for PTC

• The “gap filling” rule: When monthly income is too high for Medicaid but annual income is under 100% FPL, Medicaid eligibility is determined using marketplace household and income counting rules

• Based on annual income, Carla’s income is below 100% FPL

• Therefore, Carla will be determined eligible for Medicaid
In most states, HealthCare.gov determines preliminary Medicaid eligibility, but must send the case to the state for a final determination.

The Medicaid agency might grant eligibility or the applicant might be determined ineligible and sent back to HealthCare.gov.

If the applicant’s file is sent back to HealthCare.gov, they should get a notice asking them to return to HealthCare.gov to resubmit their application.
Combining Household & Income Rules to Determine Eligibility
Example: Three-Generation Household

Sonya, Kyla and Diane

- Sonya lives with and supports her 60-year-old mother, Diane, and 7-year-old daughter, Kyla
- Sonya’s annual income is expected to be $35,000
- Diane expects to earn $3,000 doing odd jobs
- Sonya will be the tax filer and claim Diane and Kyla as dependents

How does eligibility for this family work?

<table>
<thead>
<tr>
<th></th>
<th>Medicaid</th>
<th>Premium Tax Credits</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HH</td>
<td>Monthly Income</td>
<td>FPL</td>
</tr>
<tr>
<td>Sonya</td>
<td>3</td>
<td>$2,916</td>
<td>152%</td>
</tr>
<tr>
<td>Kyla</td>
<td>3</td>
<td>$2,916</td>
<td>152%</td>
</tr>
<tr>
<td>Diane</td>
<td>1</td>
<td>$250</td>
<td>22%</td>
</tr>
</tbody>
</table>
Example: Non-Married Parents

Dan, Jen, Drew and Mary
• Dan and Jen live together with their children, Drew and Mary
• Dan’s income is projected to be $20,000
• Jen’s income is projected to be $26,000
• For taxes, Jen will file as Head of Household and claim the children; Dan will file as Single

<table>
<thead>
<tr>
<th></th>
<th>Medicaid</th>
<th>Premium Tax Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HH</td>
<td>Monthly Income</td>
</tr>
<tr>
<td>Dan</td>
<td>1</td>
<td>$1,667</td>
</tr>
<tr>
<td>Jen</td>
<td>3</td>
<td>$2,167</td>
</tr>
<tr>
<td>Drew</td>
<td>4</td>
<td>$3,834</td>
</tr>
<tr>
<td>Mary</td>
<td>4</td>
<td>$3,834</td>
</tr>
</tbody>
</table>

Outcome

- PTC
- Depends on state
- Medicaid
- Medicaid

How does eligibility for this family work?
• Reference Guide: Yearly Guidelines and Thresholds
  • Coverage Year 2023 (PDF)

• Reference Guide: Medicaid Household Rules

• Guide: Health Assister’s Guide to Tax Rules (last updated September 2020; revised version coming later this fall)

• Key Facts:
  • Determining Households for Medicaid and CHIP
  • Determining Households for PTC
  • Income Definitions for Marketplace and Medicaid Coverage
Upcoming Webinars

Part II: Premium Tax Credits
• Thursday, September 15 | 2 pm ET (11 am PT)

Part III: Immigrant Eligibility for Health Coverage Programs
• Tuesday, September 20 | 2 pm ET (11 am PT)

Part IV: Plan Design
• Thursday, September 22 | 2 pm ET (11 am PT)

Part V: Plan Selection Strategies
• Thursday, September 29 | 2 pm ET (11 am PT)

Register for upcoming webinars at
www.healthreformbeyondthebasics.org/events
Contact

• Jennifer Sullivan, jsullivan@cbpp.org
• Allison Orris, aorris@cbpp.org
• General inquiries: beyondthebasics@cbpp.org

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