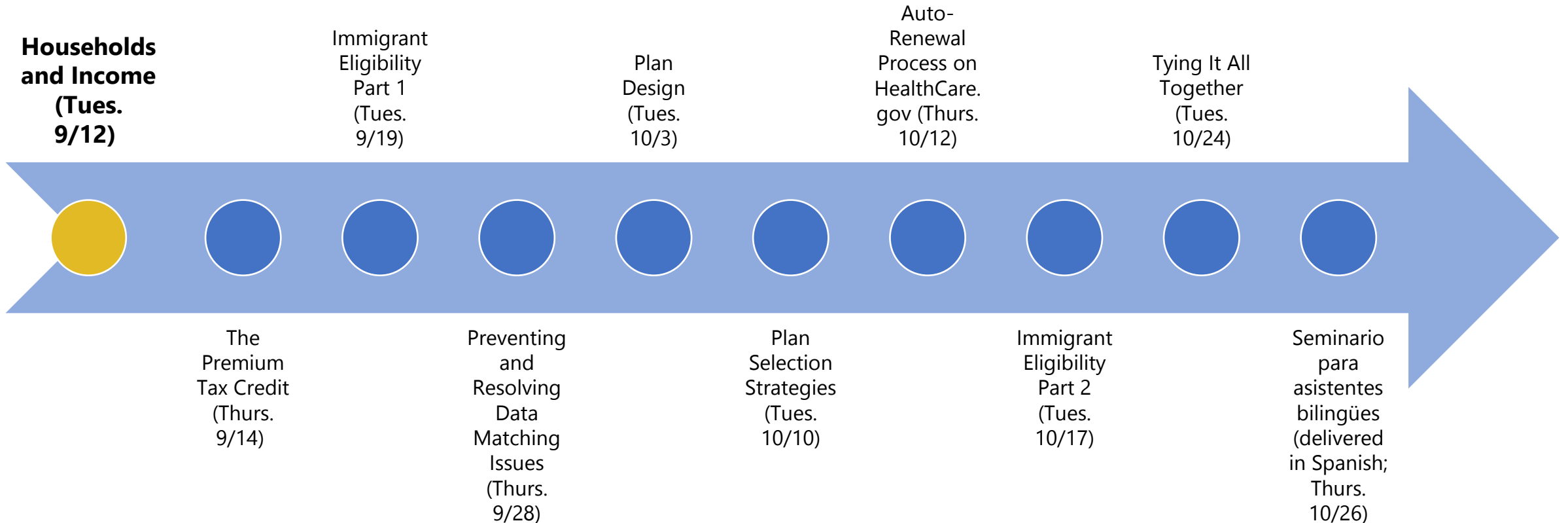




# Determining Households & Income

September 12, 2023

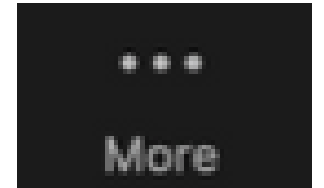
# Fall Webinar Series



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<https://www.healthreformbeyondthebasics.org/category/webinars/>

# Webinar Logistics

- After the webinar, we'll circulate the slides, a video recording of this presentation, and other resources. We'll also post everything to the Beyond the Basics website.
- Automated captions have been enabled for this webinar. To view them, click on the "more" option with three dots at the bottom of your screen. There you should have the option to turn on closed captioning.
- All participants are muted and in listen-only mode. If you'd like to ask a question:
  - Click on the Q&A icon at the bottom of your webinar screen and type your question into the box.
  - We will be monitoring questions and will pause for Q&A during the presentation.
  - We may not be able to answer every question asked, but we will have a record of all your questions and will use them as a guide for future resources and presentations.
  - You can also email your questions during and after the webinar to [beyondthebasics@cbpp.org](mailto:beyondthebasics@cbpp.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

# Celebrating 10 Years of Coverage



**Anel Trevino**

*Navigator, Bexar County Community Health Collaborative (Texas)*

**Years in Role:** 12

## **What being an effective assister means to you:**

An effective assister will not only enroll someone for insurance but will ensure that the individual or family you are assisting understands the importance of having health coverage and knows how to use it. We know we have made an impact in someone's life and our community when we educate our consumers and share our knowledge because then they will use their coverage (have their yearly physicals, understand preventive health services, develop a network of providers).

## **Advice to Assisters:**


Maintain a deep understanding of your audience, demonstrate a passion for consumer education, embrace continuous learning, and prioritize ongoing relationships. Regular follow-ups, active listening, and building trust are crucial for providing tailored coverage to consumers who may be new to health insurance.

*This Navigator Program (THC Pathway To Coverage) is supported by the Centers for Medicare and Medicaid Services (CMS) of the U.S. Department of Health and Human Services (HHS) as part of a financial assistance award totaling \$2,045,182.00 with 100 percent funded by CMS/HHS. The contents are those of the author(s) and do not necessarily represent the official views of, nor an endorsement, by CMS/HHS, or the U.S. Government.*

# Why Household Size & Income Matter



# ACA Eligibility Overview



## **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 people, 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 through 2025.)
  - Individual: \$14,580+
  - Family of four: \$30,000+
- 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.

# Why Household Size & Composition Matter

## 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.

Household Size	2023 Federal Poverty Line (for 2024 coverage)				
	100%	138%	200%	250%	400%
1	\$14,580	\$20,120	\$29,160	\$36,450	\$58,320
2	\$19,720	\$27,214	\$39,440	\$49,300	\$78,880
3	\$24,860	\$34,307	\$49,720	\$62,150	\$99,440
4	\$30,000	\$41,400	\$60,000	\$75,000	\$120,000
5	\$35,140	\$48,493	\$70,280	\$87,850	\$140,560

***Note:** The marketplaces uses the federal poverty guidelines in place at the start of the annual open enrollment period to determine eligibility for coverage in a given plan year. Medicaid uses the federal poverty guidelines in place at the time of application to determine eligibility.*

# Expected Contributions at Certain Income Levels (for 2024 Coverage)

Annual Household Income		Expected Premium Contribution	
% of FPL	Income Amount (For HH of 1 using 2023 FPL)	% of Income	Monthly Dollar Amount (For HH of 1 using 2023 FPL)
< 150%*	<\$21,870	<b>0%</b>	<b>\$0</b>
200%	\$29,160	<b>2%</b>	<b>\$49</b>
250%	\$36,450	<b>4%</b>	<b>\$122</b>
300%	\$43,470	<b>6%</b>	<b>\$217</b>
350%	\$51,030	<b>7.25%</b>	<b>\$308</b>
400%	\$58,320	<b>8.5%</b>	<b>\$413</b>
> 400%	>\$58,320	<b>8.5%</b>	<b>varies</b>
<i>*Individuals who are eligible for Medicaid are ineligible for PTC</i>			

**Note:** 2023 federal poverty guidelines are used to determine eligibility for 2024 coverage.

# Yearly Guidelines & Thresholds Reference Guide

[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

## REFERENCE CHART

## Yearly Guidelines & Thresholds | Coverage Year 2024

### 2023 Federal Poverty Guidelines (Coverage Year 2024)

# in Household	100% FPL	138% FPL	150% FPL	200% FPL	250% FPL	300% FPL	400% FPL
1	\$14,580	\$20,120	\$21,870	\$29,160	\$36,450	\$43,740	\$58,320
2	\$19,720	\$27,214	\$29,580	\$39,440	\$49,300	\$59,160	\$78,880
3	\$24,860	\$34,307	\$37,290	\$49,720	\$62,150	\$74,580	\$99,440
4	\$30,000	\$41,400	\$45,000	\$60,000	\$75,000	\$90,000	\$120,000
5	\$35,140	\$48,493	\$52,710	\$70,280	\$87,850	\$105,420	\$140,560
6	\$40,280	\$55,586	\$60,420	\$80,560	\$100,700	\$120,840	\$161,120
7	\$45,420	\$62,680	\$68,130	\$90,840	\$113,550	\$136,260	\$181,680
8	\$50,560	\$69,773	\$75,840	\$101,120	\$126,400	\$151,680	\$202,240

For households with more than 8, add \$5,140 for each additional person. Source (plus Hawaii and Alaska guidelines): [aspe.hhs.gov/poverty-guidelines](https://aspe.hhs.gov/poverty-guidelines). Eligibility for premium tax credits in coverage year 2024 is based on 2023 poverty guidelines. FPL = federal poverty line.

### Expected Premium Contribution (Coverage Year 2024)

Annual Household Income (% of FPL)	Up to 150% FPL	200% FPL	250% FPL	300% FPL	400% FPL & Above
Expected Premium Contribution (% of Income)	0%	2%	4%	6%	8.5%

Source: American Rescue Plan Act Public Law No. 117-2; Inflation Reduction Act Public Law No. 117-169

### Employer-Sponsored Insurance Affordability Threshold (Coverage Year 2024)

Eligibility for Premium Tax Credits If Offer of Employer-Sponsored Insurance is Considered Unaffordable	
Considered unaffordable if ESI offer exceeds:	Affordability of family coverage determined by:
8.39%	Cost of family coverage

Source: [irs.gov/pub/irs-drop/rp-23-29.pdf](https://irs.gov/pub/irs-drop/rp-23-29.pdf)

### Out-Of-Pocket Maximum (Coverage Year 2024)

Plan Type	Income Level	Out-of-Pocket Maximum	
		Individual	Family
All plans <sup>1</sup>	All income levels	\$9,450	\$18,900
CSR Silver Plan 73% AV <sup>2</sup>	Between 201%-250% FPL	\$7,550	\$15,100
CSR Silver Plan 87% AV <sup>2</sup>	Between 151%-200% FPL	\$3,150	\$6,300
CSR Silver Plan 94% AV <sup>2</sup>	Up to 150% FPL	\$3,150	\$6,300

<sup>1</sup>Applies to all plans in the individual and group market. <sup>2</sup>Applies only to silver plans eligible for CSR sold in the Marketplace.

Note: CSR = cost-sharing reductions. AV = actuarial value. Source: [cms.gov/files/document/2024-papj-parameters-guidance-2022-12-12.pdf](https://cms.gov/files/document/2024-papj-parameters-guidance-2022-12-12.pdf)

### Affordability Exemption Threshold (Coverage Year 2024)

Eligibility for Catastrophic Coverage for Individuals Age 30 and Older	
Coverage considered unaffordable if premium for marketplace coverage (after APTC) or employer coverage costs more than:	7.97% of income

Source: [cms.gov/files/document/2024-papj-parameters-guidance-2022-12-12.pdf](https://cms.gov/files/document/2024-papj-parameters-guidance-2022-12-12.pdf)

# Why Tax Filing Status Matters



# Tax Filing Status



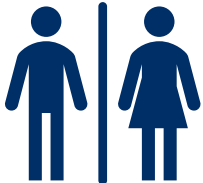
## Single

Is unmarried, legally separated, or divorced (as defined by state law)



## Married Filing Jointly

A person is legally married, whether living with or apart from their spouse, and files taxes together with their spouse



## Married Filing Separately

A person is legally married, whether living with or apart from their spouse, and files taxes separately from their 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 they will claim as a dependent

### Marital status

[Learn more about marital status.](#)

What's Maria's marital status?

☐ Single

☒ Married to

### HealthCare.gov

[Back](#) | [1 Set up](#) - **[2 Household](#)** - [3 Coverage & changes](#) - [4 Review & submit](#)

### 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 2024 joint federal income tax return with John?

[Learn more about joint tax filing.](#)

☒ Yes

☐ No

Will Maria and John claim any dependents on their 2024 federal tax return?

[Learn more about dependents.](#)

☐ Yes

☒ No

[Save & continue](#)

# 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)

# Exceptions to the Joint Filing Requirement for 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 2024 joint federal income tax return with Victor?

[Learn more about joint tax filing.](#)

- ☐ Yes  
☒ No

#### Filing taxes separately?

If these spouses plan to file separate tax returns for 2024, they won't be eligible to get premium tax credits or other savings, unless they meet certain exceptions. But, they can still get free or low-cost health coverage if they qualify for Medicaid or the Children's Health Insurance Program (CHIP).

[Learn more about filing taxes separately.](#)

Will Maria file a 2024 federal income tax return?

[Learn more about tax filing.](#)

- ☒ Yes  
☐ No

Will Maria claim any dependents on their 2024 federal tax return?

[Learn more about dependents.](#)

- ☒ Yes  
☐ No

Who will Maria claim as a dependent on their 2024 federal tax return?

- ☒ Child

## Where does everyone live?

Do all of these people live together at this address?

Maria  
Victor  
Child

123 Main Street  
Montgomery, AL 36043

- ☐ Yes  
☒ No

Select everyone who lives at this address with Maria.

- ☐ Victor  
☒ Child  
☐ None of these people

## Review everyone's address

Maria and Child's home address:

123 Main Street  
Montgomery, AL 36043

Victor's home address:

456 Central Lane  
Montgomery, AL 36043

## Head of household

Will Maria file as Head of Household on their 2024 federal income tax return?

[Learn who's a Head of Household.](#)

- ☒ Yes  
☐ No

# 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

HealthCare.gov

[← Back](#)

### Marital status

[Learn more about marital status.](#)

What's Jane's marital status?

☐ Single

☒ Married to

[Save & continue](#)

Application ID: 3600175418

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A federal government website managed and paid for by the U.S. Centers for Medicare & Medicaid Services

#### Learn more about marital status

Find this person's situation to see how to answer this question:

**Is legally married.** Select "Married."

**Is separated, but not divorced.** Select "Married."

**Lives with their partner, but isn't legally married.** Select "Single."

**Is a victim of domestic violence or spousal abandonment.** Spousal abandonment means this person can't locate their spouse after making a reasonable attempt to find them, also known as desertion. Select "Single."

**Is widowed.** Select "Single."

#### Still need help?

If you have questions, you can get in-person help by [finding someone local](#), or calling the Marketplace Call Center at [1-800-318-2596](tel:1-800-318-2596) (TTY: [1-855-889-4325](tel:1-855-889-4325)).

**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, already have, or are ineligible for coverage

This includes:

- Self and spouse
- Tax dependents

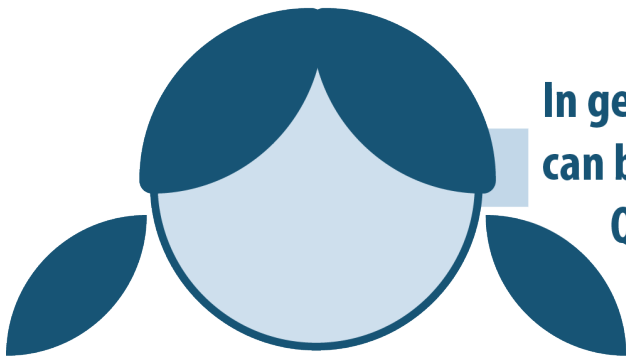
# Determining Tax Dependents

For more information, see the *Health Reform: Beyond the Basics* [Determining Household Size for Premium Tax Credits](#)

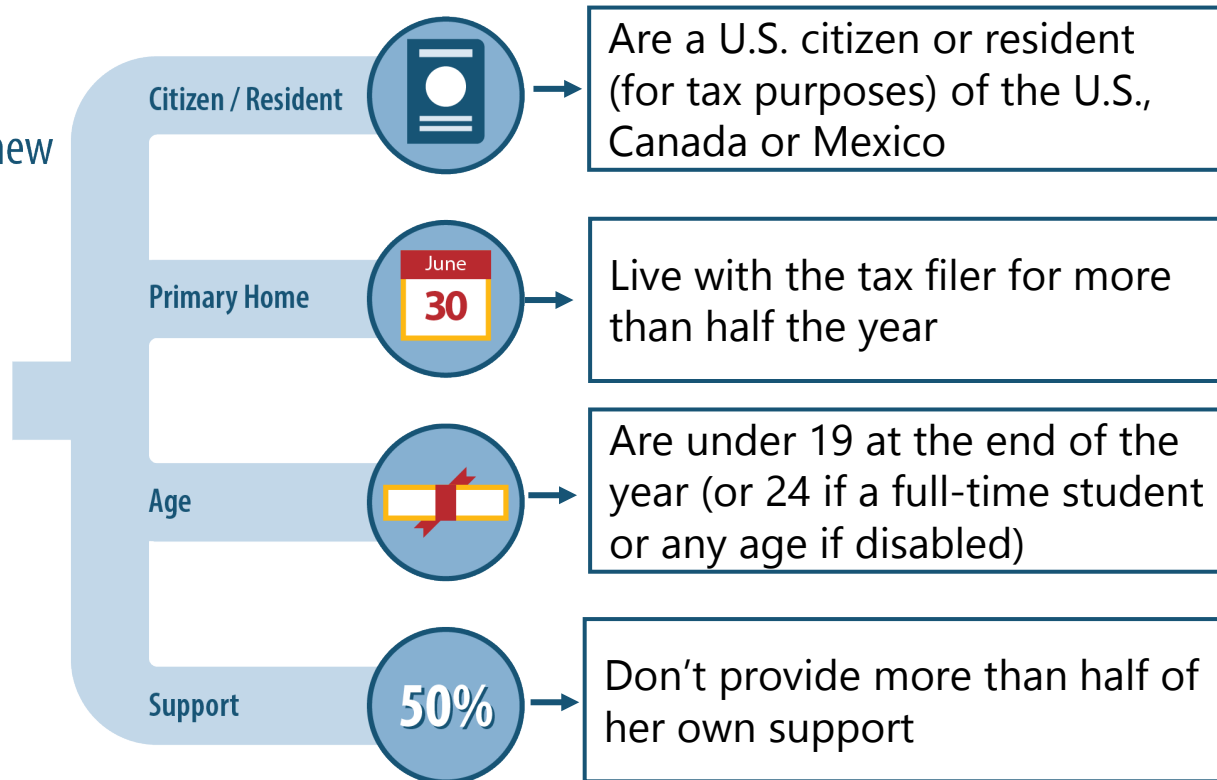
## Who Can Be Claimed as a Qualifying Child?

### 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...



# 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

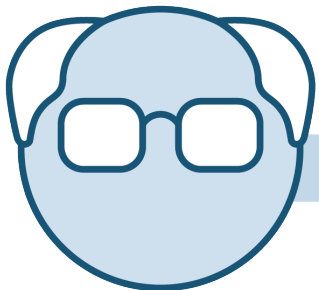


# Determining Tax Dependents

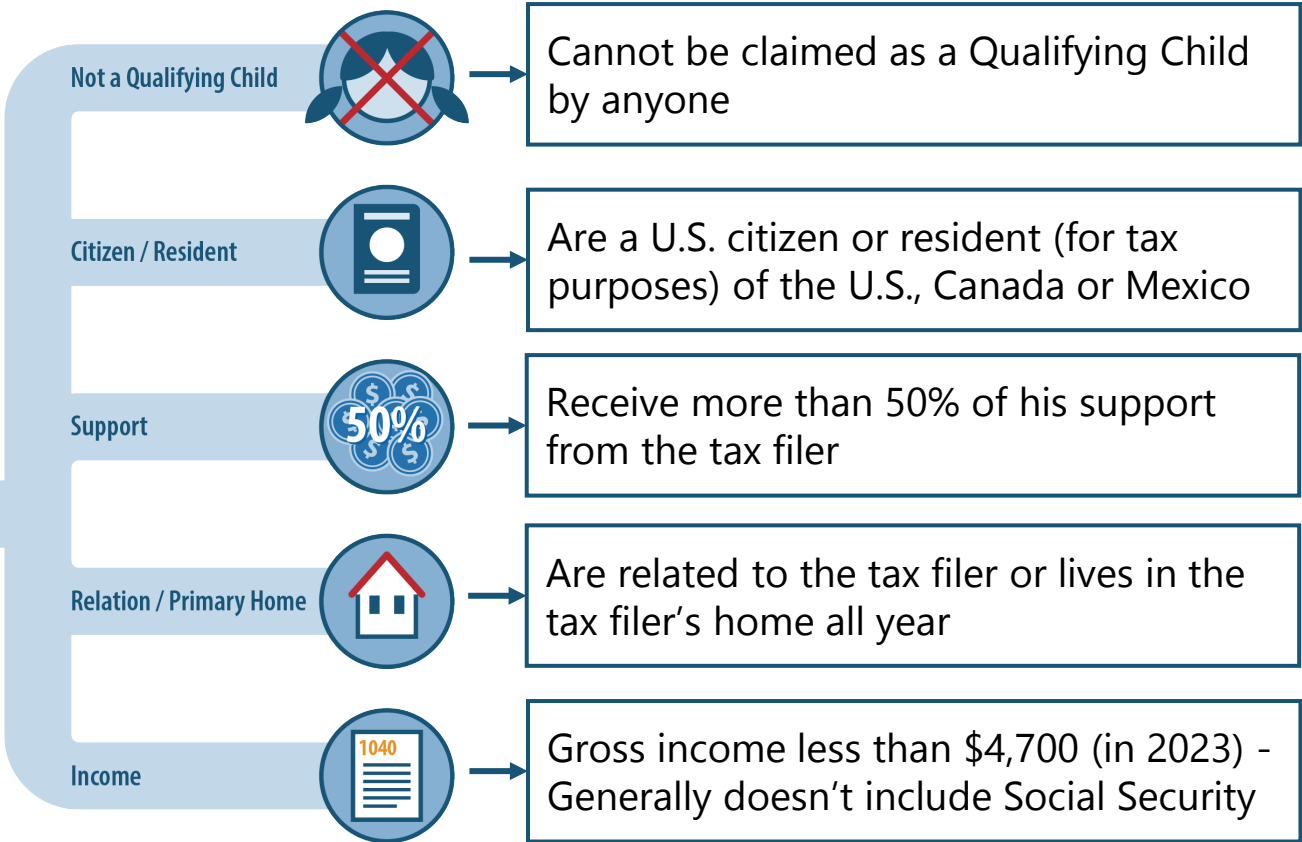
## Who Can Be Claimed as a Qualifying Relative?

### 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...



# Example: Can Anya be claimed as a tax dependent?



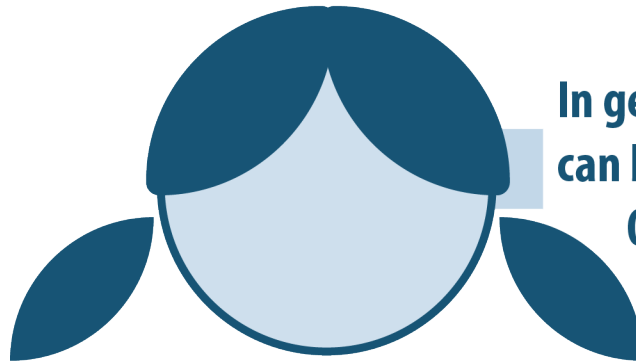
## Anya

- 22 years old
- Part-time student
- Lives with parents, rent-free
- Makes about \$4,000/year in her work-study job

## Can Anya be claimed as a Qualifying Child?

### 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...

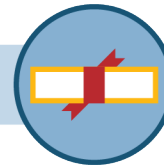
Citizen / Resident

☐

Primary Home

☐

Age

☐

Support

☐

# Example: Can Anya be claimed as a tax dependent?



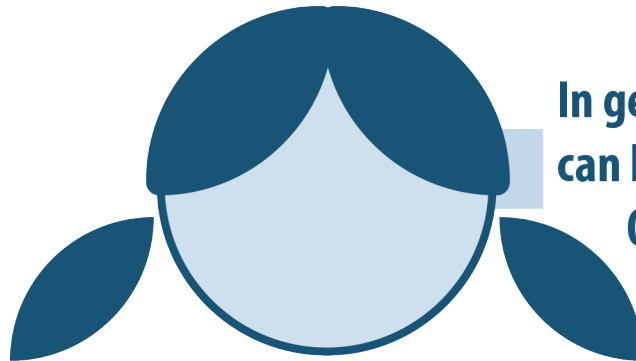
## Anya

- 22 years old
- Part-time student
- Lives with parents, rent-free
- Makes about \$4,000/year in her work-study job

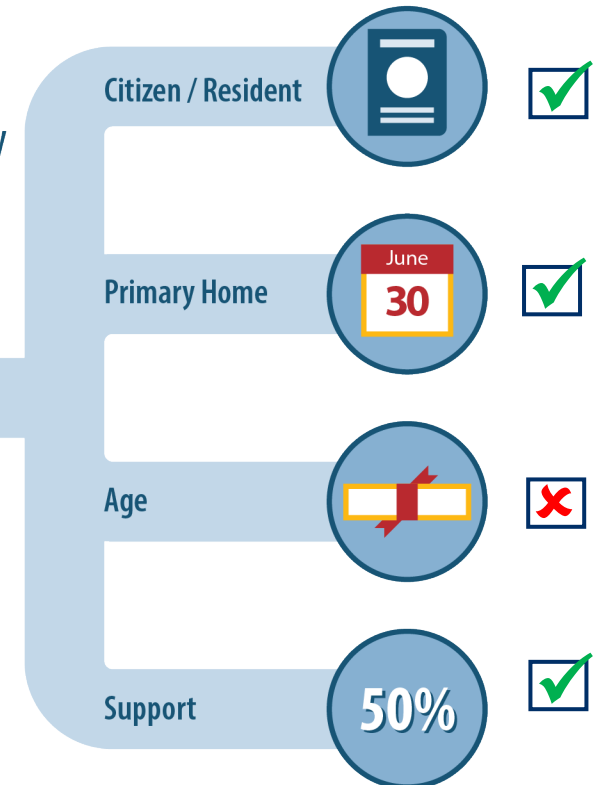
**Can Anya be claimed as a Qualifying Child?** **✗ No**

## 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...**



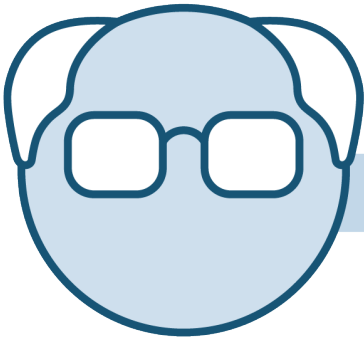
# Example: Can Anya be claimed as a tax dependent?



## Can Anya be claimed as a Qualifying Relative?

### 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		<input type="checkbox"/>
Citizen / Resident		<input type="checkbox"/>
Support		<input type="checkbox"/>
Relation / Primary Home		<input type="checkbox"/>
Income		<input type="checkbox"/>

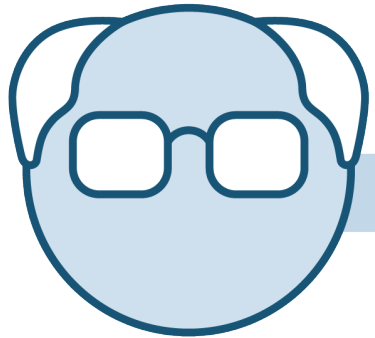
# Example: Can Anya be claimed as a tax dependent?



## Can Anya 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



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

Not a Qualifying Child



Citizen / Resident



Support



Relation / Primary Home



Income



**Result:** Anya is a tax dependent and can be on her parents' marketplace application.

# Example: Can Helen be claimed as a tax dependent?



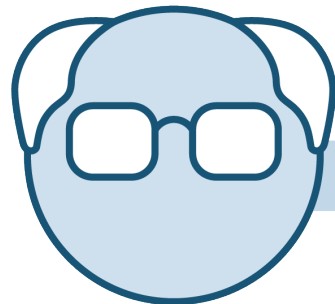
## Helen, Amy, and Sabrina

- Helen, 62, lives with her daughter Amy and granddaughter Sabrina
- Helen helps take care of Sabrina, but has no income

## Can Helen be claimed as a dependent? (Qualifying Relative)

### 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		<input type="checkbox"/>
Citizen / Resident		<input type="checkbox"/>
Support		<input type="checkbox"/>
Relation / Primary Home		<input type="checkbox"/>
Income		<input type="checkbox"/>

# Example: Can Helen be claimed as a tax dependent?



## Helen, Amy, and Sabrina

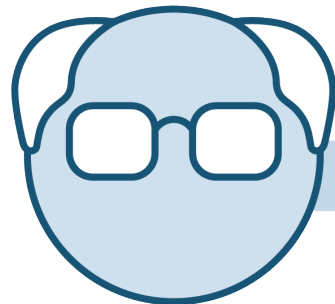
- Helen, 62, lives with her daughter Amy and granddaughter Sabrina
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## Can Helen be claimed as a dependent? (Qualifying Relative)

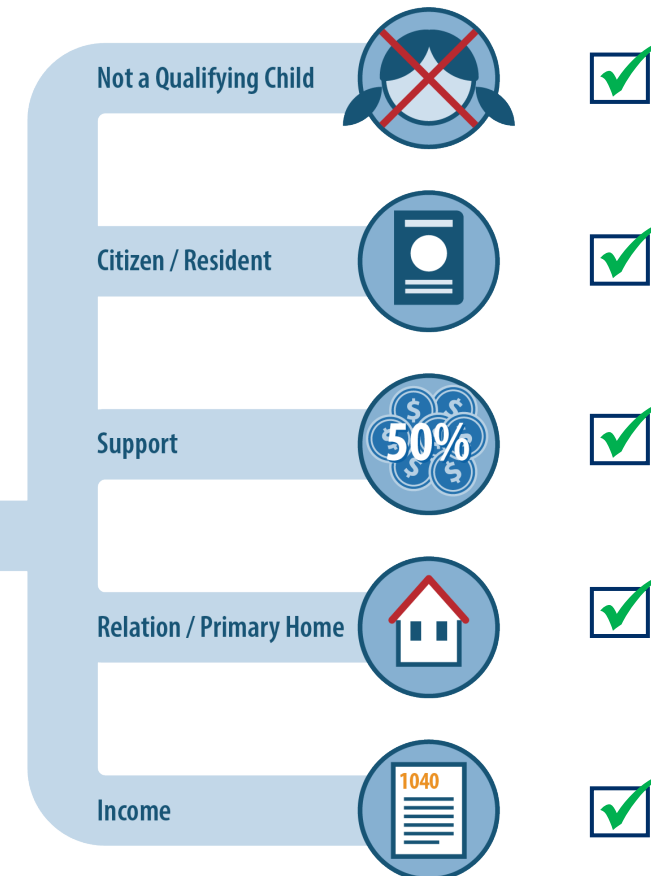
✓ Yes

### 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...



# Determining Households for MAGI Medicaid

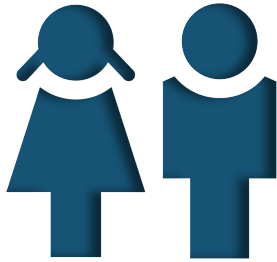


# Determining Households for Medicaid

**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:

**1 Tax filers not claimed as a tax dependent**

**2 Tax dependents (with 3 exceptions)**

**3 Non-filers not claimed as a tax dependent**

- Separate determination for each individual
  - Members of a family can have different household sizes
- Based on expected filing status

# Medicaid Household Rules

For a printable PDF version of this chart, see [Reference Guide: Medicaid Household Rules](#)

## Tax filer not claimed as a dependent

Individual's household is:

- Tax filer and all person whom taxpayer expects to claim as a dependent<sup>1,2,3,4</sup>

## Tax dependent

Individual's household is:

- The household of the tax filer claiming individual as a dependent<sup>2,3,4</sup>

EXCEPTIONS (apply the rules for non-filer)

- Tax dependents not a child of the taxpayer
- Individuals under 19<sup>5</sup> living with both parents not expected to file a joint return
- Individuals under 19<sup>5</sup> claimed as tax dependent by non-custodial parents

## Non filer / non-dependent

For individuals age 19 and above:

- Household is the individual plus, if living with individual, spouse and children under age 19<sup>3,4,5</sup>

For individuals under age 19<sup>5</sup>:

- Households is the individual plus siblings under 19<sup>5</sup>, parents (including step-parents) and children living with individual<sup>3,4</sup>

<sup>1</sup>For married couples filing jointly, each spouse is considered a tax filer

<sup>2</sup>Married couples living together are always in each other's household regardless of how they file

<sup>3</sup>A pregnant person is counted as themselves plus the number of children they are expecting

<sup>4</sup>For individuals whose household includes a pregnant person, states can count the pregnant person as 1,

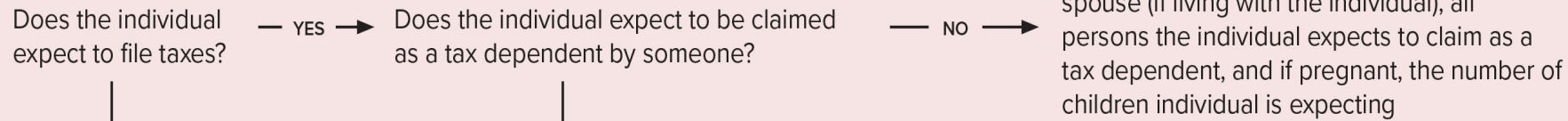
2, or 1 plus the number of children they are expecting

<sup>5</sup>States can extend the age limit to include individuals under 21 who are full-time students.

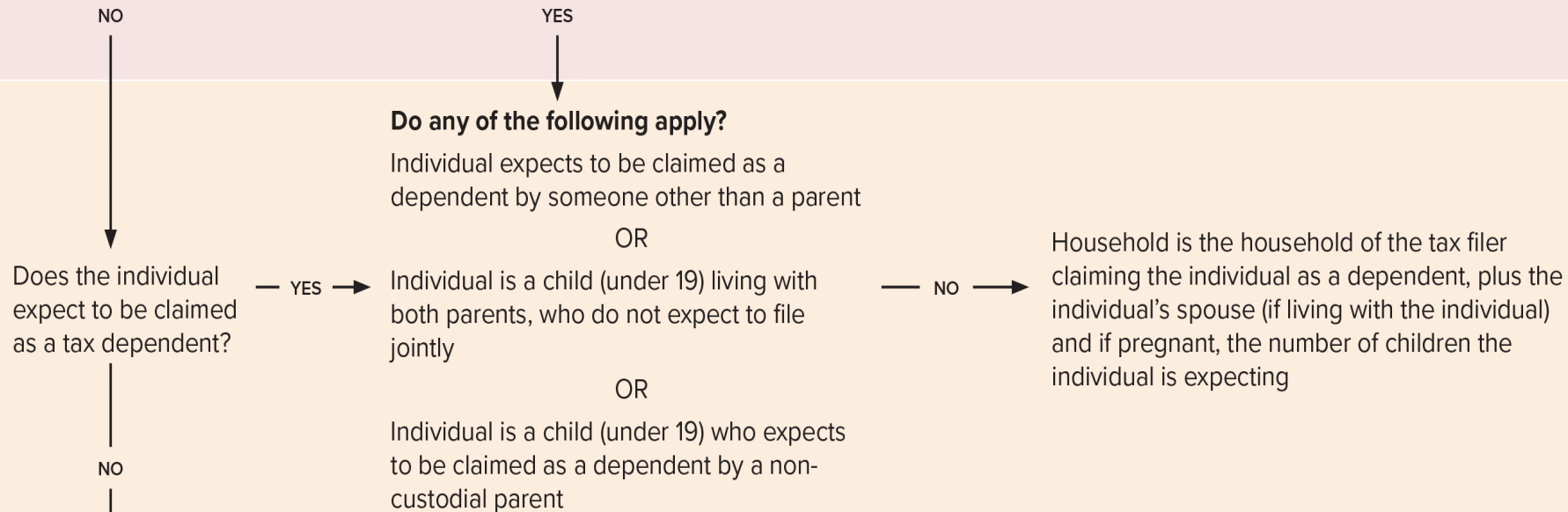
# Summary of Medicaid Household Rules

For a printable PDF version of this chart, see [Reference Guide: Medicaid Household Rules](#)

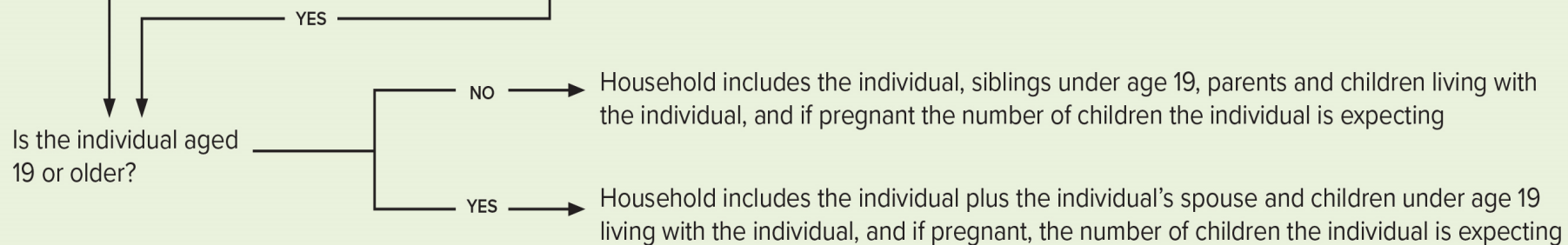
## Tax Filer Rules



## Tax Dependent Rules



## Non-Filer, Non-Dependent Rules



## Example: Household with Pregnant Dependent

Nina, Daniel, and Emily

- Nina lives with her 4 year-old son, Daniel, and her sister Emily
- Emily is pregnant



## What are the Medicaid households for this family?

	Counted in Household			HH Size for Medicaid
	Nina	Daniel	Emily	
Nina	✓	✓	✓	3 or 4*
Daniel	✓	✓	✓	3 or 4*
Emily			✓	2

**MEDICAID HH RULE**  
**TAX FILER**

- ✓ Tax filer
- ✓ Dependents on the tax return

\* When determining the family size of individuals who have a pregnant person in their household, states have the option to count the pregnant person as either 1 or 2 people (or as the pregnant person plus the number of children expected to be delivered).

## Example: Household with Pregnant Dependent

Nina, Daniel, and Emily

- Nina lives with her 4 year-old son, Daniel, and her sister Emily
- Emily is pregnant



## What are the Medicaid households for this family?

	Counted in Household			HH Size for Medicaid
	Nina	Daniel	Emily	
Nina	✓	✓	✓	3 or 4*
Daniel	✓	✓	✓	3 or 4*
Emily			✓	2

### MEDICAID HH RULE

#### **TAX DEPENDENT**

- ✓ Same household as tax filer claiming individual as dependent

\* When determining the family size of individuals who have a pregnant person in their household, states have the option to count the pregnant person as either 1 or 2 people (or as the pregnant person plus the number of children expected to be delivered).

## Example: Household with Pregnant Dependent

### Why is Emily a household of 2 for Medicaid?

- She is Nina's tax dependent, but she is not Nina's child or spouse. Therefore, she is treated as a non-filer.
- As a non-filer, Emily's household includes herself and her spouse or children under age 19 living with her. She is not married and does not have children, but because she is pregnant (not with multiples), her household size is 2.



## What are the Medicaid households for this family?

	Counted in Household			HH Size for Medicaid
	Nina	Daniel	Emily	
Nina	✓	✓	✓	3 or 4*
Daniel	✓	✓	✓	3 or 4*
Emily			✓	2

### MEDICAID HH RULE

**Tax Dependent  
Exception – Not Child of  
Taxpayer**

### **Apply Non-Filer Rules**

*If 19 or older:*

- ✓ Individual
- ✓ Spouse & children under 19 if living with individual

## Example: Non-Married Parents

### **Rob, Sally, and Bradley**

- Rob and Sally live together with their child Bradley
- Rob and Sally both have income
- On their tax returns, Rob will claim Bradley and Sally will file on her own



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

	Counted in Household			HH Size for Medicaid	<b><u>MEDICAID HH RULE</u></b> <b>TAX FILER</b>
	Rob	Sally	Bradley		
Rob	✓		✓	2	✓ Tax filer ✓ Spouse and dependents on the tax return
Sally		✓		1	
Bradley	✓	✓	✓	3	

## Example: Non-Married Parents

### Why is Bradley a household of 3 for Medicaid?

- Bradley is a tax dependent, but he falls under one of the exceptions to the tax dependent rule — he is a child 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 (if any) who are living with them



## What are the Medicaid households for this family?

	Counted in Household			HH Size for Medicaid
	Rob	Sally	Bradley	
Rob	✓		✓	2
Sally		✓		1
Bradley	✓	✓	✓	3

### 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

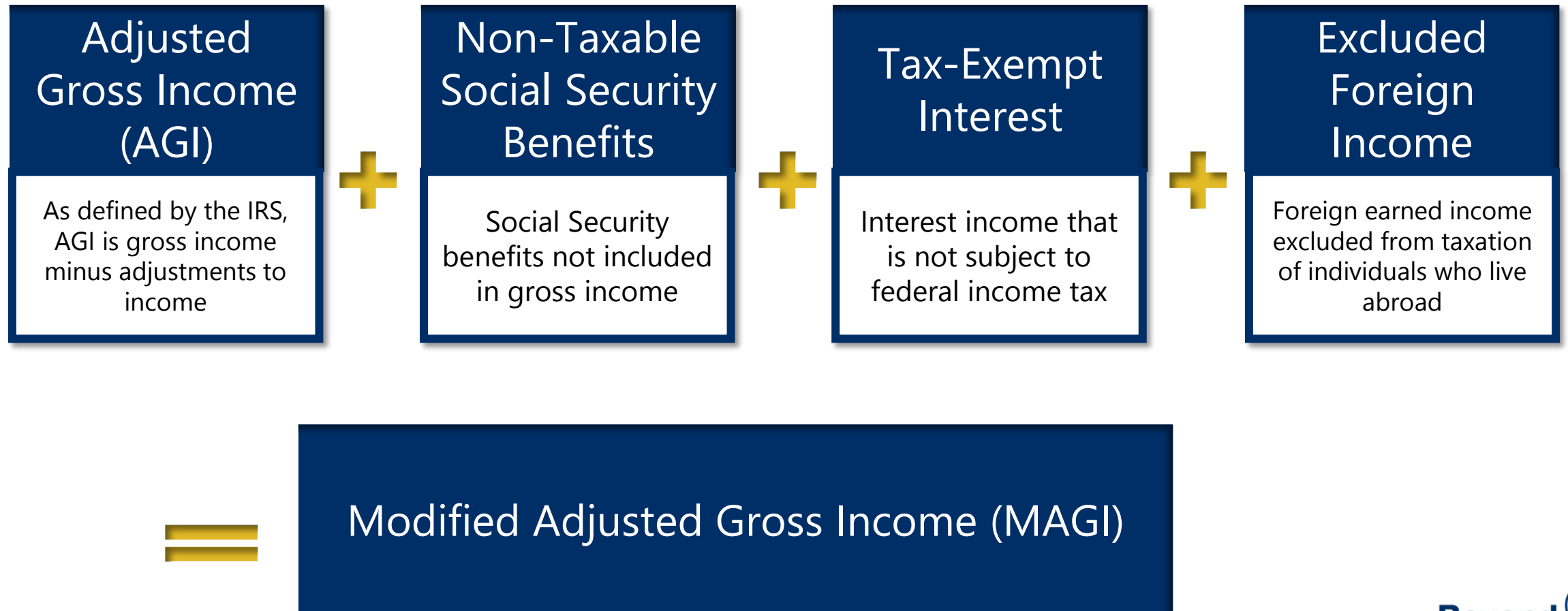
Q&A



# What Counts as Income for PTC & Medicaid



# What Is Modified Adjusted Gross Income (MAGI)?



# General Rules About Counting Income

For more information, see the *Health Reform: Beyond the Basics* [Health Care Assister Guide to Tax Rules](#) (last updated Sept. 2020)

**All income is taxable unless specifically excluded by law from taxation**

Examples of Taxable Income	Examples of Non-Taxable Income
Wages, salaries, bonuses	Veterans' benefits
Self-employment income	TANF payments
Some Social Security benefits*	Child support payments
Unemployment compensation	Workers' compensation
Most retirement distributions	Supplemental Security Income (SSI)
<i>See IRS Publications 17 and 525 for more details on what income is taxable and not taxable</i>	

**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**

# Tips for People with Self- Employment Income

## 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.

## Self-Employment Income Estimator

What is self-employment income? Self-employment income includes any work or services you get paid for. This could be odd jobs, seasonal work, or other work that isn't recorded on a W-2. You can deduct reasonable business expenses to offset some of your income.

Who should use this tool? This tool can help you calculate the self-employment income and expenses you'll include on your HealthCare.gov application. This tool doesn't include everything you need to know to file your tax return and it isn't a substitute for tax advice.

Note: If you underestimate your income (or overestimate your expenses), you may get a higher premium tax credit than you qualify for and will need to pay some of it back.

### Main Information

Type of Business or Profession	
Business Name	
Business Start Date	
Have you included this business income on a recent tax return?	
Are your income and expenses similar to those on your prior tax return? If so, refer to your last tax return for help in estimating your income for next year.	

**Tip** Keep a separate checking account or credit card for your business to make income and expenses easier to track.

### Income

Total Gross Income from Form(s) 1099-MISC (do NOT deduct any expenses)	\$	
Total Gross Income from Form 1099-K (do NOT deduct any expenses)	\$	
Total Electronic payments not reported on 1099-MISC or 1099-K (such as certain rideshare income not reported above)	\$	
Total of all other income received by cash or check not reported above	\$	

**Total Gross Income** \$

### Income Details

Income	Details

# 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: \$35,000

Ryan's income from part-time work: \$4,000

**Whose income is counted in the household income for PTC?**

# Example: Single Adult with Dependent



## Jill and Ryan

Jill is Ryan's mother and claims him as a tax dependent

Jill's income: \$35,000

Ryan's income from part-time work: \$4,000

## 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**

	Premium Tax Credit		
	HH	Income	FPL
Jill	2	\$35,000	177%
Ryan	2	\$35,000	177%

# 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.](#)

\$ 540

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 2024

About \$28,157.14

We calculated this expected yearly income amount based on what you entered for Maria's monthly income and expenses. Is this correct for 2024?

[I'm not sure if this amount is correct.](#)

☐ Yes

☒ No

Is Maria's income for 2024 hard to predict?

☒ Yes

☐ No

If you're not sure, make your best estimate of Maria's income total for 2024.

\$



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/>

# Entering Annual Income

HealthCare.gov Income Calculator:  
<https://www.healthcare.gov/income-calculator/>

## Online tool

HealthCare.gov

[Español](#) [Log In](#)

### Calculate yearly income

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

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.

Household member's name

Optional

Maria

---

Income

\$36,879.28

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

Job (like salary, wages, commissions, or tips) 1: \$850.00 weekly from 01/01/2024 - 08/31/2024

\$29,628.57

[Edit](#) [Remove](#)

Job (like salary, wages, commissions, or tips) 2: \$600.00 weekly from 10/15/2024 - 12/31/2024

\$6,685.71

[Edit](#) [Remove](#)

Jury duty pay 1: \$65.00 one time only

\$65.00

[Edit](#) [Remove](#)

Self-employment (like own business, consulting, or freelance work) 1: \$500.00 one time only

\$500.00

[Edit](#) [Remove](#)

[Add Income Source](#)

---

Expenses

\$1,250.00

Add student loan interest, alimony, educator expenses, or IRA contributions this person pays, if any.

Student loan interest: \$1,250.00 one-time payment

\$1,250.00

[Edit](#) [Remove](#)

[Add Expense](#)

---

Net expected income for coverage year

\$35,629.28

## Printable PDF

### Maria's net expected income for coverage year

This is an estimate of Maria's expected yearly income. You can use the "net expected yearly income" amount below when you fill out or update your Marketplace application.

<b>Income</b>	<b>\$36,879.28</b>
Job (like salary, wages, commissions, or tips) 1: \$850.00 weekly from 01/01/2024 - 08/31/2024	\$29,628.57
Job (like salary, wages, commissions, or tips) 2: \$600.00 weekly from 10/15/2024 - 12/31/2024	\$6,685.71
Jury duty pay 1: \$65.00 one time only	\$65.00
Self-employment (like own business, consulting, or freelance work) 1: \$500.00 one time only	\$500.00
<b>Expenses</b>	<b>\$1,250.00</b>
Student loan interest: \$1,250.00 one-time payment	\$1,250.00
<b>Net expected income for coverage year</b>	<b>\$35,629.28</b>

# Example: Gap-Filling Rule



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Leah lives alone in a Medicaid expansion state and starts a seasonal job as a cashier at the mall.

In November 2023, she applies for coverage at HealthCare.gov and provides this income information:

- November income is: \$1,800 (148% FPL)
- Projects 2024 annual income to be: \$12,000 (82% 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 marketplace rules (annual income), Leah’s income is below 100% FPL

Therefore, Leah will be determined eligible for Medicaid

# Marketplace Notice When Medicaid is Denied

## Act now to update and resubmit your 2022 application for Marketplace coverage

We recently forwarded your Marketplace application to your state because the information you submitted showed that someone in your household might qualify for Delaware Medicaid or Delaware Healthy Children Program (CHIP). After reviewing your information (including things like household income and family size), your state found the following household member(s) ineligible for coverage through Medicaid or CHIP:

Susan Griffith  
Sam Meyers  
Mary Laurel

However, people in your household, including each person listed above, may still be able to buy a health plan through the Health Insurance Marketplace®, and get help paying for it.

### What should I do next?

Update and resubmit your Marketplace application right away to see if you (or other members of your household) are eligible to buy a Marketplace plan and get help with costs. For help with these steps, visit [HealthCare.gov/medicaid-chip/transfer-to-marketplace](https://healthcare.gov/medicaid-chip/transfer-to-marketplace).

1. **Visit HealthCare.gov and select “Log in” to log into your Marketplace account.** If you don’t already have a Marketplace account, you can create one.
2. **Update your existing application.** Click “Go to my applications & coverage,” and choose the one you want to update under “Your existing applications.”
3. **Be sure your application includes:**
  - Your state’s recent decision about Medicaid and CHIP coverage.
  - Current household information, like income and size.
4. **Answer the Medicaid/CHIP and household questions based on your situation:**
5. **Submit your completed application.** You can also call the Marketplace Call Center to complete and submit a Marketplace application at 1-800-318-2596 (TTY: 1-855-889-4325).
6. **Review your results, then enroll in a Marketplace plan if eligible.**

- In most states, HealthCare.gov determines preliminary Medicaid eligibility but must send the case to the state for a final determination
  - ➔ [Here](#) is a list of which states accept Medicaid determinations from HealthCare.gov (“determination states”) and which states must make the final determination (“assessment states”)
- 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

Source: <https://marketplace.cms.gov/technical-assistance-resources/training-materials/outbound-account-transfer.pdf>

# Combining Household & Income Rules to Determine Eligibility



# Estimating Income

[HealthCare.gov Plans and Prices Tool Beyond the Basics. Links to Window Shopping Tools for State-Based Marketplaces'](#)

HealthCare.gov

Preview 2024 plans & prices

Answer a few questions to see plans and prices available in your area. Or, skip the questions and see full priced plans.

1

Enter your ZIP code

✓ Completed

You'll see plans available in the ZIP code you enter. If you change the ZIP code you'll restart your search.

[Restart](#)

2

Tell us about you & your household

✓ Completed

Answer questions about your current plan, household, and income to see more accurate prices and estimated savings.

Your household

Your household income

View estimated savings

[Edit](#)

[Edit](#)

[View](#)

May be eligible for a premium tax credit:

You (age: 32)

Based on the income and household information you provided, this group qualifies for an estimated premium tax credit of:

\$533 per month

This is an estimate.

A premium tax credit is the amount you can use to lower your monthly premium each month. It's not the premium itself. When you view plans, the premium will be reduced by this amount.

You'll get your exact premium tax credit amount when you complete an application.

View plans

## You may be eligible for extra savings if you pick a Silver plan

In addition to a tax credit to lower your monthly premium, it appears you qualify for extra savings on other costs, like deductibles, copayments, and coinsurance. This can save you hundreds or even thousand of dollars if you use a lot of care.

**Important:** To get these extra savings you MUST pick a plan in the Silver category.

Beyond the Basics

55

Celebrating 10 Years of Marketplace Coverage

2014-2024

## Example: Three-Generation Household

### Helen, Amy, and Sabrina

- Helen, 62, lives with her daughter Amy and granddaughter Sabrina
- Helen helps take care of Sabrina, but has no income
- Amy's annual income is expected to be \$40,800
- Amy will be the tax filer and claim Helen and Sabrina as dependents



## How does eligibility for this family work?

	Medicaid			Premium Tax Credits			Outcome
	HH	Monthly Income	FPL	HH	Annual Income	FPL	
Amy	3	\$3,400	164%	3	\$40,800	164%	PTC
Sabrina	3	\$3,400	164%	→			CHIP
Helen	1	\$0	0%	3	\$40,800	164%	Depends on the state

## Example: Non-Married Parents

### **Rob, Sally, and Bradley**

- Rob and Sally live together with their child Bradley
- Rob's income is projected to be \$22,000
- Sally's income is projected to be \$31,000
- For taxes, Rob will file as Head of Household and claim Bradley; Sally will file as Single



## **How does eligibility for this family work?**

	Medicaid			Premium Tax Credits			Outcome
	HH	Monthly Income	FPL	HH	Annual Income	FPL	
Rob	2	\$1,834	112%	2	\$22,000	112%	Depends on state
Sally	1	\$2,584	213%	1	\$31,000	213%	PTC
Bradley	3	\$4,418	200%	→			Medicaid/CHIP

Q&A



# Resources

Reference Guide: [Yearly Guidelines and Thresholds](#)

- [Coverage Year 2024](#) (PDF)

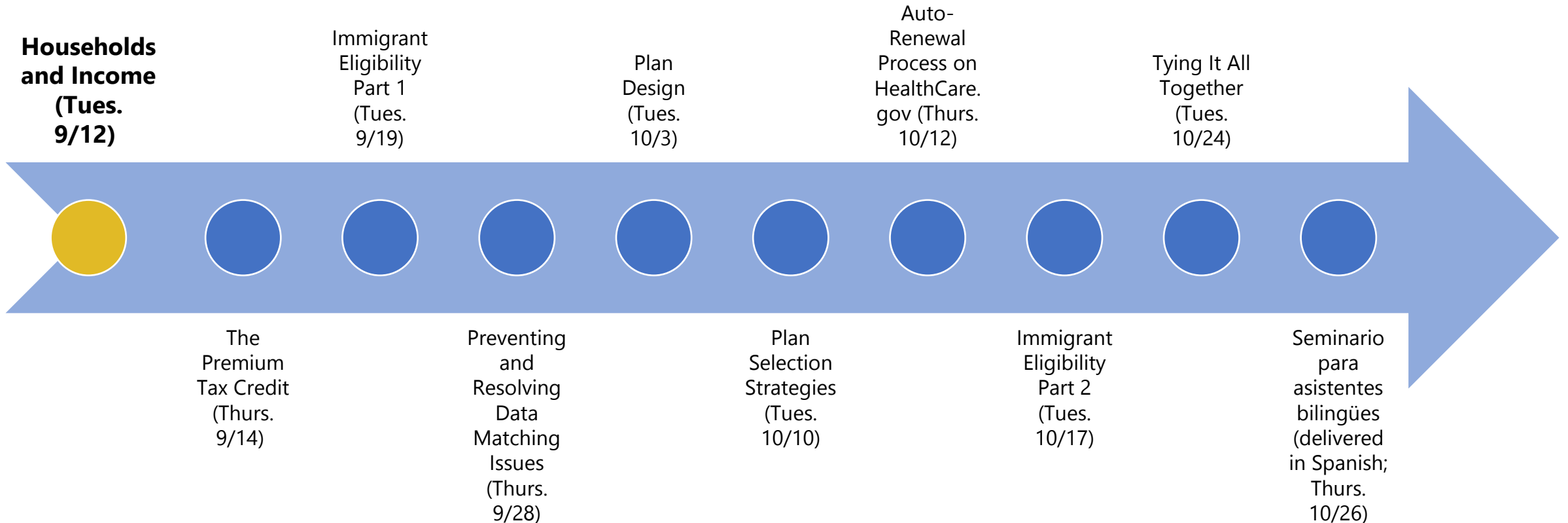
Reference Guide: [Medicaid Household Rules](#)

Guide: [Health Assister's Guide to Tax Rules](#) *(last updated September 2020)*

Key Facts:

- [Determining Households for Medicaid and CHIP](#)
- [Determining Households for PTC](#)
- [Income Definitions for Marketplace and Medicaid Coverage](#)
- [Direct Link for 2023 Plan Comparison Tool State-Based Exchanges](#)

# Upcoming Webinars



Register and find recordings and materials from past webinars in the series at:  
<https://www.healthreformbeyondthebasics.org/category/webinars/>

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