Determining Households & Income

September 12, 2023
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• 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
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
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.
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 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.

<table>
<thead>
<tr>
<th>Household Size</th>
<th>2023 Federal Poverty Line (for 2024 coverage)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>1</td>
<td>$14,580</td>
</tr>
<tr>
<td>2</td>
<td>$19,720</td>
</tr>
<tr>
<td>3</td>
<td>$24,860</td>
</tr>
<tr>
<td>4</td>
<td>$30,000</td>
</tr>
<tr>
<td>5</td>
<td>$35,140</td>
</tr>
</tbody>
</table>

*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)

<table>
<thead>
<tr>
<th>% of FPL</th>
<th>Income Amount (For HH of 1 using 2023 FPL)</th>
<th>% of Income</th>
<th>Monthly Dollar Amount (For HH of 1 using 2023 FPL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 150%*</td>
<td>&lt; $21,870</td>
<td>0%</td>
<td>$0</td>
</tr>
<tr>
<td>200%</td>
<td>$29,160</td>
<td>2%</td>
<td>$49</td>
</tr>
<tr>
<td>250%</td>
<td>$36,450</td>
<td>4%</td>
<td>$122</td>
</tr>
<tr>
<td>300%</td>
<td>$43,470</td>
<td>6%</td>
<td>$217</td>
</tr>
<tr>
<td>350%</td>
<td>$51,030</td>
<td>7.25%</td>
<td>$308</td>
</tr>
<tr>
<td>400%</td>
<td>$58,320</td>
<td>8.5%</td>
<td>$413</td>
</tr>
<tr>
<td>&gt; 400%</td>
<td>&gt; $58,320</td>
<td>8.5%</td>
<td>varies</td>
</tr>
</tbody>
</table>

*Individuals who are eligible for Medicaid are ineligible for PTC

**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

### Yearly Guidelines & Thresholds | Coverage Year 2024

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

<table>
<thead>
<tr>
<th># in Household</th>
<th>100% FPL</th>
<th>150% FPL</th>
<th>200% FPL</th>
<th>250% FPL</th>
<th>300% FPL</th>
<th>400% FPL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$11,870</td>
<td>$17,805</td>
<td>$23,740</td>
<td>$29,675</td>
<td>$35,610</td>
<td>$41,545</td>
</tr>
<tr>
<td>2</td>
<td>$17,805</td>
<td>$26,708</td>
<td>$35,610</td>
<td>$44,513</td>
<td>$53,416</td>
<td>$62,319</td>
</tr>
<tr>
<td>3</td>
<td>$23,740</td>
<td>$33,610</td>
<td>$45,483</td>
<td>$57,356</td>
<td>$69,229</td>
<td>$81,102</td>
</tr>
<tr>
<td>4</td>
<td>$30,675</td>
<td>$41,640</td>
<td>$54,550</td>
<td>$69,460</td>
<td>$84,370</td>
<td>$99,280</td>
</tr>
<tr>
<td>5</td>
<td>$38,610</td>
<td>$50,600</td>
<td>$64,520</td>
<td>$81,430</td>
<td>$99,340</td>
<td>$118,290</td>
</tr>
<tr>
<td>6</td>
<td>$46,545</td>
<td>$59,630</td>
<td>$74,540</td>
<td>$93,450</td>
<td>$114,360</td>
<td>$134,310</td>
</tr>
<tr>
<td>7</td>
<td>$54,480</td>
<td>$68,720</td>
<td>$84,660</td>
<td>$105,580</td>
<td>$125,500</td>
<td>$148,440</td>
</tr>
<tr>
<td>8</td>
<td>$62,415</td>
<td>$78,000</td>
<td>$95,900</td>
<td>$120,480</td>
<td>$143,400</td>
<td>$168,400</td>
</tr>
</tbody>
</table>

#### Expected Premium Contributions (Coverage Year 2024)

<table>
<thead>
<tr>
<th>Annual Household Income (Income)</th>
<th>Up to 150% FPL</th>
<th>150% FPL</th>
<th>200% FPL</th>
<th>250% FPL</th>
<th>300% FPL</th>
<th>400% FPL or More</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Household Income (Income)</td>
<td>9%</td>
<td>2%</td>
<td>4%</td>
<td>8%</td>
<td>10%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Source: Provision Revenue Act Public Law 113-2 21 Public Law 114-173

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

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Income Level</th>
<th>Out-Of-Pocket Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>All plans</td>
<td>Individual</td>
<td>$1,450</td>
</tr>
<tr>
<td>CSR Silver Plan 70% APR</td>
<td>Between 125% and 250% FPL</td>
<td>$2,100</td>
</tr>
<tr>
<td>CSR Silver Plan 95% APR</td>
<td>Between 250% and 300% FPL</td>
<td>$2,100</td>
</tr>
<tr>
<td>CSR Silver Plan 98% APR</td>
<td>Up to 300% FPL</td>
<td>$2,100</td>
</tr>
</tbody>
</table>

Affordability Exclusions (Coverage Year 2024)

- Eligibility for catastrophic coverage for individuals age 50 and older
- Coverage considered affordable for premiums in market not on exchange (after APTC) or employer coverage costs more than 250% of income

Source: Provision Revenue Act Public Law 113-2 21 Public Law 114-173

Page 1 of 2 | Updated August 2023
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
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).
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 claim any dependents on their 2024 federal tax return?

- 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

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).

Will Maria file a 2024 federal income tax return?

- Yes
- No

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?

- 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, already have, or are ineligible for coverage

This includes:

- Self and spouse
- Tax dependents
Determining Tax Dependents

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…

- Are a U.S. citizen or resident (for tax purposes) of the U.S., Canada or Mexico
- Live with the tax filer for more than half the year
- Are under 19 at the end of the year (or 24 if a full-time student or any age if disabled)
- Don’t provide more than half of her own support
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 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
    - Cannot be claimed as a Qualifying Child by anyone
  - Citizen / Resident
    - Are a U.S. citizen or resident (for tax purposes) of the U.S., Canada or Mexico
  - Support
    - Receive more than 50% of his support from the tax filer
  - Relation / Primary Home
    - Are related to the tax filer or lives in the tax filer's home all year
  - Income
    - Gross income less than $4,700 (in 2023) - Generally doesn't include Social Security
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

June 30

Age

Support

50%
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?  x  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…
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…
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…
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)

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

- Not a Qualifying Child
- Citizen / Resident
- Support
- Relation / Primary Home
- Income

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
<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><strong>Individual's household is:</strong></td>
<td><strong>Individual's household is:</strong></td>
<td><strong>For individuals age 19 and above:</strong></td>
</tr>
<tr>
<td>• Tax filer and all person whom taxpayer expects to claim as a dependent(^1,^2,^3,^4)</td>
<td>• The household of the tax filer claiming individual as a dependent(^2,^3,^4)</td>
<td>• Household is the individual plus, if living with individual, spouse and children under age 19(^3,^4,^5)</td>
</tr>
</tbody>
</table>

**EXCEPTIONS (apply the rules for non-filer):**

- Tax dependents not a child of the taxpayer
- Individuals under 19\(^5\) living with both parents not expected to file a joint return
- Individuals under 19\(^5\) claimed as tax dependent by non-custodial parents

**For individuals under age 19\(^5\):**

- Households is the individual plus siblings under 19\(^5\), parents (including step-parents) and children living with individual\(^3,^4\)

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\(^1\) 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 person is counted as themself plus the number of children they are expecting

\(^4\) 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

\(^5\) States can extend the age limit to include individuals under 21 who are full-time students.
Summary of Medicaid Household Rules

**Tax Filer Rules**
- Does the individual expect to file taxes?  
  - **NO**
  - **YES** to the next question.
- Does the individual expect to be claimed as a tax dependent by someone?  
  - **NO** to the next question.
  - **YES** to the next question.
- **Do any of the following apply?**
  - Individual expects to be claimed as a dependent by someone other than a parent
  - **OR**
    - Individual is a child (under 19) living with both parents, who do not expect to file jointly
    - **OR**
      - Individual is a child (under 19) who expects to be claimed as a dependent by a non-custodial parent
  - **NO** to the next question.
- Household includes the individual, individual’s spouse (if living with the individual), all persons the individual expects to claim as a tax dependent, and if pregnant, the number of children individual is expecting.

**Tax Dependent Rules**
- Does the individual expect to be claimed as a tax dependent?  
  - **NO**
  - **YES** to the next question.
- **Do any of the following apply?**
  - Individual expects to be claimed as a dependent by someone other than a parent
  - **OR**
    - Individual is a child (under 19) living with both parents, who do not expect to file jointly
    - **OR**
      - Individual is a child (under 19) who expects to be claimed as a dependent by a non-custodial parent
  - **NO** to the next question.
- Household is the household of the tax filer claiming the individual as a dependent, plus the individual’s spouse (if living with the individual) and if pregnant, the number of children the individual is expecting.

**Non-Filer, Non-Dependent Rules**
- Is the individual aged 19 or older?  
  - **YES**
  - **NO** to the next question.
- **Household includes the individual, siblings under age 19, parents and children living with the individual, and if pregnant the number of children the individual is expecting**.
- **YES**
  - **Household includes the individual plus the individual’s spouse and children under age 19 living with the individual, and if pregnant, the number of children the individual is expecting**.

For a printable PDF version of this chart, see Reference Guide: Medicaid Household 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

<table>
<thead>
<tr>
<th>Counted in Household</th>
<th>Nina</th>
<th>Daniel</th>
<th>Emily</th>
<th>HH Size for Medicaid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nina</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>3 or 4*</td>
</tr>
<tr>
<td>Daniel</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>3 or 4*</td>
</tr>
<tr>
<td>Emily</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>2</td>
</tr>
</tbody>
</table>

**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?

<table>
<thead>
<tr>
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<th>HH Size for Medicaid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nina</td>
<td>Daniel</td>
</tr>
<tr>
<td>Nina</td>
<td>✓</td>
</tr>
<tr>
<td>Daniel</td>
<td>✓</td>
</tr>
<tr>
<td>Emily</td>
<td>✓</td>
</tr>
</tbody>
</table>

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).
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.

Example: Household with Pregnant Dependent

What are the Medicaid households for this family?

<table>
<thead>
<tr>
<th>Counted in Household</th>
<th>Nina</th>
<th>Daniel</th>
<th>Emily</th>
<th>HH Size for Medicaid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nina</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>3 or 4*</td>
</tr>
<tr>
<td>Daniel</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>3 or 4*</td>
</tr>
<tr>
<td>Emily</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>2</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 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?**

<table>
<thead>
<tr>
<th>Counted in Household</th>
<th>Rob</th>
<th>Sally</th>
<th>Bradley</th>
<th>HH Size for Medicaid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rob</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>2</td>
</tr>
<tr>
<td>Sally</td>
<td></td>
<td>✓</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Bradley</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>3</td>
</tr>
</tbody>
</table>

**MEDICAID HH RULE TAX FILER**
- ✓ Tax filer
- ✓ Spouse and dependents on the tax return
### 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?

<table>
<thead>
<tr>
<th>Counted in Household</th>
<th>HH Size for Medicaid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rob</td>
<td>Sally</td>
</tr>
<tr>
<td>Rob</td>
<td>✓</td>
</tr>
<tr>
<td>Sally</td>
<td>✓</td>
</tr>
<tr>
<td>Bradley</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
Q&A
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
## 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.
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
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 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

<table>
<thead>
<tr>
<th></th>
<th>HH</th>
<th>Income</th>
<th>FPL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jill</td>
<td>2</td>
<td>$35,000</td>
<td>177%</td>
</tr>
<tr>
<td>Ryan</td>
<td>2</td>
<td>$35,000</td>
<td>177%</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.

$ 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.

https://www.healthcare.gov/income-calculator/
Entering Annual Income

Online tool

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

Printable PDF

Maria’s not 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.

Income
- $36,879.28
  - Job (like salary, wages, commisions, or tips) 1: $450.00 weekly from 01/01/2024 - 06/30/2024
  - Job (like salary, wages, commisions, or tips) 2: $500.00 weekly from 07/01/2024 - 12/31/2024
  - Jury duty pay: $65.00 one time only
  - Self-employment (like own business, consulting, or freelance work) 1: $500.00 one time only

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

Net expected income for coverage year
- $35,629.28
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

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.

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'

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

2 Tell us about you & your household
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

May be eligible for a premium tax credit:
You (age: 32)

$533 per month
This is an estimate.

Based on the income and household information you provided, this group qualifies for an estimated premium tax credit of:
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 thousands of dollars if you use a lot of care.

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

<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>HH</td>
</tr>
<tr>
<td>HH</td>
<td>Monthly</td>
<td>FPL</td>
<td>HH</td>
</tr>
<tr>
<td>Income</td>
<td>Income</td>
<td>FPL</td>
<td>Income</td>
</tr>
<tr>
<td></td>
<td>FPL</td>
<td></td>
<td>FPL</td>
</tr>
<tr>
<td>Amy</td>
<td>3</td>
<td>$3,400</td>
<td>164%</td>
</tr>
<tr>
<td>Sabrina</td>
<td>3</td>
<td>$3,400</td>
<td>164%</td>
</tr>
<tr>
<td>Helen</td>
<td>1</td>
<td>$0</td>
<td>0%</td>
</tr>
</tbody>
</table>
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?

<table>
<thead>
<tr>
<th></th>
<th>Medicaid</th>
<th>Premium Tax Credits</th>
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</tr>
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<tbody>
<tr>
<td></td>
<td>HH</td>
<td>Monthly Income</td>
<td>HH</td>
</tr>
<tr>
<td>HH</td>
<td>FPL</td>
<td></td>
<td>FPL</td>
</tr>
<tr>
<td>Rob</td>
<td>2</td>
<td>$1,834</td>
<td>112%</td>
</tr>
<tr>
<td>Sally</td>
<td>1</td>
<td>$2,584</td>
<td>213%</td>
</tr>
<tr>
<td>Bradley</td>
<td>3</td>
<td>$4,418</td>
<td>200%</td>
</tr>
</tbody>
</table>
Q&A
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

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
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</thead>
<tbody>
<tr>
<td>Tues. 9/12</td>
<td>Households and Income</td>
</tr>
<tr>
<td>Wed. 9/13</td>
<td>The Premium Tax Credit</td>
</tr>
<tr>
<td>Tues. 9/19</td>
<td>Immigrant Eligibility Part 1</td>
</tr>
<tr>
<td>Wed. 9/20</td>
<td>Preventing and Resolving Data Matching Issues</td>
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<tr>
<td>Tues. 9/26</td>
<td>Plan Selection Strategies</td>
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<tr>
<td>Wed. 9/27</td>
<td>Auto-Renewal Process on HealthCare.gov</td>
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<tr>
<td>Tues. 9/29</td>
<td>Immigrant Eligibility Part 2</td>
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<td>Tues. 10/5</td>
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<tr>
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<tr>
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<tr>
<td>Tues. 10/29</td>
<td>Plan Selection Strategies</td>
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<tr>
<td>Wed. 10/30</td>
<td>Auto-Renewal Process on HealthCare.gov</td>
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<tr>
<td>Tues. 10/31</td>
<td>Tying It All Together</td>
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<tr>
<td>Wed. 11/1</td>
<td>Preventing and Resolving Data Matching Issues</td>
</tr>
<tr>
<td>Tues. 10/26</td>
<td>Seminario para asistentes bilingües (delivered in Spanish)</td>
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</tbody>
</table>

Register and find recordings and materials from past webinars in the series at: https://www.healthreformbeyondthebasics.org/category/webinars/
Jennifer Sullivan, jsullivan@cbpp.org
Allison Orris, aorris@cbpp.org
General inquiries: beyondthebasics@cbpp.org

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