




**Module 4**

**Financial Rules**



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**Thank You to Our Sponsor**

The SignUpNow online modules are made possible by the:

**Virginia Department of Medical Assistance Services (DMAS)**

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**Eligibility: Who Makes the Call?**

<p><b>“Screening” for Eligibility</b></p> <ul style="list-style-type: none"><li>Seeing if someone <i>might</i> qualify</li><li>Anyone can do this</li><li><b>Cover Virginia, Healthcare.gov, and CommonHelp</b> screening tools</li></ul>	<p><b>“Determining” Eligibility</b></p> <ul style="list-style-type: none"><li>Deciding if someone <i>does</i> qualify</li><li><b>ONLY</b> done by:<ul style="list-style-type: none"><li>Local Department of Social Services (LDSS)</li><li>Cover Virginia Central Processing Unit (CPU)</li><li>Health Insurance Marketplace</li></ul></li></ul>
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## Eligibility Screening Steps

- ☛ When screening an individual or family for eligibility for Medicaid/FAMIS, it is important to assess **each household member's eligibility separately**.
- ☛ Follow these three steps **for each** household member when screening for eligibility:
  - Step 1:** Assess person's **household size**.
  - Step 2:** Assess the **income** for the person's household.
  - Step 3:** **Compare** household size and income to the income limits for the program in question.

*Section 2 and blue handout*

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## Step 1: Assess Household Size

First, figure out what **type of household member** each person will be.

- ☛ Individuals will fit into one of three categories:
  1. **Tax filer**  
(not claimed as a dependent on anyone's taxes)
  2. **Tax dependent**
  3. **Non-filer and not claimed as a tax dependent**

*Section 2 and Handout*

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## Household Size: Tax Filer

Household size =  
Tax filer +  
Any **joint filers** +  
All **dependents**



*(Note: Married couples living together, who file taxes separately, are considered to be in the same household)*

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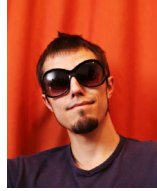
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### Example: Single Person

John is a single adult living on his own. He files taxes and is not claimed as anyone else's dependent. He has no dependents of his own.



**John's household size = 1**

*Section 2 and Handout*

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### Household Size: Tax Dependents

Household size is the same as the tax filer who claims them as a dependent.



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### Example: Married Couple with Children

Bob and Jane are married and have two children. They file a joint tax return and claim both of their children as dependents.

**Bob's household size = 4**  
Bob + Jane (joint filer) + 2 children (dependents)

**Jane's household size = 4**  
Jane + Bob (joint filer) + 2 children (dependents)



**Each child's household size = 4**  
Household size = household size of the tax filer claiming them as a dependent

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### Example: Young Adult Dependent Living Outside the Home

Claire is an 18-year-old college student at James Madison University. She is claimed as a dependent by her married parents, and has no siblings.

**Claire's household size = 3**  
*Self + 2 parents*

**Each parent's household size = 3**  
*2 parents + Claire*



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### Example: Young Adult Living Outside the Home

Fast forward to next year. Claire, now age 19, works full-time and goes to school part-time. She'll file her own taxes. She no longer lives at home, and her parents no longer provide her with support. They won't claim her as a tax dependent.

**Claire's household size = 1**  
*Just herself*



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### Household Size: Tax Dependent Exception #1

If individual is a **tax dependent** who is ***not* a child or spouse of the tax filer**, then...

**Household size =**

**Individual +**

**Their spouse** (if living with him/her) +

**Their children under age 19** (if living with them)



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**Example:  
Multi-Generation Household**

Rose lives with and supports her 60-year-old mother, Maria. Rose also has a 9-year-old daughter, Natalie. Rose is the tax filer. She claims her mother and her daughter as dependents.



**Rose's household size = 3**  
*Herself + 2 dependents (mom and daughter)*

**Maria's (Rose's Mother) household size = 1**  
*Only herself (Exception #1 for tax dependents)*

**Natalie's (Rose's Daughter) household size = 3**  
*Same as the tax filer claiming her (her mother, Rose)*

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**Household Size:  
Tax Dependent Exception #2**

If individual is a child living with both parents who are *not* married, then...



**Household size =**  
**Child +**  
**Their parents +**  
**Their siblings (under age 19 and living in the home)**

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**Example:  
Non-married Parents**

Dan and Jen live together with their 2 kids. They both work and are not married. They file taxes separately. Dan claims both children.



**Dan's household size = 3**  
*Himself + 2 children*

**Jen's household size = 1**  
*Just herself*

**Each child's household size = 4**  
*Self + sibling + both parents*

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### Household Size: Tax Dependent Exception #3

If individual is a child claimed as a tax dependent by a non-custodial parent, then...



Household size =  
**Child +**  
**Their siblings +**  
**The parent(s) with whom he/she is living**  
 (can be biological, adoptive, or step-parents)

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### Example: Child Claimed by a Non-Custodial Parent

Lisa lives with her daughter, Alex. Lisa files her taxes as an individual without dependents. Alex is claimed as a dependent by her father, who she does not live with.

**Lisa's household size = 1**  
*Just herself*



**Alex's household size = 2**  
*Alex and the parent she lives with (Lisa)*

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### Household Size: Non-Filer/Non-Dependent

☺ For an **adult** who does not file taxes and is not a tax dependent...

☺ For a **child** (≤18 years old) in a non-filing household...

Household size =  
**Individual +**  
**Their spouse**  
*(if living with them) +*  
**Biological, adoptive or step-children**  
*(if living with them)*

Household size =  
**Child +**  
**Their siblings**  
*(biological, adoptive, or step, if living with them) +*  
**Parents**  
*(biological, adoptive, or step, if living with them)*

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## Warning! Pregnant Woman Counts as 2 (or More)

When figuring out household size(s) for a family that includes a pregnant woman:

- ☉ The unborn child(ren) **only increases the size of the pregnant woman's household**
  - The pregnant woman counts as **one** person for determining the eligibility of all other household members.
- ☉ If the pregnant woman is **under age 19**, start by **evaluating her for the children's programs first** (teen counts as 1)
  - If not eligible for FAMIS Plus/FAMIS, she counts as 2 (or more) for Medicaid for Pregnant Women/FAMIS MOMS.

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## Step 2: Assess Household Income

- ☉ Total up the Modified Adjusted Gross Income (MAGI) of all persons **who are included in the applicant's household size**.
- ☉ Eligibility for Medicaid/FAMIS is based on **monthly income for the month prior to application**
  - Income will be verified electronically.
  - If reported monthly income **is** reasonably compatible with income tax records, no income verification is necessary.

If **not**, LDSS or Cover Virginia will request income verification.

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## What Income is Counted?

- ☉ **Taxable income:**
  - Gross earnings from jobs (cash, wages, salaries, commissions/tips)
  - Unemployment
  - Pensions and annuities
  - Rents and royalties received
  - **Self-employment income** (allow for deductions for depreciation and capital losses to determine profit)
  - **Alimony** received\*
- ☉ **Social Security** income
- ☉ **Foreign-earned income**
- ☉ **Tax-exempt interest**

*Note: a lump-sum payment is included only in the month during which it is received.*

\*Only for divorce decrees prior to January 1, 2019

**Blue Handout**

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### Financial Eligibility: No Asset or Resource Test!

- ☛ There is **no asset or resource test** for the programs we are discussing today, including the **New Adult Health Coverage!**
- ☛ This is especially important for those who may have been denied Medicaid in the past.
- ☛ Those who are “land rich, but cash poor” *can* qualify for Medicaid/FAMIS, including **New Adult Health Coverage**, since **financial eligibility is based solely on income.**

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### Income is Not Counted from:

- ☛ **COVID-19 stimulus checks (Economic Impact Payments), and additional federal unemployment**
- ☛ Supplemental Security Income (SSI)
- ☛ Temporary Assistance to Needy Family (TANF)
- ☛ Child Support received
- ☛ Alimony received\*
- ☛ Certain Veterans Administration benefits
- ☛ Workers compensation
- ☛ Educational grants, loans, scholarship or fellowship income
- ☛ Gifts and inheritances
- ☛ Certain Native American and Alaska Native payments
- ☛ Income of a dependent†

\*Only for divorce decrees filed after January 1, 2019

†Unless the dependent has a filing requirement (annual earned income over \$12,400, or unearned income over \$1,100).

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### Subtractions from Income

The following things should be **subtracted** from income:

- ☛ **Alimony** paid out\*
- ☛ **Student loan interest** paid
- ☛ Any **pre-tax deductions from pay**
  - Flex spending accounts (FSAs) for medical or child care expenses,
  - Health savings account (HSA) contributions, and
  - Retirement account (401K/403B) contributions.

\*Only for judgments prior to January 1, 2019

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### Some Notes on Social Security Income

- ☉ Social Security Administration (SSA) income received by the **parent** is included as income for **both the parent's and the child's** household.
- ☉ SSA income received by a **child**:
  - If **no parent** is in the child's household, **all of the child's SSA income is counted**.
  - If a parent is **included** in the child's household, the child's **SSA income is only countable if the child is required to file taxes based on his/her other income** (over \$12,400 earned income).

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### Determining Monthly Job Income

Apply conversion factors based on pay frequency to calculate monthly income figures.

- ☉ If income is **weekly**, **multiply** the average weekly income by **4.3**
- ☉ If income is **bi-weekly** (every two weeks), **multiply** the average bi-weekly income by **2.15**
- ☉ If income is **twice monthly** (on 1<sup>st</sup> and 15<sup>th</sup>), **multiply** the average semi-monthly income by **2**
- ☉ If income is **monthly**, **use the figure reported**
- ☉ If income is irregular, use average income over a 3-month period

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### Step 3: Compare to Program Income Guidelines

Once you have determined the **household size** and **income** for each household member, compare it to the income charts to see which of the following insurance programs the person is likely eligible for:

- ☉ **New Health Coverage for Adults ≤138% FPL\***
- ☉ **FAMIS Plus or MPW ≤148% FPL\***
- ☉ **FAMIS or FAMIS MOMS between 149-205% FPL\***
- ☉ **Plan First between 139-205% FPL\***

\* 5% FPL standard disregard included in these figures

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## 2021 Income Guidelines

Household Size	New Adult Health Care Coverage		FAMIS Plus & Medicaid for Pregnant Women		FAMIS, FAMIS MOMS, FAMIS Prenatal, & Plan First	
	up to 138% FPL*		up to 148% FPL*		up to 205% FPL*	
	Monthly	Yearly	Monthly	Yearly	Monthly	Yearly
1	\$1,482	\$17,775	\$1,589	\$19,063	\$2,201	\$26,404
2	\$2,004	\$24,040	\$2,149	\$25,782	\$2,976	\$35,711
3	\$2,526	\$30,305	\$2,709	\$32,501	\$3,752	\$45,018
4	\$3,048	\$36,570	\$3,269	\$39,220	\$4,528	\$54,325
5	\$3,570	\$42,836	\$3,829	\$45,940	\$5,303	\$63,632
6	\$4,092	\$49,101	\$4,389	\$52,659	\$6,079	\$72,939
7	\$4,614	\$55,366	\$4,949	\$59,378	\$6,854	\$82,246
8	\$5,136	\$61,631	\$5,509	\$66,097	\$7,630	\$91,553
Additional person add	\$523	\$6,266	\$560	\$6,720	\$776	\$9,307

\*These figures include the 5% FPL Standard Disregard and are effective as of January 13, 2021

Section 2 and Yellow Handout

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## LIFC Monthly Income Guidelines

Effective July 1, 2021

Household Size	Group I	Group II	Group III
1	\$320	\$402	\$577
2	\$478	\$571	\$771
3	\$605	\$717	\$947
4	\$733	\$857	\$1,114
5	\$864	\$1,008	\$1,316
6	\$975	\$1,138	\$1,467
7	\$1,100	\$1,276	\$1,635
8	\$1,231	\$1,413	\$1,809
Additional person add	\$129	\$144	\$170

\*These figures include the 5% FPL Standard Disregard

Section 2 and Handout

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