

Financial Rules

Section 2

Eligibility: Who Makes the Call?

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

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 composition**.
 - 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

Step 1: Assess Household Composition

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

Household Composition: Tax Filer

Household =
Tax filer +
Any joint filers +
All dependents



Key notes:

- This is based on how the tax filer expects to file taxes for the current year
- Married couples living together, who file taxes separately, are considered to be in the same household
- Caretakers, foster parents, and legal guardians are not listed as family members, and their income is not counted

Section 2

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

Household Composition: Tax Dependents

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



Section 2

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

Section 2

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

Section 2

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

Section 2

Three Tax Dependent Exceptions

There are three specific exceptions for tax dependents, where we don't mirror tax filing rules. These are:

1. If individual is a **tax dependent who is not a child or spouse of the tax filer**,
2. If individual is a **child living with both parents who are not married**, OR
3. If individual is a **child claimed as a tax dependent by a non-custodial parent**

We will go through an example for each of these!

Section 2

Household Composition: Tax Dependent Exception #1

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



Household =
Individual +


Their spouse (if living with him/her) +

Their children under age 19 (if living with them)

Section 2

**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)

Section 2

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

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




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

Section 2

**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

Section 2

Household Composition: Tax Dependent Exception #3

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



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

Section 2

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)

Section 2

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

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

Section 2

Warning! Pregnant Person Counts as 2 (or More)

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

- ☛ The unborn child(ren) **only increases the size of the pregnant person's household**
 - The pregnant person counts as **one** person for determining the eligibility of all other household members.

Section 2

Step 2: Assess Household Income

- ☛ Total up the Modified Adjusted Gross Income (MAGI) of all persons **who are included in the applicant's household**.
 - ☛ 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 or other income records, no income verification is necessary.
- If **not**, LDSS or Cover Virginia will request income verification.

Section 2

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. (exception – lottery/gambling winnings)

*Only for divorce decrees prior to January 1, 2019

Blue Handout

Lottery/Gambling Winnings
(new effective 7/1/24)

- ☛ If **\$80,000 or greater and received in a single payout**, winnings are counted over a period of up to 120 months .
 - \$80,000 - \$90,000 are counted as income over 2 months with equal amounts counted in each month
 - For every additional \$10,000 one month is added, total amount divided equally over the number of months
 - Max period of time is 120 months (applies to winnings of \$1.26M and above)
 - Extended time applies only to person receiving the winnings. For other household members, only counts in first month received.
- ☛ If received in installments, winnings treated as other types of reoccurring income.
- ☛ If less than \$80K, winnings are counted in the month received. Medicaid Eligibility Manual section M0440.100 1i.

What is Not Counted?

- ☛ Supplemental Security Income (SSI) payments
- ☛ Temporary Assistance to Needy Family (TANF) payments
- ☛ Assets or resources (not considered for eligibility)
- ☛ 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**
- ☛ Social Security income of a dependent (except in limited circumstances)

*Only for divorce decrees filed after January 1, 2019
**Unless the dependent has a filing requirement (annual earned income over \$15,570 or unearned income over \$1,350).

Section 2

Subtractions from Income

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

- ☛ Alimony paid out*
- ☛ Student loan interest paid
- ☛ Any pre-tax deductions from pay
 - Flexible 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

Section 2

Converting Income to a Monthly Figure

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 1st and 15th), **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

Section 2

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:

- ☛ **Medicaid Expansion for Adults (MedEx) ≤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*

Section 2

LIFC Monthly Income Guidelines

Effective July 1, 2025

Household Size	Group I	Group II	Group III
1	\$395	\$495	\$708
2	\$584	\$698	\$948
3	\$744	\$879	\$1,160
4	\$898	\$1,047	\$1,360
5	\$1,053	\$1,232	\$1,609
6	\$1,190	\$1,389	\$1,793
7	\$1,345	\$1,558	\$1,996
8	\$1,502	\$1,736	\$2,209
Additional person add	\$162	\$178	\$211

**These figures include the 5% FPL Standard Disregard*

Section 2 and Handout



2026 Income Guidelines

Household Size	Medicaid Expansion for Adults		FAMIS Plus (Medicaid for Children) & Medicaid for Pregnant Women		FAMIS (for Children), 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	\$1,836	\$22,025	\$1,969	\$23,621	\$2,727	\$32,718
2	\$2,489	\$29,864	\$2,669	\$32,028	\$3,697	\$44,362
3	\$3,142	\$37,702	\$3,370	\$40,434	\$4,668	\$56,006
4	\$3,795	\$45,540	\$4,070	\$48,840	\$5,638	\$67,650
5	\$4,449	\$53,379	\$4,771	\$57,247	\$6,608	\$79,294
6	\$5,102	\$61,217	\$5,472	\$65,653	\$7,579	\$90,938
7	\$5,755	\$69,056	\$6,172	\$74,060	\$8,549	\$102,582
8	\$6,408	\$76,894	\$6,873	\$82,466	\$9,519	\$114,226
Additional person add	\$654	\$7,839	\$701	\$8,407	\$971	\$11,644

*These figures include the 5% FPL Standard Disregard and are effective as of January 13, 2026.

Section 2 and Yellow Handout
