

Title of Rule: Revision to the Medical Assistance Eligibility Rules Concerning Parents and Caretaker Relatives, Sections 8.100.1 and 8.100.4.G.3
Rule Number: MSB 15-02-06-A
Division / Contact / Phone: Eligibility Division / Ana Bordallo / 303-866-3239

STATEMENT OF BASIS AND PURPOSE

1. Summary of the basis and purpose for the rule or rule change. (State what the rule says or does and explain why the rule or rule change is necessary).

The purpose of the rule change is to make a revision to the current policy regarding MAGI Parent/Caretaker Relatives Federal Poverty Level (FPL) changing from 100% FPL to 60% MAGI-converted. The state will be updating the Colorado Benefits Management System (CBMS) to be in alignment with our federal regulations effective April 1, 2015. This rule also needs to be updated to ensure the state is in compliance with federal regulations..

2. An emergency rule-making is imperatively necessary

to comply with state or federal law or federal regulation and/or

for the preservation of public health, safety and welfare.

Explain:

3. Federal authority for the Rule, if any:

Section 1902(e)(14)(E) of the Social Security Act

4. State Authority for the Rule:

25.5-1-301 through 25.5-1-303, C.R.S. (2014);

Initial Review

Proposed Effective Date

07/01/2015

Final Adoption

Emergency Adoption

04/10/2015

DOCUMENT #03

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REGULATORY ANALYSIS

1. Describe the classes of persons who will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule.

The proposed rule will impact those currently enrolled on the Parent/Caretaker Relatives category. Changing the Federal Poverty Level (FPL) percent to 60 % MAGI-converted will transition a number of adults from MAGI Parents/Caretaker Relatives category to the MAGI Adult category. Also, individuals who do not meet the FPL percentage of 60 % MAGI-converted and who currently have Medicare will no longer be eligible for Medicaid. The benefit from the proposed rule is more adults will be eligible for MAGI Adult category.

2. To the extent practicable, describe the probable quantitative and qualitative impact of the proposed rule, economic or otherwise, upon affected classes of persons.

The proposed rule will transition a number of adults from Parent/Caretaker Relatives to MAGI Adult category. Those affected are adults who do not meet the FPL percentage of 60 % MAGI-converted and who are on Medicare will no longer be eligible for Medicaid.

3. Discuss the probable costs to the Department and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues.

A small number of clients could lose eligibility as a result to this change, but the Department assumes that the majority of the clients in this small population could be eligible in other aid categories. Consequently, the actual fiscal impact is anticipated to be nominal.

4. Compare the probable costs and benefits of the proposed rule to the probable costs and benefits of inaction.

Action is needed for compliance with federal regulation; inaction is not an option.

5. Determine whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule.

There is no alternative action available to achieve federal compliance.

6. Describe any alternative methods for achieving the purpose for the proposed rule that were seriously considered by the Department and the reasons why they were rejected in favor of the proposed rule.

There are no alternative methods for the proposed rule that were considered.

1 **8.100.1 Definitions**

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8 Modified Adjusted Gross Income (MAGI) refers to the methodology by which income and household
9 composition are determined for the MAGI Medical Assistance groups under the Affordable Care Act.
10 These MAGI groups include Parents and Caretaker Relatives, Pregnant Women, Children, and Adults.
11 For a more complete description of the MAGI categories and pursuant rules, please refer to section

12 MAGI-equivalent is the resulting standard identified through a process that converts a state's net-income
13 standard to equivalent MAGI standards.

14 MIA - Monthly Income Allowance is the amount of institutionalized spouse's income that the community
15 spouse is allowed to retain to meet their monthly living needs.

16 MSP - Medicare Savings Program is a Medical Assistance Program to assist in the payment of Medicare
17 premium, coinsurance and deductible amounts. There are four groups that are eligible for payment or
18 part-payment of Medicare premiums, coinsurance and deductibles: Qualified Medicare Beneficiaries
19 (QMBs), Specified Low-Income Medicare Beneficiaries (SLIMBs), Qualified Disabled and Working
20 Individuals (QDWIs), and Qualifying Individuals – 1 (QI-1s).
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1 **8.100.4.G. MAGI Covered Groups**

- 2 1. For MAGI Medical Assistance, any person who is determined to be eligible for Medical
3 Assistance based on MAGI at any time during a calendar month shall be eligible for benefits
4 during the entire month.
- 5 2. Children applying for Medical Assistance whose total household income does not exceed 133%
6 of the federal poverty level shall be determined financially eligible for Medical Assistance.
- 7 a. Medical Assistance eligibility is guaranteed for 12 continuous months from the application
8 month regardless of changes in income or household size.
- 9 3. Parents and Caretaker Relatives applying for Medical Assistance whose total household income
10 does not exceed ~~60-100%~~ of the federal poverty level (~~MAGI-equivalent converted~~) shall be
11 determined financially eligible for Medical Assistance. Parents or Caretaker Relatives eligible for
12 this category shall have a dependent child in the household receiving Medical Assistance.
- 13 ~~a. Effective January 1, 2014, Parents and Caretaker Relatives applying for Medical~~
14 ~~Assistance whose total household income does not exceed 133% of the federal poverty~~
15 ~~level shall be determined financially eligible for Medical Assistance~~
- 16 4. Effective January 1, 2014, Adults applying for Medical Assistance whose total household income
17 does not exceed 133% of the federal poverty level shall be determined financially eligible for
18 Medical Assistance. This category includes adults who are parents or caretaker relatives of
19 dependent children whose income exceeds the income threshold to qualify for the Parents and
20 Caretaker Relatives MAGI category and who meet all other eligibility criteria.
- 21 5. Pregnant Women whose household income does not exceed 185% of the federal poverty level
22 are eligible for the Pregnant Women MAGI Medical Assistance program. Medical Assistance shall
23 be provided to a pregnant woman for a period beginning with the date of application for Medical
24 Assistance through the last day of the month following 60 days from the date the pregnancy ends.
25 Once eligibility has been approved, Medical Assistance coverage must be provided regardless of
26 changes in the woman's financial circumstances.
- 27 6. A pregnant legal immigrant who has been a legal immigrant for less than five years is eligible for
28 Medical Assistance if she meets the eligibility requirements for expectant mothers listed in
29 8.100.4.G.3. This population is referenced as Legal Immigrant Prenatal.
- 30 7. A child born to a woman receiving Medical Assistance at the time of the child's birth is
31 continuously eligible for one year. This provision also applies in instances when the woman
32 received Medical Assistance to cover the child's birth through retroactive Medical Assistance. To
33 receive Medical Assistance under this category, the individual need not file an application nor
34 provide a social security number or proof of application for a social security number for the
35 newborn. Anyone can report the birth of the baby verbally or in writing. Information provided shall
36 include the baby's name, date of birth, and mother's name or Medical Assistance number. A
37 newborn can be reported at any time. Once reported, a newborn meeting the above criteria shall
38 be added to the Medical Assistance case according to timelines defined by the Department.
39 Please review the Department User Reference Guide for timeframes. This population is
40 referenced as Eligible Needy Newborn.
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