



# Reasonable Compatibility Tip Sheet

*Revised June 2018*

## What is Reasonable Compatibility?

Reasonable Compatibility refers to an allowable difference or discrepancy between the income an applicant self-attests and the amount of income reported by an electronic data source. The Reasonable Compatibility check is performed on all Medical Assistance categories that consider earned income, with a few exceptions.

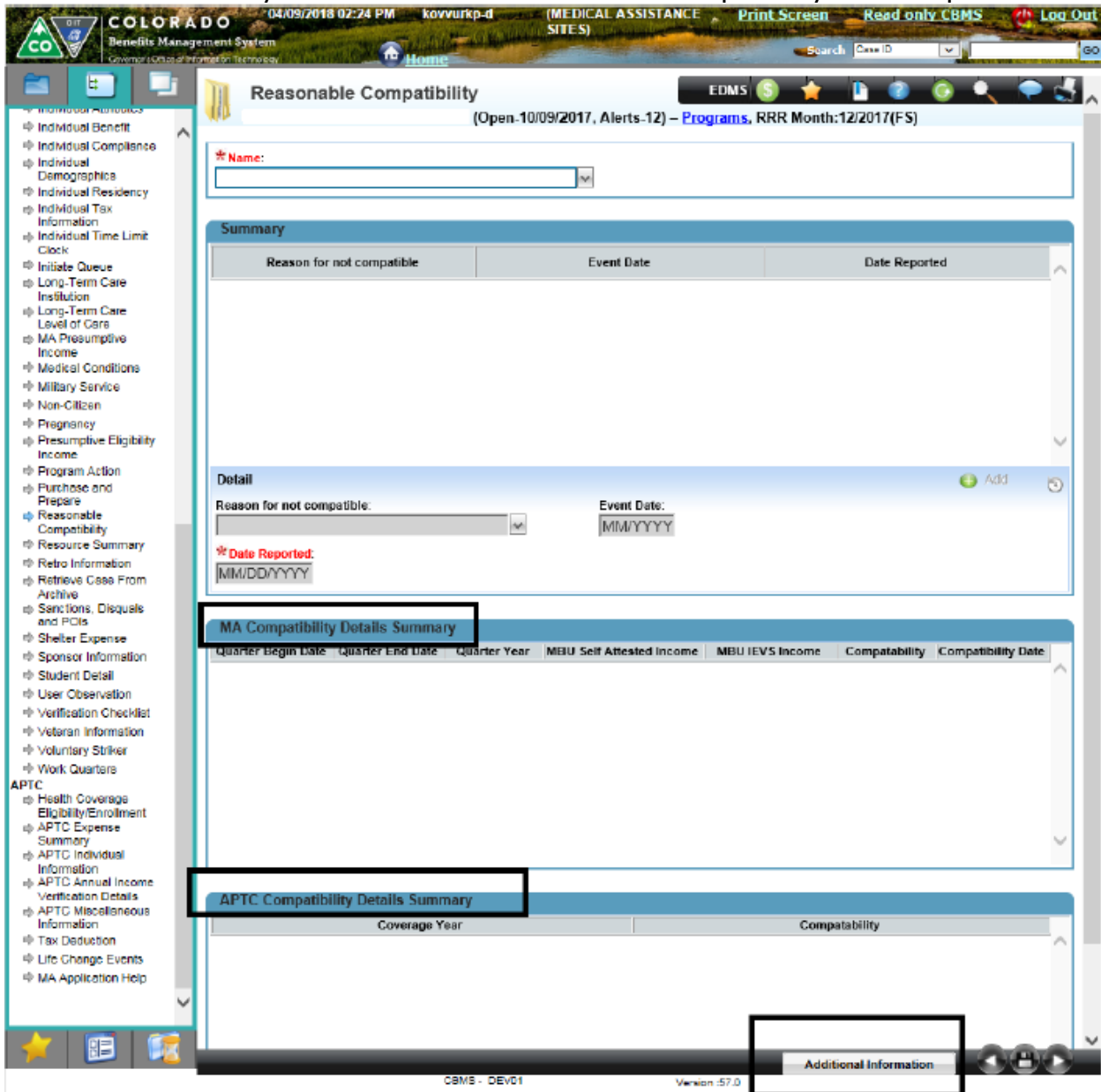
## A member has returned their IEVS Reasonable Compatibility letter with a reason for the income discrepancy – now what?

- In CBMS, navigate to the Reasonable Compatibility page (screen shot below).
- On the bottom of the Reasonable Compatibility page, select the 'Additional Information' button before adding data to the page
- Select the IEVS01-Reasonable Compatibility record that you are updating and complete the mandatory date fields indicating when the IEVS letter was signed and returned.
- Save the record and close the Additional Information page to return back to the Reasonable Compatibility page.
- Select the individual for which you are updating the Reasonable Compatibility details from the drop-down menu.
- Select the 'Reason for not compatible' as indicated by the member:
  - ✓ Decrease in Household Size
  - ✓ Employer Changed
  - ✓ Hours Changed
  - ✓ Income Changed
  - ✓ Increase in Household Size
  - ✓ No Longer Employed
  - ✓ Other (this option will require additional proof of income)
- Enter in the Event date (MM/YYYY) and the Date Reported by the member.
- Click '+Add' to add the new reasonable compatibility record. The IEVS Reasonable Compatibility response is now complete.



## Updated Reasonable Compatibility page in CBMS

This is what the new Reasonable Compatibility page looks like. Medical Assistance and APTC Compatibility Details Summary section are separated. MA Compatibility Details Summary includes additional details that will assist the CBMS worker. APTC Compatibility Details Summary section remains unchanged. On the bottom of the page is the 'Additional Information' button that links to the page where the CBMS worker will enter in the date they received the IEVS Reasonable Compatibility letter response.



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## Examples

# Non-MAGI

**Self-attested Income = \$1,010 monthly**

Below QMB Income Standard (\$1,025)

**IVES Report:**

\$3,405 quarterly ( $\$3,405/3 = \$1,132$ )

Above QMB Income Standard (\$1,025)

Below SLMB Income Standard (\$1,226)

**Results**

- Client is not reasonably compatible
- Given an ROP
- IEVS discrepancy letter sent
- Stays in QMB during ROP

No reasonable explanation provided?

- Client rolls into SLMB (with 10 day noticing)

| Individual    | Individual MBU's WAGE Budget's net income | Individual MBU's CDLE Budget's net income | IEVS amount over or under Income standard? | Difference in FPL% | Under to 10% threshold? | Reasonably Compatible? |
|---------------|---|---|--|--------------------|-------------------------|------------------------|
| OAP recipient | \$1,010<br>99%                            | \$1,132<br>110%                           | Over                                       | 11%                | No                      | No                     |



# MAGI

**Self-Attested Income:**  
 Dad = \$1,300 monthly  
 Mom = \$800 monthly  
 -----  
 Total Self-Attested Income  
 = \$2,100

**IVES Report: 07/07/2017**  
 Dad = \$1,500 monthly  
 Mom = \$1,000 monthly  
 -----  
 Total Countable Income  
 = \$2,500

\* Eligible for Medical Assistance \*

| Individual | Individual MBU's WAGE Budget's net income | Individual MBU's CDLE Budget's net income | IEVS amount over or under income standard? | Difference in FPL% | Under to 10% threshold? | Reasonably Compatible? |
|------------|---|---|--|--------------------|-------------------------|------------------------|
| Mom        | \$2,100 102%                              | \$2,500 121%                              | Under                                      | 19%                | No                      | Yes                    |
| Dad        | \$2,100 102%                              | \$2,500 121%                              | Under                                      | 19%                | No                      | Yes                    |
| Child 1    | \$2,100 102%                              | \$2,500 121%                              | Under                                      | 19%                | No                      | Yes                    |
| Child 2    | \$2,100 102%                              | \$2,500 121%                              | Under                                      | 19%                | No                      | Yes                    |

Mom & Dad = MAGI Adult (133%; \$2,726.60)  
 Children = MAGI Children (142%; \$2,911.00)

**Results**

- CBMS use IEVS reported income (determine reasonable compatibility)
- Compare Mom & Dad's income to the **income standard** and FPL% for *each individual*
- Based on aid code and MBU size
- In this scenario the household self-reported amount and the total income using the IEVS reported amount are under the income standard for each member
- Income is Reasonably Compatible even though the threshold is greater than 10%
- No ROPs created



# WAwD

**Self-attested Income = \$1,010 monthly**

Employer's CDLE = \$1,500 monthly

Discrepancy Letter sent to Member: Requesting explanation

Member expected to:

- Work out discrepancy with employer
- Provide verification

## Results

Because a person on the Working Adults with Disabilities (WAwD) is considered a household of one, no other household member will be considered for the WAwD calculation.

If a discrepancy that is unresolved is over 450% of FPL, the member will receive a termination notice for being over income for the program and will be reviewed for every other Medicaid program as required by federal law.



# CBwD

A child receiving the Children with Disabilities Buy-In (CBwD) program:

- The entire countable family income reviewed for reasonable compatibility through IEVS
- *Example:* Mom received a raise but has not reported it through PEAK

CDLE record reports more than 10% reasonable compatibility discrepancy

Discrepancy letter sent to the family: Requesting explanation

Family expected to:

- Work out the discrepancy with the employer
- Provide verification

## Results

If the discrepancy is not resolved, the member will receive a premium change notice due to an increase in income and may receive an increased premium in the following month.

If a discrepancy that is unresolved is over 300% of FPL, the child will receive a termination notice for being over income for the program and will be reviewed for every other Medicaid program as required by federal law.

## For more information contact

Medicaid Eligibility

[Medicaid.Eligibility@hcpf.state.co.us](mailto:Medicaid.Eligibility@hcpf.state.co.us)

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