# Introduction

**(Eff. 01/01/14)**

Effective January 1, 2014, Medicaid for families, pregnant women and children is determined according to the policies and procedures defined in The Patient Protection and Affordable Care Act of 2010, also known as the Affordable Care Act (ACA). The Medicaid categories related to this group have been combined to simplify the structure, reduce the number of categories, and standardize eligibility between states. Modified Adjusted Gross Income (MAGI) methodology will be used, impacting income counting; creation of households; and eliminates income disregards. With the elimination of income disregards, states were required to determine the average disregard applied within specific categories and to adjust the corresponding income limit to account for the average. Also there will no longer be an asset test, or resource limit, used to determine eligibility for these groups. The following table highlights the changes to the various programs.

**Table 1: MAGI Eligibility Categories**

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| --- | --- |
| 2013 | 2014 |
| Category | **FPL Limit** | **Resources Counted?** | **Category** | **FPL Limit** | **Resources Counted?** |
| Optional Coverage for (Pregnant) Women/Infants (OCWI) | 185% | YES | **Pregnant Women (PW) and Infants** | 194% | NO |
| Family Planning | 185% | YES | **Family Planning (FP)** | 194% | NO |
| Partners for Healthy Children (PHC)\* | 200% | YES | **Partners for Healthy Children (PHC)** | 208% | NO |
| Low Income Families (LIF) | 50% | YES | **Parent/ Caretaker Relatives (PCR)** | 62% | NO |
| Regular Foster Care-RFC | 50% | YES | **Regular Foster Care (RFC)** | 62% | NO |
| Subsidized Adoption | 50% | YES | **Subsidized Adoption** | 62% | NO |
| N/A | N/A | N/A | **Former Foster Care up to age 26** | No financial test | NO |

Eligibility for other Medicaid categories that do not utilize MAGI methodology can be found in Sections 300, 400, and 500 of the Medicaid Policy and Procedures Manual.

The following chapters contain the policy, procedures and processes necessary to apply MAGI methodology and the eligibility categories that are impacted.

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| Chapter | Description |
| Chapter 202 – MAGI – Household Composition | Provides details on how to create a Household using MAGI methodology |
| Chapter 203 – MAGI – Income and Budgeting | Provides details on how income is counted and budgeted under MAGI methodology |
| Chapter 204 – MAGI – Eligibility Categories | Describes the eligibility categories that use MAGI methodology |
| Chapter 205 – MAGI – Appendix A – Definitions and Acronyms | Defines various terms, concepts, and acronyms under MAGI methodology. |
| Chapter 206 – MAGI – Appendix B – Application Process | Describes the application process for MAGI categories utilizing ACCESS |