

---

## Table of Contents

**State/Territory Name:** Colorado

**State Plan Amendment (SPA) #:** CO-16-0004

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
1961 Stout Street, Room 08-148  
Denver, CO 80294



**Region VIII**

---

October 13, 2016

Susan E. Birch, MBA, BSN, RN, Executive Director  
Department of Health Care Policy & Financing  
303 East 17<sup>th</sup> Avenue, 7<sup>th</sup> Floor  
Denver, CO 80203

RE: Colorado #16-0004

Dear Ms. Birch:

We have reviewed the proposed State Plan Amendment (SPA) submitted under transmittal number (TN) 16-0004. This Amendment would revise Colorado's MAGI Income Methodology to include a methodology to annualize income that fluctuates. This SPA supersedes CO-13-0047.

Please be informed that this State Plan Amendment was approved October 12, 2016 with an effective date of July 1, 2016. We are enclosing the CMS-179 and the amended plan page(s).

On October 5, 2016, HCPF acknowledged that the additional question regarding projected annual income changes have been added to the application forms, and the state will complete the necessary system changes to fully implement the approved methodology for annualizing income under MAGI by no later than March 31, 2017.

This state plan approval requires that the State notify CMS **on or before** March 31, 2017, that the necessary system changes have been fully implemented.

If you have any questions concerning this amendment, please contact Curtis Volesky at (303) 844-7033.

Sincerely,



Richard C. Allen  
Associate Regional Administrator  
Division for Medicaid & Children's Health Operations

cc: Gretchen Hammer      John Bartholomew  
Pat Connally              Amanda Forsythe

# Medicaid State Plan Eligibility: Summary Page (CMS 179)

State/Territory name: Colorado

Transmittal Number:

Please enter the Transmittal Number (TN) in the format ST-YY-0000 where ST= the state abbreviation, YY = the last two digits of the submission year, and 0000 = a four digit number with leading zeros. The dashes must also be entered.

CO 16-0004

Proposed Effective Date

07/01/2016 (mm/dd/yyyy)

Federal Statute/Regulation Citation

1902(e)(14); 42 CFR 435.603

Federal Budget Impact

	Federal Fiscal Year	Amount
First Year	2016	\$ 3477330.00
Second Year	2017	\$ 13853379.00

Subject of Amendment

Revision of Colorado's MAGI Income Methodology to include a methodology to annualize income that fluctuates. This SPA supersedes CO 13-0047.

Governor's Office Review

- Governor's office reported no comment  
Comments of Governor's office received  
Describe:

No reply received within 45 days of submittal

Other, as specified  
Describe:

Signature of State Agency Official

Submitted By: Amanda Forsythe  
Last Revision Date: Oct 4, 2016  
Submit Date: Jul 14, 2016

Date Received: 14 July, 2016  
Date Approved: 12 October, 2016  
Signature of Approving Official:  
Printed Name and Title:

Richard C. Allen, Associate Regional Administrator  
Division of Medicaid & Children's Health Operations



# Medicaid Eligibility

State Name: Colorado

OMB Control Number: 0938-1148

Transmittal Number: CO - 16 - 0004

Expiration date: 10/31/2014

## MAGI-Based Income Methodologies

S10

1902(e)(14)  
42 CFR 435.603

- The state will apply Modified Adjusted Gross Income (MAGI)-based methodologies as described below, and consistent with 42 CFR 435.603.

In the case of determining ongoing eligibility for beneficiaries determined eligible for Medicaid on or before December 31, 2013, MAGI-based income methodologies will not be applied until March 31, 2014, or the next regularly-scheduled renewal of eligibility, whichever is later, if application of such methods results in a determination of ineligibility prior to such date.

In determining family size for the eligibility determination of a pregnant woman, she is counted as herself plus each of the children she is expected to deliver.

In determining family size for the eligibility determination of the other individuals in a household that includes a pregnant woman:

- The pregnant woman is counted just as herself.
- The pregnant woman is counted as herself, plus one.
- The pregnant woman is counted as herself, plus the number of children she is expected to deliver.

Financial eligibility is determined consistent with the following provisions:

When determining eligibility for new applicants, financial eligibility is based on current monthly income and family size.

When determining eligibility for current beneficiaries, financial eligibility is based on:

- Current monthly household income and family size
- Projected annual household income and family size for the remaining months of the current calendar year

In determining current monthly or projected annual household income, the state will use reasonable methods to:

- Include a prorated portion of a reasonably predictable increase in future income and/or family size.
- Account for a reasonably predictable decrease in future income and/or family size.

Except as provided at 42 CFR 435.603(d)(2) through (d)(4), household income is the sum of the MAGI-based income of every individual included in the individual's household.

In determining eligibility for Medicaid, an amount equivalent to 5 percentage points of the FPL for the applicable family size will be deducted from household income in accordance with 42 CFR 435.603(d).

Household income includes actually available cash support, exceeding nominal amounts, provided by the person claiming an individual described at §435.603(f)(2)(i) as a tax dependent.

Yes  No

CO-16-0004

Approval Date: 10/12/2016

Effective Date: 7/1/2016



# Medicaid Eligibility

The age used for children with respect to 42 CFR 435.603(f)(3)(iv) is:

Age 19

Age 19, or in the case of full-time students, age 21

### PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 40 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

V 20140415



**COLORADO**  
Department of Health Care  
Policy & Financing

Department of Health Care Policy & Financing  
1570 Grant Street  
Denver, CO 80203

**RE: SPA Attachment – CO 16-0004**

This attachment has been provided to further support Colorado's methodology for annualizing income under MAGI methodology.

When using the MAGI methodology for eligibility determinations, Colorado will employ a reasonable methodology when an applicant/beneficiary is found ineligible based upon their current monthly income, the applicant/beneficiary has income that the Department has identified as most likely to fluctuate, and the applicant/beneficiary has attested that for the upcoming year the annual amount from the income most likely to fluctuate is equal to or less than the annual amount from that income for the current year. At the time of implementation the Department has identified the following income types as most likely to fluctuate:

1. Self-employment
2. Seasonal Earned Income
3. Commission based Earned income

This reasonable methodology will use the self-attested annualized amount that the applicant/beneficiary provides for those incomes that the Department has identified as most likely to fluctuate. It will then convert that amount into an average monthly amount that will be combined with the current monthly incomes that the Department has not identified as most likely to fluctuate. This combined amount will be used to determine eligibility for the applicant/beneficiary.

If the applicant does not have income that the Department has identified as most likely to fluctuate, or the applicant has not self-attested an annualized amount for an income that is most likely to fluctuate, or the applicant has not attested that the annual amount for the upcoming year for an income that is most likely to fluctuate is equal to or less than the annual amount for the current year, the expected outcome is that the applicant/beneficiary is found ineligible based upon their current monthly income that individual will continue to be found ineligible.

Example:

Applicant/Beneficiary is single adult age 28 and applies in June

- Has commission based Earned income (which is one of the incomes that the Department has identified as most likely to fluctuate)
- Makes \$1,200 per month for January through May and September through December
- June through August makes \$1,600 per month
- Attests that annual income is \$15,600 ( $(\$1,200 \times 9 = \$10,800) + (\$1,600 \times 3 = \$4,800) = \$15,600$ )
- Attests that they expect the upcoming annual income from the commission based earned income will be equal to or less than the current year annual from that same source.



**COLORADO**  
Department of Health Care  
Policy & Financing

Department of Health Care Policy & Financing  
1570 Grant Street  
Denver, CO 80203

In June, the applicant would be found ineligible based off of the applicant's current monthly income of \$1,600, due to the 2016 income limit for the Adult MAGI program for a household of one is \$1,317. Since the applicant has income that the Department has identified as most likely to fluctuate and has provided an annual income amount for that fluctuating income and has attested that they expect that the annual income from this job for the upcoming year will be equal to or less than the annual amount for the current year, the Department will use that annual amount (for the current year) to calculate an average monthly amount for the applicant's Medicaid eligibility determination. The calculation of  $\$15,600/12 = \$1,300$  (average monthly amount) would place the applicant's income under the threshold for Adult MAGI Medicaid and meet income eligibility criteria.