

Implementation Guide: Medicaid State Plan Eligibility Eligibility Groups – Options for Coverage Optional Coverage of Parents and Other Caretaker Relatives

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Optional Coverage of Parents and Other Caretaker Relatives

POLICY CITATION

Statute: 1902(a)(10)(A)(ii)(I)

Regulation: 42 CFR 435.220

BACKGROUND

Overview

This reviewable unit (RU) describes the optional Medicaid eligibility group for parents and other caretaker relatives of dependent children, which is described at 42 CFR 435.220. It provides the criteria under which individuals may be covered under this group, the income standard used and the basis for the income standard used. Mandatory coverage of parents and other caretaker relatives with lower household income is described in a separate RU, **Parents and Other Caretaker Relatives**.

Individuals Covered

The optional eligibility group which is described at section 1902(a)(10)(A)(ii)(I) of the Social Security Act, gives states the option to cover parents and other caretaker relatives who would be eligible under the mandatory eligibility group for parents and other caretaker relatives, except for income. The selections made on the **Parents and Other Caretaker Relatives** RU, with respect to the definitions of “caretaker relative” and “dependent child” apply to this group as well.

In states that have elected to cover the adult group (under 42 CFR 435.119), parents and other caretaker relatives who, but for their age or Medicare enrollment, would qualify for that group may be covered under the optional parents and other caretaker relatives group. Whereas the adult group includes individuals who are parents or caretaker relatives and who have income above the standard for the mandatory parents and other caretaker relatives group, the adult group is limited to individuals who are under age 65 and who are not entitled to or enrolled for Part A or Part B Medicare benefits.

Income Eligibility

The state establishes an income standard for eligibility under the optional group for coverage of parents and other caretaker relatives. The income standard must be at least as high as the minimum and cannot exceed the maximum permitted. The income standard must exceed the income standard established by the state for the mandatory parents and other caretaker relatives eligibility group (42 CFR 435.110).

The maximum income standard is:

- The state’s highest effective income standard, converted to a Modified Adjusted Gross Income (MAGI)-equivalent standard, in effect as of March 23, 2010, or December 31, 2013, for coverage of optional parents and other caretaker relatives (such income level may have been in effect under either the Medicaid state plan or a Medicaid section 1115 demonstration); or
- If the state did not cover this group prior to 2014 – the state’s Aid to Families with

Dependent Children (AFDC) payment standard in effect as of July 16, 1996, not converted to a MAGI equivalent.

MAGI-based income methodologies are used to determine eligibility for this eligibility group. Separate RUs, **MAGI-Based Methodologies** (for states) and **MAGI-Based Methodologies – Territories** (for territories) describe the methodologies used by the state. If the state/territory wishes to make a change to its MAGI-based income methodologies, it must amend one of these RUs.

INSTRUCTIONS

A. Characteristics

At **A.1.** and **A.2.** there are statements describing the characteristics of this eligibility group.

B. Financial Methodologies

There is a statement that MAGI-based methodologies are used in calculating household income for this eligibility group. A separate RU, **MAGI-Based Methodologies (or MAGI-Based Methodologies-Territories)**, describes the MAGI-based methodologies used by the state.

If you wish to view the state's methodologies, select the *View approved version of MAGI-Based Methodologies* link.

- The appropriate **MAGI-Based Methodologies** RU will appear if there is an approved version in the MACPro system.
- If there is no approved version of the RU in MACPro, a screen will appear with the following message: "There is no approved version of this reviewable unit in MACPro available to display."
- Select the *Optional Coverage of Parents and Other Caretaker Relatives* link to return to the **Optional Coverage of Parents and Other Caretaker Relatives** RU.

C. Coverage Prior to January 1, 2014

Indicate, *Yes* or *No*, if the state covered this group under its state plan as of March 23, 2010, December 31, 2013, or under a Medicaid 1115 Demonstration as of March 23, 2010 or December 31, 2013.

D. Income Standard Used

- If *No* is selected in section **C.**, there is a statement in section **D.** that the income standard for this eligibility group is the AFDC payment standard in effect as of July 16, 1996, not converted to a MAGI-equivalent standard.
 - If you wish to view this standard, select the *View Approved Version of AFDC Payment Income Standard in Effect As of July 16, 1996* link.
 - The table in the **AFDC Income Standard** (for states) or **Income Standards - AFDC-Related - Territories** (for territories) RU that pertains to these standards will appear if there is an approved version of the RU in MACPro.

- If there is no approved version of the RU in MACPro a screen will appear with the following message: “There is no approved version of this reviewable unit in MACPro available to display.”
- Select the ***Optional Coverage of Parents and Other Caretaker Relatives*** link to return to the **Optional Coverage of Parents and Other Caretaker Relatives** RU.
- If **Yes** is selected in section **C.**, at **D.1.**, indicate, **Yes** or **No**, if the income standard is based on a % of FPL.
 - If **Yes** is selected, enter the % of FPL in the text box provided.
 - If **No** is selected, select one of the five options (**D.2.a.** through **D.2.e.**) to define the income standard for this group.
 - If one of the options **D.2.a.** through **D.2.d.** is selected, and you wish to view the selected standard:
 - Select the ***View approved version of...*** link.
 - The payment standard from the **AFDC Income Standards** RU will appear if it has been approved in the MACPro system.
 - If there is no approved version of the RU in MACPro, a screen will appear with the following message: “There is no approved version of this reviewable unit in MACPro available to display.”
 - Select the ***Optional Parents and Other Caretaker Relatives*** link to return to the **Optional Parents and Other Caretaker Relatives** RU.
 - If ***Another income standard...*** is selected at **D.2.e.**, select the ***Add Income Standard*** button:
 - The screen will display four options for entering this amount.
 - Select the option that best corresponds to the state’s dollar amount income standards.
 - Complete the appropriate sections within the selected option to indicate the state’s income standards. See the **Income Standards Entry** implementation guide for detailed instructions for updating these fields.
 - When you have completed this screen, select the ***Save Income Standard*** button. After saving the income standards they will be inserted into the **Optional Coverage of Parents and Other Caretaker Relatives** RU.

E. Basis for Income Standard

1. Minimum Income Standard

There is a statement that the minimum income standard for this group must exceed the income standard of the mandatory **Parents and Other Caretaker Relatives** group.

- If you wish to view this income standard, select the ***View approved version of income standard for Parents and Other Caretaker Relatives*** link.
- This RU will appear if there is an approved version of the RU in MACPro.

- If there is no approved version of the RU in MACPro a screen will appear with the following message: “There is no approved version of this reviewable unit in MACPro available to display.”
- Select the *Optional Coverage of Parents and Other Caretaker Relatives* link to return to the **Optional Coverage of Parents and Other Caretaker Relatives** RU.

2. *Maximum Income Standard*

- At **E.2.a.**, indicate that the state has submitted and received approval for its MAGI-converted income standard(s) and the determination of the maximum income standard to be used for parents and other caretaker relatives under this optional eligibility group. To do this, check the box next to the assurance.
- At **E.2.b.**, select one of the options listed (**i.** through **iv.**) to indicate the basis for the maximum income standard for optional parents and other caretaker relatives.
- At **E.2.c.**, select one of the options listed (**i.** through **iv.**) to indicate the amount of the maximum income standard that corresponds to the maximum chosen.
 - If **E.2.c.i.** is selected, enter the % of the FPL in the text box provided.
 - If **E.2.c.ii.** or **E.2.c.iii.** is selected, and you wish to view the selected standard:
 - Select the *View approved version of...* link.
 - This payment standard from the **AFDC Income Standards** RU will appear if it has been approved in the MACPro system.
 - If there is no approved version of the RU in MACPro, a screen will appear with the following message: “There is no approved version of this reviewable unit in MACPro available to display.”
 - Select the *Optional Parents and Other Caretaker Relatives* link to return to the **Optional Parents and Other Caretaker Relatives** RU.
 - If **E.2.c.iv.**, *Other dollar amount* is selected, select the *Add Income Standard* button:
 - The screen will display four options for entering this amount.
 - Select the option that best corresponds to the state’s dollar amount income standards.
 - Complete the appropriate sections within the selected option to indicate the state’s income standards. See the **Income Standards Entry** implementation guide for detailed instructions for updating these fields.
 - When you have completed this screen, select the *Save Income Standard* button. After saving the income standards they will be inserted into the **Optional Coverage of Parents and Other Caretaker Relatives** RU.

F. Additional Information

Except in limited circumstances, this field remains blank. Please consult with CMS before adding any additional information concerning this RU.

REVIEW CRITERIA

The income standard must exceed the income standard established by the state for the mandatory Parents and Other Caretaker Relatives group.