

Implementation Guide: Medicaid State Plan Eligibility Eligibility Groups – Mandatory Coverage Parents and Other Caretaker Relatives

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Parents and Other Caretaker Relatives

POLICY CITATION

Statute: 1902(a)(10)(A)(i)(I) and 1931(b) and (d)

Regulation: 42 CFR 435.110

BACKGROUND

Overview

This reviewable unit (RU) describes the mandatory Medicaid eligibility group for parents and other caretaker relatives of dependent children. 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. Optional coverage of parents and other caretaker relatives with higher household income is described in a separate RU, **Optional Coverage of Parents and Other Caretaker Relatives**.

The parents and other caretaker relatives eligibility group under 42 CFR 435.110 consolidates two statutory categories of eligibility described in sections 1902(a)(10)(A)(i)(I) and 1931(b) and (d) of the Social Security Act (the Act).

Definition of Caretaker Relative

Regulations at 42 CFR 435.4 define a “caretaker relative” as a relative who has primary responsibility for the care of a dependent child, lives with the child, and is related to the child by blood, adoption, or marriage. This includes the spouse of such parent or relative.

Options: Caretaker Relative Definition. The regulations provide the following state options for inclusion in the definition of caretaker relative:

- The domestic partner of a child’s parent or caretaker relative
- Another relative of the child based on blood (including those of half-blood), adoption or marriage
- Any adult with whom the child is living and who assumes primary responsibility for the child’s care

If a child lives with a parent and another relative, such as a grandparent, the other relative may qualify as the caretaker relative if he or she has primary responsibility for the child’s care. In such cases, the child would still need to meet the definition of a dependent child, as described below.

Pregnant women may be covered under the group for parents and other caretaker relatives if they meet the definition of a caretaker relative. Pregnant women who do not meet this definition, including those covered under section 1931 of the Act, because the state elected the option to cover pregnant women in the third trimester of pregnancy without dependent children, are covered under the consolidated group for pregnant women at 42 CFR 435.116 (see the **Pregnant Women** RU).

Definition of Dependent Child

Regulations at 42 CFR 435.4 define a “dependent child” as an individual under age 18 who is deprived of parental support by reason of death, absence from the home, physical or mental incapacity or unemployment of at least one parent. A parent is considered to be unemployed if he or she is working less than 100 hours per month.

Options: Dependent Child. The regulations regarding a dependent child provide the following state plan options:

- Include children age 18 (under age 19) if the child is a full time student in secondary school who is expected to complete school (or equivalent vocational or technical training) prior to attaining age 19
- Eliminate the deprivation requirement, which is the requirement that a child be deprived of parental support
- Maintain the deprivation requirement, but use a less restrictive standard to measure unemployment of a parent

A less restrictive unemployment standard may be based on hours of employment, earnings, or on another alternative standard. If hours of employment are used, the state specifies the number of hours that the parent may work and still qualify as unemployed; the hours must exceed 99 hours, which is the existing standard for unemployment. If the less restrictive standard is based on earnings, the state specifies the dollar amount that a parent may earn and still qualify as unemployed for the purpose of the deprivation requirement.

Income Eligibility

The state establishes an income standard for eligibility under the group for parents and other caretaker relatives. The income standard must be at least as high as the minimum and cannot exceed the maximum permitted. The minimum income standard is the state’s Aid to Families with Dependent Children (AFDC) payment standard in effect as of May 1, 1988, for the applicable family size, converted to a Modified Adjusted Gross Income (MAGI)-equivalent standard.

The maximum income standard is the *higher of*:

- The highest effective income standard, converted to a MAGI-equivalent standard, in effect as of March 23, 2010, or December 31, 2013, for coverage of parents and other caretaker relatives under the above-cited sections of the Act consolidated into this group. Such income level may have been in effect under either the Medicaid state plan or a Medicaid section 1115 demonstration.
- The state’s AFDC payment standard in effect as of July 16, 1996 for a household of the applicable family size, increased by no more than the percentage increase in the Consumer Price Index for all urban consumers between July 16, 1996 and the effective date of such increase.

Prior to implementation of this eligibility group on January 1, 2014, CMS worked with each state to convert their pre-2014 net income eligibility standards into MAGI-based

eligibility standards. At the conclusion of this MAGI-conversion process, CMS reviewed and approved the state's determination of the maximum income standard. 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 or territory. 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

Select one or more options at **A.1.a.** through **A.1.c.** related to the definitions of caretaker relative and dependent child. If your state maintains the standard definitions, you may skip this section.

- If **A.1.b.** is selected, you must select one or more of the three options presented to describe the state's definition of *caretaker relative*.
 - If **A.1.b.i.** is selected, provide the definition of *domestic partner* in the text box that is provided.
 - If **A.1.b.ii.** is selected, provide the description of *other relatives* in the text box that is provided.
- If **A.1.c.** is selected, you must select one of the two options at **A.1.c.i.** and **A.1.c.ii.** to describe the state's definition of *dependent child*.
 - If **A.1.c.ii.** is selected, select one of the three options at **A.1.c.ii.(1)** through **A.1.c.ii.(3)** to provide the less restrictive standards related to the definition of *dependent child*.
 - If **A.1.c.ii.(1)** is selected, enter the number of hours used in the text box provided.
Screen Validation: The number entered must be 100 or higher
 - If **A.1.c.ii.(2)** is selected, enter the dollar limit of earnings in the text box provided.
 - If **A.1.c.ii.(3)** is selected, provide a name and a description of the *Other less restrictive standard*. To do this:
 - Select the **Add** button.
 - Enter the name of the less restrictive standard in the text box that is provided.
 - Enter a description of the less restrictive standard in the text box that is provided.
 - Additional less restrictive standards may be added by selecting the **Add** button again, repeating the above steps, and selecting the **Save** button.
 - To delete a less restrictive standard select the **X** in the **Delete** column next to the standard's name and description.
 - At **A.2.** there is a statement that household income must be at or below the standard established by the state.

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 approved 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 *Parents and Other Caretaker Relatives* link to return to the **Parents and Other Caretaker Relatives** RU.

C. Income Standard Used

At **C.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 eight options that are presented at **C.2.a.** through **C.2.h.** to define the income standard for this group.
 - If one of the options from **C.2.a.** through **C.2.g.** is selected, the appropriate table of the **AFDC Income Standards** or **AFDC Income Standards – Territories** RU will apply.
 - If you wish to view this 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 *Parents and Other Caretaker Relatives* link to return to the **Parents and Other Caretaker Relatives** RU.
 - If *Another dollar amount...* at **C.2.h.** 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 **Parents and Other Caretaker Relative** RU.

D. Basis for Income Standard

1. Minimum Income Standard

- At **D.1.a.**, there is a statement that the minimum income standard for this eligibility group is the state's AFDC payment standard in effect as of May 1, 1988, converted to MAGI-equivalent amounts by household size.
 - If you wish to view this standard, select the *View approved version of MAGI-equivalent AFDC Payment Standard in Effect As of May 1, 1988* 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 *Parents and Other Caretaker Relatives* link to return to the **Parents and Other Caretaker Relatives** RU.
- At **D.1.b.**, indicate that the state has submitted and received approval for its converted May 1, 1988 AFDC payment standard. To do this, check the box next to the assurance.

2. Maximum Income Standard

- At **D.2.a.**, indicate that 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 eligibility group. To do this, check the box next to the assurance.
- At **D.2.b.**, select one of the options listed (**i.** through **iv.**) to indicate the basis for the maximum income standard for parents and other caretaker relatives.
- At **D.2.c.**, select one of the options listed (**i.** through **v.**) to indicate the amount of the maximum income standard that corresponds to the maximum chosen.
 - If **D.2.c.i.** is selected, enter the percentage of the federal poverty level in the text box provided.
 - If one of the options from **D.2.c.ii.** through **D.2.c.iv.** is selected, the appropriate table of the **AFDC Income Standards** or **AFDC Income Standards – Territories** RU will apply.
 - If you wish to view this 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 *Parents and Other Caretaker Relatives* link to return to the **Parents and Other Caretaker Relatives** RU.

- If ***Other dollar amount*** at **D.2.c.v.** 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 ***Parents and Other Caretaker Relative*** RU.

E. Additional Information (optional)

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

REVIEW CRITERIA

The descriptions of “domestic partner” and “other relatives” at A.1.b.i. and A.1.b.ii., if any, must be sufficiently clear, detailed and complete to permit the reviewer to determine that the state’s description meets applicable federal statutory, regulatory and policy requirements.

The descriptions of “Other less restrictive standards” at A.1.c.ii.(3), if any, must be sufficiently clear, detailed and complete to permit the reviewer to determine that the state’s description meets applicable federal statutory, regulatory and policy requirements.

In section C., any amount entered as the income standard used must be no lower than the minimum income standard and no higher than the maximum income standard selected for this eligibility group in section D.

At D.2.c., any amount entered or selected must correspond accurately with the option selected at D.2.b. for the maximum income standard for this eligibility group.