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**State/Territory Name: Texas**

**State Plan Amendment (SPA) #: 14-0003 MM3**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Superseding Page Listing
- 4) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Dallas Regional Office  
1301 Young Street, Suite 833  
Dallas, Texas 75202



**DIVISION OF MEDICAID & CHILDREN'S HEALTH - REGION VI**

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September 24, 2014

Our Reference: SPA TX 14-0003 MM3

Ms. Kay Ghahremani  
State Medicaid/CHIP Director  
Health and Human Services Commission  
Post Office Box 13247  
Mail Code H100  
Austin, Texas 78711

Dear Ms. Ghahremani:

We have reviewed the State's proposed amendment to the Texas State Plan submitted under Transmittal Number 14-0003 MM3, dated March 1, 2014. This state plan amendment establishes that the Texas Health and Human Services Commission (HHSC) will determine financial eligibility for most Medicaid programs using the new federal income rules. Federal law requires states to base household income and composition on federal income tax rules that use modified gross income (MAGI) methodologies.

The state selected the option on the S10 plan page to include available cash support as household income, exceeding nominal amounts, provided by the person claiming an individual described at 42 CFR § 435.603 (f) (2) (i) as a tax dependent. The state originally proposed a nominal amount of \$0. CMS recommended changing this amount since a nominal amount of \$0 per month would not be approved. Based on discussions with the state, the state has agreed to implement a nominal amount of \$50 per month beginning April 2015.

Based on the information submitted, we have approved the amendment for incorporation into the official Texas State Plan with an effective date change of January 1, 2014. A copy of the CMS-179 and approved plan pages are enclosed with this letter.

If you have questions, please contact Cheryl Rupley at (214) 767-6278.

Sincerely,

A black rectangular redaction box covering the signature of Bill Brooks.

Bill Brooks  
Associate Regional Administrator

cc: Becky Brownlee, Policy Development Support

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

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**State/Territory****name:**

Texas

**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.

TX-14-0003

**Proposed Effective Date**

01/01/2014

(mm/dd/yyyy)

**Federal Statute/Regulation Citation**

1902(e)(14); 42 CFR 435.603

**Federal Budget Impact**

|                    | <b>Federal Fiscal Year</b> | <b>Amount</b> |
|--------------------|----------------------------|---------------|
| <b>First Year</b>  | 2014                       | \$ 0.00       |
| <b>Second Year</b> | 2015                       | \$ 0.00       |

**Subject of Amendment**

The purpose of this amendment is to provide that HHSC will determine financial eligibility for most Medicaid programs using new federal income rules. Federal law requires states to base household income and composition on federal income tax rules that use modified adjusted gross income (MAGI) methodologies. The proposed amendment is effective January 1, 2014.

**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:

Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt.

**Signature of State Agency Official****Submitted By:**

Siani Kayani

**Last Revision****Date:**

Sep 24, 2014

**Submit Date:**

Mar 1, 2014

Date Received: 3/1/14

Date Approved: 9/24/14

Signature of Approval Official

Printed Name and Title: Bill Brooks

Associated Regional Administrator

Div of Medicaid &amp; Children's Health

**SUPERSEDING PAGES OF  
STATE PLAN MATERIAL**

**TRANSMITTAL NUMBER:**

TX-14-0003-MM3

**STATE:**

Texas

**PAGE NUMBER OF THE PLAN SECTION OR  
ATTACHMENT:**

S10 - MAGI Income Methodology

**PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (*If Applicable*):**

Notwithstanding any other provisions of the Texas Medicaid State Plan, the financial eligibility methodologies described in State Plan Amendment TX-14-0003-MM3 will apply to all MAGI-based eligibility groups covered under Texas' Medicaid State Plan. The MAGI financial methodologies set forth in 42 CFR § 435.603 apply to everyone except those individuals described at 42 CFR § 435.603(j) for whom MAGI-based methods do not apply. This State Plan Amendment supersedes the current financial eligibility provisions of the Medicaid State Plan only with respect to the MAGI-based eligibility groups.

State: Texas

Date Received: 3/1/14

Date Approved: 9/24/14

Date Effective: 1/1/14

Transmittal Number: 14-003 MM3



# Medicaid Eligibility

State: Texas  
Date Received: 3/1/14  
Date Approved: 9/24/14  
Date Effective: 1/1/14  
Transmittal Number: 14-003 MM3

OMB Control Number 0938-1148  
OMB 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



# 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.

State: Texas

Date Received: 3/1/14

Date Approved: 9/24/14

Date Effective: 1/1/14

Transmittal Number: 14-003 MM3