
CMCS Informational Bulletin

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SUBJECT: 2016 Federal Poverty Level Standards

As required by Section 673(2) of the Omnibus Budget Reconciliation Act (OBRA) of 1981 (42 U.S.C. 9902(2)), the Department of Health and Human Services (HHS) updates the poverty guidelines at least annually and by law these updates are applied to eligibility criteria for programs such as Medicaid and the Children's Health Insurance Program (CHIP). These annual updates increase the Census Bureau's current official poverty thresholds by the relevant percentage change in the Consumer Price Index for All Urban Consumers (CPI-U).

The 2016 guidelines reflect a 0.1 percent price increase between calendar years 2014 and 2015. After this inflation adjustment, the guidelines are rounded and adjusted to standardize the differences between family and household sizes. In rare circumstances, the rounding and standardizing adjustments in the formula result in reductions to the guidelines from the previous year for some household sizes even when the inflation factor is not negative. In order to prevent a reduction in the guidelines in these rare circumstances, beginning this year, in cases where the year-to-year change in inflation is not negative but the rounding and standardizing adjustments in the formula result in reductions to the guidelines from the previous year for some household sizes, the guidelines for the affected household sizes are fixed at the prior year's guidelines. For 2016, the guidelines for a household size of seven or greater will remain fixed at 2015's guidelines for all states and the District of Columbia.

For a family or household of 4 persons living in one of the 48 contiguous states or the District of Columbia, the poverty guideline for 2016 is \$24,300. Separate poverty guideline figures are developed for Alaska and Hawaii, and different guidelines may apply to the Territories. The guidelines can be found at <https://www.federalregister.gov/articles/2016/01/25/2016-01450/annual-update-of-the-hhs-poverty-guidelines>.

To determine eligibility for Medicaid, CHIP, and advance payments of the premium tax credit (APTC) and cost-sharing reductions (CSR) for the purchase of health coverage through the Marketplace, states and the federal government generally use a percentage multiple of the guidelines (for example, 133 percent or 185 percent of the guidelines). The Federally-facilitated Marketplace (FFM) will begin using the 2016 FPLs for Medicaid and CHIP eligibility on March 4, 2016. In accordance with section 36B of the Internal Revenue Code, eligibility for APTC and CSR will continue to be determined using 2015 FPLs for all APTC and CSR for enrollment that is effective in 2016.

Included with this informational bulletin is the *2016 Dual Eligible Standards* chart that displays the new standards for the Medicare Savings Program categories. These standards are also available on Medicaid.gov at <https://www.medicaid.gov/medicaid-chip-program-information/by-population/medicare-medicaid-enrollees-dual-eligibles/seniors-and-medicare-and-medicaid-enrollees.html>.

Please update your standards in accordance with this information. If you have any questions or need additional information, please contact Judith Cash at 410-786-4473 or Judith.Cash@cms.hhs.gov.