

Implementation Guide: Medicaid State Plan Eligibility Income Standards – AFDC-Related – Territories

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Income Standards – AFDC-Related – Territories

POLICY CITATION

Regulations: 42 CFR Part 436

BACKGROUND

This reviewable unit (RU) describes various income standards established by the territories for their Aid to Families with Dependent Children (AFDC) and Temporary Assistance for Needy Families (TANF) programs. These standards are relevant to the income standards for certain Medicaid eligibility groups and whenever possible should be completed prior to or with the submission those eligibility group RUs.

In establishing income eligibility standards for certain eligibility groups, territories must ensure that the income standards fall within statutorily established minimum and maximum standards. Territories are given various options related to minimum and maximum standards from which they may select. Some of these minimum and maximum standards are based on the territory's AFDC payment standards in effect as of either May 1, 1988 or July 16, 1996, or the AFDC need standard or current TANF payment standard.

Note that this RU is a reference document linked by eligibility group RUs. This RU does not itself establish income standards for any group; only the individual eligibility RUs define such eligibility standards.

One example of use of the AFDC payment standard can be found in the **Parents and Other Caretaker Relatives** RU. The lowest income standard (the minimum) that a territory may use for this eligibility group is their AFDC payment standard in effect as of May 1, 1988, converted to a MAGI-equivalent standard. The RU for the parents and other caretaker relatives group includes a link to the **Income Standards – AFDC-Related - Territories** RU for a description of the minimum income standard.

INSTRUCTIONS

This reviewable unit contains the types of income standards listed below. The first two income standard sections must be completed. The remaining optional income standard sections should be completed only if they are used for an eligibility group covered under the state plan.

A – H Income Standards

The required income standards are:

- A. MAGI-equivalent AFDC Payment Standard in Effect As of May 1, 1988
- B. AFDC Payment Standard in Effect As of July 16, 1996

The optional income standards are:

- C. MAGI-equivalent AFDC Payment Standard in Effect As of July 16, 1996
- D. AFDC Need Standard in Effect As of July 16, 1996

- E. AFDC Payment Standard in Effect As of July 16, 1996, increased by no more than the percentage increase in the Consumer Price Index for urban consumers (CPI-U) since such date
- F. MAGI-equivalent AFDC Payment Standard in Effect As of July 16, 1996, increased by no more than the percentage increase in the Consumer Price Index for urban consumers (CPI-U) since such date
- G.TANF Payment Standard
- H. MAGI-equivalent TANF Payment Standard

For each income standard section you wish to complete, select the *Add Income Standards* link.

- The **Income Standards** 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** implementation guide for detailed instructions for updating these fields.
- When you have completed this screen and selected the *Save Income Standard* button, the income standards will be inserted into the **Income Standards – AFDC-Related - Territories RU**.

I. 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

For each new income standard that has not been previously approved by CMS, the territory will need to provide documentation demonstrating that the income standard is historically accurate and/or properly converted to a MAGI-equivalent income standard.