

Implementation Guide: Medicaid State Plan Eligibility Eligibility Groups – Options for Coverage Optional Targeted Low Income Children

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Optional Targeted Low Income Children

POLICY CITATION

Statute: 1902(a)(10)(A)(ii)(XIV) and 1905(u)(2)(B)

Regulation: 42 CFR 435.229

BACKGROUND

Overview

This reviewable unit (RU) describes the optional Medicaid eligibility group for uninsured individuals who meet the definition of optional targeted low-income children, as described at 42 CFR 435.229. It provides the criteria under which children may be covered under this group, the income standard used, and the basis for the income standard used.

Optional Targeted Low-income Child

For the purposes of this group, “Optional targeted low-income child” has the meaning described in regulations at 42 CFR 435.4. In general, this is a child who:

- Is under the age of 19;
- Has income no more than the income limit established by the state for this group (see Income Eligibility below);
- Does not have health insurance coverage, including not having geographic access to care under insurance coverage; and
- Is not eligible for a mandatory eligibility group.

One key difference between this optional group and the mandatory eligibility group for infants and children at 42 CFR 435.118 is that the mandatory group covers insured and uninsured children, whereas the optional targeted low-income child group covers only uninsured children.

Options: Age of Coverage. States have the option to provide Medicaid to all optional targeted low-income children under age 19, or under a lower age as specified by the state. Or, states may opt to cover a specific range of ages under age 19 (e.g., age 1 through age 5 or age 6 through age 18).

Income Eligibility

The state establishes an income standard for eligibility under the optional targeted low income children group. The income standard must be at least as high as the minimum and cannot exceed the maximum permitted.

The income standard established under this section may not exceed the *highest* of:

- 200 percent FPL;
- A percentage of the federal poverty level which exceeds the state’s Medicaid applicable income level defined at 42 CFR 457.10 (pre-CHIP Medicaid upper income threshold as of March 31, 1997) by no more than 50 percentage points; or

- The highest effective income level for such individuals under the Medicaid or Children’s Health Insurance Program (CHIP) state plan or a Medicaid or CHIP 1115 demonstration as of March 23, 2010, or December 31, 2013, whichever is higher, converted to a Modified Adjusted Gross Income (MAGI)-equivalent standard.

The maximum income standard for this group permits a state to transition a separate CHIP, described under the CHIP state plan (or a CHIP 1115 demonstration), to a Medicaid expansion through this optional eligibility group.

The minimum income standard for this group may vary based on the ages of children covered. Children may only be determined eligible for this group if they are not eligible for the mandatory group for infants and children under age 19 at 42 CFR 435.118.

To meet the Affordable Care Act’s maintenance of effort requirement, which remains in effect until October 1, 2019, states must maintain an income standard and an age range for this group that are at least as high as those in effect under their Medicaid state plans as of March 23, 2010, converted to a MAGI equivalent. A state may not eliminate or reduce eligibility by age or income under this group.

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

There are a series of statements (A.1. through A.4.) describing 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**, 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 Targeted Low Income Children*** link to return to the **Optional Targeted Low Income Children RU**.

C. Individuals Covered

At **C.1.**, select **Yes** or **No** to indicate if the state covers all children under a specified age under this eligibility group.

- If **Yes** is selected, select one of the three options.
 - If **C.1.c. Under other age** is selected, enter the age under which a child will qualify in the text box provided.
Screen validation: The age entered must be at least one and no higher than 17.
- If **No** is selected, select one of the three options to indicate the age range used for this eligibility group.
 - If **C.2.c. Other age range** is selected, enter the ages that represent the lower and upper limits of the age range.
Screen validation: The lower age may be 0, and must be no higher than 18. The upper age must be at least one and no higher than 18, provided it is equal to or higher than the number entered for the lower age.

D. Income Standard Used

Enter the % FPL used for the income standard for this group in the text box provided.
Screen Validation: If the Maximum Income Standard selected at **E.2.b.** is 200% this percentage may not exceed 200%.

E. Basis for Income Standard

1. Minimum Income Standard

There is a statement that the minimum income standard for this group is one that is greater than the lowest income standard used by the state for its Infants and Children under Age 19 eligibility group.

If you wish to view the income standards in that RU, select the ***View Approved Version of Infants and Children under Age 19 - Income Standards Used*** link.

- The **Infants and Children under Age 19** 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 Targeted Low Income Children*** link to return to the **Optional Targeted Low Income Children RU**.

2. Maximum Income Standard

- At **E.2.a.**, indicate that the state has submitted and received approval for its converted income standard(s) for this eligibility group to MAGI-equivalent standards and the maximum standard to be used for this group. To do this, check the box next to the assurance.

- Select one of the ten options at **E.2.b.i.** through **E.2.b.x.** to indicate the basis for the maximum income standard.
- At **E.2.c.**, enter the amount of the maximum income standard in the text box provided.

Screen Validation: This value is pre-filled if **E.2.b.ix. 200% FPL** is selected. Otherwise, the field must be entered.

F. 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 income standard must exceed the income standard selected in the Infants and Children under Age 19 RU for the age or age range used for this group. Otherwise, this group cannot be selected for coverage.

The income standard must not exceed the maximum entered.

Due to maintenance of effort requirements in effect through October 1, 2019, the state may not choose to discontinue coverage of children covered under this group as of March 23, 2010 by either reducing the age selected in section C. or removing this RU entirely from its state plan. Also, the amounts entered in section D. Income Standards Used must equal or exceed the MAGI-converted income standard in effect as of March 23, 2010 for the age or age range of children.