

## **Template CS6 – Income Standards**

**Statute:** 2102(b)

**Regulation:** 42 CFR 457.320(a)(2) and (3)

**Additional References:** SHO # 10-005, dated March 2, 2010

### **INTRODUCTION**

This template applies only to States with separate child health assistance programs.

This template is not accessed directly. It is displayed when needed for entry of age and income standards within the templates for the following covered groups:

CS7 – Targeted Low-Income Child

CS10 - Children Who Have Access to Public Employee Coverage

CS12- Dental Only Supplemental Coverage

### **BACKGROUND**

The State must specify eligibility standards used for its separate child health assistance program, including age and income standards.

Please note: CHIPRA section 114 changed the applicable federal matching rate for expenditures for child health assistance or health benefits coverage for a targeted low-income child whose effective family income would exceed 300 percent of the FPL if not for the application of a general exclusion of a block of income that is not determined by type of expense or type of income. Instead of using the enhanced FMAP rate that would otherwise apply for CHIP expenditures, the regular Medicaid FMAP rate as determined under section 1905(b) of the Act would apply. An exception was made for States that had existing authority to cover children above 300 percent of the FPL as of the date of enactment of CHIPRA (February 4, 2009). States qualifying for an exception may receive the enhanced FMAP rate to provide coverage to children with family incomes above 300 percent of the FPL.

### **TECHNICAL GUIDANCE**

Where income standards are requested, a grid is displayed with the following fields:

Two fields for age, labeled ‘From Age’ for the lower end of the age range and ‘Up to Age’ for the upper bound of the age range. States select the ages from a dropdown list with values from 0 to 19.

Note: The ‘From Age’ includes the child’s birthday. The Up to Age should be read as ‘up to but not including’. That is, for example, up to age 6 means until the child’s sixth birthday but not including the child’s birthday.

Two fields for percentage of Federal poverty level (FPL) labeled 'Above' for the lower end of the income standard and 'Up to and including' for the upper bound of the income standard. The State enters in the FPL amounts in both fields.

Note: The 'above' amount does not equal the actual dollar amount represented by the FPL percentage entered, but rather is equal to the dollar amount plus one cent of the FPL percentage entered. However, 'up to and including' is inclusive of the actual dollar amount represented by the FPL percentage entered. Example: for income range of above 185% (dollar value = \$1,850) up to and including 250% (dollar value = \$2,500), the lower end equals \$1,850.01 and the upper end equals \$2,500 exactly). To avoid gaps, after the State has entered in the first income standard, the amount entered for the 'above' value for the subsequent income standard should equal the previous 'up to and including'.

The age and income grid may be completed in two ways:

- By first entering in an age range and then the income range that applies to that age range. This process would get repeated until all the age and income ranges are entered, or
- Entering all the individual age ranges first. By doing this, a list of the ages gets created on the left hand side of the grid. The income ranges would then be entered in the columns next to each individual age range.

Note: After the first age range is entered, to enter more age ranges, click on the plus sign in the left hand column of the grid.

*Validation 1 for ages: first entry of 'up to age' cannot equal '0'.* If the validation fails, i.e. zero was entered as a value, an error message gets displayed and the State is given the opportunity to correct.

*Validation 2 for ages: 'up to' value to be greater than 'from' value.* If the validation fails, that is a lower number was entered for the upper bound than for the lower end of the age range, an error message gets displayed and the State is given the opportunity to correct.

*Validation 3 for ages: each time that an age range is entered, it is cross-checked to previously entered age ranges to check for any overlap.* If the cross-check finds that there is an overlap, an error message is displayed and the State is asked to check one of two options:

1. This was done in error. If the State checks this option, the State is given the opportunity to correct.
2. This age group has more than one income standard. If the State checks this option, the State must then enter an explanation. The explanation must include the reason

for having different income standards for children within the same age, the individual ages that overlap and the income standards for the overlap ages.

With each entry of income levels, the State must answer the question ‘Does this equal the highest income standard used for this age group in Medicaid?’ by selecting Y or N.

- If the response is yes, an error message is displayed saying ‘Please note that the lower bound for CHIP eligibility is the highest standard for Medicaid poverty-level children for this age group. Cannot proceed unless correction is made.’ and the State is given the opportunity to correct.

*Validation 1 for income standards: ‘up to’ value must be greater than ‘above’ value.* If the validation fails, that is a lower number was entered for the upper bound than for the lower end of the income standard, an error message gets displayed and the State is given the opportunity to correct.

*Validation 2 for income standards: ‘above’ value cannot be greater than 300.* If the validation fails, a message saying that the upper limit cannot exceed 300% FPL gets displayed and the State is given the opportunity to correct.