



**Date:** September 6, 2018 **MEPD and Texas Works Bulletin 18-8**

**To:** Eligibility Services – Regional Directors  
Program Managers  
Eligibility Services Supervisors  
Regional Attorneys  
Hearings Officers

**From:** Gina Carter, Director  
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State Office 2115

**Subject:** **1. Modified Adjusted Gross Income (MAGI) Household Composition and Household Income Exception Updates for Tax Dependents Age 19 and Older**  
**2. Healthy Texas Women Auto-Enrollment Expansion**  
**3. Authorized Representative Correspondence**  
**4. Medicaid for the Elderly and People with Disabilities (MEPD) and Medicare Savings Program (MSP) Review Changes**

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Bulletins are sent to supervisors and other regional managers. Supervisors must share this information with all eligibility staff. Please ensure that copies are provided to staff that do not have access to e-mail. If you have any questions regarding the policy information in this bulletin, follow regional procedures.

Active bulletins are posted on the following websites:

- Texas Works Handbook (TWH) at <http://hhs.texas.gov/laws-regulations/handbooks/texas-works-handbook/texas-works-bulletins>;
- Medicaid for the Elderly and People with Disabilities Handbook (MEPDH) at <http://hhs.texas.gov/laws-regulations/handbooks/medicaid-elderly-and-people-disabilities-handbook/mepd-policy-bulletins>.

**1. Modified Adjusted Gross Income (MAGI) Household Composition and Household Income Exception Updates for Tax Dependents Age 19 and Older**

**Background**

During a Payment Error Rate Measurement (PERM) review, the Centers for Medicare and Medicaid Services (CMS) issued a finding that Texas does not correctly determine

the Modified Adjusted Gross Income (MAGI) household composition for a pregnant woman age 19 and older who expects to be claimed as a tax dependent by her parents.

This change also impacted other MAGI policies.

MAGI Household Composition Updates for Tax Dependents Age 19 and Older

**Current Policy**

*Medicaid and CHIP*

A tax dependent age 19 or older is considered an adult. If the individual is expected to be claimed as a tax dependent by a parent (natural, adopted, or step), the individual is considered as meeting a tax dependent exception and non-filer rules are applied when determining the individual's MAGI household composition. (TWH A-241.1.2)

Non-filer rules include only the following in the individual's MAGI household composition:

- The individual;
- The individual's spouse; and
- The individual's children under age 19.

**New Policy**

*Medicaid and CHIP*

Regardless of the individual's age, an individual who is expected to be claimed as a tax dependent by a parent (natural, adopted, or step) does not meet a tax dependent exception.

The individual's MAGI household composition includes the:

- Tax dependent;
- Individuals in the MAGI household composition of the taxpayer who is planning to claim the tax dependent:
  - The taxpayer;
  - The taxpayer's spouse, if the taxpayer and the spouse live together or file a joint federal income tax return; and
  - Any individual the taxpayer plans to claim as a tax dependent; and
- Tax dependent's spouse, if the tax dependent and the spouse live together.

*Determining Whether an Exemption to MAGI Household Income Applies to a Child Age 19 or Older Included in the MAGI Household Composition of a Parent*

**Current Policy**

*Medicaid and CHIP*

When determining whose income is counted in the MAGI household income, if an individual meets one of two exceptions for the taxable year in which Medicaid or Children's Health Insurance Program (CHIP) eligibility is requested, the individual's MAGI individual income is not included when calculating MAGI household income. (TWH A-1341)

*Exception 1*

An individual is a child who is:

- Under age 19;
- Included in the MAGI household composition of a parent; and
- Not expected to be required to file a federal income tax return because the child's monthly income is below the monthly Internal Revenue Services (IRS) earned or unearned income threshold.

*Exception 2*

An individual is a tax dependent who is:

- Included in the MAGI household composition of the taxpayer claiming them as a tax dependent; and
- Not expected to be required to file a federal income tax return because the tax dependent's monthly income is below the monthly IRS earned or unearned income threshold.

**New Policy**

*Medicaid and CHIP*

When determining whose income is counted in the MAGI household income, the definition of Exception 1 is revised to remove the age limit. The definition of Exception 2 remains unchanged.

*Exception 1*

An individual is a child, regardless of age, who is:

- Included in the MAGI household composition of a parent (natural, adopted, or step); and
- Not expected to be required to file a federal income tax return because the child's monthly income is below the monthly IRS earned or unearned income threshold.

**Forms**

Form H1042, Modified Adjusted Gross Income (MAGI) Worksheet: Medicaid and CHIP, Step 3, #1 has been revised to indicate that an exception applies to a child, regardless

of age, who is included in the MAGI household composition of a parent (natural, adopted, or step).

Counting Social Security Benefits (SSBs) for Children Age 19 and Older Included in the MAGI Household Composition of a Parent

**Current Policy**

*Medicaid and CHIP*

When determining the countable amount of SSBs for a child included in the MAGI household composition of a parent, IRS tax rules are applied to calculate the countable amount of SSBs only for a child who is under age 19. (TWH A-1341)

**New Policy**

*Medicaid and CHIP*

When determining the countable amount of SSBs for a child (natural, adopted, or step) included in the MAGI household composition of a parent, IRS tax rules are applied to calculate the countable amount of SSBs for the child, regardless of the child's age.

**Automation**

Changes to TIERS will be implemented September 8, 2018 with Release 102.2.

**Effective Date**

These policies are effective for applications, renewals, or changes received on or after the TIERS Release 102.2 implementation date scheduled for September 8, 2018.

**Handbook**

The Texas Works Handbook will be updated in the January 2019 revision.

**Training**

Training will be provided in the web-based training titled R102.2 General Information. A training broadcast will be sent with further details.

**2. Healthy Texas Women (HTW) Auto-enrollment Expansion  
Background**

Currently, women whose Medicaid for Pregnant Women (TP 40) coverage is ending are retested to determine if they may be eligible another Medicaid program or Children's Health Insurance Program (CHIP). If determined ineligible for other medical assistance program, they are automatically enrolled in the HTW (TA 41) program. Women that voluntarily withdraw or fail to be interviewed, if required, are not auto-enrolled.

## **Current Policy**

### Healthy Texas Women Program

If eligible for auto-enrollment, women are auto-enrolled in HTW the first day of the month after their TP 40 coverage ends if they are determined ineligible for another Medicaid program or CHIP. No other financial or non-financial rules are applied to women who are auto-enrolled into HTW. (TWH W-1920)

Auto-enrollment into HTW does not occur for women who:

- Voluntarily withdraw from applying for medical assistance before a program determination is made; or
- Are determined to be potentially eligible for Medicaid for Parent and Caretaker Relatives (TP 08) but fail to be interviewed.

## **New Policy**

### Healthy Texas Women Program

A woman will now be auto-enrolled into HTW even if they:

- Voluntarily withdraw from applying for medical assistance before a program determination is made; or
- Are determined to be potentially eligible for Medicaid for Parent and Caretaker Relatives (TP 08) but fail to be interviewed.

## **Automation**

Changes to TIERS will be implemented on September 8, 2018 with Release 102.2.

## **Effective Date**

Policy is effective with the implementation of Release 102.2 scheduled for September 8, 2018.

## **Handbook**

The Texas Works Handbook will be updated with the January 2019 revision.

## **Training**

The web-based training, R102.2 General Information, details policy and procedure changes. A training broadcast will be sent with further details.

## **3. Authorized Representative (AR) Correspondence**

### **Background**

An individual's designated AR or court-appointed legal guardian has access to all benefit information for the case and may receive copies of all agency generated

correspondence. Correspondence is sent to both the individual and the individual's AR or legal guardian. When the mailing addresses are the same, the AR or legal guardian receive multiple copies of the same correspondence.

To improve client experience and reduce duplicate correspondence, the requirement for who correspondence is sent to for certain individuals who have an authorized representative (AR) or legal guardian is being modified.

### **Current Policy**

#### *All Programs*

Both an individual and the individual's designated AR or legal guardian may receive copies of agency-generated correspondence.

When an individual designates an AR or has a legal guardian, staff enter contact information for the designated AR or legal guardian in the Texas Integrated Eligibility Redesign System (TIERS) **Household Authorized Representative** Logical Unit of Work (LUW). TIERS automatically generates and mails correspondence to both the individual and the individual's AR or legal guardian. (MEPDH B-1100 and B-6510)

In addition, the individual or authorized representative (AR) for a case may each choose at any time to receive most eligibility correspondence electronically rather than through the mail. (TWH A-119.1 and MEPD 15-05 - 2. Electronic Correspondence)

### **New Policy**

#### *All Programs*

When an individual and the individual's designated AR have the same mailing address, correspondence will only be sent to the AR.

When an individual has a legal guardian, correspondence will only be sent to the guardian, even if the individual and the guardian have different mailing addresses.

In addition, an individual or authorized representative for a case who has chosen to receive most eligibility correspondence electronically will continue to receive them.

### **Effective Date**

The policy is effective with the implementation of Release 102.2 scheduled for September 8, 2018, and for SNAP/TANF renewals due November cutoff and MEPD and Medicaid/CHIP renewals due December cutoff.

### **Handbook**

The MEPD Handbook updates are scheduled for December 2018.

The Texas Works Handbook will be updated with the January 2019 revision.

## Training

Training will be provided in the web-based training for R102.2 General Information. A training broadcast will be sent with further details.

## 4. Medicaid for the Elderly and People with Disabilities (MEPD) and Medicare Savings Program (MSP) Renewal Changes

### Background

Eligibility for individuals receiving MEPD or MSP are redetermined at least once every 12 months. Depending on the form, the renewal cover letter indicates individuals have 10 or 13 days to return the information. When an individual is receiving both MEPD and MSP benefits, a separate renewal form is sent for each. In addition, the renewal due dates for MEPD and MSP EDGs in the same case may not be aligned.

### Current Policy

#### *MEPD*

When an MEPD renewal is due, a cover letter and renewal form is sent to the individual. (MEPDH B-8400)

Individuals certified for both MEPD and MSP receive the following MEPD renewal forms:

- Form H1200 Application for Assistance - Your Texas Benefits to renew MEPD; and
- Form H1200EZ Application for Assistance - Aged and Disabled to renew MSP.

**Note:** As required in MEPD HB B-3100, Application Process, *any* version of the Form H1200 can be used to redetermine eligibility for *all* MEPD programs.

Since TIERS does not auto-align the renewal due dates, staff must manually align the renewal due dates when a new individual or a new program is added to an existing MEPD EDG by selecting the existing EDG on the **Initiate Interview** LUW page and disposing both EDGs together.

In the ninth month of a 12month certification period, a renewal form with a cover letter is sent informing the individual to complete and return the renewal form and any required information within 10 or 13 days of the date of the letter.

### New Policy

#### *MEPD*

At renewal, individuals certified for both MEPD and MSP will only receive Form H1200 when the renewal due dates for both EDGs are aligned. In addition, individuals now have 30 days to complete and return the renewal form.

To ensure the renewal due dates are aligned, when a new individual or a new MEPD program is added to an existing MEPD EDG, TIERS will automatically select the existing MEPD EDG for review on the **Initiate Interview-Initiate Review** page. If both EDGs are certified, the renewal due dates are aligned.

**Initiate Review**

Current User: Sit User3000  
(12) TIERS Project  
4447777

My Schedule My Alerts

My TIERS Functions

Navigation History

- Application
- Presidential Emergency
- Self Service
- Application Registration
- Scheduling
- Data Collection
  - Initiate Interview
  - Case Comments
  - FS SNAP
  - Customize Driver
- Individual Information
- TOA Specific
- Non Financial
- Absent Parent
- Sanctions
- Resources
- Income
- Expenses

Case Name: Case #: Case Mode: Complete Action Case Status: Approved

Reset Next

Initiate Review

Please select the EDGs that you want to Review:

Program	EDG Number	Type of Assistance	Review Due Date	Packet Received date	Form Number(s)
<input checked="" type="checkbox"/> Medicare Cost Share	601297146	MC - QMB	09/14/2018	mm / dd / yyyy	H1200 H1200-SR H1200-EZ H1206-MA H1200-A
<input checked="" type="checkbox"/> Medicaid Eligibility	24734226	ME - Nursing Facility	09/14/2018	mm / dd / yyyy	H1200 H1200-SR H1200-EZ H1206-MA H1200-A

[Display Terminated EDGs](#)

Children's Insurance Six Month Review

Program	EDG Number	Type of Assistance	Review Due Date
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Reset Next

When processing a request to add a new individual or new MEPD EDG to an existing MEPD EDG, staff must:

- Select Complete Action on the **Initiate Interview** page;
- Select Yes to "Do you wish to continue?" on the Case Mode Confirmation Page;
- On the **Initiate Interview-initiate review** page, ensure both EDGs are selected;
- Enter any new information and explore all eligibility factors for both EDGs;
- If additional information is needed, pend the case and follow policy and timeframes for missing information (MEPD HB Sections B-6420, B-6510); and
- When all information is received, dispose both EDGs.

For individuals receiving both MEPD and MSP, TIERS will automatically select all active ME and MC EDGs on the **Initiate Interview** page and will not allow staff to uncheck the boxes next to the EDGs.

**Note:** Staff must continue to follow all policies and procedures when processing MEPD and MSP renewals.

## Forms

The following renewal cover letters have been updated to indicate a due date of 30 days:



- Form H1211, It's Time to Renew Your Health-Care Benefits Cover Letter;
- Form H1233, Redetermination Cover Letter;
- Form H1233 MBI, Redetermination Cover Letter (Medicaid Buy-In); and
- Form H1233 MBIC, Redetermination Cover Letter (Medicaid Buy-In for Children).

**Automation**

Changes to TIERS will be implemented on September 8, 2018 with Release 102.2.

**Effective Date**

The policy is effective with the implementation of Release 102.2 scheduled for September 8, 2018.

Only one renewal form will be sent for renewals due December cutoff and ongoing.

**Handbook**

The MEPD Handbook updates are scheduled for December 2018.

**Training**

Training will be provided in the web-based training for 102.2 General Information. A training broadcast will be sent with further details.