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**Date:** April 20, 2016 **Texas Works Bulletin Number: #16-07**

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

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**Subjects:**

- 1. Mileage Rate Decrease**
- 2. 2016 Federal Poverty Income Limits (FPIs) and Internal Revenue Service (IRS) Filing Thresholds**
- 3. Affordable Care Act (ACA)—Updates to Inclusion of the Needs of Unborn Children in the CHIP (TA 84) Modified Adjusted Gross Income (MAGI) Household Composition - REVISED**

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Bulletins are sent to supervisors and other regional managers. Supervisors must share this information with all Texas Works 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 Texas Works Handbook (TWH) website at <http://www.dads.state.tx.us/handbooks/TexasWorks/>.

Texas Works Bulletin (TWB) #16-07, 3. ACA - Updates to Inclusion of the Needs of Unborn Children in the CHIP (TA 84) MAGI Household Composition, is revised to update the effective date.

## **1. Mileage Rate Decrease**

### **Background**

Households may claim deductions for transportation expenses related to self-employment (TWH A-1323.4.5) and medical costs (TWH A-1428.1). The household may choose to use the mileage rate rather than keeping track of individual transportation expenses.

HHSC revises the mileage rate periodically based on the amount set by the Texas Comptroller of Public Accounts for state travel. The rate corresponds to the Internal Revenue Service's (IRS's) standard mileage rate.

### **Current Policy**

The current mileage rate is 56 cents per mile.

### **New Policy**

The mileage rate is decreasing from 56 cents a mile to 54 cents a mile.

### **Automation**

This change does not require any automation changes to the Texas Integrated Eligibility Redesign System (TIERS).

### **Effective Date**

Changes to policy are effective for all case actions completed on or after March 1, 2016.

### **Handbook**

The handbook will be updated with the July 2016 Revision.

### **Training**

Training is not required.

## **2. 2016 Federal Poverty Income Limits (FPILs) and IRS Filing Thresholds**

### **Background**

The United States Department of Health and Human Services (HHS) updates the federal poverty income guidelines annually. The federal poverty guidelines are converted to a monthly income amount by the Texas Health and Human Services Commission (HHSC) and are used to determine the Federal Poverty Income Limit (FPIL) and Standard Modified Adjusted Gross Income (MAGI) Income Disregard amounts used when determining eligibility for certain Medicaid programs and the Children's Health Insurance Program (CHIP).

The Standard MAGI Income Disregard is a standard amount based on the applicable household size. The Standard MAGI Income Disregard is subtracted from the sum of MAGI individual incomes to get the MAGI household income when calculating MAGI financial eligibility. It is equal to five percentage points of the FPIL.

The IRS updates the filing requirements for dependents annually. Individuals whose annual income (earned, unearned, or a combination) exceeds the filing requirements are "expected" by the IRS to file a federal income tax return under federal law. The filing requirements for dependents are converted to a monthly income amount by HHSC and are used to determine the IRS Monthly Income Threshold amounts for each tax filing year. The IRS Monthly Income Threshold amounts are used to determine if an individual's income must be counted when calculating MAGI financial eligibility.

**Policy Update**

Attachments [1](#), [2](#), and [3](#) include the 2016 FPIL amounts for:

- Children Under 1 Medicaid (TP 43, 35, and TA 74)
- Children 1-5 Medicaid (TP 48, 33, and TA 75)
- Children 6-18 Medicaid (TP 44, TP 34, and TA 76)
- Pregnant Women Medicaid (TP 40, 36, and 42)
- Transitional Medicaid (TP 07 and 37)
- Texas Women’s Health Program (TWHP) (TA 41)
- Children’s Health Insurance Program (CHIP) and CHIP perinatal (TA 84 and TA 85)
- Medicaid for Transitioning Foster Care Youth (MTFCY) (TP 70)
- Refugee Medical Assistance (RMA) (TP 02)
- Former Foster Care in Higher Education (FFCHE) (TA 77)
- Standard MAGI Income Disregard

The 2016 IRS Monthly Income Thresholds are included in Attachment [4](#).

When processing a case action on or after February 13, 2016, use the following chart to determine when the new FPIL and IRS Monthly Income Threshold amounts will be used.

If providing coverage for...	Use the...
March 2015 through February 2016	old income limits/threshold amounts
March 2016 through February 2017	updated income limits/threshold amounts

**Note:** If providing coverage for months in both time periods, the old income limits/threshold amounts are used for months before March 2016 and the new income limits/threshold amounts are used for March 2016 and later.

Processing Form H1146, Medicaid Report, for Transitional Medicaid Cases

When processing a Form H1146 for Transitional Medicaid (TP 07) EDGs use the following chart to determine when the updated income limits will be used:

If Form H1146 is due...	Use the...
February 2016 or earlier	old income limits
March 2016 or later	updated income limits

**Automation**

On February 13, 2016, TIERS began using:

- The 2016 income limits for coverage effective March 1, 2016 and later; and
- The 2016 IRS Monthly Income Thresholds for coverage effective March 1, 2016 and later when calculating MAGI eligibility.

## Effective Date

Changes to the FPIL and IRS Monthly Income Threshold amounts are effective March 1, 2016. Use the updated amounts beginning February 13, 2016 for any eligibility determinations effective March 1, 2016 or later.

## Handbook

The handbook will be updated with the April 2016 Revision.

## Training

Existing training will be updated with the 2016 FPIL and IRS Monthly Income Threshold amounts.

### **3. Affordable Care Act (ACA)—Updates to Inclusion of the Needs of Unborn Children in the CHIP (TA 84) Modified Adjusted Gross Income (MAGI) Household Composition - REVISED**

#### Background

The Affordable Care Act (ACA) requires that when determining eligibility for pregnant women, the needs of their unborn children are included in their MAGI household composition.

#### Current Policy

Texas Works Bulletin #16-05 currently states that for CHIP (TA 84), the needs of unborn children are not included in the MAGI household composition.

#### New Policy

For CHIP (TA 84), when determining eligibility for a pregnant child, the needs of their unborn children are included in their MAGI household composition during application, change reporting, and renewals.

Children that are pregnant and on CHIP (TA 84) prior to the effective date of this policy update will remain on CHIP (TA 84). If a pregnant child is determined eligible for CHIP, the individual was already determined ineligible for Medicaid using the needs of unborn children in the Medicaid MAGI household calculation.

#### Notes:

Consistent with current policy for CHIP:

- When determining eligibility for a non-pregnant child, the needs of unborn children are not included in the MAGI household composition when their MAGI household composition includes a pregnant woman, such as a sibling or parent.
- When a household reports a child's pregnancy before her CHIP end date, the child is tested for Pregnant Women Medicaid (TP 40) (TWH D-1435, Pregnancy Reports).

### **Automation**

For CHIP (TA 84), when determining eligibility for a pregnant child, TIERS will include the needs of their unborn children in the MAGI household composition during application, change reporting, and renewals.

### **Effective Date**

Changes to policy are effective for applications, change reporting, and renewals processed on or after Release 96.

### **Handbook**

The handbook will be updated with the July 2016 Revision.

### **Training**

Training on the needs of unborn children for CHIP will be presented as part of web-based training titled: R96-6 Non-ACA Information.