

	GEORGIA DIVISION OF FAMILY AND CHILDREN SERVICES MEDICAID POLICY MANUAL			
	Chapter:	2600	Effective Date:	June 2020
	Policy Title:	MAGI Budgeting		
Policy Number:	2669	Previous Policy Update:	MT 54	

REQUIREMENTS

Modified Adjusted Gross Income (MAGI) methodologies are used to budget all applications and periodic renewals of financial eligibility for Parent/Caretaker with Child(ren), Children Under 19 Years of Age, Pregnant Women Medicaid, PeachCare for Kids® (PCK) and Planning for Healthy Babies® (P4HB).

BASIC CONSIDERATIONS

The MAGI budget includes the taxable income of all individuals in the budget group (BG).

Do not include the taxable income of a BG tax dependent child if not required to file a tax return. This amount changes yearly and is determined by the Internal Revenue Service (IRS).

A percentage of the Federal Poverty Level (FPL) is used to determine financial eligibility for Family Medicaid MAGI classes of assistance (COAs) based on the BG's net taxable income

Net taxable income is the BG's income after deducting the following:

- cost of doing business for self-employed or farming/fishing individuals
- Before-Tax deductions
- 1040 deductions
- MAGI 5% FPL deduction

Refer to Section [2655](#), Family Medicaid Deductions, and Section [2415](#), Self-Employment.

A percentage of the Federal Poverty Level (FPL) is used to determine MAGI financial eligibility based on the BG's net countable income.

PROCEDURES

Follow the steps below to determine eligibility for MAGI COAs.

- Step 1** For self-employed or farming/fishing individuals, deduct all allowable IRS deductions. Refer to [Section 2415](#), Self-Employment.
- Step 2** Deduct any before-tax deductions of taxable income.
- Step 3** Deduct any 1040 deductions of taxable income.
- Step 4** Subtract from the net taxable income 5% of the 100% FPL for the budget group size. Please refer to Appendix A-2 for the deduction amounts for each budget group size.
- Step 5** Select the appropriate income limit; either the Parent/Caretaker with Child(ren) limit, or the appropriate Pregnant Women or Children Under 19 Years of Age net taxable limit using the criteria below. Refer to Appendix A2, Financial Limits for Family Medical Assistance.
- 247% of the FPL for PCK, for children from birth to the last day of the month of the child's 19th birthday
 - 211% of the FPL for eligible women from ages 18-44 (P4HB)
 - 220% of the FPL for pregnant women and infants born to Medicaid-eligible women

NOTE: Infants born to Medicaid-eligible mothers are considered to have met the Deemed Newborn Medicaid income limit, regardless of the budget group's income at the time of delivery.

- 205% of the FPL for children, birth through the month the child reaches age one for children who are ineligible for Deemed Newborn Medicaid.
- 149% of the FPL for children age one through the month in which the child turns age six.
- 133% of the FPL for children age six through the month in which the child turns age 19.
- Parent/Caretaker with Child(ren) net taxable limit.

PROCEDURES (cont.)

Step 6 Compare the net taxable income amount to the appropriate income limit for the BG size

- If the net taxable income is less than or equal to the appropriate income level, approve the AU members for Medical Assistance.

If the net taxable income exceeds the appropriate income level for the BG size, the AU members are ineligible for Medicaid. If ineligible for Parent/Caretaker with Child(ren), complete a CMD to Children Under 19 Years of Age Medicaid coverage; refer the adults to the Federally Facilitated Marketplace (FFM). If ineligible for Children Under 19 Years of Age coverage, complete a CMD to PeachCare for Kids® (PCK). If ineligible for PCK coverage, refer ineligible children to the FFM.

NOTE: Prior to referring adult women to FFM who are ineligible for Parent/Caretaker with Child(ren), CMD to P4HB if they confirm they want P4HB. If ineligible for P4HB continue with referral to FFM. Because the Children Under 19 Years of Age income limits vary based on the age of the child, it is possible that a child(ren) may be eligible for Medical Assistance while another child(ren) in the same BG may be ineligible. Complete a CMD as indicated above for an ineligible child(ren) in a budget group.