IOWA HBE PMO PROJECT

MAGI ELIGIBILITY AND OPTIONS FOR SIMPLIFICATION OF NON-MAGI CATEGORIES

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TABLE OF CONTENTS

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1. SUMMARY

The Affordable Care Act (ACA) establishes a new standard method for determining Medicaid eligibility for most non-disabled, non-elderly applicants utilizing the Internal Revenue Service definition of Modified Adjusted Gross Income (MAGI). This report analyzes how Iowa's existing Medicaid and Hawk-I (CHIP) eligibility categories align with the new Modified Adjusted Gross Income (MAGI) eligibility standard under the ACA and explores possible options for simplifying eligibility categories for the non-MAGI population. The analysis is based on a crosswalk developed by HMA that identifies the existing Iowa eligibility categories and differentiates between the groups which will fall under the new ACA MAGI eligibility rules versus those that will be exempt from the MAGI standard.

For those individuals whose eligibility will be determined based on MAGI rules, particularly children, parents, and single adults, the ACA provides Iowa with an opportunity to streamline and simplify the determination of Medicaid eligibility as well as the categories of assistance. At the same time, the introduction of a new eligibility methodology adds some complexity to the system that must be acknowledged. Existing Iowa aid categories do not all fit neatly into the new MAGI eligibility framework and maintenance of effort requirements for children remain in effect through 2019. Given that the existing Medicaid eligibility methodology will be continued for some groups of individuals, Iowa will need systems that are able to calculate eligibility under both MAGI and traditional non-MAGI methods. Despite these challenges, ACA will allow for consolidation and simplification opportunities for those categories identified in this report's crosswalk as subject to the MAGI methodology.

In delineating the existing Iowa eligibility categories that will be exempt from MAGI methodologies, this report also explores the extent to which these categories could be consolidated and streamlined to further simplify medical assistance eligibility categories in Iowa. While the rules for the non-MAGI categories were left intact by ACA, this report identifies several areas that Iowa should explore as it seeks to simplify eligibility categories. These include:

- existing optional non-MAGI categories. The Iowa eligibility staff set the groundwork for this work with option papers that were developed to explore consolidation options and the HMA analysis builds off these papers. HMA agrees that many of these categories provide potential opportunities for streamlining of eligibility categories, although additional analysis is required.
- home and community-based waivers. With seven home and community-based waivers, Iowa is not an outlier but is above the norm with respect to HCBS waivers. Iowa would appear to have some ability to restructure its waivers to simplify eligibility categories.
- existing mandatory non-MAGI categories. Based on HMA's experience, Iowa uses more aid types to track mandatory aid categories related to these non-MAGI groups than found in other states. These aid codes do not appear to track to different benefit packages, suggesting that they could be collapsed into fewer eligibility groups. While Iowa must continue to cover all mandatory eligibility categories, it is our understanding that the existing multiplicity of aid codes/types is a function of the existing MMIS and eligibility systems and should be resolved by the replacement system.
- outdated categories of assistance. HMA identified a number of mandatory non-MAGI categories that are outdated and infrequently used by Iowa, but are still required by CMS regulation. HMA

recommends that the state request CMS eliminate these categories as part of any future "clean-up" of the eligibility statutes and rules.

Although these represent candidates for consolidation, Iowa will need to consider any impact that streamlining of categories may have on the benefit package individuals receive. For example, as identified in the report, the streamlining of certain categories may result in individuals receiving a "benchmark" benefit package less generous than the full Medicaid benefit package they currently receive. There may also be state data and reporting needs that argue for maintenance of existing categories. The state will need to weigh these factors as it makes decisions on consolidation of existing aid categories.

This document is not an exhaustive treatment of eligibility and enrollment under the Affordable Care Act. Instead, this paper focuses on the eligibility rules under ACA and provides potential options for streamlining eligibility categories, recognizing that more research and analysis will be necessary for Iowa to make final decisions. While not providing significant detail on ACA provisions related to a streamlined eligibility process, the report does conclude with some observations related to opportunities for streamlining these processes for non-MAGI individuals. HMA staff is available to discuss in more detail ACA provisions that are of particular interest to the Iowa Department of Human Services or other Iowa officials.

2. INTRODUCTION

2.1 Purpose

The scope and purpose of this report is to provide a crosswalk of existing Iowa Medicaid/CHIP eligibility categories with the new MAGI standard under the ACA and explore options for simplifying the non-MAGI categories of assistance. Understanding the impact of these changes, as well as the opportunities to streamline and simplify eligibility afforded by the Act, is critical as Iowa prepares for implementation of the Medicaid expansion in 2014.

2.2 Background

Significant changes to Medicaid eligibility will occur as part of the ACA. Specifically, under ACA, most low income adults with incomes up to 133 percent of the federal poverty level (FPL) will be eligible for Medicaid effective January 2014, including non-disabled adults under 65 without children. ACA provides 100 percent federal funding for those who are newly-eligible under the provisions of ACA and not eligible under the previous Medicaid criteria in each state. The 100 percent rate gradually declines to 90 percent federal funding by 2019.

The Congressional Budget Office estimates that, nationally, this expansion of Medicaid eligibility will increase Medicaid enrollment by about 16 million persons by 2016. This expansion will not only provide Medicaid coverage for the first time to low-income parents and childless adults in many states but also will provide expanded Medicaid services and enhanced federal funding to certain optional coverage groups such as enrollees in the Iowa Care adult waiver.

ACA also establishes a standard definition of countable income based on the Internal Revenue Service (IRS) definition of Modified Adjusted Gross Income (MAGI) that will be used in making eligibility determinations for Medicaid, as well as other insurance affordability programs authorized by the ACA. However certain categories of eligibility, particularly those related to aged and disabled individuals, will not be subject to MAGI methodologies, pursuant to the ACA.

ACA establishes a Maintenance of Eligibility (MOE) requirement for children through September 30, 2019. This MOE requirement relates to all mandatory and optional Medicaid groups. In addition, the MOE prohibits states from implementing modifications to their application and renewal processes for children that are more restrictive than those that were in place in March 2010 when the ACA was enacted.

2.3 Overview of Report

This report reviews existing Iowa Medicaid and CHIP categories and develops a crosswalk to the new MAGI eligibility methodologies under ACA. Based on Federal statute and recently-promulgated regulations, the report identifies the extent to which existing categories will utilize the new MAGI standard or are exempt from these rules. It also explores the opportunities for consolidation of the non-

MAGI categories to assist Iowa in its efforts to use ACA as a mechanism to streamline and simplify exiting Medicaid eligibility categories.

2.4 Methodology

HMA utilized publicly-available information as well as information the state provided, including initial state option papers on MAGI/non-MAGI categories, to assist in defining and delineating existing Iowa eligibility categories. This information was utilized, in tandem with the ACA legislative language and recently-released final rules, to develop a crosswalk of existing Iowa eligibility categories to the MAGI eligibility criteria and to identify non-MAGI populations. HMA then conducted an analysis of Federal requirements related to the non-MAGI groups to analyze feasibility and options for collapsing/simplifying these categories.

3. Review of ACA MAGI Rules and Existing Program Eligibility Categories

3.1 MAGI Eligibility Provisions

ACA, enacted in 2010, introduces a new method to determine Medicaid eligibility for most non-elderly non-disabled applicants that is intended to streamline and simplify Medicaid application, enrollment and redetermination processes. While Medicaid eligibility will continue to be based on current and prospective income, the methodology to count income will be standardized across the states and between the Medicaid program and other insurance affordability programs such as a Basic Health Program and subsidized coverage under a Health Benefits Exchange. In addition, the ACA expands Medicaid eligibility to non-elderly individuals that are not eligible for Medicare and would not have been eligible for Medicaid under any existing categories of assistance.

While the statute was enacted in March 2010 and federal rules related to the MAGI eligibility provisions and the new streamlined eligibility and enrollment process were promulgated in March 2012, there remain details of ACA implementation that have not yet been finalized. In this paper HMA provides information on what is known at this time.

3.1.1 ACA legislative provisions related to MAGI

ACA introduces, effective January 1, 2014, MAGI as the standard methodology to calculate countable income for purposes of eligibility for Medicaid, any Basic Health Program and Exchange subsidies. MAGI is based on concepts from the federal Internal Revenue Code in which Adjusted Gross Income (AGI) is calculated as part of computing individual income tax liability. A primary intent of ACA is to reduce the categorical requirements of Medicaid and allow all non-elderly low-income individuals to have access to Medicaid, irrespective of status as a child, pregnant women, or parent/caretaker. For ACA purposes, low-income is defined as household income that is less than 133 percent of FPL when income is counted using MAGI rules and after a five percent "income disregard." ACA does, however, exclude non-elderly individuals that are eligible for or receiving either or both Medicare Part A and Medicare Part B from the MAGI eligibility categories.

3.1.2 Eligibility Rules issued on March 23, 2012

The proposed eligibility rules for ACA were issued on August 17, 2011 and were finalized, in large part, on March 23, 2012. (Several topics addressed in the proposed rules have not yet been finalized and several topics are the subject of new "interim final" rules.) The new rules attempt to simplify Medicaid eligibility not only for the newly-eligible population of non-elderly adults under 133 percent of FPL, but also extends that simplification to existing Medicaid groups of parents, caretaker relatives, pregnant women and children by applying the MAGI methodology to these existing groups.

In the final rule, CMS also has given low-income disabled individuals who are not eligible for Medicare the right to apply for Medicaid either as low-income adults or as disabled individuals. The goal is to insure that those in need of services such as long-term supports not included in the benchmark benefit package will have the opportunity to gain access to those services more quickly.

The new rules also give states the option to cover individuals with incomes above 133 percent of FPL based on a state-defined income standard. This group would qualify for regular FMAP (with the exception of any children enrolled in the group that would otherwise have been part of the CHIP program). However, the adults in this income group would also qualify for a Basic Health Program if a state were to choose that option.

Among the key changes from historical Medicaid are the following for the MAGI groups (as already noted most non-elderly non-disabled individuals):

1) As already mentioned, income eligibility will be determined based on MAGI.
    a) The household will generally be based on the household used for income tax purposes. One particular exception is for children claimed for tax purposes by a non-custodial parent. The income eligibility of these children will be based on the household income for the custodial parent.
    b) Particular items that are counted will be different than under traditional Medicaid. Iowa will want to compare its income definitions to the MAGI definitions.
    c) Current income deductions will be removed and replaced with a five percent income disregard. This especially impacts items such as child care costs and work expenses that are deducted from Medicaid income today in many states.
2) No asset tests will be allowed for individuals eligible under the MAGI category.
3) Parents cannot receive Medicaid unless their dependent children are enrolled in Medicaid or CHIP or otherwise have minimum essential coverage.

ACA and the regulations also create some major changes for existing family-related Medicaid categories:

1) Existing asset tests are eliminated.
2) States must convert their current income standards to a “MAGI equivalent” amount using the federal definitions of household, family size and income. (In part this item is related to the unresolved issue of how the states and federal government will reach agreement on the extent to which low-income parents are “old eligibles” or “new eligibles” for purposes of determining the rate of Federal Medical Assistance Percentage (FMAP).)

While this paper is not focused on the eligibility and enrollment processes, key items in the regulations include the following:

1) States must use a single streamlined application form for MAGI-based Medicaid, Basic Health Program and Exchange eligibility. The Centers for Medicare and Medicaid Services will be developing a template that states can adopt; otherwise, a state-designed form requires federal approval.
2) There must be “no wrong door” in that individuals must be able to apply for Medicaid through the Health Benefits Exchange or at a state or local government agency, and the streamlined form must be made available online and in paper.
3) Data matching related to income, vital records related to birth and citizenship, and other key data must be matched electronically between state agencies and between the state and federal governments.

3.2 Crosswalk of Existing Program Eligibility Categories vs. MAGI Eligibility Standard

The tables below provide an initial crosswalk that compares existing program eligibility categories and the new MAGI eligibility standard based on our understanding of ACA and a review of Medicaid eligibility categories in Iowa. More detail on these eligibility groups can be found in Appendix A.

MAGI Groups

This section lists existing Iowa categories of Medicaid/CHIP assistance subject to the MAGI standard. (More detail is provided in Appendix Table A-1). These encompass most, but not all, of the categories that are unrelated to the aged, blind and disabled. While many of these are optional categories, all individuals in these groups with incomes less than 133 percent of FPL (using the MAGI methodology) will be Medicaid eligible as of January 1, 2014.

Iowa will be required to determine current and projected income using the IRS income calculation methodologies for MAGI for the following existing Iowa Medicaid categories:

- 92-0 Pregnant Women (through 60 days post-partum)
- 92-0 Infants and Children under age 19
- 30-8 Family Medical Assistance Program
- 37-2 Child Medical Assistance Program
- Dependent persons (state-funded Medicaid for dependents of SSI supplements)
- 06-0, 06-1, 06-3: Refugee Medicaid for Families and Children
- Emergency coverage for aliens in family-related categories.
- New coverage for individuals ages 19 through 64 with incomes below 133 percent of FPL (plus 5 percent income disregard). This group will include individuals in the following current Iowa categories:
    - 60-E Iowa Care adults (if MAGI income is below 133 percent of FPL)
    - 37-3 Breast & Cervical Cancer Treatment (if MAGI income is below 133 percent of FPL)
    - 37-2 Child Medical Assistance for those ages 19 and 20
    - 90-6 Iowa Family Planning Network

While MAGI allows collapsing existing categories to simply identify individuals as non-elderly adults or children with MAGI incomes below 133 percent of FPL, this simplification also adds some complexities. Existing Iowa aid categories do not all fit neatly into the new Medicaid MAGI eligibility framework and maintenance of effort requirements for children remain in effect through 2019. For example, this means that processes like Express Lane Eligibility and Presumptive Eligibility (PE) will still be required for children even if PE is eliminated for adults. Converting current income calculations to MAGI calculations also presents some initial challenges. In addition to the near absence of income disregards under MAGI, the definitions of countable income and household composition change as well. Also, individuals may be eligible both under MAGI and non-MAGI categories. While MAGI-related Medicaid may offer a simpler enrollment process, it may offer a more limited set of benefits.

Because Iowa currently has generous Medicaid eligibility standards, current coverage in many of these groups exceeds the requirements of ACA. While states are required to maintain current income eligibility thresholds for children through September 30, 2019, Iowa has the option to reduce its income thresholds for many current adult groups to 133 percent of FPL (MAGI calculation). This option is especially attractive if Iowa implements a Basic Health Program for those with incomes between 133

percent and 200 percent of FPL. Iowa also could choose the new optional state plan MAGI-related category of individuals with incomes above 133 percent of poverty. However that choice would require that the state provide the state share of costs based on the regular FMAP rate.[1] In addition this category would cover all low-income individuals not eligible under a mandatory category, including childless adults. Iowa staff has written an Option Paper for this decision.

Iowa covers pregnant women with incomes up to 300 percent of the FPL through an income threshold of 185 percent of FPL and an income disregard of 115 percent under the provisions of Social Security Act section 1902(r)(2). The mandatory income limit for pregnant women under Medicaid is the higher of 133 percent of the FPL or the income standard in effect in a state as of December 19, 1989. Since the 185 percent of FPL income limit for pregnant women was in place prior to December 19, 1989 in Iowa, ACA directly requires Iowa to maintain the 185 percent of FPL income standard. In addition, Iowa chose to disregard a block of income equal to 115 percent of the FPL as of July 1, 2009, for an effective income level of 300 percent of the FPL for pregnant women (and infants). Iowa has the option as of January 2014 to continue coverage of pregnant women to 300 percent of FPL or to reduce the level to 185 percent of FPL (although it will have to maintain coverage for newborns in families with incomes up to the 300% FPL level due to ACA MOE requirements). Other provisions of the ACA may also reduce the number of individuals actually enrolled in Medicaid as pregnant women. If Iowa chooses to offer a Basic Health Program or elects the state plan option to cover adults to 200% of FPL, pregnant women with incomes between 133% and 200% of FPL currently covered under the MAC category would be covered under these initiatives. In addition as of 2014 many women with incomes between 200 percent and 300 percent of the FPL will have access to subsidized coverage through the exchange or insurance through employers that will cover pregnancy-related services.

Some MAGI groups that are not optional in 2014 due to maintenance of eligibility requirements will become optional categories in October of 2019. These include children supported by adoption assistance agreements and coverage of children in families with MAGI income above 133 percent of the FPL. Iowa will have the option at that time to revise its coverage policies.

Non-MAGI Groups

This section identifies the current groups that will fall outside the MAGI methodology. These groups will be explored further in the second part of the report. Detailed tables of the non-MAGI Groups are provided in Appendix Tables A-2 through A-5. Not all of the non-MAGI groups are aged, blind or disabled individuals.

Non-SSI groups in Iowa whose eligibility will be established without use of MAGI income calculations include the following mandatory groups:

- 92-0 Newborn children of Medicaid eligible mothers (deemed status for 12 months)
- 37-0 Transitional Medicaid for those terminated due to increased income (12 months of eligibility)
- 37-0 Extended Medicaid (four months) due to increase of child support
- 30-8 Eligibility determined and funded through Title IV-E (adoption assistance or foster care maintenance)

[1] For the Basic Health Program the state would receive 95% of the amount that the federal government would have spent on premium and coinsurance subsidies. For the expanded Medicaid option the state would pay an estimated 40.4% of costs (based on Iowa's FY 2013 FMAP rate of 59.59%).

These groups will continue to have Medicaid enrollment that is based on their status related to non-Medicaid assistance (or in the case of newborns, Medicaid eligibility will continue for one year irrespective of changes in family income). More detail on these groups is found in the top section of Appendix Table A-2.[2]

Non-SSI groups in Iowa whose eligibility will be established without use of MAGI income calculations include the following optional groups:

- 30-8 Ineligible for FMAP due to residence in a medical institution
- 37-6 Medicaid for Independent Young Adults (MIYA)
- 37-E Medically Needy under age 21 and Medically Needy coverage of specified relatives
- 37-3 Breast and Cervical Cancer Treatment (for those from 134 percent to 200 percent of FPL)
- 64-7 Medicaid for Kids with Special Needs (300 percent FPL – under the Family Opportunities Act)
- 92-0 Reciprocity for non-IVE adoption subsidies from other states

Iowa DHS staff has prepared options papers for the first four of these six optional categories. More detail on these groups is found in the bottom section of Appendix Table A-2.

Non-MAGI SSI-related groups include the following mandatory groups:

- 14-0 SSI Recipients and individuals with 1619(b) status
- 64-0 Recipients of mandatory state supplements and individuals with 1619(b) status
- 13-1, 13-7, 14-0, 63-1, 64-0, 63-3, 14-0, 63-8: SSI recipients in a medical institution (code is specific to aged vs. disabled and type of institution)
- 14-2, 64-2: Several groups that are ineligible for SSI (14-2 is aged, 64-2 is disabled): ○ Disabled adult child ineligible for SSI due to Social Security Benefits paid from parents account
  - Ineligible for SSI or SSA due to requirements that do not apply to Medicaid
  - Ineligible for SSI or SSA due to Social Security COLAs (503 medical only)
  - Disabled individuals aged 60 to 64 who is ineligible for SSI or SSA due to receipt of widows social security benefits
- Various codes: emergency coverage for aliens that would be eligible for SSI-related categories except for citizenship status.

More detail on these groups is found in the top section of Appendix Table A-3.

Non-MAGI SSI-related groups include the following optional groups:

- 14-3, 64-3: Eligible for SSI but not receiving SSI benefits
- 13-0, 13-8, 63-0, 63-2, 63-7, 73-1: Ineligible for SSI due to residence in a medical institution.
- 14-0, 64-0: SSI optional state supplements (for those with dependents)
- 13-6, 37-7, 63-6, 73-1, 73-2, 73-3, 73-4, 73-5: In a medical institution and under the 300 percent of SSI income level (code is specific to aged vs. disabled and type of institution)

[2] As previously noted, children enrolled through Express Lane Eligibility (to the extent income determinations by another program are used to automatically entitle a child to Medicaid eligibility) will not be subject to MAGI-based eligibility determinations.

- 60-M Medicaid for Employed People with Disabilities (MEPD)
- 37-E: Medically Needy for the aged, blind and disabled

Iowa DHS staff has prepared options papers for five of these six optional categories. In addition, the option paper on the state Medicaid program for SSI dependents implicitly covers issues related to coverage of those for whom Iowa provides optional SSI state supplements based on the existence of dependents. More detail on these groups is found in Appendix Table A-3.

Non-MAGI Waiver Groups:

Iowa has waiver eligibility for the following groups:

- AIDS/HIV Waiver
- Brain Injury Waiver
- Children's Mental Health Waiver
- Elderly Waiver
- Ill and Handicapped Waiver
- Intellectual Disabilities (ID) Waiver
- Physical Disability Waiver

Most of these waivers contain multiple aid codes based on age or disability status or based on the level of care. All of these groups are limited to individuals with incomes below 300 percent of SSI with the exception of one subset of the AIDS/HIV waiver for the Medically Needy over 300 percent of SSI that require hospital level of care. Both the 300 percent groups and the Medically Needy program are discussed in options papers. More detail on the waiver eligibility groups is available in Appendix Table A4.

Outdated Eligibility Categories:

ACA did not deal with several mandatory Medicaid eligibility categories that would seem to be outdated. Generally these categories were designed to protect individuals that might lose Medicaid eligibility at a particular point in time, most commonly based on an increase in Social Security or SSI benefit levels. In theory, Iowa must still test for eligibility in these categories. In practice, most of these groups have no members and in some cases Iowa no longer checks for these groups.

Outdated categories generally relate to the aged blind and disabled. Iowa includes all but one of these groups:

- 14-2, 64-2: Essential persons (individuals eligible as essential spouses in December 1973)
- In manual without a code: People in medical institutions since December 1973.
- No longer in manual: Blind and disabled individuals eligible in December 1973.
- 14-2, 64-2; Ineligible for SSI or SSA. Outdated subgroups are:
    - Due to Social Security increase in October 1972.
    - Due to an increase in disability benefits resulting from an actuarial change for widowed persons under the Social Security Amendments of 1983.

Iowa has option papers related to Essential Persons and people in medical institutions since December 1973. Iowa and other states should consider recommending that CMS seek elimination of these categories in any "clean up" bill that would modify Medicaid eligibility under the Social Security Act.

Iowa reports that there are about 1100 individuals in categories 14-2 and 64-2 which would include both the outdated groups noted above and certain mandatory SSI-related groups that do not receive SSI cash assistance. HMA assumes that there are no individuals in most of the sub-groups.[3]

[3]Two other categories that are still in the Social Security Act but appear to be outdated based on ACA provisions are 42 CFR 435.114: Individuals who would be eligible for AFDC except for increased OASDI income under public law 92-336 (July 1, 1972); and 42 CFR 435.114: Individuals deemed to be receiving AFDC. While these regulations were not removed by CMS in the final rules on ACA eligibility, both of these groups were likely subsumed within the Low Income Families category under Social Security Act Section 1931(b), and if not, would be covered by ACA for individuals with MAGI incomes below 133 percent of FPL. We did not find any Iowa codes for these categories and believe that they are not necessary. (Iowa staff did not prepare option papers on these groups since there are no existing Iowa aid categories for these two groups. Again HMA assumes that anyone that would be covered by these regulations is already covered by FMAP or MAC groups.)

4. The Non-MAGI Groups: Options for Simplification

4.1 Identification of Non-MAGI Groups

The categories of assistance not subject to MAGI methodologies include the aged, blind and disabled, individuals eligible due to a need for long-term care, those eligible for Medicare cost sharing, those eligible under a state's medically needy program, individuals enrolled through Express Lane Eligibility (determination by another agency) and those who do not require a Medicaid financial determination (e.g. Title IV-E recipients). The crosswalk of existing Iowa eligibility categories detailed in Section 3 of this report provides a list of those categories which will not be subject to MAGI eligibility methodologies. These Non-MAGI eligibility categories are also described in further detail in Appendix A, Tables 2-5.

4.2 Review of Federal Eligibility Requirements

The categories of eligibility exempted from MAGI were generally left unchanged by the legislative language in the ACA statute, so Federal rules related to these groups still remain in place. The non-MAGI categories can be classified into two groups: the mandatory non-MAGI categories (e.g. Aged, Blind, and Disabled individuals receiving SSI) which states must continue as part of their Medicaid program; and the optional categories, where states have more flexibility in revising eligibility policies. Similarly, this report distinguishes between the non-MAGI mandatory categories and the optional non-MAGI group, as outlined in the previous section and in more detail in Appendix A tables 2-5. While Iowa will have greatest latitude in achieving its goal of simplification in the optional non-MAGI categories there are options for simplification in the mandatory group within the existing legislative framework discussed below, which Iowa may want to consider.

4.3 Options for Simplification of Non-MAGI Categories

Our review of options for simplification of non-MAGI categories includes three components: a review of optional non-MAGI categories, a review of mandatory non-MAGI categories, and observations about opportunities to streamline enrollment and redetermination processes for non-MAGI categories. The review of optional and mandatory non-MAGI groups looks at opportunities to eliminate, consolidate or otherwise streamline categories.

4.3.1 Optional Non-MAGI Categories

In exploring the opportunities for simplification in the optional non-MAGI categories, we began with certain non-MAGI, optional categories identified in option papers developed by state staff. These include:

Medically Needy Category – This optional non-MAGI category provides Medicaid coverage to categorically eligible individuals above Medicaid income limits, but with medical expenses that bring their net income below the protected income level. Medically needy coverage for children must be

maintained under the ACA maintenance of eligibility provisions. Approximately 75 percent of medically needy adults in Iowa have incomes below 133 percent of FPL and therefore could potentially qualify for Medicaid under MAGI eligibility standard. Even when the ACA MOE provision ends in October 2019, the federal regulations for the medically needy program prevent a state from eliminating its medically needy program for children while maintaining the program for aged, blind, and disabled. Medically needy spend-down is one of the ways individuals qualify for the AIDS/HIV waiver. Due to MOE requirements for children, Iowa will need to explore whether children currently eligible as medically needy would qualify under another existing Medicaid eligibility category or if a continuation of the medically needy category is required to meet MOE.[4] The 25 percent of medically needy adults in Iowa with incomes above 133 percent of FPL have, by definition, higher health care costs than the lower income group that will qualify for Medicaid expansion under ACA. Iowa may want to do an analysis of the incomes and the services utilized by this group. Some may be using services that would not be available through subsidized Exchange coverage. In addition, they would face higher out-of-pocket costs in the Exchange than in Medicaid. Also, as noted by Iowa staff, keeping this group in Medicaid would improve the risk pool for the Exchange plans. (If Iowa chooses to keep all or part of its medically needy program, it must also retain coverage of emergency services for undocumented individuals who would otherwise be eligible for Medicaid enrollment as medically needy individuals if they were US citizens.)

Medicaid for Independent Young Adults (MIYA) - This category covers youth between ages of 18-20 who were in foster care and have net countable income less than 200 percent of FPL. ACA establishes a new mandatory Medicaid coverage group for youths age 18-25 formerly in foster care, which will replace the optional MIYA category.

Medicaid for Employed People with Disabilities - This optional category provides benefits to disabled individuals with earnings from employment that are above SSI limits but below 250 percent of FPL. Individuals below 133 percent of FPL would be eligible for coverage using MAGI methodology and those below 250 percent of FPL potentially could receive coverage through the Exchange or, if the state chooses, either a Basic Health Program or an optional Medicaid coverage group above 133 percent of FPL. While this does appear to be an option Iowa can employ, there may be an impact on benefits, specifically habilitation services, that individuals currently receive and are not likely to be included in benchmark benefit packages. Iowa will need to further assess the extent to which this will be an issue. As part of the decision on retention of this program, Iowa should review the number of disabled working individuals with 1619(b) status (included in aid codes 16-0 or 64-0) as well as the potential that some MEPD enrollees could transfer to 1619(b) status if the Basic Health Program or other options are not favorable for them.

Breast and Cervical Cancer Treatment – Women under age 65 who require treatment for breast or cervical cancer with income less than 250 percent of FPL and not otherwise Medicaid eligible comprise this eligibility group. Nearly three-quarters of these women are under 133 percent of FPL and thus eligible under MAGI eligibility rules in 2014. Coverage for those with incomes above 133 percent but less than 250 percent of FPL would be available through the Exchange, the Basic Health Program option or optional Medicaid coverage group above 133 percent of FPL (if the state chooses to implement one of these options). The benchmark benefit packages are likely to include these services, so women should receive needed services although there may be higher cost-sharing required.

[4] Based on experience in other states, it is likely in the short term that there will be some children in higher income households that still need Medicaid assistance as medically needy.

Eligible for SSI but not receiving Medicaid coverage - These are individuals not receiving monthly SSI payments even though they are eligible for a cash payment, but do receive Medicaid benefits. This is a category that Iowa could choose to eliminate, but individuals may lose medical coverage unless they apply for SSI cash benefits. If the individuals are non-elderly and not receiving Medicare, they may qualify for Medicaid as non-elderly individuals below 133 percent of FPL. Their benefit package may be more limited, however, if Iowa chooses a "benchmark" less comprehensive than that available to individuals qualifying for coverage based on their SSI eligibility.

300% of SSI Group - One of the optional non-MAGI categories considered by the state in its option papers relates to individuals with incomes below 300 percent of SSI residing in a medical institution (hospital, nursing facility, psychiatric medical institution, or ICF/MR) or receiving home and community-based waiver services. While this is an optional group, eliminating this coverage category, as noted in the option paper, would have a significant negative impact on people receiving long term care and other services.

However, the home and community-based waiver categories could present some potential opportunities for consolidation. Iowa has seven home and community-based services waivers, each associated with the following specific clinical conditions or demographic characteristics:

- AIDS/HIV Waiver
- Brain Injury Waiver
- Children's Mental Health Waiver
- Elderly Waiver
- Ill and Handicapped Waiver
- Intellectual Disability Waiver
- Physical Disability Waiver

Iowa is not an outlier in terms of the number of 1915-c home and community-based waivers it employs. According to the CMS web site, at least one state (NY) has as many as a dozen waivers, and Florida and Pennsylvania are not far behind (11 waivers). Still, with 7 HCBS waivers, Iowa employs more waivers than typically found in other states.

There are a variety of methods and federal authorities that states can conceivably use to re-structure and consolidate services offered to Medicaid members enrolled in HCBS waivers. Without question, there are policy-related, financial and operational implications associated with each method, which are largely beyond the scope of this report. However, this section outlines approaches taken in a few states which are generally consistent with the idea, core to this report, of identifying opportunities for consolidation and simplification of the non-MAGI population of which the HCBS waiver population is a part.[5]

[5] At the request of the state, we reviewed program changes in the state of Wisconsin, which undertook in 2008 an eligibility simplification initiative as a part of a larger Medicaid expansion, known as Badger Care Plus. That initiative focused primarily on simplifying application processes and eligibility criteria, including by eliminating or standardizing certain income disregards, for children, parents, pregnant women, and uninsured adults. Wisconsin continues to have multiple HCBS waivers with distinct eligibility criteria. In essence, the Wisconsin Badger Care Plus eligibility simplification work represents an early, state-led implementation of the kinds of simplified and streamlined eligibility instituted in the ACA for the MAGI population.

Based on information HMA received from the state, in Iowa there are certain common services provided under all waivers and other benefit categories that are specifically included or excluded depending on the waiver. A core question in contemplating an integration or simplification of these waivers is whether or not the state would be interested in standardizing waiver services across all waivers. If so, the opportunities for consolidation are greater. Although HMA has not evaluated the existing HCBS waivers in Iowa as a part of this project, in concept the consolidation of HCBS waivers could eliminate some of the common disadvantages of multiple HCBS waivers, including operational and practical challenges involving managing waiting lists, eligibility for multiple waivers, and competition for providers. On the other hand, one of the advantages of HCBS waivers is the ability to create a benefit package that is targeted to the particular services needed by eligible waiver participants. To the extent that Iowa has created benefit packages for waivers that are peculiarly designed for the waiver population, the consolidation could impact the services an individual receives, which is a major issue Iowa will need to consider. Likewise, the consolidation of HCBS waivers could create difficulties in ensuring that providers are available to serve these unique populations.

Two states, Vermont and Rhode Island, have approved Section 1115 waivers that are inclusive of all services and populations, including HCBS. These so-called "global commitment" waivers present significant opportunities for flexibly describing covered services and covered populations, but come at significant risk to the state insofar as they operate effectively as a mechanism to cap overall spending on (and federal support for) Medicaid.

Other states have used section 1115 authority to authorize coverage of certain long-term care services, but it is much more typical for states to treat HCBS offerings, like Iowa does, as distinct program components that are targeted to specific populations. As that general statement implies, and as emphasized earlier in this section, the core policy question involved in any approach to consolidate HCBS waivers is whether the state can retain maximum flexibility to "target" services to populations for which the services are particularly important or likely to result in the avoidance of institutionalization.

Finally, some states have retained separate eligibility criteria and categories for HCBS waivers but have integrated delivery systems available under the waivers. For example, Texas took this approach as part of the implementation of StarPlus, a managed care initiative now covering most urban and suburban regions of the state. HCBS services and supports are included as covered services by the StarPlus managed care plans, with specific capitation rates developed for HCBS and other long term care supports. This initiative, while it represents a method to simplify state administration and financing of HCBS services, retains specific eligibility criteria for unique HCBS waivers. For Iowa's purposes, the relevant point is that there are models for integration of waivers related to the implementation of managed care, should the state be interested in exploring them.

Iowa has already identified almost every optional non-MAGI group and through the options papers begun the process of making informed choices about retaining these categories. As the foregoing analysis suggests, these categories represent potential candidates for consolidation, although the state will need to more fully assess certain aspects of these changes, for example, the potential impact on benefit packages.

In addition to these options and the MAGI-related options discussed earlier, we identified only one minor category that was not covered by the option papers. This group is individuals with dependents that are receiving optional state SSI supplements. As already noted, the state-funded Dependent Persons will qualify for coverage as low-income adults. Iowa should assess whether the parents/caretakers receiving optional SSI supplements need to be continued as a Medicaid group.

Recent enrollment data indicated that there are nearly 2,500 individuals enrolled in Aid Types 14-6, 24-6 and 64-6. Most of the enrollment is in the disabled subset. These individuals would have access to Medicaid as low-income adults. However there are nearly 200 elderly individuals that would lose Medicaid coverage if this optional group were eliminated. Iowa will also need to consider the impact on benefit packages if it chooses a benchmark benefit plan less generous than the current Medicaid benefit.

Some non-MAGI groups that are not optional in 2014 due to maintenance of eligibility requirements will become optional categories as of October 1, 2019. These include medically needy coverage of children and Medicaid for Kids with Special Needs. As of October 2019 Iowa will also have the option to modify enrollment processes for children, such as Presumptive Eligibility and Express Lane Eligibility.

4.3.2 Mandatory Non-MAGI Categories

While most Mandatory non-MAGI categories cover the elderly and individuals with disabilities, there are several mandatory non-MAGI categories related to families and children, primarily those that are eligible for Medicaid due to relationships with other assistance programs under Title IV of the Social Security Act.

Mandatory non-MAGI Families and Children - As shown in Table A-2, there are four mandatory coverage groups that include families and/or children that are not MAGI groups. One is newborn children of Medicaid eligible mothers. While the eligibility of the mother will be based on MAGI, the newborn remains Medicaid eligible for a year irrespective of changes in income. Twelve months of Transitional Medicaid for those that lose FMAP eligibility due to increased earnings and four months of Extended Medicaid for those losing FMAP eligibility due to increases in child support are also still required. As a practical matter these three groups do not require any special non-MAGI enrollment, but rather a process that maintains their Medicaid eligibility irrespective of income until the relevant time period has ended. All three groups become MAGI after the one year (or four month) period ends. The fourth group includes children on behalf of which Title IVE adoption assistance or foster care payments are made. For this group Medicaid eligibility is determined by the Title IVE staff. For all four of these groups no changes in systems are necessary. However, there also is limited flexibility afforded to the state to collapse or consolidate these categories under current program rules and regulations.

Mandatory non-MAGI SSI-related Categories:

Recipients of SSI Cash – Most of the mandatory SSI-related categories are for individuals that receive SSI cash assistance (either federal or state supplemental assistance) or would be eligible to receive SSI or Social Security (SSA or OASDI) benefits were it not for factors such as certain increases in cost of living adjustments for Social Security. Since Iowa is a "1634 state", eligibility for SSI and for individuals with 1619(b) status is determined by the Social Security administration.

Other Mandatory SSI related Groups – Iowa data show about 100 aged individuals and not quite 1000 disabled individuals in aid codes that include Disabled Adult Children, individuals ineligible for SSI or SSA due to requirements that do not apply to Medicaid, ineligible for SSI or SSA due to receipt of widow's social security benefits, and those ineligible for SSI or SSA due to Social Security COLAs (503 medical only). If possible, Iowa staff should determine the distribution of enrollment in aid codes 14-2 and 64-2 among these groups to identify the size of the population in each of these SSI-related groups. The "early widows" group only includes individuals ages 60 to 64 who should be eligible for MAGI-based Medicaid in 2014. In fact, one could argue that this group becomes effectively outdated at that time even though it

remains a mandatory category. Iowa along with other states might want to request that CMS seek legislation to make this an optional group. However, if Iowa chooses to offer a more limited benchmark plan to the MAGI groups than the current full benefits, that impact on recipients should be factored into that decision. Similarly the disabled adult children may all be eligible for MAGI-based Medicaid in 2014. Over time this group may no longer exist as individuals find their way into MAGI-based enrollment. As with the prior group, it might be appropriate to seek a change in federal law to make this group optional. Again, if Iowa chooses to offer a more limited benchmark plan to the MAGI groups than the current full benefits, that impact on recipients should be factored into that decision. The "503 medical only" group includes individuals made ineligible for SSI due to Social Security COLAs since April 1977. This group may not include any enrollment today. Since this group includes both elderly and disabled, any enrollment in aid code 14-2 for this group would indicate that the category is still needed.

"Outdated Categories" - The review of the mandatory non-MAGI categories shows that some are no longer used in Iowa or still exist in policy and coding but have no actual members. As outlined in Table A-5, and mentioned in Section 3 of this report, there also are number of eligibility categories that are no longer relevant for the Medicaid program. Iowa identified two of these in its option papers – People in a Medical Institution Since 1973 and Essential Persons (people designated by the Social Security Administration as an "essential person" in relation to an elderly or disabled SSI recipient). There are currently no Iowa Medicaid recipients in either of these two categories. However, these two, as well as the other in Table A-5, are mandatory categories requiring a statutory/regulatory change to eliminate or modify. As Iowa seeks to streamline and consolidate its Medicaid eligibility categories, Iowa should consider advocating for these changes to assist in Iowa's efforts to streamline existing Medicaid categories.

In reviewing Iowa Medicaid eligibility codes, it is HMA's observation based on its experience in other states that Iowa utilizes more aid codes that track the mandatory eligibility categories than most states. Iowa has multiple sets of aid codes with "aid type" codes that relate to the basis of eligibility in the eligibility system and separate four-digit codes of recipient categories that relate to the MMIS system and Medicaid benefits. For example, as indicated in Appendix A-3, there are five Iowa aid codes related to SSI recipients in a medical institution and six codes for individuals who would be eligible for SSI if they did not reside in a medical institution. The different codes relate to whether an individual is aged or disabled as well as type of institution, e.g., nursing facility or ICF-MR. While it is necessary to make many non-MAGI pathways available for individuals to enter the Medicaid program based on the mandatory categories in statute, there is no federal requirement to track the exact manner by which an individual became eligible for Medicaid. HMA recognizes that there may be legitimate policy and data reasons for maintaining some of these aid code distinctions, and such an effort will require a detailed level of analysis beyond the scope of this paper. We also understand that the use of multiple aid types has often been driven by system limitations and that the new eligibility system will provide an opportunity to streamline the aid codes that it utilizes for the mandatory non-MAGI categories. To be clear, Iowa does not maintain more mandatory eligibility groups than most states and this consolidation of aid types will not streamline aid categories required by Federal law; however, as part of its simplification efforts, Iowa should take advantage of the opportunity afforded by the new eligibility system to streamline its aid types consistent with policy and data considerations.

4.3.3 Opportunities to Streamline Eligibility and Redetermination Processes

In 2014 and beyond, many non-elderly individuals eligible for non-MAGI categories will also have the opportunity to apply for MAGI coverage. CMS has indicated that the streamlined application they are developing will ask about blindness, disability and need for long term supports and services so that individuals that would receive more comprehensive assistance from "traditional" Medicaid categories will have the opportunity to receive those services. Given the new timeliness standards (90 days for applications based on disability and 45 days for all other applications), Iowa may want to establish a process in which initial applicants seeking enrollment under non-MAGI categories would receive initial assistance as low-income adults under a MAGI determination.

Non-MAGI enrollees may enter Medicaid through multiple "doors" in 2014 and beyond:

- Those that apply for and receive MAGI-based Medicaid but also want to pursue more comprehensive benefits under disability, blindness or long term care categories. For these groups the state must be able to have an open MAGI case and a pending Medicaid application for the same person.
- Those that apply using the streamlined form but choose to move directly to a traditional Medicaid group. Iowa will need processes to collect the additional information required to determine eligibility under the appropriate category and also will need to ensure that the new standards of promptness are met.
- Those for whom eligibility is determined by another agency of state government. Examples include TANF recipients, SSI recipients, children receiving foster care or subsidized adoption, and children enrolled through Express Lane Eligibility.
- Those that apply directly for traditional Medicaid without using the new streamlined form, if Iowa continues to use a "long form" for these groups.

Iowa has the opportunity to streamline eligibility determination processes for non-MAGI groups in multiple ways.

- For many categories of assistance Iowa could choose to eliminate optional asset tests. This change would facilitate transitions between MAGI and non-MAGI groups.
- Iowa could redesign its income counting methodology to follow or more closely mirror the MAGI methodology. This would require a review of both countable income and also income disregards. This change would also facilitate transitions between MAGI and non-MAGI groups.
- Iowa could modify its income verification requirements to allow self-declaration of income with self-declared data compared to existing data from various electronic sources. The same "reasonable comparability" standard being proposed by CMS for MAGI-based enrollment could be applied to the non-MAGI groups as well.
- Iowa could also collapse its aid types. While Iowa must still be able to determine eligibility under a myriad of federally required categories, if individuals in these groups receive identical benefit packages the aid code groups could be collapsed.

5. Conclusion and Next Steps

The ACA affords Iowa significant opportunities to streamline and simplify existing Medicaid eligibility categories, especially for non-disabled, non-elderly adults. However, because the new methodology is essentially layered on top of the existing system it also adds other complexities that Iowa will need to consider and address. As 2014 approaches, Iowa, like other states, must fully assess how its existing medical assistance aid categories align with the new MAGI eligibility rules. To its credit, Iowa has made significant progress in this effort and has developed a series of option papers to identify areas of opportunity for the streamlining of eligibility under the new MAGI/non-MAGI eligibility structure. Through these option papers, Iowa seeks to maximize the opportunity that ACA provides to streamline eligibility, taking advantage not only of the possibilities presented under the MAGI eligibility methodology but also exploring the extent to which the existing non-MAGI Iowa eligibility categories can be simplified.

This report compliments and supports this effort by developing a crosswalk that identifies those existing Iowa eligibility categories that will be subject to the MAGI methodology versus those that are exempted and will remain subject to current rules for these categories. While the MAGI methodology will allow Iowa to simplify a large number of categories, there are other eligibility issues it raises as the state works to simplify its eligibility system. Some of the existing Iowa categories subject to the MAGI eligibility standard do not fit neatly into the new Medicaid eligibility framework and the state must follow maintenance of effort requirements for children through 2019. Other decisions related to ACA, such as whether to implement a Basic Health Program, will likewise have to be taken into account. There are also a number of categories not subject to the MAGI methodologies and the state will need to continue current non-MAGI eligibility rules to the extent they remain mandatory groups under the Medicaid program.

The crosswalk developed by HMA for this report provides a framework for understanding how the existing Iowa aid categories align with the new MAGI eligibility rules, delineating those categories that will not be subject to MAGI methodologies. With the non-MAGI categories identified, this report analyzes the extent to which there exist further opportunities to streamline and consolidate categories.

In its effort to seek opportunities for consolidation of non-MAGI categories, Iowa appropriately began its assessment with those existing non-MAGI categories that represent optional eligibility categories. These include the medically needy program, Medicaid for employed people with disabilities, and breast and cervical cancer treatment program, among others. HMA agrees that these represent potential opportunities for consolidation, although additional research is required to understand the impact of eliminating these categories on cost sharing and current benefit levels, particularly if the state chooses to implement a benchmark benefit package for its new adult population that is less generous than the current package available under Medicaid.

With respect to individuals with incomes below 300% of SSI receiving home and community-based waiver services, the Iowa option paper on this issue appropriately highlights the negative impact elimination of these categories would have on the individuals receiving long term care services. At the same time, Iowa does employ a larger number of home and community-based waivers compared to many other states. HMA recognizes the advantages of targeting particular waiver benefit packages to particular populations and the complexities involved in trying to achieve consolidation in this area. To the extent the goal is to streamline categories of eligibility, this is one avenue that Iowa may wish to

consider although a much more detailed analysis of benefit packages and eligibility criteria, among other factors, will be required.

In addition to looking at the existing optional non-MAGI categories, this report also explored opportunities for streamlining of the mandatory non-MAGI eligibility groups. Given that states are required to maintain eligibility for individuals under these categories, Iowa does not have the same degree of flexibility it does under the optional non-MAGI categories. Iowa is not able to eliminate the eligibility group and default to the MAGI-methodology. However, HMA did observe that Iowa generally utilizes more Medicaid aid codes which track to the various mandatory eligibility groups than most states. While it is necessary to maintain the non-MAGI eligibility pathways for individuals in these mandatory categories, there is no federal requirement to track the exact manner by which an individual became eligible for Medicaid. It is our understanding that the existing multiplicity of aid codes is a function of the existing MMIS and eligibility system. HMA also recognizes that there may be legitimate policy and data reasons for maintaining some of these aid code distinctions, an effort which will require a more detailed level of analysis. But the state does have some discretion to consolidate aid types as it implements its new eligibility IT system, and the state has indicated its intent to move in this direction.

Finally, our review of the mandatory non-MAGI categories found some that are no longer used in Iowa or still exist in policy and coding but have no actual recipients. The state must continue to maintain the eligibility methodology for these groups given that these categories were left untouched by the ACA legislation. Iowa should request that CMS work to eliminate these categories as part of any future modification to the ACA eligibility statute and rules.

As this report suggests there are a number of avenues that Iowa can explore as it seeks to streamline and simplify its eligibility categories. These options require additional research at a more granular level with particular attention to the potential impact on recipient benefit packages and cost sharing requirements. ACA also presents additional opportunities beyond simplification of categories to streamline eligibility and redetermination processes for the non-MAGI populations. These should likewise be part of Iowa's decision-making process going forward as it seeks to take full advantage of opportunities for eligibility simplification afforded by ACA. HMA stands ready to assist Iowa as it works through these eligibility issues in preparation for January 2014.

APPENDIX A – TABULATION OF ELIGIBILITY GROUPS

This section includes supplemental information on Medicaid eligibility groups in Iowa.

A-1 MAGI related Eligibility Groups

Iowa Aid Type	Iowa Name	Group or Sub-Group	Mand. /Opt.	Options Paper?	Income Limit	Revised by ACA?	Reg: 42 CFR
Pregnant Women, Parents & Caretakers, Children							
92-0	Mothers and Children (MAC)	Pregnant Women, including extended coverage through 60 days post partum, and Infants	M/ MOE*		185%/ 300% FPL	Yes	435.116 435.170
92-0	Mothers and Children (MAC)	Children ages 1 through 18	M/ MOE		133% FPL	Yes	435.118
37-2	Child Medical Assistance (CMAP)	Children ages 19 & 20	M/ MOE**		133% FPL as of 1/1/14	No	435.222
30-8	Family Medical Assistance Program (FMAP)	Parents and other caretaker relatives	M/ MOE***		Net income converted to a MAGI standard.	Yes	435.110
Mandatory Coverage for Individuals Age 19 through 64 (NEW in 2014)							
60-E	Iowa-Care adults	Coverage for individual age 19 or older & under age 65 at or below 133 percent FPL	M 2014		133% FPL as of 1/1/14 under ACA	Yes	435.119
37-3	Breast & Cervical Cancer Treatment <133% FPL			Yes		No	BCCPT Act of 2000
Dependent persons	Dependents of 435.232 State sup			Yes			State funde
90-6	Network (IFPN) <133% FPL			Yes			
Waivers							
60-E	Iowa Care	Iowa Care for adults	O	Yes	>133% & <200% FPL		Waiver
60-P	Iowa Care****	Iowa Care for pregnant women	O		200% to 300% FPL		Waiver
90-6	Iowa Family Planning Network (IFPN)	Family Planning	O	Yes	>133% & <300% FPL		Waiver
Other Groups							
Various		Emergency coverage for aliens in family-related categories	M		related group		435.350 435.406
06-0, 06-1, 06-3	Refugee Medical	Refugee medical assistance (temporary based on country of origin). Must meet other Medicaid criteria.	M		related group		PL 96-212, PL 100-202
NEW ACA OPTION.							
		Individuals with MAGI-based income above 133 percent FPL.	O	Yes	> 133% FPL	Yes	435.218

Notes: * As of January 2014 Iowa's current 185% FPL plus 115% income disregard will still apply for infants. Iowa will have the option to reduce the income limit for pregnant women to 185% FPL with no additional income disregard. ** MOE for children ends on October 1, 2019.

***Current income limit will be converted to a MAGI equivalent and 185% FPL gross income test will not be needed. Parents and caretakers with incomes above the MAGI standard for FMAP but below 133% of FPL will qualify for the new adult group. ****Iowa Care includes a provision for pregnant women with incomes between 200% and 300% of FPL that do not qualify for MAC. With the elimination of asset tests as of January 1, 2014, this group should be outdated.

Table A-2: Family, Children, and other non-SSI Groups Either Excluded from MAGI or Determined by a Different Eligibility Process

Iowa Aid Type	Iowa Name	Group	Mand. /Opt.	Options	Income Limit	Revised by ACA?	Reg: 42 CFR
Mandatory Coverage of Families and Children							
92-0	Newborn Children of Medicaid Eligible Mothers	Newborn Children - Deemed Eligible for 12 months if birth covered by Medicaid	M		None	No	435.117
37-0	Transitional Medicaid (12 Months of Coverage)	Families terminated from FMAP* because of increased earning or hours of employment.	M		None	No	435.112
37-0	Extended Medicaid due to receipt of child support (4 Months of Coverage)	Families terminated from FMAP* because of increased child support.	M		None	No	1902(a)(10)(A)(i)(I); 1931
Other Mandatory Groups							
30-8	Eligibility Determined and Funded through Title IV-E	Children for whom adoption assistance or foster care maintenance payments are made	M				435.145
Various		Emergency coverage for aliens in non SSI-related categories	M		Various	No	435,139, 435.350, 435.406
Options for Coverage of Families and Children							
92-0	Reciprocity for non-IVE adoption subsidies from other states	Individuals under age 21 who are under State adoption assistance agreements.	MOE				435.227
30-8	Ineligible for FMAP due to residence in a medical institution	Individuals who would be eligible for TANF cash assistance if they were not in medical institutions.	O	Yes			435.211
37-6	Medicaid for Independent Young Adults (MIYA)	Youth Aging Out of Foster Care	O	Yes	200% FPL		1902(a)(10(A)(ii)(XVII)
Optional Coverage of the Medically Needy							
37-E	Medically Needy	Medically needy coverage of individuals under age 21.	MOE	Yes			435.308
37-E	Medically Needy	Medically needy coverage of specified relatives.	O	Yes			435.310
Other Groups:**							
37-3	Breast and Cervical Cancer Treatment	Breast and Cervical Cancer Treatment	O	Yes	134%-250% FPL	Yes	BCCPT Act of 2000
64-7	Medicaid for Kids with Special Needs (MKSN)	Medicaid for Kids with Special Needs	MOE		300% FPL**		FOA

Notes: * While federal regulations still refer to AFDC rather than Medicaid, this is the correct statutory citation.

**The ACA maintenance of eligibility requirements apply to processes as well as eligibility groups. As a result, Iowa's Express Lane Eligibility provision is subject to MOE.

*** Income for MKSN is based on household income (as opposed to individual income for SSI-related groups).

Table A-3: Non-MAGI, non-waiver SSI related Groups

Iowa Aid Type	Iowa Name	Group	Mand. /Opt.	Options	Income Limit	Revised by ACA?	Reg: 42 CFR
Mandatory Coverage of SSI recipients							
14-0	SSI recipients	Individuals receiving SSI	M		SSI	No	435.120
64-0	Recipients of mandatory state supplements	Individuals receiving mandatory state supplements.	M		SSI	No	435.130
13-1, 13-7, 63-1, 63-3, 63-8	SSI recipient in a medical institution	13-1 Aged, nursing facility, 13-7 Aged, MHI, 63-1 Disabled, nursing facility, 63-3 State resource center ICF/MR, 63-8 Community-based ICF/MR	M		SSI	No	435.120
Mandatory Coverage of other Aged, Blind and Disabled							
14-0, 64-0	Individuals with 1619(b) status	Individuals ineligible due to income too high to receive a cash payment (1619(b) group - determined by SSA)	M		Value of Medicaid benefits	No	435.120, 20CFR 416.2101
14-2, 64-2	Ineligible for SSI due to Social Security Benefits Paid from Parent's Account	Disabled Adult Child	M			No	1634(c)
14-2, 64-2	Ineligible for SSI or SSA due to requirements that do not apply to Medicaid.	Individuals that are ineligible for SSI or optional State supplements because of requirements that do not apply under title XIX of the Act.	M		SSI	No	435.122
14-2, 64-2	Ineligible for SSI or SSA due to Social Security COLAs (503 medical only)	Individuals who become ineligible for SSI as a result of OASDI cost-of-living increases received after April 1977. (Annual review required for 3 years.)	M			No	435.135. 435.136
14-2, 64-2	Ineligible for SSI or SSA due to receipt of widow's social security benefits	Disabled widows and widowers aged 60 through 64 who would be eligible for SSI except for early receipt of social security.	M			No	435.138
Various		Emergency coverage for aliens in SSI-related categories	M		SSI	No	435,139, 435.350, 435.406
Options for Coverage of the Aged, Blind and Disabled							
14-3, 64-3	Eligible for SSI but not receiving SSI benefits	Individuals who meet the income and resource requirements of the cash assistance programs. Includes aged, blind, disabled, caretaker relatives, and pregnant women.	O	Yes	SSI	No	435.210
13-0, 13-8, 63-0, 63-2, 63-	Ineligible for SSI due to residence in a medical institution	Individuals who would be eligible for cash assistance if they were not in medical institutions.	O	Yes	SSI	No	435.211
14-6, 24-6, 64-6	SSI optional state supplements for those with Dependents	Individuals receiving only optional State supplements	O		SSI	No	435.232
13-6, 37-7, 63-6, 73-1, 73-2, 73-3,	In a medical institution and under the 300% income level	Individuals in institutions who are eligible under a special income level.	O	Yes	300% SSI	No	435.236
60-M	Medicaid for Employed People with Disabilities (MEPD)	Ticket to Work or Medicaid Buy-in	O	Yes		No	TWWIIA or BBA
Optional Coverage of the Medically Needy							
37-E	Medically Needy - aged, blind and disabled	Medically needy coverage of the aged, blind and disabled in states that cover individuals receiving SSI	O	Yes	Spend down to MNIL	No	435.320, 435,322, 435.324

Table A-4: Non-MAGI Waiver Groups

All 300 percent of SSI groups are discussed in one of the Iowa options papers, as is the Medically Needy group, which would include that component of the AIDS/HIV Waiver population.

Iowa Aid Type Group			Income Limit
Waivers - AIDS/HIV Waiver			
	63-6	SSI-D related, NF level of care	300% SSI
	13-6	SSI-A related, NF level of care	300% SSI
	73-1	SNF level of care	300% SSI
	73-4	Hospital level of care	300% SSI
	37-E	Medically Needy, over 300% of SSI, hospital level of care	No limit
Waivers - Brain Injury Waiver			
	73-3	ICF/MR level of care	300% SSI
	73-1	300% of SSI, SNF level of care	300% SSI
	63-6	300% of SSI, NF level of care	300% SSI
Waivers - Children's Mental Health Waiver			
	37-7	FMAP or SSI- related children	300% SSI
Waivers - Elderly Waiver			
	13-6	NF level of care	300% SSI
	73-1	SNF level of care	300% SSI
Waivers - Ill and Handicapped Waiver			
	64-5	Disabled, NF or SNF level of care	300% SSI
	73-3	ICF/MR level of care	300% SSI
Waivers - Intellectual Disabilities (ID) Waiver			
	73-3	ICF/MR level of care	300% SSI
Waivers - Physical Disability Waiver			
	63-6	300% of SSI, NF level of care	300% SSI
	63-1	SSI-D at NF level of care	300% SSI
	73-1	300% of SSI, SNF level of care	300% SSI

Table A-5: Outdated Categories

Iowa Aid Type	Iowa Name	Group	Mand. /Opt.	Options Paper?	Revised by ACA?	Reg: 42 CFR
14-2, 64-2	Essential Persons	Individuals eligible as essential spouses in December 1973.	M	Yes	No.	435.131
In manual - but has no Aid Type	People in Medical Institutions Since December 1973	Institutionalized individuals who were eligible in December 1973.	M	Yes	No.	435.132
No longer in Iowa manual		Blind and disabled individuals eligible in December 1973 (including the medically needy if state has such program).	M		No	435.133
14-2,64-2	Ineligible for SSI or SSA due to Social Security increase of October 1972	Individuals who would be eligible except for the increase in OASDI benefits under Pub. Law 92-336 (July 1972)	M		No	435.134
14-2, 64-2	Ineligible for SSI or SSA due to actuarial change for widowed persons	Disabled widows and widowers who would be eligible for SSI except for the increase in disability benefits resulting from the elimination of the reduction factor under Pub. Law 98-21 (1983)	M		No	435.137

Note: Federal regulations also mention two other outdated mandatory coverage groups.

435:114 indicates that Medicaid must also cover individuals that would be eligible for TANF except for an increase in Social Security benefits that occurred July 1, 1972.

435.115 indicates that Medicaid must cover individuals that are "deemed" to be receiving TANF.