

Household Composition and Income Rules: Qualified Health Plans with Financial Assistance and Public Health Programs in Minnesota

Purpose:

This document provides household composition rules for the following purposes:

- 1) Applying for Qualified Health Plans (QHP) with financial assistance, which includes advanced premium tax credits (APTC) or cost-sharing reductions (CSR)
- 2) Applying for Medical Assistance
- 3) Applying for MinnesotaCare

Audience:

This document is prepared for MNSure assisters.

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Rules for QHP with APTC or CSR

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Rules Category	Rules for this program
Tax Filing Requirement	Tax filing is required.
Tax Filing Status	Must file jointly, if married. Exceptions: If consumer is married and not filing jointly, they can qualify in the following instances: <ul style="list-style-type: none"> • Married and filing head of household • Married filing separately due to being a victim of domestic abuse
Eligibility Household	Household = Tax filer + Spouse (if filing jointly) + Tax Dependents
Income	MAGI income methodology is used to determine eligibility: <ol style="list-style-type: none"> 1) Start with AGI (Tax filers can find it on previous IRS Form 1040EZ line 4 or 1040A line 21 or 1040 line 37) 2) Add back any deductions from nontaxable foreign earned income and housing cost of U.S. citizens or residents living abroad 3) Add back any deductions from nontaxable interest income 4) Add back any deductions from nontaxable Social Security and tier railroad retirement benefits

Rules for Medical Assistance (MA)

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Rules Category	Rules for this program
Tax Filing Requirement	Tax filing is not a requirement.
Tax Filing Status	Married couples are not required to file jointly.
Eligibility Household	<p>MA for Tax Filers: Household = Taxpayer + Joint Tax Filer (if filing jointly) + Spouse (if living together and not filing jointly) + Tax Dependents</p> <p>MA for Tax Dependents (Spouse or Child): Household = Tax Dependent + Tax Filer + Joint Tax Filer (if filing jointly) + All Other Tax Dependents + The Tax Filer's Spouse (if living with the tax filer and not filing jointly) + Tax Dependent's Spouse (if they live together)</p> <p>MA for Non-Tax Filers: The following tax dependents use the household composition rules for Non-Tax Filers (below):</p> <ol style="list-style-type: none"> 1) Someone who expects to be claimed as a tax dependent but is not the child or spouse of the tax filer 2) Children younger than 19 who live with both parents and expect to be claimed as tax dependent by only one parent and whose parents are not planning to file a joint tax return 3) Children younger than 19 who live with a custodial parent and expect to be claimed as a tax dependent by a non-custodial parent <p>Household for adults = the following people living with the person: Person + Spouse + Children under age 19 (including step children)</p> <p>Household for children under age 19 = the following people living with the person: Person + Spouse + Children under age 19 (including step children) + Parents (including step parents) + Siblings under age 19 (including step-siblings)</p>
Family Size	Family Size = All of the people in the person's household composition + Unborn children of any pregnant women in the household

Rules Category	Rules for this program
Income	<p>For families with children and adults, MAGI-based income methodology is used to determine eligibility:</p> <ol style="list-style-type: none"> 1) Start with AGI (Tax filers can find it on previous IRS Form 1040EZ line 4 or 1040A line 21 or 1040 line 37) 2) Add back any deductions from nontaxable foreign earned income and housing cost of U.S. citizens or residents living abroad 3) Add back any deductions from nontaxable interest income 4) Add back any deductions from nontaxable Social Security and tier railroad retirement benefits 5) Subtract any scholarships, awards or fellowship grants used for educational purposes and not for living expenses 6) Subtract any American Indian and Alaska Native income from: <ul style="list-style-type: none"> • Distributions from Alaska Native Corporations and Settlement Trusts • Distributions from any property held in trust, subject to federal restrictions • Distributions and payments from rents, leases, rights of way, royalties, usage rights or natural resource extraction and harvest • Distributions resulting from real property ownership interests related to natural resources and improvements 7) Include lump sum income only if it is received in the month of application <p>For complete details, refer to the Insurance Affordability Programs Manual section on Medical Assistance for Families with Children and Adults Income Methodology.</p> <p>People who are age 65 or older or who are certified as blind or disabled may or may not be eligible without an income test, depending upon their specific eligibility group. People who have multiple bases of eligibility may choose the basis that is most advantageous to them. For complete details on specific requirements, refer to the Insurance Affordability Programs Manual section on Medical Assistance for People Who Are Age 65 or Older, Blind or Disabled.</p>

Rules for MinnesotaCare

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Rules Category	Rules for this program
Tax Filing Requirement	Tax filing is not a requirement.
Tax Filing Status	Married couples are not required to file jointly.
Eligibility Household-Tax Filers	<p>MinnesotaCare for Tax Filers: Household = Tax filer + Joint Filer (if filing jointly) + Spouse (spouses are included if living together regardless of tax filing status) + Tax Dependents</p> <p>MinnesotaCare for Tax Dependents: Household = Tax Dependent + Tax Filer + Joint Tax Filer + All Other Tax Dependents + The Tax Filer's Spouse (if living with the tax filer and not filing jointly) + Tax Dependent's Spouse (if they live together)</p> <p>MinnesotaCare for Non-Tax Filers: Household for adults = the following people living with the person: Person + Spouse + Children under age 19</p> <p>Household for children under age 19 = the following people living with the person: Person + Spouse + Children under age 19 + parents + Siblings under age 19</p>
Family Size	Family Size = All of the people in the person's household composition
Income	<p>MAGI income methodology is used to determine eligibility: Start with AGI (Tax filers can find it on previous IRS Form 1040EZ line 4 or 1040A line 21 or 1040 line 37).</p> <ol style="list-style-type: none"> 1) Add back any deductions from nontaxable foreign earned income and housing cost of U.S. citizens or residents living abroad 2) Add back any deductions from nontaxable interest income 3) Add back any deductions from nontaxable Social Security and tier railroad retirement benefits

Definitions:

- **Tax Filer:** An individual (or married couple) who expects to file a federal income tax return and does not expect to be claimed as a tax dependent
- **Non-Tax Filer:** An individual who does not expect to file a federal income tax return for the coverage year and does not expect to be claimed as a tax dependent
- **Tax Dependent:** An individual for whom the tax filer expects to claim a dependency exemption on their federal tax return
- **Adjusted Gross Income (AGI):** Gross income minus certain adjustments, including:
 - Educator expenses
 - Certain business expenses
 - Health savings account deduction
 - Moving expenses
 - Deductible part of self-employment tax
 - Self-employed SEP, SIMPLE and qualified plans
 - Self-employed health insurance deduction
 - Penalty on early withdrawal of savings
 - Alimony paid
 - IRA deduction
 - Student loan interest deduction
 - Tuition and fees
 - Domestic production activities deduction
- **Modified Adjusted Gross Income (MAGI):** Defined by the IRS as adjusted gross income with certain deductions added back, including:
 - Nontaxable foreign earned income and housing cost of U.S. citizens or residents living abroad
 - Nontaxable interest income
 - Nontaxable Social Security and tier one railroad retirement benefits