Policy Clarification

Medical Assistance – All

PMA-21505-350

PMA-21505-1107

Submitted: October 4, 2023   **Agency: CAOs**

Subject: **Income Verification for Full-Cost Children's Health Insurance Program (CHIP)**

Question: **When a child appears to be eligible for CHIP based on reported income above 314 percent of the Federal Poverty Level (FPL), does the County Assistance Office (CAO) need to verify the income or can the reported income be used in the CHIP determination?**

 Response By: Division of Health Services   **Date: October 4, 2023**

The CAO must request income verification for Medical Assistance (MA) and CHIP if unable to verify income through electronic data sources. If income verification is not provided and the reported income is over 314 percent FPL, then Full-Cost CHIP (CHP 04) can be authorized using the reported income.

If the household applied for another benefit(s), such as Supplemental Nutrition Assistance Program (SNAP) or Temporary Assistance for Needy Families (TANF), and income verification is not provided, SNAP and/or TANF must be rejected.

To open CHP 04 for the child(ren), the CAO should change the verification code for the income from "P-Pending Verification" to "S-Client Statement" and re-run eligibility.

The CHIP income limits are as follows:

- Free CHIP - CHP 00 - Income over MA limits **and** at or under 208 percent of the FPL

- Low-Cost CHIP

- o Subsidized Group 1 - CHP 01 - Income over MA limits **and** between 208 percent FPL and at/under 262 percent FPL

- o Subsidized Group 2 - CHP 02 - Income over 262 percent FPL and at/under 288 percent FPL

- o Subsidized Group 3 - CHP 03 - Income over 288 percent FPL and at/under 314 percent FPL

- Full-Cost CHIP - CHP 04 - Income over 314 percent FPL

NOTE: Income must be verified to authorize MA, Free CHIP and Low-Cost CHIP subsidized groups.

Example 1: Carey, 13, is applying for healthcare benefits. The family's reported income is at 310 percent FPL. The CAO must verify the family's income before approving CHIP benefits.

Example 2: Taylor, 16, is applying for healthcare benefits. The family's reported income is at 360 percent FPL. The income could not be verified through electronic data sources and the family did not provide income verification. The CAO can accept the family's reported income and authorize CHP 04 since the reported income is above 314 percent FPL. The CAO will change the income verification code to "S-Client Statement" and open CHP 04.

Example 3: Jonathon, age 10, is open for CHP 04. A renewal was due in July and the family returned the renewal form. The income could not be verified through electronic data sources and the family did not provide income verification. The income reported on the renewal form is over 314 percent FPL. The CAO can accept the reported income and authorize CHP 04. The CAO will change the income verification code to "S-Client Statement" and renew CHP 04.