

**Policy Clarifications – Medicaid – All
PMA17285-350**

Submitted: 08/14

Agency: CAOs

**Subject: Adoption Subsidies and Modified Adjusted Gross Income (MAGI)
Medical Assistance (MA) Determinations**

Question:

Are adoption subsidies considered countable income for MAGI MA eligibility determinations?

Response By: Division of Health Services Date: 8/21/14

No. Adoption subsidies are considered public assistance benefits by the Internal Revenue Service (IRS). Public assistance benefits are considered non-reportable and non-taxable by the IRS and therefore are not a counted income type for MAGI MA.

When data entering an adoption subsidy, code the subsidy as income type '99-Other Income' and use an exclusion code to ensure the income is not counted for MA determinations.

Note: This is also excluded for Non-MAGI MA eligibility.