

Module 3: Household Composition

Office of Medicaid Eligibility Policy
Medicaid Programs Division
2022

Topics

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Medical Assistance Units

Medical Assistance Units

- ▶ A medical assistance unit is one or more family members whose eligibility for Medicaid is determined based on tax filing status.
- ▶ When applying for Apple Health (Medicaid), applicants should include everyone in their household, in addition to any non-tax filers and tax dependents. This includes unmarried co-parents, spouses, siblings, and children.
- ▶ See *[WAC 182-506-0010](#)

*Source: app.leg.wa.gov/wac/default.aspx?cite=182-506-0010

Medical Assistance Units

- ▶ Each individual will have their own medical assistance unit and based on tax filing status and relationship, may have different eligibility results than other individuals on the same application.
- ▶ If a married couple reside together, they are included in each other's medical assistance unit regardless of their tax filing status.
- ▶ The income used to determine an individual's eligibility is the total of all countable income of everyone in the medical assistance unit.

Establishing Medical Assistance Units

- ▶ Medical assistance units are based on:
 - ▶ Tax filing status
 - ▶ Relationship
 - ▶ Age

- ▶ Each individual will fall into one of three tax filing categories:
 - ▶ Tax filer
 - ▶ Tax dependent
 - ▶ Non-filer

Tax Filer

- ▶ A tax filer is an individual who expects to file an income tax return and is not expected to be claimed as a tax dependent by someone else.

- ▶ The medical assistance unit of a tax filer includes:
 - ▶ The tax filer;
 - ▶ Their spouse; and
 - ▶ All individuals they expect to claim as a tax dependent, even when the tax dependent does not live with them.

Tax Dependent

- ▶ A tax dependent is an individual who expects to be claimed by a tax filer.
- ▶ The medical assistance unit of a tax dependent is the same as the tax filer who claims them and includes:
 - ▶ The tax filer
 - ▶ Their spouse if living with them; and
 - ▶ All individuals they expect to claim as a tax dependent, even when the tax dependent does not live with the tax filer.

Tax Dependent Exceptions

- ▶ A tax dependent is treated as a non-filer when they:
 - ▶ Are neither the spouse nor the child of the tax filer;
 - ▶ Are a child under age 19 who resides with both parents and those parents do not file a joint tax return; or
 - ▶ Expect to be claimed by a non-custodial parent.

Non-Filer

- ▶ A non-filer is an individual who:
 - ▶ Does not expect to file taxes,
 - ▶ Will not be claimed as a tax dependent, or
 - ▶ Meets one of the tax dependent exceptions.
- ▶ The medical assistance unit of a non-filer includes themselves and:
 - ▶ Their spouse and their natural, adopted and step-children under age 19, only if living with the non-filer
 - ▶ If the non-filing individual is less than 19 years old:
 - ▶ Their natural, adopted and step-parents; and
 - ▶ Their natural, adopted and step-siblings under 19 years old.

Washington Healthplanfinder Tax Filing Statuses

Type	Tax Filing Status
Tax Filer	<ul style="list-style-type: none">• Single filing taxes / Head of household• Married filing jointly / Separately• Qualified widow(er) with dependent child
Tax Dependent	<ul style="list-style-type: none">• Tax dependent of someone on the application• Adult disabled tax dependent of someone on/not on the application
Non-Filer	<ul style="list-style-type: none">• Tax dependent of someone not on the application• Person has neither filed taxes nor was a tax dependent

Scenarios

Scenario One

- ▶ Jay applies for himself, and includes his wife Ashley, and their two children, Paul, age 8, and Emma, age 6.
 - ▶ Jay and Ashley plan to file a joint return claiming both their children as tax dependents.
 - ▶ Jay and Ashley's income is from employment and Paul and Emma report dividend income.

Scenario One: Application Details

Name	Age	Living in Home	Tax Status	Income
Jay, husband	35	N/A	Married filing jointly	\$1,000
Ashley, wife	35	Yes	Married filing jointly	\$1,500
Paul, child	8	Yes	Tax dependent of someone on the application	\$500
Emma, child	6	Yes	Tax dependent of someone on the application	\$500

Scenario One Results

- ▶ Jay and Ashley are tax filers, so tax filer rules apply to them.
- ▶ Paul and Emma are tax dependents, for whom none of the exceptions apply, so tax dependent rules apply to them.
- ▶ The entire family is included in each medical assistance unit.
- ▶ The household income of \$3,500 is counted for each medical assistance unit.

Scenario One Results

Medical Assistance Units				
For	Tax Filing Status	Included Individuals	Size	Countable Income
Jay	Tax Filer	Jay, Ashley, Paul & Emma	4	\$3,500
Ashley	Tax Filer	Jay, Ashley, Paul & Emma	4	\$3,500
Paul	Tax Dependent	Jay, Ashley, Paul & Emma	4	\$3,500
Emma	Tax Dependent	Jay, Ashley, Paul & Emma	4	\$3,500

Scenario Two

- ▶ Juan applies for himself, his wife Maria, and their two children, Roberto, age 2, and Lisa, age 3.
- ▶ No one expects to file taxes, and no one is claimed as a tax dependent.
- ▶ Juan and Maria's income is from employment and Roberto and Lisa report dividend income.

Scenario Two: Application Details

Name	Age	Living in Home	Tax Status	Income
Juan, husband	25	N/A	Person has neither filed taxes nor was tax dependent	\$1,000
Maria, wife	26	Yes	Person has neither filed taxes nor was tax dependent	\$1,500
Roberto, child	2	Yes	Person has neither filed taxes nor was tax dependent	\$500
Lisa, child	3	Yes	Person has neither filed taxes nor was tax dependent	\$500

Scenario Two Results

- ▶ Since no one is a tax filer or dependent, non-filer rules apply. Spouses, parents and siblings for children under age 19 are considered for each individual's medical assistance unit.
- ▶ The same four family members are in each individual's medical assistance unit regardless of whether tax filer or non-filer rules are used.
- ▶ The household income of \$3,500 is counted for each medical assistance unit.

Scenario Two Results

Medical Assistance Units				
For	Tax Filing Status	Included Individuals	Size	Countable Income
Juan	Non-Filer	Juan, Maria, Roberto & Lisa	4	\$3,500
Maria	Non-Filer	Juan, Maria, Roberto & Lisa	4	\$3,500
Roberto	Non-Filer	Juan, Maria, Roberto & Lisa	4	\$3,500
Lisa	Non-Filer	Juan, Maria, Roberto & Lisa	4	\$3,500

Scenario Three

- ▶ Carol, age 60, applies for herself and her grandson Cody, age 12.
- ▶ She states that she will file taxes and claim her grandson as a dependent.
- ▶ Carol receives Social Security disability. Cody receives per capita distributions from gaming.

Scenario Three: Application Details

Name	Age	Living in Home	Tax Status	Income
Carol, grandma	60	N/A	Single filing taxes	\$1,100
Cody, grandchild	12	Yes	Tax dependent of someone on the application (Carol)	\$600

Scenario Three Results

- ▶ Since Carol is a tax filer, her medical assistance unit includes herself and her grandson who is her tax dependent. Both Carol and Cody's income counts towards Carol's eligibility.
- ▶ Cody is a tax dependent who is claimed by a person who is not his parent or spouse.
- ▶ The non-filer rules apply to him. His medical assistance unit is himself and only his income is countable.

Scenario Three Results

Medical Assistance Units				
For	Tax Filing Status	Included Individuals	Size	Countable Income
Carol	Tax Filer	Carol & Cody	2	\$1,700 (Both)
Cody	Tax Dependent	Cody	1	\$600 Cody's only

Scenario Four

- ▶ Nick lives with his son Alex, age 14, his girlfriend Shari, and their daughter in common Joan, age 1. Nick applies for himself and Alex.
- ▶ Nick does not expect to file taxes or be claimed as a tax dependent. Alex had income earlier in the year and he will have to file taxes.
- ▶ Shari applies for herself and Joan. Shari is a tax filer and plans to claim Joan and Alex as her dependents.
- ▶ Nick, Shari and Alex receive income from employment.

Scenario Four: Application Details

▶ Nick's application

Name	Age	Living in Home	Applying for Coverage?	Tax Status	Income
Nick	30	N/A	Yes	Person has neither filed taxes nor was a tax dependent	\$1,200
Shari, Unrelated	31	Yes	No	Single Filing Taxes	\$5,000
Alex, Nick's child	14	Yes	Yes	Tax dependent of Shari	\$600
Joan, child	1	Yes	No	Tax dependent of Shari	\$0

Scenario Four: Application continuation

▶ Shari's application

Name	Age	Living in Home	Applying for Coverage?	Tax Status	Income
Shari	31	N/A	Yes	Single Filing Taxes	\$5,000
Nick, unrelated	30	Yes	No	Person has neither filed taxes nor was a tax dependent	\$1,200
Alex, child of Nick	14	Yes	No	Tax dependent of someone on the application - Shari	\$600
Joan, child	1	Yes	Yes	Tax dependent of someone on the application - Shari	\$0

Scenario Four Results

- ▶ Since Nick is a non-filer, his medical assistance unit includes himself and his 2 children. Shari is a tax filer; her medical assistance unit includes herself and her 2 tax dependents.
- ▶ Alex is a tax dependent who is claimed by Shari, who is not his parent, so he is considered a non-filer. His medical assistance unit includes his father and sibling.
- ▶ Joan is a tax dependent who is claimed by one parent, but lives with both parents who are not married.
- ▶ Non-filer rules apply for Joan so her medical assistance unit includes herself, both parents, and her sibling.

Scenario Four Results

Medical Assistance Units				
For	Tax Filing Status	Included Individuals	Size	Countable Income
Nick	Non-Filer	Nick, Alex and Joan	3	\$1,800 (Nick & Alex's income)
Shari	Tax Filer	Shari, Alex and Joan	3	\$5,600 (Shari & Alex's income)
Alex	Non-Filer	Alex, Nick and Joan	4	\$1,800 (Nick & Alex's income)
Joan	Non-Filer	Joan, Nick & Shari and Alex	4	\$6,800 (Nick, Shari & Alex's income)

Scenario Five

- ▶ Sarah, age 19, applies for herself and her brother, John, age 9. She states that she is a tax filer and will claim John as dependent.
- ▶ Sarah is pregnant and is expecting twins. She earns \$3,000 from her job.
- ▶ John receives \$200 Social Security income.

Scenario Five: Application Details

Name	Age	Living in Home	Applying for Coverage?	Tax Status	Income
Sarah, sister	19	N/A	Yes	Single Filing Taxes	\$3,000
John, brother	9	Yes	Yes	Tax dependent of Sarah	\$200

Scenario Five Results

- ▶ Since Sarah is a tax filer, her medical assistance unit includes herself, her brother who is her tax dependent, and her unborn twins. She is eligible for Apple Health for Pregnant Individuals.
- ▶ John is a tax dependent who is claimed by a person who is not his parent or spouse. He is treated as a non-filer and he has a medical assistance unit of one.

Scenario Five Results

Medical Assistance Units				
For	Tax Filing Status	Included Individuals	Size	Countable Income
Sarah	Tax Filer	Sarah, unborn twins, and John	4	\$3,000 Sarah's income
John	Non-Filer	John	1	\$0

Scenario Six

- ▶ Jim and Jill are divorced with a child in common Kyle, age 6, who lives with Jill but is claimed as a tax dependent by Jim.
- ▶ Jill is a tax filer and applies for herself and Kyle.
- ▶ Jim, who lives in a different town, applies separately for himself.
- ▶ Jim and Jill receive income from employment.

Scenario Six: Application Details

▶ Jim's application

Name	Age	Living in Home	Applying for Coverage?	Tax Status	Income
Jim, parent	30	N/A	Yes	Single Filing Taxes	\$1,700
Kyle, child	6	No	No	Tax dependent of Jim	\$0

Scenario Six: Application Details

▶ Jill's application

Name	Age	Living in Home	Applying for Coverage?	Tax Status	Income
Jill, parent	30	N/A	Yes	Single Filing Taxes	\$1,600
Kyle, child	6	Yes	Yes	Tax dependent of someone not on the application – Jim	\$0

Scenario Six Results

- ▶ Even though Kyle does not live with Jim, he would still be included in Jim's medical assistance unit since Kyle is Jim's tax dependent.
- ▶ Jill is also a tax filer, and her medical assistance unit would include herself but not her son as he is being claimed by Jim, who lives outside the home. Her income is over the limit.
- ▶ Kyle is a tax dependent who is claimed by a non-custodial parent so non-filer rules apply to him. Under non-filer rules, an individual under age 19 includes his parent(s) in his medical assistance unit if living with them.

Scenario Six Results

Medical Assistance Units

For	Tax Filing Status	Included Individuals	Size	Countable Income
Jim	Tax filer	Jim and Kyle	2	\$1,700 Jim's income only
Jill	Tax filer	Jill	1	\$1,600 Jill's income only
Kyle	Non-filer	Kyle and Jill	2	\$1,600 Jill's income only

Scenario Seven

- ▶ Natalia, age 45, lives with her daughter, Catalina, age 20, and Catalina's daughter, Mia, age 1.
- ▶ Natalia files taxes and claims both her daughter Catalina and her granddaughter Mia.
- ▶ Natalia applies for herself.
- ▶ Catalina applies for herself and Mia.
- ▶ Natalia and Catalina, both receive income from employment.

Scenario Seven: Application Details

▶ Natalia's application

Name	Age	Living in Home	Applying for Coverage?	Tax Status	Income
Natalia, mother	45	N/A	Yes	Single filing taxes	\$2,000
Catalina, child	20	Yes	No	Tax dependent of Natalia	\$800
Mia, grandchild	1	Yes	No	Tax dependent of Natalia	\$0

Scenario Seven: Application Details

▶ Catalina's application

Name	Age	Living in Home	Applying for Coverage?	Tax Status	Income
Catalina, mother	20	N/A	Yes	Tax dependent of Natalia	\$800
Natalia, parent	45	Yes	No	Single filing taxes	\$2,000
Mia, child	1	Yes	Yes	Tax dependent of Natalia	\$0

Scenario Seven Results

- ▶ Since Natalia is a tax filer, tax filer rules apply. Her medical assistance unit includes herself and her two tax dependents, Catalina and Mia.
- ▶ Catalina is a tax dependent and does not meet any of the exceptions so her medical assistance unit is exactly like the tax filer claiming her: Catalina, Natalia, and Mia.
- ▶ Mia is a tax dependent claimed by Natalia. Since Natalia is not her parent, non-filer rules apply for Mia. Her medical assistance unit includes her mother Catalina and herself.

Scenario Seven Results

Medical Assistance Units

For	Tax Filing Status	Included Individuals	Size	Countable Income	Eligibility
Natalia	Tax filer	Natalia, Catalina & Mia	3	\$2,800 Natalia & Catalina's income	Not eligible: over income
Catalina	Tax dependent	Catalina, Natalia & Mia	3	\$2,800 Natalia & Catalina's income	Not eligible: over income
Mia	Non-filer	Mia & her mother, Catalina	2	\$800 Catalina's income	Apple Health for kids

Scenario Eight

- ▶ Carlos applies for himself, his spouse Sebastian, and their friend's child Ana, age 17, who they have guardianship over.
- ▶ Carlos and Sebastian file jointly and claim Ana and their son Rafael, age 21, who is away at college as their tax dependents.
- ▶ Rafael applies on his own.
- ▶ Ana had other income in the year, and she must file taxes.
- ▶ Carlos is self-employed. Sebastian and Ana receive income from employment.

Scenario Eight: Application Details

▶ Carlos' application

Name	Age	Living in Home	Applying for Coverage?	Tax Status	Income
Carlos	45	N/A	Yes	Married Filing Joint	\$400
Sebastian, spouse	46	Yes	Yes	Married Filing Joint	\$1,900
Rafael, child	21	No	No	Tax dependent of Carlos & Sebastian	\$0
Ana, child legal guardian	17	Yes	Yes	Tax dependent of Carlos & Sebastian	\$500

Scenario Eight: Application Details

▶ Rafael's application

Name	Age	Living in Home	Applying for Coverage?	Tax Status	Income
Rafael	21	N/A	Yes	Tax dependent of Carlos	\$0
Carlos, parent	45	No	No	Married filing jointly	\$400
Sebastian, parent	46	No	No	Married filing jointly	\$1,900
Ana, unrelated	17	No	No	Tax dependent of Carlos & Sebastian	\$500

Scenario Eight Results

- ▶ Carlos and Sebastian are tax filers claiming Rafael and Ana as tax dependents. Their medical assistance units include themselves, their spouse and both dependents. Income of everyone is counted.
- ▶ Rafael is away at college, and his parents expect to claim him. He is a tax dependent and does not meet any of the exceptions, so his medical assistance unit is the same as the tax filer claiming him: Rafael, his parents, and Ana.
- ▶ For Ana, the non-filer rules apply as she is being claimed by someone other than a spouse or parent. Her medical assistance unit includes only herself and her income counts.

Scenario Eight Results

Medical Assistance Units				
For	Tax Filing Status	Included Individuals	Size	Countable Income
Carlos	Tax filer	Carlos, Sebastian, Rafael & Ana	4	\$2,800 Everyone's income
Sebastian	Tax filer	Sebastian, Carlos, Rafael & Ana	4	\$2,800 Everyone's income
Rafael	Tax dependent	Rafael, Carlos, Sebastian & Ana	4	\$2,800 Everyone's income
Ana	Non-filer	Ana	1	\$500 Ana's income

Resources

Resources

- ▶ Household Composition Washington Administrative Codes
 - ▶ hca.wa.gov/free-or-low-cost-health-care/i-help-others-apply-and-access-apple-health/household-composition
- ▶ HCA Area Representatives
 - ▶ hca.wa.gov/assets/free-or-low-cost/area_representatives.pdf
- ▶ HCA Stakeholder Training & Education webpage
 - ▶ hca.wa.gov/free-or-low-cost-health-care/i-help-others-apply-and-access-apple-health
- ▶ HCA Community-Based Specialists
 - ▶ hca.wa.gov/hcacommunitystaff
- ▶ MAGI Medicaid MAU Desk Aid
 - ▶ hca.wa.gov/assets/free-or-low-cost/magi_mau_desk_aid.pdf
- ▶ Contact Us
 - ▶ hcavolunteerassister@hca.wa.gov



Congratulations!

- ▶ You have completed Module 3 of HCA Community Based Training!
- ▶ Please continue on to Module 4 of the 7 module HCA Community Based Training.