

# MAGI MEDICAID FACT SHEET

## WHAT IS MEDICAID?

Kentucky Medicaid is a **state program** authorized and jointly funded by the federal government to **provide health care for eligible low-income** Residents, including:

- Children
- Low-Income Adults
- Families
- Parent and Caretaker Relatives
- Pregnant and Postpartum Women
- Older Adults (Age 65 and above)
- Disabled Residents

Medicaid evaluates income on a **month-to-month** basis and assesses eligibility based on monthly income from the last 3-12 months to determine what is reflective going forward. For information on countable forms of income, reference the [Countable vs Non-Countable Income Tip Sheet](#).

## WHAT SERVICES QUALIFY?

With Kentucky Medicaid, eligible Residents can receive coverage for **medical expenses**, including the following types of services:

- Lab Tests and Screenings
- Behavioral Health Services
- Non-Emergency Medical Transportation
- Doctor Visits
- Dental Care
- Vision Care
- Hospital Stays
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## HOW IS ELIGIBILITY DETERMINED?

Eligibility is determined by numerous factors, including family size, income, and the [Federal Poverty Level \(FPL\)](#). For more information, reference the [Income Fact Sheet](#).

### MAGI

The **Modified Adjusted Gross Income (MAGI)** approach assesses income eligibility for most **children, pregnant women, parents, and adults**. It considers taxable income and tax filing relationships.



### Non-MAGI

The **Non-MAGI** approach assesses income eligibility for **Individuals who are blind, disabled, or ages 65 and above**. These Individuals do not utilize MAGI-based income rules.



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## MAGI MEDICAID ELIGIBLE POPULATIONS

### CHILDREN



Children under the age of one (1) and children between the ages of 1 – 18 with countable income up to 218% of the FPL.

### ADULTS



Adults between the ages of 19 – 64 with countable income up to 138% of the FPL.

### PREGNANT WOMEN



Pregnant women with countable income up to 218% of the FPL.

➤ Pregnant women who qualify are also eligible for **12 months of postpartum coverage**.

➤ Presumptive eligibility allows pregnant women to receive **temporary prenatal care for up to 60 days** while their Medicaid eligibility is determined.

### CARETAKER RELATIVES



Parent/Caretaker Relatives over the income limit automatically have their eligibility explored in the low-income adult category.

➤ Income for Parents/Caretaker Relatives utilize the Medicaid scale below:

EDG Size	1	2	3	4	5	6	7	8
Standard	235	291	338	419	492	556	621	687
With Disregard	285	358	422	521	611	692	775	858

## NON-MAGI MEDICAID ELIGIBLE POPULATIONS

### AGED, BLIND, DISABLED

- Individuals eligible for Supplemental Security Income (SSI) assistance.
- Individuals aged 65 and above that are at or below 100% of the FPL.
- Medically needy Individuals.
- Children eligible under the Family Opportunity Act (FOA) for children with disabilities.
- Individuals eligible for the Medicare Savings Program, including Qualified Medicare Beneficiaries, Specified Low-Income Medicare Beneficiaries, and Qualifying Individuals.

### OTHER POPULATIONS

- Institutionalized Individuals.
- Children receiving foster care, adoption assistance, or kinship guardianship assistance under Title IV.
- Former foster care children under the age of 26.
- Individuals eligible for home and community-based waiver services.
- Women needing treatment for breast and cervical cancer.



**Please note:** For more information on MAGI Income Eligibility, reference the [MAGI-Based Household Income Eligibility Training Manual](#) or the [MAGI Income Eligibility Job Aid](#).

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## MAGI MEDICAID CREDITS VS. DEDUCTIONS

For MAGI Medicaid, Agents and kynectors should enter all applicable forms of income and kynect will automatically calculate the MAGI income amount, including all credits and deductions.

### CREDITS

A credit is the amount an Individual would **add** to their income.

- Non-taxable Social Security benefits
- This includes Social Security Disability Insurance (SSDI), not Supplemental Security Income (SSI)
- Tax-exempt interest
- Foreign-earned income and housing expenses

### DEDUCTIONS

A deduction is the amount an Individual would **subtract** from their income.

#### Eligible

- Individual Retirement Arrangements (IRAs)
- Health Savings Accounts (HSAs)
- Social Security Benefits
- Student Loan Interest
- Out-of-Pocket Educator Expenses

#### Non-Eligible

- Property Taxes
- Child or Dependent Care Expenses
- Mortgage Interest
- Tuition Costs
- Child Support Payments



**Please note:** For self-employed Individuals, the expenses you can subtract are the same tax-deductible items allowed on [Schedule C of the IRS Form 1040](#) tax return.

## ADDITIONAL RESOURCES

For more information, reference any of the resources below.

- [How Tax Deductions May Affect ACA Premium Subsidies](#)
- [Marketplace and Medicaid Coverage FAQ](#)
- [How Social Security is Considered Income When Enrolling in a Plan](#)
- [Qualifying for the Child Tax Credit](#)
- [MAGI Worksheet](#)



**Please note:** Individuals should always consult their tax preparer, accountant, or the IRS. To reach the IRS help service, go [online](#) or call the IRS toll free at 1-800-829-1040.

# MAGI MEDICAID FACT SHEET

## HOW IS MAGI CALCULATED?

1 Determine the Individual's adjusted gross income (AGI).

- An Individual's AGI can be found on **line 11 of Tax Form 1040**.
- AGI is the **total (gross) taxable income** minus certain adjustments listed on Schedule 1 of Tax Form 1040.
  - ↪ AGI is calculated before taking the standard or itemized deductions on Tax Form 1040.
- To find a prior year AGI, navigate to the Individual's [IRS account online](#) and select the desired tax year on the Records and Status tab.

2 Combine AGI and adjustments to calculate the Individual's MAGI.

### CREDIT EXAMPLE

- AGI equals **\$40,000**
- Credit adjustments for non-taxable Social Security benefits equal **\$1,750**
- AGI plus the Individual's adjustment ( $\$40,000 + \$1,750$ ) is equal to **\$41,750**
- **MAGI equals \$41,750**

### DEDUCTION EXAMPLE

- AGI equals **\$40,000**
- Debit adjustments for student loan interest equals **\$500**
  - ↪ **Remember, only the interest portion of the student loans should be deducted, not the full monthly payment.**
- AGI plus the Individual's adjustment ( $\$40,000 - \$500$ ) is equal to **\$39,500**
- **MAGI equals \$39,500**



**Please note:** Accurately calculating an Individual's MAGI is crucial to make sure they have access and qualify for the best benefit programs for their household.