

Eligibility for Government-provided MEC (tax year 2018) (version Jan. 23, 2019)

Varies from state to state.

- When children under age 19 are involved, there is significant variation in income-eligibility for CHIP;
- Two states (MN and NY) have implemented “Basic Health Plans” (BHP) under ACA, which serve to extend government-provided MEC for adults beyond the levels provided by Medicaid; and
- Some states have higher Medicaid income limits for pregnant women.

The extended provisions in New York (which include four NY Essential Plans) and Minnesota make low-cost government coverage, generally speaking, available to household incomes up to 200% FPL, considerably higher than in the 138% in expansion states.

Being eligible for these subsidies makes people up to 200% ineligible for PTC, and without it, health insurance would probably be too expensive for them. The affordability calculation usually means that the lowest-cost annualized Bronze plan for the Line 1 family members is much more expensive than the affordability threshold, 8.05% household income.

(a) Assess affordability on the calculator

Enter information as instructed and “Click to test.” If the FPL is below 200%, no one had an employer offer, and everyone in the family is eligible for CHIP, Medicaid, Medicare, or a BHP, assign each column “GOV”, not “NO.” That grays out Line 10 and no PTC will be calculated. The Line 1 amount (LCBP that covers everyone in the family) will be multiplied by 12, and everyone will get Code A for every month they didn’t coverage.

If one or more of the adults are not eligible for a government or employer plan, use “NO” in their column. That permits a Line 10 entry, and will probably also result in Code A. (Even with PTC for that individual, it calculates as unaffordable.)

(b) Manual calculation

Determine FPL calculator, and if more than 200%, continue as normal (since you have to account for PTC).

If below 200%:

- (1) Start with the household AGI (+ untaxed SS + tax-exempt interest) = \$ _____
- (2) Find the annualized LCBP for everyone in the family who did not have an employer offer or who was otherwise exempt = \$ _____ **
- (3) Divide step (2) by step (1) = ____ %
- (4) If it’s more than 8.05% threshold, claim Code A: that full-cost Bronze plan covering those people you’re testing for would not have been affordable

**What you use for the LCBP cost depends on the family makeup.

Find them at: <https://nystateofhealth.ny.gov/individual/>

Example 1: Single person uninsured, \$20,000, Bogart calculates income at 165% FPL, which done manually would be:

$$\frac{\$20,000 \text{ (income)}}{\$12,060 \text{ (100\% FPL income for 1 person)}} = 165\% \text{ (FPLs never rounded)}$$

165% is too high for Medicaid, so you'd expect him to get enough PTC in an expansion state other than NY or MN to be affordable, and therefore no Code A.

But since he's under 200% FPL, he's eligible for an NYS EP – though not eligible for PTC.

To test for the exemption, calculate this manually:

$$\frac{\$4,992 \text{ (annualized LCBP)}}{\$20,000 \text{ (household income)}} = 24.96\% \text{ of income}$$

24.96% is way higher than the 8.05% affordability threshold. Claim Code A.

Example 2: MFJ, 2 dependent children all uninsured, \$40,000, Bogart calculates income at 162% FPL, which done manually would be:

$$\frac{\$40,000 \text{ (income)}}{\$24,600 \text{ (100\% FPL income family of 4)}} = 162\% \text{ (FPLs never rounded)}$$

The kids are eligible for CHIP, and the parents earn too much for Medicaid. In an expansion state other than NY or MN, PTC would be available. On the Bogart calculator you'd enter:

Line 1 (4 people, "Family"): \$1186, Line 10 (mom and dad, "Couple"): \$1071

So, with PTC, coverage would be affordable: \$3,216 per year at 8.04%. No Code A.

But since they're under 200% FPL, all 4 would be eligible for a government plan (EP or CHIP) in NYS – though not for PTC. To test for the exemption, calculate this manually:

$$\frac{\$14,232 \text{ (annualized LCBP for "Family")}}{\$40,000 \text{ (income)}} = 35.58\% \text{ of income}$$

35.58% is way higher than the 8.05% affordability threshold. Claim Code A.

The following are additional FPL parameters for NY's extended cost-sharing, but the 200% FPL works for all except pregnant women, which is even higher.

- 19 & 20-yr-olds living with parent: 156–200% FPL (if under, they get Medicaid)
- 19 & 20-yr-olds not living with parent: 139–200% FPL (if under, they get Medicaid)
- 65+ not eligible for free Medicare and not receiving Medicare (can't get an EP but can get PTC): 100–200%
- Pregnant women regardless of immigrant status up to and including 223% FPL get Medicaid, not an EP

Useful charts for Medicaid, CHIP and BHP eligibility levels nationwide:

Medicaid.gov: <https://www.medicaid.gov/medicaid/program-information/medicaid-and-chip-eligibility-levels/index.html>

Kaiser Fdn: <https://www.kff.org/medicaid/fact-sheet/where-are-states-today-medicaid-and-chip/>

Helpful webinar .pdfs on NY's extended coverage:

<https://www1.nyc.gov/assets/ochia/downloads/pdf/essential-plan-for-hcfany-ochia-11-12-2015.pdf>

<https://info.nystateofhealth.ny.gov/sites/default/files/Update%20on%20Essential%20Plan.pdf>