



Policy Directive

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Title: MAGI Households: Separated Spouses Filing Jointly

From: Jeanine Schieferecke

Program impacted: Family Medical

The purpose of this policy directive is to clarify treatment of households that include joint filers who are not living together. In general, the current policy guidance indicating such individuals are not included in the MAGI household is not changing. However, it is necessary to clearly delineate situations where the separated spouse would be included. A KEES workaround is also necessary in some situations, as outlined below.

Policy:

For MAGI purposes, spouses are only included in each other's households if they are living together. This is true for persons subject to the Non-Filer rules as well as those who are filing taxes. This includes individuals who are Married Filing jointly. Physical residence shall determine if spouses are 'living together'. Except for the following situations, if the spouses do not reside together, they are not living together. In these situations, the spouse is still considered a member of the household:

1. A spouse who is out of the home for purposes of work. When a spouse is absent from the home due to work obligations, s/he is still considered a member of the household. Note there is no time frame tied to the length of absence.

Examples include persons on military duty or a migrant farm worker who are required to work away from home.

2. A spouse who is out of the home to attend school. This is similar to the work exception above – when the absence is strictly due to school attendance.
3. A spouse who is out of the home because s/he is in a Medicaid approved facility for a period not to exceed the month of entrance and two following months. The institutionalized spouse is still considered a member of the MAGI budget in this situation and the LTC spousal income will continue to be considered for the MAGI household. The institutionalized spouse will require a separate determination if LTC payment is requested. If the stay is long term, the LTC spouse is no longer considered part of the MAGI household.

Length of Absence:

The Temporary Absence provisions of KFMAM 2140 are changing with this directive. Adults who are out of the home no longer have care and control of a minor child and, therefore, can no longer meet the requirements for Caretaker Medical. The 6-month temporary absence provision is being eliminated. For ongoing cases where an eligible adult leaves the home, negative action to remove the absent parent is taken as soon as possible, given timely and adequate notice requirement. As indicated above, an adult out of the home for purposes of work is still considered a household member and can continue to receive CTM.

Impact of Institutionalization:

This provision also applies to persons who are incarcerated or enter another ineligible living arrangement. When an adult enters said living arrangement s/he is no longer part of the household and action to remove the adult is taken as soon as possible, given timely and adequate notice requirements. The incarcerated adult loses 'caretaker' status upon entering the facility.

For persons entering other facilities, unless the stay meets the provisions described in #3 above, the individual is removed from the household as soon as possible given timely and adequate notice. For persons entering a long term care facility, a separate program will generally be necessary.

Impact on Child/Dependent Determinations:

For children age 18 and under - in both filer and non-filers households - the parent is only considered a part of the child's IBU if living with the child. This policy is not changing and, for a situation where the parents are Married Filing jointly but living apart, only the custodial spouse would be considered in the IBU.

However, for dependents age 19 and over, who are being claimed as a dependent, the IBU continues to include the individual, the taxpayer and taxpayer's spouse if filing jointly as well as all other dependents. Because the inclusion of the tax payer isn't dependent upon the taxpayer living with the application, the IBU does not change and shall continue to include the joint spouse. If the taxpayer is married but files separately from the spouse, the spouse is NOT included in the IBU of the adult dependent.

KEES Impact:

When staff identify a situation where spouses are married filing jointly but living apart, a KEES work around is required in order to obtain a proper outcome. See Work Around 496.

In addition, some institutionalized persons may be inappropriately pulled into an FSO role, see KEES work around 496

MAGI – Building Individual Budget Units Chart

The IBU chart used to properly construct a MAGI HH is being updated to reflect these changes. A note regarding treatment of a spouse, filing jointly but living apart, is now included.

For questions or concerns related to this document, please contact one of the Medical program staff below.

Jeanine Schieferecke, Senior Manager – Jeanine.Schieferecke@ks.gov

Vacant Family Medical Program Manager –

Erin Petitjean, Elderly and Disabled Program Manager – Erin.Petitjean@ks.gov