

# **CHANGE NOTICE FOR MANUAL NO. 13-19, MODIFIED ADJUSTED GROSS INCOME (MAGI) COUNTABLE INCOME, NON-COUNTABLE INCOME, AND BUDGETING**

**DATE: October 1, 2019**

**Manual:** Family and Children's Medicaid  
**Change No:** 13-19  
**To:** County Directors of Social Services

## **I. BACKGROUND AND CONTENT OF CHANGE**

The Division of Health Benefits (DHB) has updated Medicaid policy for MA-3360, Modified Adjusted Gross Income (MAGI). The MAGI methodology is used to determine countable income and household composition based on tax rules for most Medicaid categories when determining eligibility.

## **II. POLICY UPDATE**

### **A. MA-3360.IV.E., MAGI Countable and Non-Countable Income Charts**

#### **1. Alimony and Spousal Support**

##### **a. Income Changes:**

Alimony court judgement agreements dated on or after January 1, 2019 are non-countable income.

##### **b. Deduction Changes:**

Alimony court judgement agreements dated on or after January 1, 2019 are not an allowable deduction.

##### **c. Divorce decrees that were finalized prior to January 1, 2019 can choose to adopt this new rule by modifying their current court agreement. However, if the decree is not changed, the income is counted, and the deduction is allowed.**

##### **d. The local agency must use the court judgement agreement date to determine if the alimony income is countable or non-countable.**

#### **2. Scholarships, awards, or fellowship grants used for education purposes are non-countable. The additional income for living expenses are countable unearned income.**

3. State Directed Care or Self -Directed Care Payments

- a. The payment received by a caregiver from state or federal funding to provide care to a Medicaid beneficiary is countable earned income.
- b. State or federal funds received by a Medicaid beneficiary to pay caretakers for services is countable earned income.

4. Census income is countable earned income.

5. Foster Care Provider 1915c Payment is non-countable income.

**B. MA-3360.VI., MAGI Budgeting**

Added reference to use MA-3310, Reasonable Compatibility policy to address discrepancy between the self-attested income/resource and income/resource as reported by an electronic data source.

**C. The following are now hyperlink in [NCDHHS Policies and Manuals website](#) section MA-3360:**

1. Household Composition Chart
2. Construct the MAGI Household for Each Individual

**III. EFFECTIVE DATE AND IMPLEMENTATION**

This policy is effective October 1, 2019.

If you have any questions regarding information in this letter, please contact your [Medicaid Operational Support Team Representative](#).

Dave Richard  
Deputy Secretary, NC Medicaid