
42 C.F.R. § 433.206

Threshold methodology.

(a) *Overview.* Effective January 1, 2014, States must apply the threshold methodology described in this paragraph for purposes of determining the appropriate claiming for the Federal share of expenditures at the applicable FMAP rates described in § 433.10(b) and (c) for medical assistance provided with respect to individuals who have been determined eligible for the Medicaid program under § 435.119 of this chapter. Subject to the provisions of this paragraph, States must apply the CMS-approved State specific threshold methodology to determine and distinguish such individuals as newly or not newly eligible individuals in accordance with the definition in § 433.204(a)(1), and in accordance with States' Medicaid eligibility criteria as in effect on December 1, 2009 and to attribute their associated medical expenditures with the appropriate FMAP. The threshold methodology must not be applied by States for the purpose of determining the applicable FMAP for individuals under any other eligibility category other than § 435.119 of this chapter.

(b) *General principles.* The threshold methodology should:

- (1) Not impact the timing or approval of an individual's eligibility for Medicaid.
- (2) Not be biased in such a manner as to inappropriately establish the numbers of, or medical assistance expenditures for, individuals determined to be newly or not newly eligible.
- (3) Provide a valid and accurate accounting of individuals who would have been eligible in accordance with the December 1, 2009 eligibility standards and applicable eligibility categories for the benefits described in § 433.204(a)(1), and subject to paragraphs (d), (e), and (g) of this section, by incorporating simplified assessments of resources, enrollment cap requirements in place at that time, and other special circumstances as approved by CMS, respectively.
- (4) Operate efficiently, without further review once an individual has been determined not to be newly eligible based on the December 1, 2009 standards for any eligibility category.

(c) *Components of the threshold methodology.* Subject to the submission of a threshold methodology State plan amendment as specified in paragraph (h) of this section, the provisions of the threshold methodology consist of two components, the individual income-based determination and population-based non-income adjustments to reflect resource criteria, enrollment caps in effect on December 1, 2009, and other factors in accordance with paragraph (g) of this section.

- (1) *Scope.* The threshold methodology shall apply with respect to the population, and the associated expenditures for such population, which has been determined eligible for Medicaid under section 1902(a)(10)(A)(i)(VIII) of the Act and in accordance with § 435.119 of this chapter. This population and associated expenditures must not include individuals who have been determined eligible for Medicaid under any other mandatory or optional eligibility category.

(2) *Benefit criteria for newly eligible.* An individual eligible for and enrolled under § 435.119 of this chapter is considered newly eligible if, with respect to the applicable eligibility category in effect on December 1, 2009, the benefits did not meet the criteria described in the newly eligible definition at § 433.204(a)(1).

(3) *Individual income-based determination.* The individual income-based determination shall be a comparison of the individual's MAGI-based income to the income standard in effect on December 1, 2009, as converted to an equivalent MAGI-based income standard for each applicable eligibility category as in effect on that date, as follows.

(i) The amount of an individual's income under the threshold methodology is the MAGI-based income determined in accordance with § 435.603 of this chapter.

(ii) For each individual, the equivalent MAGI-based income eligibility standard is the applicable income eligibility standard for the applicable category of eligibility as in effect on December 1, 2009 that is converted to an equivalent MAGI-based income standard. For example, as applicable, a separate MAGI-based income standard will be applied for individuals determined to be disabled who would have been eligible under an optional eligibility category in effect on December 1, 2009 that was based on disability. For these purposes, the applicable equivalent MAGI-based standard is the standard as submitted by the State and approved by CMS in accordance with CMS guidance.

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