



Healthy Kids  
A Healthy Colorado

# Colorado Medicaid and CHP+ Income Eligibility

## Why should Medicaid and CHP+ use annualized income for eligibility determinations?

Income eligibility for Medicaid and Child Health Plan *Plus* (CHP+) relies on an applicant's *current or prior month's income* while income eligibility for tax credits to help pay for private insurance through the marketplace, Connect for Health Colorado, relies on an applicant's *annual income*.

**What is the issue?** Seasonal workers and others with **variable monthly income** encounter undue burden as they attempt to qualify for the appropriate health coverage program. These individuals are more likely to **move between programs multiple times** throughout the year, potentially **disrupting their continuity of care**. Also, because Medicaid and CHP+ enrollees are required to report income changes when they occur, seasonal workers carry additional responsibility to ensure they are enrolled in the right program each month.

### Eligibility for Medicaid and CHP+

- Income eligibility is based on **current or prior month's income** (i.e. the amount of money an individual or family made this month or last month).
- Medicaid may be available to adults with monthly incomes between **0–133 percent FPL** (up to \$1,294 for a single adult, or \$2,194 for an adult in a household of three).

### Eligibility for Marketplace Tax Credits

- Income eligibility is based on **annualized income** (i.e. the amount of money an individual or family expects to make over the course of the calendar year).
- Tax credits may be available to those who are not eligible for Medicaid or other insurance, with annual incomes between **100–400 percent FPL** (\$11,671 to \$46,684 for an individual, or \$19,790 to \$79,160 for a household of three).

CURRENT OR PRIOR MONTH'S INCOME

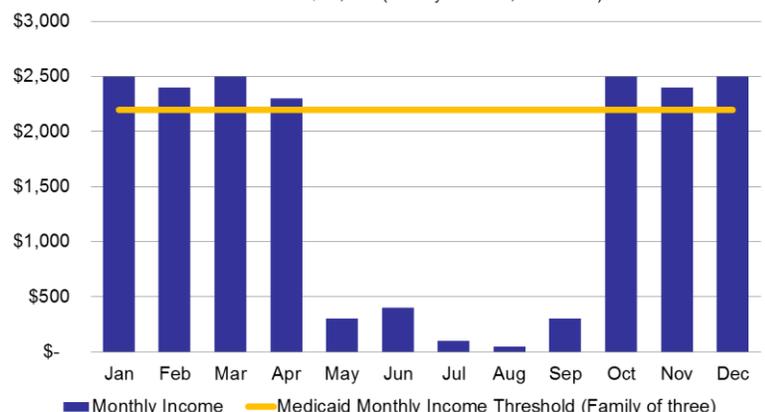


ANNUALIZED INCOME

## Why should Medicaid and CHP+ use annualized income?

- Ensure that seasonal workers can qualify for the right program when they apply.** Seasonal workers may exceed the monthly income level to qualify for Medicaid during the months when they are employed, yet also fail to reach the annual income level to receive tax credits through the marketplace, making them potentially ineligible for affordable health coverage. Using annualized income for Medicaid and CHP+ will ensure that seasonal workers can qualify for the right program at application, and avoid a lengthy appeal process.

Seasonal Income Per Month  
Resort Employee Example  
Annual Income: \$18,250 (Family of three, 92% FPL)



- **Reduce financial burden on Colorado families.** In months that seasonal workers are not eligible for Medicaid, based on monthly income, they are required to spend potentially strained family resources on private health insurance premiums and co-payments. Money paid toward a deductible is also forfeited if the family moves from a private plan to public health insurance.

*“The disconnect between how Medicaid and CHP+ regard income and how Connect for Health Colorado looks at it is a serious issue, hampering enrollment in our area. If they looked at annual income, it would align the programs and would be a big step toward better accounting for the income issues that our community faces.”*

**–Bethany Hughes, Family & Intercultural Resource Center, Silverthorne, CO**

- **Increase health care access, and reduce gaps in coverage.** Medicaid, CHP+, and private health insurance plans may contract with different doctors, hospitals, pharmacies, and specialists. Switching between programs makes it harder to keep the same doctor, and keep up with preventive care.
- **Reduce unnecessary movement or churn between coverage programs.** By looking at annual income rather than monthly income, Coloradans are more likely to be enrolled in appropriate coverage, and stay enrolled in appropriate coverage.
- **Simplify health coverage eligibility processes.** Colorado’s eligibility system determines eligibility for Medicaid, CHP+, and tax credits at the same time, however, differing income periods makes this process more complicated than it needs to be.

*“My husband has a full-time job working construction. He has worked for the company on and off for 10 years. I worked as a restaurant manager for almost 12 years, when **about three years ago I was laid off.** My job had provided our family with health insurance.*

*Since then we have been struggling to make things work. **We have always made it so our children had health insurance, but sometimes have not been able to cover ourselves.** Last year I picked up some **part-time work** just to help us make it, but also leaving me with the opportunity to take care of our children.*

*I have been fighting since August to have my children covered on CHP+. **My husband and I are around \$2000 below the qualifying limit for CHP+ based on our annual income, however how they enter our monthly income in the system, it says we are over.***

*It is extremely frustrating.*

***In January, I had to debate taking my youngest son to the doctor when he developed a fever of 104 degrees.** Do I take my son and figure out how to pay, or do I try to wait it out and see what happens, playing with the odds? I took him, and now will have to figure out how to pay for that doctor’s bill, but **it makes me sick inside to think that it came down to that all because of how the system works.** The month before we applied, we made too much, but **over the course of the year, we are still under the income limit and should qualify.** Frustrating, discouraging, and I hope not the way the system was intended.”*

**–Joy, Dillon, CO**