



RULE-MAKING ORDER PERMANENT RULE ONLY

CR-103P (December 2017) (Implements RCW 34.05.360)

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: August 18, 2020

TIME: 4:04 PM

WSR 20-17-136

Agency: Health Care Authority

Effective date of rule:

Permanent Rules

31 days after filing.

Other (specify) _____ (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?

Yes No If Yes, explain:

Purpose: The agency is amending these WACs to: 1) align income exemptions with the Internal Revenue Code; 2) clarify noncountable income provisions; and 3) remove provisions that are no longer applicable.

Citation of rules affected by this order:

New:

Repealed: 182-509-0345, 182-509-0350, 182-509-0355

Amended: 182-509-0300, 182-509-0320, 182-509-0335

Suspended:

Statutory authority for adoption: RCW 41.05.021, 41.05.160

Other authority:

PERMANENT RULE (Including Expedited Rule Making)

Adopted under notice filed as WSR 20-10-108 on May 6, 2020 (date).

Describe any changes other than editing from proposed to adopted version:

Proposed/Adopted	WAC Subsection	Reason
WAC 182-509-0320 (2)		
Proposed	(2) Examples of income that are not counted include, but are not limited to: (k) Money withheld from a benefit to repay an overpayment from the same income source;	Retained what is now subsection (2)(g) because these overpayments should be considered noncountable income.
Adopted	(2) Examples of income that are not counted include, but are not limited to: (g) Money withheld from a benefit to repay an overpayment from the same income source;	

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting:

Name: N/A
Address:
Phone:
Fax:
TTY:
Email:
Web site:
Other:

**Note: If any category is left blank, it will be calculated as zero.
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.
A section may be counted in more than one category.**

The number of sections adopted in order to comply with:

Federal statute:	New	___	Amended	___	Repealed	___
Federal rules or standards:	New	___	Amended	___	Repealed	___
Recently enacted state statutes:	New	___	Amended	___	Repealed	___

The number of sections adopted at the request of a nongovernmental entity:

New	___	Amended	___	Repealed	___
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The number of sections adopted on the agency's own initiative:

New	___	Amended	___	Repealed	___
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The number of sections adopted in order to clarify, streamline, or reform agency procedures:

New	___	Amended	<u>3</u>	Repealed	<u>3</u>
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The number of sections adopted using:

Negotiated rule making:	New	___	Amended	___	Repealed	___
Pilot rule making:	New	___	Amended	___	Repealed	___
Other alternative rule making:	New	___	Amended	<u>3</u>	Repealed	<u>3</u>

Date Adopted: August 18, 2020

Name: Wendy Barcus

Title: HCA Rules Coordinator

Signature:



AMENDATORY SECTION (Amending WSR 14-21-040, filed 10/7/14, effective 11/7/14)

WAC 182-509-0300 Modified adjusted gross income (MAGI). (1) The agency uses the modified adjusted gross income (MAGI) methodology to determine eligibility for MAGI-based Washington apple health (~~((WAH))~~) programs described in WAC 182-509-0305.

(2) MAGI methodology is described in WAC 182-509-0300 through 182-509-0375. Generally, MAGI includes adjusted gross income (as determined by the Internal Revenue Code (IRC)) increased by:

(a) Any amount of foreign income excluded from gross income under Section 911 of the IRC;

(b) Any amount of interest received or accrued by the taxpayer during the taxable year which is exempt from tax; and

(c) Any amount of Title II Social Security income or Tier 1 Railroad Retirement income which is excluded from gross income under Section 86 of the IRC.

(3) When calculating a person's eligibility for the programs listed in WAC 182-509-0305, the agency uses the person's MAGI income with the following exceptions:

(a) Scholarships or fellowship grants described in WAC 182-509-0335 used for education purposes are excluded from income;

(b) Income received by American Indian/Alaskan Native individuals described in WAC 182-509-0340 is excluded from income; (~~and~~)

(c) Any income received as a lump sum as described in WAC 182-509-0375 is counted as income only in the month in which it is received; and

(d) Income received by a child age eighteen or younger or a tax dependent as described in WAC 182-509-0360 is excluded from income.

(4) Countable MAGI income is reduced by an amount equal to five percentage points of the federal poverty level (FPL) based on household size to determine net income except that there is no such reduction of countable MAGI income for parents or caretaker relatives with an eligible dependent child (~~((whose net countable income is below fifty-four percent of the FPL))~~) (as described in WAC 182-509-0305(1)). Net income is compared to the applicable standard described in WAC 182-505-0100.

(5) When calculating a person's eligibility for MAGI-based programs listed in WAC 182-509-0305, the agency determines the medical assistance unit for each person according to WAC 182-506-0010 and 182-506-0012.

AMENDATORY SECTION (Amending WSR 14-01-021, filed 12/9/13, effective 1/9/14)

WAC 182-509-0320 MAGI income—Noncountable income. For purposes of determining eligibility for modified adjusted gross income (MAGI)-based Washington apple health (~~((WAH))~~) (see WAC 182-509-0300):

(1) Some types of income are not counted when determining eligibility for MAGI-based (~~((WAH))~~) apple health. Under the MAGI income methodology described in WAC 182-509-0300, income is not counted if the Internal Revenue Service (IRS) permits it to be excluded or deduc-

ted for purposes of determining the tax liability of a person. (See 26 U.S.C. Sections 62(a) and 101-140.)

(2) Examples of income that are not counted include, but are not limited to:

(a) Bona fide loans, except certain student loans as specified under WAC 182-509-0335;

(b) Federal income tax refunds and earned income tax credit (~~((EITC))~~) payments for up to twelve months from the date received;

(c) Child support payments received by any person included in household size under WAC 182-506-0010;

(d) Nontaxable time loss benefits or other compensation received for sickness or injury, such as benefits from the department of labor and industries (L&I) or a private insurance company;

(e) Title IV-E and state foster care and adoption support maintenance payments;

(f) Veteran's benefits including, but not limited to, disability compensation and pension payments for disabilities paid to the veteran or family members; education, training and subsistence; benefits under a dependent-care assistance program for veterans, housebound allowance and aid and attendance benefits;

(g) ~~((Educational assistance that is not counted under WAC 182-509-0335;~~

~~(h) Native American benefits and payments that are not counted under WAC 182-509-0340;~~

~~(i) Income from employment and training programs that is not counted under WAC 182-509-0345;~~

~~(j) Needs-based assistance from other agencies or organizations that is not counted under WAC 182-509-0350;~~

~~(k)) Money withheld from a benefit to repay an overpayment from the same income source;~~

~~((l)) (h) One-time payments issued under the Department of State or Department of Justice reception and replacement programs, such as Voluntary Agency (VOLAG) payments;~~

~~((m)) (i) Nontaxable income from employment and training programs;~~

(j) Any portion of income used to repay the cost of obtaining that income source;

~~((n) Insurance proceeds or other income received as a result of being a Holocaust survivor;~~

~~(o)) (k) Insurance proceeds or other income received as a result of being a Holocaust survivor;~~

(l) Federal economic stimulus payments that are excluded for federal and federally assisted state programs;

~~((p) Federal twenty-five dollar supplement weekly unemployment compensation payment authorized by the American Recovery and Reinvestment Act of 2009;~~

~~(q)) (m) Income from a sponsor given to a sponsored immigrant;~~

~~((r) Energy assistance payments;~~

~~(s)) (n) Fringe benefits provided on a pretax basis by an employer, such as transportation benefits or moving expenses;~~

~~((t)) (o) Employer contributions to certain pretax benefits funded by an employee's elective salary reduction, such as amounts for a flexible spending account;~~

~~((u)) (p) Distribution of pension payments paid by the employee (such as premiums or contributions) that were previously subject to tax;~~

~~((v) Gifts or inheritances to the person that are not counted under WAC 182-509-0355;~~

~~((w))~~ (q) Gifts as described in IRS Publication 559: Survivors, Executors, and Administrators;

(r) Cash or noncash inheritances, except that the agency counts income produced by an inheritance;

(s) Death benefits from life insurance and certain benefits paid for deaths that occur in the line of duty; and

~~((x))~~ (t) Other payments that are excluded from income under state or federal law.

(3) Income received from ~~((the following cash programs is not countable income for MAGI-based WAH))~~ other agencies or organizations as needs-based assistance is not countable income under this section.

(a) "Needs-based" means eligibility for the program is based on having limited income, or resources, or both. Examples of needs-based assistance are:

(i) Clothing;

(ii) Food;

(iii) Household supplies;

(iv) Medical supplies (nonprescription);

(v) Personal care items;

(vi) Shelter;

(vii) Transportation; and

(viii) Utilities (e.g., lights, cooking fuel, the cost of heating or heating fuel).

(b) Needs-based cash programs include, but are not limited to, the following apple health programs:

~~((a))~~ (i) Diversion cash assistance (DCA);

~~((b))~~ (ii) Temporary assistance for needy families (TANF);

~~((c))~~ (iii) State family assistance (SFA);

~~((d))~~ (iv) Pregnant women's assistance (PWA);

~~((e))~~ (v) Refugee cash assistance (RCA);

~~((f))~~ (vi) Aged, blind, disabled cash assistance (ABD); and

~~((g))~~ (vii) Supplemental security income (SSI).

AMENDATORY SECTION (Amending WSR 14-01-021, filed 12/9/13, effective 1/9/14)

WAC 182-509-0335 MAGI income—Educational benefits. For purposes of determining eligibility for modified adjusted gross income (MAGI)-based Washington apple health ~~((WAH))~~ (see WAC 182-509-0300), the agency or its designee does not count educational ~~((assistance))~~ benefits as income when they are used for education expenses, unless the educational benefits are used for living expenses. Examples include, but are not limited to:

(1) Educational assistance in the form of grants or loans issued under Title IV of the Higher Education Amendments (Title IV - HEA) or through a program administered by the Department of Education (DOE), such as:

(a) Pell grants (Title IV);

(b) Stafford loans (Title IV);

(c) Perkins loan program (Title IV);

(d) State need grant program (Title IV);

~~(e) ((Christa McAuliffe fellowship program (DOE);~~
~~(f) Jacob K. Javits fellowship program (DOE); and~~
~~(g) Library career)) Training programs administered by the Department of Education (DOE).~~

(2) Payments received for education, training, or subsistence under any law administered by the department of Veteran's Affairs (VA).

(3) Student financial assistance provided under the Bureau of Indian Affairs education programs.

(4) Educational assistance in the form of grants or loans under the Carl D. Perkins Vocational and Applied Technology Education Act, P.L. 101-392.

(5) Work study income including:

(a) Federal or state work study income; and

(b) WorkFirst work study income.

(6) Payments to service academy cadets at a military academy.

(7) Payments for the purposes of tuition made on behalf of the individual to an educational organization for the education or training of such individual.

REPEALER

The following sections of the Washington Administrative Code are repealed:

WAC 182-509-0345 MAGI income—Income from employment and training programs.

WAC 182-509-0350 MAGI income—Needs-based assistance from other agencies or organizations.

WAC 182-509-0355 MAGI income—Gifts and inheritances.