

The Affordable Care Act, Waiver of Financial Eligibility Standards for ORR Refugee Medical Assistance, and Application of the MAGI Income Methodology

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TO: STATE REFUGEE COORDINATORS
STATE REFUGEE HEALTH COORDINATORS
NATIONAL VOLUNTARY AGENCIES
OTHER INTERESTED PARTIES

FROM: Eskinder Negash
Director
Office of Refugee Resettlement

SUBJECT: The Affordable Care Act, Waiver of Financial Eligibility Standards for ORR Refugee Medical Assistance, and Application of the MAGI Income Methodology

The Affordable Care Act (ACA) brings new health coverage opportunities for millions of people in the United States, including refugees and former refugees. The ACA also changes the methodology for determining income eligibility for Medicaid for most individuals, as well as for the Children's Health Insurance Program (CHIP), to the modified adjusted gross income (MAGI) methodology.

Through this State Letter, I am providing a waiver on certain financial eligibility standards for the ORR Refugee Medical Assistance (RMA) program so that States have discretion to use the MAGI methodology in determining eligibility for RMA. This added flexibility harmonizes RMA and Medicaid income methodologies and reduces the burden on States by eliminating the need for a separate income determination process for Medicaid and RMA.

Background

As of October 1, 2013, individuals, including refugees, can apply for health insurance through the Health Insurance Marketplace. By completing one application, refugees can learn whether they are eligible for Medicaid or CHIP. At the same time, they can also learn if they are eligible for private health insurance coverage through the Health Insurance Marketplace, and if eligible, whether they qualify for lower costs on monthly premiums for these plans. When applying for Medicaid through the State Medicaid

office, a refugee's income will be calculated using the MAGI methodology. When applying for coverage through the Health Insurance Marketplace, a refugee's income will also be calculated using the MAGI methodology.

Two Year Waiver of Current RMA Income Standards

Under current RMA program rules at 45 CFR 400.101, to determine eligibility for RMA, States must use the medically needy financial eligibility standards, the AFDC payment standards, or another financial eligibility standard established at up to 200 percent of the Federal Poverty Level. Based on my authority as the Director of the Office of Refugee Resettlement and in accordance with 45 CFR 400.300, I am providing waiver of this requirement.

Based on the same authority, I also waive the provision under 45 CFR 400.103 which requires States to allow RMA applicants who do not meet general RMA financial eligibility standards to deduct incurred medical expenses or spend down to meet the financial eligibility standard established by the State's refugee resettlement program up to 200 percent of the Federal Poverty Level. A separate RMA spend down requirement is no longer necessary as the Health Insurance Marketplace and State Medicaid offices will use the MAGI methodology and related conversion factors in determining eligibility for health insurance coverage, with no asset test. All other aspects of the RMA program rules remain unchanged.

States will also have the discretion to continue using the income methodologies outlined in 45 CFR Subpart G when calculating income eligibility for RMA.

My decision to waive these provisions is for the purpose of providing added flexibility to States and increasing refugee access to healthcare by providing parity between RMA and Medicaid through alignment of methods of income determination. This waiver helps conform the ORR refugee resettlement program to the ACA, advances the purposes of the refugee resettlement program, and is appropriate and consistent with Federal refugee policy objectives.

This waiver applies to State-administered, Wilson-Fish and Private Public Partnership programs that administer RMA. States need not submit any additional application or information to receive and utilize this waiver. The waiver will be in effect from November 26, 2013 through September 30, 2015. If you have questions regarding this waiver, please contact Dr. Curi Kim at 202-401-5585, or by e-mail at curi.kim@acf.hhs.gov.