



Social Security and Modified Adjusted Gross Income: Estimated Impact to Medicaid Enrollment Under the PPACA

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INTRODUCTION

The Patient Protection and Affordable Care Act (PPACA) provides for an expansion of Medicaid eligibility for individuals who have an annual household income at or below 138% (including the 5% income exclusion) of the federal poverty level (FPL). Many of the financial analyses associated with the cost to the state and federal governments have relied upon publicly available surveys regarding the number of individuals who have household income meeting this poverty level threshold. However, recent discussion has turned to individuals who may qualify for Medicaid even though their households have significant Social Security or Supplemental Security Income (SSI). Using the publicly available 2009 American Community Survey (ACS) data published by the U.S. Census Bureau, this paper explores the potential number of individuals receiving Social Security or Supplemental Security Income and other family members within the household who may have been excluded from the Medicaid population expansion analyses because of the differences between defining household income under the public surveys and the modified adjusted gross income (MAGI). The MAGI methodology will be used to determine eligibility for Medicaid and exchange subsidies under the PPACA.

The definition of household MAGI excludes non-taxable Social Security and Supplemental Security Income. For households with a significant portion of total income coming from Social Security or Supplemental Security Income benefits, the exclusion of non-taxable Social Security income will significantly reduce the household's MAGI. Supplemental Security Income amounts are entirely excluded from the MAGI calculation. The taxation of Social Security benefits is dependent upon the household's other sources of income, with the taxable portion ranging from 0% to 85%. While only individuals qualifying for retirement, survivor, or disability benefits are receiving Social Security or Supplemental Security Income (SSI) benefits directly, the MAGI income definitions also affect spouses and dependents in the household because the determination of MAGI is based on household income.

Figure 1 provides an illustration of the impact that excluding non-taxable Social Security and SSI can have on a household's FPL percentage.

Figure 1

**Illustration of Impact on Federal Poverty Level
Due to Exclusion of Non-Taxable Social Security Income
(Calendar Year 2009)**

Household Member	Other Earnings	Social Security Income	Total Income	Social Security Percent Taxable	MAGI Income
Husband	\$15,000	\$15,000	\$30,000	0%	\$15,000
Wife	\$5,000	\$8,000	\$13,000	0%	\$5,000
Total Household	\$20,000	\$23,000	\$43,000	0%	\$20,000
Household Federal Poverty Level Total Income					295%
Household Federal Poverty Level MAGI Income					137%

Note: A complete description of the taxation of Social Security and SSI can be found in IRS Publication 915, available at www.irs.gov/pub/irs-prior/p915--2009.pdf.

For this sample couple, because 50% of their Social Security income plus other earnings is less than \$32,000 (\$31,500), they are not required to pay any federal income tax on the \$23,000 of Social Security income. The \$23,000 is excluded entirely from their MAGI, reducing it from \$43,000 to \$20,000. For a two-person family, the FPL in 2009 is \$14,570. The couple's \$20,000 MAGI converts to an FPL percentage of 137%. If the Social Security income was fully counted in the FPL calculation, the FPL percentage would be 295%. When Social Security income is excluded, their FPL percentage drops below 139%, and they qualify for Medicaid.

The results shown in this paper are based on the 2009 American Community Survey. **Results using other publicly available survey data or internal government resources may differ significantly.** With the exception of the values in Figure 2, we have not adjusted the data to reflect population growth or demographic changes between calendar years 2009 and 2014. The values presented in this paper are based on actual calendar-year 2009 survey results. State-by-state results are provided in the appendices to this paper.

SUMMARY OF RESULTS

Based on calculating household income with and without non-taxable Social Security and Supplemental Security Income included, we estimate from the ACS data that approximately 2.3 million additional individuals nationwide will be eligible for Medicaid beginning in 2014, because of the exclusion or partial exclusion of these income sources. The estimates exclude individuals that were identified as currently Medicaid- or Medicare-eligible in the survey. Of the 2.3 million additional individuals, 1.0 million are directly receiving Social Security or Supplemental Security Income benefits. The remaining individuals are spouses or dependents of those receiving payments. The table in Figure 2 summarizes the newly Medicaid-eligible population by income exclusion source. The values in Figure 2 are presented based on actual 2009 survey results and 2014 population estimates. The actual number of newly Medicaid-eligible individuals enrolling in Medicaid will be less than the values in Figure 2 because of Medicaid take-up rates less than 100%. We have estimated a 12.5% population growth rate between 2009 and 2014 for the applicable populations, because of the leading edge of the Baby Boom becoming eligible for early retirement. Appendix 1 provides the 2009 survey results on a state-by-state basis.

Figure 2

**Summary of Newly Medicaid-Eligible Due to Income Exclusion
by Excluded Income Source
(Calendar Year 2009 ACS Data)**

Recipient Excluded Income Source	Newly Eligible	
	2009 ACS	2014 Estimate
62-64 Receiving Social Security	584,000	657,000
Receiving Supplemental Security Income	26,000	29,000
Recipient Under Age 62 Receiving Social Security	286,000	322,000
Subtotal Directly Receiving Social Security or SSI Benefits	896,000	1,008,000
Subtotal Indirectly Receiving Social Security or SSI Benefits (through family member)	1,114,000	1,253,000
Total Newly Medicaid Eligible Due to Income Exclusions	2,010,000	2,261,000

Note: Values rounded to the nearest thousand.

The table in Figure 3 summarizes the estimated age of the newly Medicaid-eligible individuals. Based on the 2009 survey results, over 51% of the 2.0 million additional enrollees are at least 55 years old. While these individuals will comprise a small portion of the total newly eligible Medicaid expansion population in 2014, their medical costs on a per-person basis will be significantly greater than the average Medicaid expansion enrollee cost, which is due to their higher age and morbidity profile.

Figure 3
Newly Medicaid-Eligible Due to Income Exclusion
Summary by Age
(Basis: Calendar Year 2009 ACS)

Age Group	Newly Eligible	Median Age
Under 25	451,000	16
25-54	519,000	45
55-61	381,000	59
62-64	659,000	63
Total Newly Eligible	2,010,000	55

Note: Values rounded to the nearest thousand.

Although the exclusion of non-taxable Social Security and Supplemental Security Income allows 2.0 million more individuals to qualify for Medicaid, a large portion of these individuals' premium and healthcare expenditures would otherwise have been subsidized by the federal government through the health insurance exchanges. For the 2.0 million additional Medicaid enrollees, the table in Figure 4 illustrates the distribution of household FPL percentage by age group and for all ages if all income sources were included for purposes of determining the household's FPL percentage. The recalculated household FPL values are heavily concentrated in the lower FPL ranges, with 88% of the household FPL values at or below 250% FPL.

Figure 4
Summary of Newly Medicaid-Eligible Due to Income Exclusion
Distribution of Federal Poverty Level Percentage Including All Household Income
(Basis: Calendar Year 2009 ACS)

FPL Range	Age 62-64	Age 25-61	Under Age 25	All Ages
139%-150%	10.1%	16.8%	20.2%	15.4%
151%-200%	39.5%	50.9%	56.9%	48.5%
201%-250%	29.0%	23.1%	18.2%	23.9%
251%-300%	15.4%	7.1%	3.9%	9.1%
301%-350%	4.6%	1.5%	0.6%	2.3%
351%-400%	0.7%	0.5%	0.1%	0.4%
400%+	0.8%	0.2%	0.0%	0.3%
Total	100.0%	100.0%	100.0%	100.0%

From a state's perspective, the exclusion of non-taxable Social Security income from the FPL calculation will increase costs related to healthcare reform, as the state will be paying a portion of Medicaid costs for individuals who would otherwise be enrolled in the state's health insurance exchange. From 2014 through 2016, the federal government will pay 100% of the healthcare costs associated with the Medicaid expansion population. However, beginning in

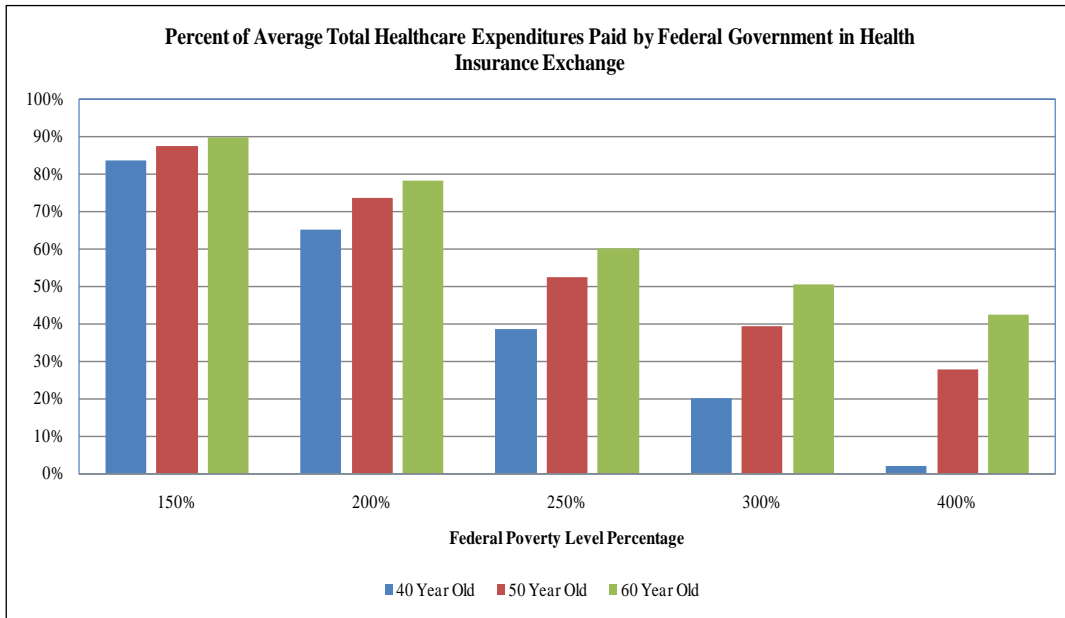
2017, each state will be responsible for a portion of the costs associated with the Medicaid expansion population. The state's percentage costs increase from 5% in 2017, grading up to 10% by 2020 and beyond. The cost of this income provision to each state will be a function of the number of new Medicaid enrollees and the average healthcare cost for this population.

From the federal government's perspective, the cost impact is more difficult to quantify. By removing non-taxable Social Security from the household income calculation, the federal government has shifted a significant number of households from the state insurance exchanges into Medicaid. While this may initially appear to increase the costs of the PPACA because of the richer benefits provided under Medicaid, the following points should also be taken into account:

- More than 60% of individuals switching from the insurance exchange to Medicaid would have received premium and cost-sharing subsidies equivalent to an actuarial value of at least 87%, because of having an FPL less than 200%. Therefore, the actual benefit increase on an actuarial value basis that is due to switching from the individual insurance market to Medicaid is limited.
- Individuals 55 and older will have the highest premiums in the individual insurance exchange, which is due to the allowance of age rating. For individuals qualifying for a premium subsidy, the subsidy caps the percentage of household income they will pay for health insurance. Because the percentage cap only varies by the household's FPL, the value of the premium subsidies will be the greatest for the 55-and-older population.
- Medicaid provider reimbursement has historically been 40% or more below commercial reimbursement rates (even after adjustment for disproportionate hospital payments and other supplemental payments).
- Beginning in 2020, the federal government will be paying only 90% of the medical expenditures associated with the Medicaid expansion population.

The chart in Figure 5 illustrates the percentage of total healthcare expenses (premium and cost-sharing) that will be paid by the federal government for qualified individuals in the state insurance exchanges. Figure 5 illustrates the percentages for 40-, 50-, and 60-year-old persons at increasing levels of household income. The values are based on estimated premium amounts published by the Congressional Budget Office (generated by the Kaiser Family Foundation Health Reform Subsidy Calculator), and the premium and cost-sharing subsidy structure of the PPACA.

Figure 5



As Figure 5 illustrates, the percentage of healthcare expenditures paid by the federal government increases with age. For a 60-year-old individual at 400% FPL threshold, more than 40% of healthcare expenditures will be paid through the premium subsidy. Because of the combination of premium and cost-sharing subsidies in the exchange, the federal government's incremental cost of Medicaid coverage will be offset by the reduction in the subsidies through the exchange.

The actual number of additional new Medicaid enrollees may be dependent on the eligible population's current health insurance coverage sources. The population had a wide mix of health insurance coverage during 2009. The table in Figure 6 illustrates the distribution of the 2.0 million additional Medicaid-eligible individuals by age and insurance coverage source. Approximately 900,000 individuals had employer-sponsored health insurance, either as active employees or while retired. Approximately 700,000 of the additional newly Medicaid-eligible population is uninsured, with another 330,000 having individual insurance. Approximately 90,000 individuals are covered under TRICARE or the Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA). The actual number of additional Medicaid-eligible individuals who will enroll will be less than 2.0 million. The Medicaid take-up rate will vary by current insurance coverage source and income level. However, the individual and uninsured populations are most likely to enroll in Medicaid because of having no alternative affordable sources of coverage.

Figure 6

**Summary of Newly Medicaid-Eligible Due to Income Exclusion
Current Health Insurance Coverage Source
(Basis: Calendar Year 2009 ACS)**

Insurance Coverage Source	Age 62-64	Age 25-61	Under Age 25	All Ages	Percentage Distribution
Employer	323,000	349,000	225,000	897,000	44.6%
Individual	145,000	124,000	60,000	329,000	16.4%
Uninsured	155,000	389,000	154,000	698,000	34.7%
Government (Military)	36,000	38,000	12,000	86,000	4.3%
Total	659,000	900,000	451,000	2,010,000	100.0%

Note:

[1]Values rounded to the nearest thousand.

[2]Appendix 2 provides a state-by-state summary of the number of individuals who are newly Medicaid-eligible due to income exclusion by current insurance coverage source.

In addition to increasing the number of individuals eligible for Medicaid under the PPACA, the exclusion of non-taxable Social Security and Supplemental Security Income will also increase the level of premium and cost-sharing subsidies available to qualified individuals receiving these transfer payments. Individuals with household income between 139% and 400% who are uninsured or currently in the individual market are the populations most likely to enroll in the insurance exchanges. Individuals with employer-sponsored coverage may not be eligible to receive a premium subsidy in the exchange, because of having affordable coverage through their employer. Other individuals who are enrolled in Medicare or another government program may also not be eligible for exchange premium subsidies.

The table in Figure 7 illustrates by FPL category the estimated number of individuals with household income greater or equal to 139% FPL who are uninsured or individually insured in 2009 with and without income exclusions.

Figure 7

**Summary of Estimated Uninsured and Individually Insured Individuals
by Federal Poverty Level Category
(Basis: Calendar Year 2009 ACS)**

Federal Poverty Level	With All Income	Excluding Tax-Exempt	Estimated Change
139% - 150%	2,575,000	2,484,000	(91,000)
151% - 200%	7,991,000	7,658,000	(333,000)
201% - 250%	6,187,000	5,954,000	(233,000)
251% - 300%	4,561,000	4,417,000	(144,000)
301% - 350%	3,255,000	3,157,000	(98,000)
351% - 400%	2,564,000	2,513,000	(51,000)
400%+	9,898,000	9,820,000	(78,000)
Total	37,031,000	36,003,000	(1,028,000)
Total 139% - 400%	27,133,000	26,183,000	(950,000)

Note: Values rounded to the nearest thousand.

By excluding non-taxable Social Security and Supplemental Security Income from the MAGI calculation, the estimated number of uninsured or individually insured individuals who will be eligible for premium subsidies in the insurance exchange decreases from 27.1 million to 26.2 million. As previously illustrated, the decrease shifts the individuals from the health insurance exchanges to Medicaid. Because the taxable percentage of Social Security income increases to 85% for higher-income households, the impact of excluding non-taxable Social Security income from the MAGI calculation is significantly less for high-income households than for low-income households.

CONCLUSION

The exclusion of non-taxable Social Security and Supplemental Security Income (SSI) from MAGI will qualify more Americans to become eligible for Medicaid in 2014, rather than receiving premium subsidies through the state insurance exchanges. The additional population becoming eligible for Medicaid will be predominantly individuals age 50 and older.

From the states' perspectives, expenditures associated with the PPACA may increase because of a larger and older Medicaid expansion population. The federal government's expenditures associated with MAGI provisions are more difficult to determine. However, since the federal government's expenditures are shifting from exchange-related expenditures to Medicaid expenditures, the incremental federal government expenditures for the expanded Medicaid coverage may be offset by the exchange subsidies that would have been incurred for the studied population. Because of many variables created by the shifts between the two PPACA provisions, an expenditure analysis has not been included in this paper.

The information presented in this paper has illustrated the potential increase in Medicaid enrollment that are due to differences between public survey data and the actual calculation of MAGI and the treatment of Social Security income. The results shown are based on calendar year 2009 data. Figure 2 presents the estimated impact of the projected eligible population in 2014 because of growth of the Baby Boomer generation. The population growth between 2009 and 2014 is estimated at 12.5% for the five-year period.

A description of key assumptions used in this analysis is provided in Appendix 3.

LIMITATIONS

Differences between our projections and actual amounts depend on the extent to which future experience conforms to the assumptions made for this analysis. It is certain that actual experience will not conform exactly to the assumptions used in this analysis. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience.

In developing the projections, we relied on data and other information from the U.S. Census Bureau and other publicly available information. We have not audited or verified this data and other information. Estimates developed from other publicly available census survey data and government resources will differ from this analysis. We performed a limited review of the data used directly in our analysis for reasonableness and consistency. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete.

The projections included in this research paper are based on our understanding of the PPACA and its associated regulations issued to date. Forthcoming PPACA-related regulations and additional legislation may materially change the impact of the PPACA, necessitating an update to the projections included in this paper.

The views expressed in this research paper are made by the authors of this issue paper and do not represent the opinion of Milliman, Inc. Other Milliman consultants may hold different views.

QUALIFICATIONS

Guidelines issued by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. We are members of the American Academy of Actuaries, and meet the qualification standards for performing the analyses in this report.

APPENDIX 1

PPACA Medicaid Expansion Analysis
Incremental Impact of Excluding Non-Taxable Social Security and Supplemental Security Income from MAGI
By Social Security or Supplemental Security Income Beneficiary Status
Based on Calendar Year 2009 American Community Survey Data

State	Total Newly Medicaid Eligible due to Income Exclusions	62-64 Receiving Social Security	Receiving Supplemental Security Income	Under 62 Receiving Social Security	Subtotal Directly Receiving Social Security or SSI Benefits	Subtotal Indirectly Receiving Social Security or SSI Benefits
Alabama	48,000	13,500	100	6,800	20,400	27,700
Alaska	2,000	900	-	600	1,500	500
Arizona	47,800	14,800	300	6,200	21,300	26,600
Arkansas	29,100	9,100	700	5,300	15,100	14,000
California	173,900	40,500	1,600	20,000	62,100	111,800
Colorado	19,000	5,500	100	2,700	8,300	10,700
Connecticut	16,100	3,900	800	1,900	6,600	9,500
Delaware	5,800	2,500	-	1,000	3,500	2,200
District of Columbia	1,900	400	-	300	700	1,200
Florida	133,100	42,500	500	15,100	58,100	75,000
Georgia	68,600	19,200	100	9,800	29,100	39,400
Hawaii	8,600	2,000	200	1,000	3,200	5,400
Idaho	16,000	5,200	100	3,200	8,500	7,400
Illinois	77,100	18,300	2,700	9,300	30,300	46,800
Indiana	58,000	17,300	1,600	7,100	26,000	32,100
Iowa	15,800	6,100	200	2,600	8,900	6,900
Kansas	20,300	5,100	-	3,400	8,500	11,800
Kentucky	46,000	11,500	300	8,900	20,700	25,300
Louisiana	32,600	10,300	200	5,200	15,700	17,000
Maine	8,400	3,500	-	1,200	4,700	3,600
Maryland	27,400	7,300	200	3,500	11,000	16,400
Massachusetts	23,200	8,100	400	3,600	12,100	11,100
Michigan	92,600	31,300	800	11,300	43,400	49,200
Minnesota	26,300	10,400	800	3,900	15,100	11,100
Mississippi	26,700	6,300	200	4,000	10,500	16,200
Missouri	57,700	17,500	2,300	7,000	26,800	30,900
Montana	7,500	1,500	100	2,100	3,700	3,800
Nebraska	10,100	3,800	-	1,600	5,400	4,700
Nevada	17,400	4,200	-	2,000	6,200	11,300
New Hampshire	7,200	2,300	400	1,000	3,700	3,600
New Jersey	43,900	9,200	500	6,700	16,400	27,500
New Mexico	14,000	3,900	-	1,700	5,600	8,400
New York	113,800	29,500	600	19,400	49,500	64,300
North Carolina	73,400	25,700	400	10,400	36,500	36,900
North Dakota	4,300	1,900	100	500	2,500	1,900
Ohio	89,300	27,700	3,000	12,100	42,800	46,400
Oklahoma	31,100	6,800	1,500	4,600	12,900	18,200
Oregon	28,700	10,800	100	4,100	15,000	13,800
Pennsylvania	82,300	26,400	800	11,400	38,600	43,800
Rhode Island	4,900	2,300	100	500	2,900	2,000
South Carolina	43,300	14,100	-	6,800	20,900	22,400
South Dakota	2,900	1,500	-	500	2,000	900
Tennessee	52,900	16,800	-	7,500	24,300	28,500
Texas	140,100	35,600	1,400	20,000	57,000	83,100
Utah	12,800	2,600	-	2,200	4,800	7,900
Vermont	3,500	1,500	-	600	2,100	1,400
Virginia	50,900	13,300	2,300	8,000	23,600	27,300
Washington	33,700	10,000	300	6,400	16,700	17,000
West Virginia	25,200	6,100	100	5,900	12,100	13,100
Wisconsin	30,000	12,400	100	4,500	17,000	13,100
Wyoming	4,700	1,100	-	900	2,000	2,800
National	2,009,800	583,800	25,900	286,300	896,000	1,113,800

*Population excludes individuals Medicaid or Medicare eligible during CY 2009.

APPENDIX 2

PPACA Medicaid Expansion Analysis
Incremental Impact of Excluding Non-Taxable Social Security and Supplemental Security Income from MAG
By Current Insurance Coverage Source
Based on Calendar Year 2009 American Community Survey Data

State	Increase in Number of Individuals Eligible for Medicaid				
	Uninsured	Direct	Employer	Government (Military)	Total
Alabama	15,700	7,500	23,200	1,700	48,000
Alaska	600	300	1,100	-	2,000
Arizona	15,300	10,600	18,400	3,500	47,800
Arkansas	10,800	4,500	12,400	1,400	29,100
California	70,400	31,500	67,300	4,700	173,900
Colorado	4,400	5,300	8,600	800	19,000
Connecticut	4,300	2,900	8,800	100	16,100
Delaware	1,400	700	3,500	200	5,800
District of Columbia	300	400	1,100	100	1,900
Florida	49,400	26,000	49,700	8,000	133,100
Georgia	25,000	9,300	31,100	3,200	68,600
Hawaii	1,400	1,200	5,900	100	8,600
Idaho	5,800	3,700	4,600	1,900	16,000
Illinois	27,600	9,600	36,800	3,200	77,100
Indiana	20,800	5,200	30,000	1,900	58,000
Iowa	3,500	3,400	7,700	1,100	15,800
Kansas	5,600	6,200	7,900	600	20,300
Kentucky	17,400	4,900	22,400	1,300	46,000
Louisiana	12,500	4,400	14,500	1,100	32,600
Maine	2,400	2,200	2,400	1,400	8,400
Maryland	9,600	4,000	11,700	2,100	27,400
Massachusetts	3,200	5,300	14,300	300	23,200
Michigan	28,000	14,200	47,300	3,100	92,600
Minnesota	5,500	7,300	12,900	600	26,300
Mississippi	11,200	4,200	10,400	900	26,700
Missouri	21,300	8,000	25,300	3,000	57,700
Montana	2,000	1,600	3,500	300	7,500
Nebraska	2,200	2,800	4,700	300	10,100
Nevada	7,400	2,200	7,100	700	17,400
New Hampshire	2,400	1,000	3,500	200	7,200
New Jersey	15,100	6,500	21,600	700	43,900
New Mexico	6,200	2,100	5,200	500	14,000
New York	28,200	16,700	66,200	2,800	113,800
North Carolina	25,100	13,000	30,900	4,400	73,400
North Dakota	1,200	1,700	1,300	-	4,300
Ohio	32,100	11,500	42,700	3,000	89,300
Oklahoma	14,300	2,400	13,300	1,100	31,100
Oregon	12,000	6,000	9,500	1,200	28,700
Pennsylvania	22,500	19,200	38,000	2,600	82,300
Rhode Island	1,800	1,000	1,700	400	4,900
South Carolina	16,700	5,700	18,900	2,000	43,300
South Dakota	1,300	700	800	-	2,900
Tennessee	17,800	8,800	23,900	2,400	52,900
Texas	63,000	15,700	52,500	8,900	140,100
Utah	4,100	2,500	5,900	200	12,800
Vermont	800	700	1,700	300	3,500
Virginia	14,800	8,500	23,900	3,700	50,900
Washington	13,500	7,600	10,600	2,000	33,700
West Virginia	9,100	1,900	13,600	700	25,200
Wisconsin	9,900	5,100	14,700	400	30,000
Wyoming	1,600	800	2,300	100	4,700
National	698,400	328,700	897,300	85,500	2,009,800

*Population excludes individuals Medicaid or Medicare eligible during CY 2009

APPENDIX 3

KEY ASSUMPTIONS

Our analysis employed the following key assumptions:

Survey Data: The calendar year (CY) 2009 American Community Survey (ACS), published by the U.S. Census Bureau, was used as our base data. This data was chosen because it separately defines Social Security and Supplemental Security Income from other income sources. Additionally, the ACS is based on a survey of 2 million households in all states and counties. The ACS data is commonly used by health policy analysts to profile health insurance coverage and demographic information.

Household Adjustment: The MAGI calculation under the PPACA will be based on a household's reported income and number of dependents claimed on the tax return. The households defined in the ACS do not always correspond to a "tax filing" household. For example, adult children living with parents are identified in the same household as the parents, but would not be claimed as dependents on their parent's tax return (assuming they had minimal earnings during the year). Therefore, adjustments were made to the data to create "tax filing" households. These adjustments materially impact the results of our analysis. Without adjusting the household grouping contained in the ACS data, the number of potential new Medicaid-eligible individuals would increase by 35%.

Our methodology for organizing families was based on IRS tax rules regarding which people may be claimed as a dependent. In the ACS data, the data was organized by household, with the first person listed in a household being the "reference person." We considered the reference person the head of household, and in his or her family we included spouses, as well as any other relative in the household who met any of the following three criteria:

1. Child (biological or adopted) under the age of 19
2. Child (biological or adopted) under the age of 24 *and* attending school
3. Any person making less than \$3,650 in gross income

Modified Adjusted Gross Income Calculation: Modified adjusted gross income (MAGI), for purposes of calculating the household's federal poverty level (FPL) percentage, was calculated two ways:

- i. Based on the PPACA provisions, which include only taxable Social Security income in the MAGI calculation. Note that Supplemental Security Income is not taxable, and therefore fully excluded. Taxable Social Security income was determined by following the IRS methodology outlined for Social Security benefits in CY 2009.
- ii. Based on the household's actual gross income, without any deductions for non-taxable Social Security or Supplemental Security Income.

Current Medicaid-Eligible: Individuals who were Medicaid-eligible in the survey data are excluded from the analysis, as we assume they are likely disabled and will remain Medicaid-eligible in 2014 (although all income from these individuals was counted toward the total income of their respective families).

Other Deductions: Household income has not been reduced for other common deductions from gross income, such as contribution to qualified retirement accounts, dependent care expenses, and tuition expenses. These deduction amounts are not available from the ACS data.