

KOLEA Project

Kauwale (community) On-Line Eligibility Assistance System



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Contract Awarded

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The Department of Human Services (DHS) is pleased to announce it has executed a contract with KPMG, LLP to develop, implement and maintain the Integrated Eligibility Solution. The DHS issued a Request for Proposal (RFP) in late August 2012 and based on an evaluation of proposals (technical and cost), selected KPMG. The initial award was protested by the non-selected offeror, but on December 14, 2012, the award to KPMG was affirmed. The non-selected offeror chose not to appeal the decision, and immediately after, the DHS began contract negotiations. The federal Centers for Medicare and Medicaid Services (CMS) requires prior approval of the contract, which it granted on January 11, 2013 clearing the way to begin work on the project.

Given the nearly two months delay in the start date, the KPMG and the Med-QUEST Division (MQD) are actively working to re-prioritize activities. October 1, 2013 is the start date for receiving on-line applications for medical assistance under the Affordable Care Act. This includes accepting and processing applications for all individuals who would be determined eligible using the new Modified Adjusted Gross Income (MAGI) methodology for Medicaid and The Connector.

MAGI and Tax Households

According to CMS, the goals of MAGI are to:

- Align financial eligibility rules across all insurance affordability programs (Medicaid, CHIP, Advance Premium Tax Credits, Cost Share Reductions)
- Create a seamless and coordinated system of eligibility and enrollment (provide coverage as people move between programs)
- Maintain eligibility of low-income populations especially children

MAGI is the modified adjusted gross income of a household based on family size as defined by IRS (Internal Revenue Service) rules. MAGI is the adjusted gross income plus any foreign earned income, tax-exempt interest and tax-exempt social security income. A household is the taxpayer (including married taxpayers filing jointly) and all claimed tax

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MAGI and Tax Households

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dependents.

Some concepts to remember:

- MAGI is a methodology - not a number on a tax return
- MAGI is based on IRS tax rules (with some modification)
- There is no asset test or disregards

While MAGI is applied to the household, eligibility is determined individually for each person applying for coverage. An individual is evaluated based on their status as a tax filer or a non-filer. Generally, the tax filer and individuals who are claimed as tax dependents are considered in the household size. For the non-tax filer (such as children), the household size is determined based on the relationship to the tax filer. In most instances, the household size for the tax filer and non-tax filer will be the same.

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HAWI Clean-Up

Thanks to the diligence of our MQD and BESSD Eligibility staff, there has been an approximate 40-45% reduction of:

- Two different clients with the same Social Security No.
- \$1931 cases without a child
- Clients with pseudo social security numbers

Despite these efforts, additional problems still must be addressed:

- Clients active in multiple cases
- CHIP children with commercial health insurance
- \$1925 cases eligible for more than 1 year
- Pregnant women without a child or unborn
- Reported income does not match SWICA report

Revised timeline and schedule

As noted previously, the project is just underway. A revised timeline for implementation will be provided in the next newsletter. In the meantime, there will be kick-off meetings to introduce the project.



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