

# Information Memorandum Transmittal Office of Self-Sufficiency Programs



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**Number:** SS-IM-19-005  
**Issue date:** 04/15/2019

**Topic:** Medical Benefits

**Due date:**

**Subject:** Guidance for staff who determine eligibility for OHP medical programs on how to handle cases where School Tuition and Fees deduction has been reported.

**Applies to (check all that apply):**

- |  |   |
|--|---|
| <input type="checkbox"/> All DHS employees                     | <input type="checkbox"/> County Mental Health Directors   |
| <input type="checkbox"/> Area Agencies on Aging: {Select type} | <input type="checkbox"/> Health Services  |
| <input type="checkbox"/> Aging and People with Disabilities    | <input type="checkbox"/> Office of Developmental Disabilities Services (ODDS)                           |
| <input checked="" type="checkbox"/> Self Sufficiency Programs  | <input type="checkbox"/> ODDS Children's Intensive In Home Services                                     |
| <input type="checkbox"/> County DD program managers            | <input type="checkbox"/> Stabilization and Crisis Unit (SACU)   |
| <input type="checkbox"/> Support Service Brokerage Directors   | <input checked="" type="checkbox"/> Other ( <i>please specify</i> ): Staff who process OHP applications |
| <input type="checkbox"/> ODDS Children's Residential Services  |   |
| <input type="checkbox"/> Child Welfare Programs                |   |

**Message:** Changes to tax rules can impact what can be counted for income and deductions for MAGI programs. The tuition and fees deduction allowed individuals to subtract the cost of college tuition and other education-related fees from their income. Effective for the 2018 tax year, the provision regarding tuition and fees expired in tax code. The result of this provision expiring means that tuition and fees that adjust gross income are no longer allowed as a tax deduction.

This transmittal provides guidance about how to treat tuition and fees when it is reported by the applicant or is currently found coded on a case.

- In current ONE, School Tuition and Fees is an allowable deduction/expense type. The system will take the following actions when this deduction/expense type is selected:
  - The amount given will reduce the countable income
  - An RFI is generated to verify the deduction only when the amount of the deduction will make a difference in eligibility. Difference in eligibility means

it makes a difference in the program the individual is eligible for; or they are eligible vs. ineligible for any program.

### **Actions to be taken moving forward**

No system updates are planned to remove the School Tuition and Fees deduction from current ONE. However, a request has been submitted to add a validation message to the screen to let the user know that it is no longer an allowable deduction.

### **Worker Portal**

- When entering applications:
  - Do not enter any new School Tuition and Fees on the Deduction Details screen
    - Narrate, “School Tuition and Fees deduction was listed on the application but was not entered on the system. As of the 2018 tax year, this is no longer an allowable deduction per IRS code.”
  - If an application is being entered via a phone call, and the applicant indicates they have this deduction/expense, let them know it is no longer an allowable deduction
- At renewal or report a change:
  - When staff are working a renewal, remove the School Tuition and Fees deduction/expense from the case. The deduction/expense should be removed even if it impacts eligibility
    - End date deduction. The end date should be last day of the month, prior to the month the action is taking place
    - Narrate: “School Tuition and Fees deduction was previously entered. As of the 2018 tax year, this is no longer an allowable deduction per IRS code. Deduction was removed from case.”
- On the annual income screen:
  - If school tuition and fees existed for any portion of the calendar year being evaluated:
    - Answer “yes” to the question, “Is the expected annual deduction/expenses different than what is projected?”
    - For the “Expected Amount” field calculation, use the system generated amount minus the total annual amount of school tuition and fees

### **Applicant Portal**

- Applicants will still be able to enter this deduction/expense
- If the amount affects eligibility, an RFI will be issued
  - When staff are working the returned RFI, remove the School Tuition and Fees deduction/expense from the case. The deduction/expense should be removed even if it impacts eligibility

- Narrate: “School Tuition and Fees deduction was entered via applicant portal. As of the 2018 tax year, this is no longer an allowable deduction per IRS code. Deduction was removed from case.”
- If no RFI is generated, the deduction will remain on the case until one of the actions listed above under the worker portal section occurs.

*If you have any questions about this information, contact:*

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