

# Breaking Down Eligibility: Key Terms and Concepts

## Income Thresholds

### What are the key concepts?

#### ***Federal Poverty Level (FPL)***

A measure of income updated annually by the Department of Health and Human Services (HHS) based on how much money a household makes each year and how many people live in the household. FPLs vary by household size and geographic location, and are commonly used to determine eligibility for certain programs and benefits such as Medicaid, Supplemental Nutrition Assistance Program (SNAP), and the Ryan White HIV/AIDS Program (RWHAP).<sup>1</sup>

#### ***Income threshold***

The maximum amount of money a person or household can earn and still qualify for program assistance.

#### ***Modified Adjusted Gross Income (MAGI)***

A way to calculate a person's income to see if they qualify for certain programs (for example, if they fall within the income threshold specified for a certain program). It starts with adjusted gross income (AGI) and adds Social Security benefits, tax-exempt interest, and excluded foreign income to give a fuller picture of total income. While some programs use MAGI to measure income, it's not the only method allowed under HRSA guidance.

### How do these concepts relate to setting income thresholds for RWHAP eligibility?

RWHAP is designed to provide a safety net for people with HIV who have low incomes. However, HRSA does not set a single national "low-income" threshold.

Instead, state and local jurisdictions are given the authority to determine their own income limits—specifically, the percentage above the FPL at which an individual remains eligible for services. This flexibility is vital because it allows each jurisdiction to tailor its program to the unique needs of their local communities.

Most programs base their thresholds on the FPL, which is updated each year by the federal government and considers both household income and household size. However, HRSA allows flexibility in how income is measured. Programs may determine income using a variety of methods, such as MAGI, AGI, or total individual or household gross income, as long as the approach is clearly defined and applied consistently.

Programs may choose to use the FPL number directly or set their threshold above it. For example, a program might set its limit at 200% of the FPL<sup>3</sup> so that people who earn more than the poverty line, but still can't afford care, can qualify. These thresholds often align with other safety-net programs such as Medicaid or food assistance.

To determine on an income threshold, RWHAP programs consider factors such as:

- **Program budget**, including anticipated service need and cost
- **What income limits other RWHAP Parts** use in the same area
- **Client needs**, including for clients who have some income or insurance but still can't afford care. Programs decide how clients will verify income in accordance with their policies. Some use MAGI, the same calculation used by the Affordable Care Act (ACA) marketplace, while others use Adjusted Gross Income or another accepted method.

While RWHAP recipients (such as cities or states) can choose their own income thresholds, they often try to **align these limits across different parts of the jurisdiction** to make eligibility simpler for clients and providers. This aligns with HRSA's recommendation to streamline eligibility processes across service categories and RWHAP Parts to reduce administrative burden.

### Resources:

1. U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation (ASPE). *Poverty Guidelines*. <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>
2. Kaiser Family Foundation. *The Ryan White HIV/AIDS Program: The Basics*. May 29 2025. <https://www.kff.org/hiv-aids/the-ryan-white-hiv-aids-program-the-basics>
3. Office of the Assistant Secretary for Planning and Evaluation. *Prior HHS Poverty Guidelines and Federal Register*. 2026 References <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines/prior-hhs-poverty-guidelines-federal-register-references>
4. Health Resources and Services Administration HIV/AIDS Bureau (HRSA/HAB), <https://ryanwhite.hrsa.gov/sites/default/files/ryanwhite/grants/pcn-21-02-determining-eligibility-polr.pdf>