



Center for Medicaid and CHIP Services

CMCS Informational Bulletin

DATE: June 21, 2012

FROM: Cindy Mann, Director
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SUBJECT: Solicitation of Public Input on Conversion of Net Income Standards to Equivalent Modified Adjusted Gross Income Standards

Today the Centers for Medicare & Medicaid Services (CMS) released a solicitation for public input, available here <http://www.medicaid.gov/State-Resource-Center/Events-and-Announcements/Downloads/MAGI-income-conversion.pdf>, seeking comments on two potential methodologies for converting current State Medicaid and Children's Health Insurance Program (CHIP) net income eligibility standards to equivalent modified adjusted gross income (MAGI) standards. This request for public input complements other consultative processes underway as we develop conversion methodologies.

Under the Affordable Care Act, starting January 1, 2014, for most individuals, eligibility for Medicaid, as well as for CHIP, will be determined using methodologies that are based on MAGI, as defined in the Internal Revenue Code of 1986 (IRC). The change facilitates seamless coverage across different insurance affordability programs. Affordable Insurance Exchanges will also use MAGI information to determine eligibility for advance payments of premium tax credits for the purchase of private insurance coverage through Exchanges.

To effectuate this change in Medicaid, States will need to convert their current financial eligibility income standards from net standards that incorporate current income disregards to an equivalent MAGI income standard ("income conversion"). The success of the Medicaid and CHIP income standard conversion process is important for maintaining coverage, simplifying and streamlining eligibility determinations, and supporting the accurate and efficient administration of the Medicaid and CHIP programs. CMS welcomes comments from States, researchers, and other stakeholders as to the feasibility and/or benefits of the two potential approaches to income conversion. Additionally, CMS invites comment on hybrid approaches or alternative methodologies for achieving income conversion. Comments may be submitted electronically to incomeconversion@cms.hhs.gov and should be submitted by July 23rd. For additional questions, please contact Stephanie Kaminsky at stephanie.kaminsky@cms.hhs.gov.