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Modified Adjusted Gross Income (MAGI) Conversion Plan

This MAGI Conversion Plan is being submitted to CMS by MISSISSIPPI as required by Section 1902(e)(14)(E) of the Social Security Act, which requires each state to submit for approval the income eligibility thresholds for Medicaid and the Children's Health Insurance Program (CHIP) proposed to be established using modified adjusted gross income (MAGI). As described in the December 28, 2012 State Health Officials' Letter on Modified Adjusted Gross Income (MAGI) income conversion, states can choose among three options to convert net standards for Medicaid and CHIP to MAGI equivalent standards.¹ The purpose of the MAGI Conversion Plan is to provide CMS with information about each state's MAGI conversion methodology, as well as the data used and results of conversion. CMS will be reviewing the submitted materials and notifying the State with their approval or disapproval by **June 15, 2013**.

Eligibility and FMAP claiming conversions. States are required to submit information about their conversion methodology, data and results for income conversions related to eligibility and those required for FMAP claiming in accordance with CMS' FMAP rule. For additional information about the FMAP rule, please see: <https://s3.amazonaws.com/public-inspection.federalregister.gov/2013-07599.pdf>.

Note about Income Eligibility Conversions and State Plan Amendments: Converted income standards will be used to set maximum MAGI-equivalent standards for adults in 2014 and will be used as the actual income standard in effect for children through October 2019. States will use the state plan amendment (SPA) process to identify the minimum and maximum MAGI-equivalent standards and to select the state's MAGI-based income standard for each eligibility group to which MAGI will apply in 2014. For adults for whom the Maintenance of Effort requirement expires in 2014, the selected income standard in the SPA will be anywhere between the minimum allowed and the maximum derived through the income conversion process.

Please indicate the MAGI conversion method chosen by your state and follow the appropriate directions:

- Option 1** – Standardized Methodology with SIPP data
Attach Excel spreadsheet with finalized SIPP results of eligibility and FMAP conversions to this cover page and submit to incomeconversion@cms.hhs.gov.
- Option 2** – Standardized Methodology with State data
Please follow the instructions below and submit this plan to incomeconversion@cms.hhs.gov.
- Option 3** – State proposed Alternative Method
Please follow the instructions below and submit this plan to incomeconversion@cms.hhs.gov.

¹ SHO letter available at <http://www.medicaid.gov/Federal-Policy-Guidance/downloads/SHO12003.pdf>

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	Part 1 – Conversions for Eligibility		Part 2 – Conversions for FMAP Claiming	
	Pages to Complete	Due Date	Pages to Complete	Due Date
Standardized Methodology	Page 1	May 31, 2013	Page 1	August 1, 2013
Standardized Methodology with State Data	Page 3-10	April 30, 2013*	Pages 13-18	August 1, 2013
Alternative Methodology	Page 3-12	April 30, 2013*	Pages 13-18	August 1, 2013

*Eligibility conversion plans are due April 30, 2013, or within 15 days of receiving SIPP results, whichever is later.

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**Standardized Methodology with State Data Method
and
Alternative Method:**

Please provide a state contact who can answer questions about the conversion plan, data, and methods:

Name: **Janis Bond** Title: **Deputy Administrator for Enrollment**

E-mail: janis.bond@medicaid.ms.gov Phone: **(601) 576-4107**

Supplemental Information: In addition to the information provided in the attached MAGI Conversion Plan, during the review and approval process, CMS may determine that supplemental information regarding the income conversion results is necessary. If CMS determines that a supplemental review of these results is necessary, your state may be required to submit:

- Descriptive statistics of the data used. Such descriptive statistics could include for each eligibility group converted with state data:
 - Net income statistics and disregard statistics for the full population or sample and for the population used in conversion (e.g., the 25% band) including: Total N, Mean Net Income, Standard Deviation of Mean Net Income, Median Net Income, and Number of individuals with Positive Net Income
- Data files used for conversion
- Annotated programming code used in the analysis

PART 1: ELIGIBILITY CONVERSIONS- TABLE 1 – DUE APRIL 30, 2013

For States Using
Standardized Methodology with State Data
Or
Alternative Method

Please fill out Table 1 below to provide CMS with information about how state data were used for MAGI income conversion. All cells in rows for eligibility groups that do not have a converted income standard in your state (for example, if your state does not cover independent foster care adolescents or does not apply an income standard to this group) should be marked “N/A.”

Instructions for Table 1:

SIPP results used: Your state may have used SIPP results for converting some groups. For conversions based on SIPP, please mark yes in the first column of Table 1 and provide the converted standard from those results.² Please list the group below (e.g., pregnant women) and an explanation of why the SIPP results are being used for this eligibility group (e.g., data unavailable). Attach additional pages if necessary. **Note that for groups that need to be converted both for eligibility and FMAP purposes (e.g., childless adults) the same income conversion method/data source (i.e., SIPP or state data) must be used.**

Not Applicable

² If SIPP results include conversions for applicants and beneficiaries, both should be included.

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For all conversions using state data, please provide the following information:

Time period-Specify the time period of data that was used, for example, June 2011-May 2012. If a time period other than 12 months was used, please explain why below and summarize the methods used to determine that the time period is unbiased. Attach additional pages if necessary: **All calculations were performed on monthly, individual-level eligibility records for the full Calendar Year 2012 (January 2012 – December 2012).**

Sampling: Please mark this column yes or no. If yes (in other words, the analysis did not include all records in the eligibility group), please provide a detailed explanation below of the sampling approach that was used (i.e., simple random sample, stratified sample, etc.). Please also provide information about the total population and the number of records sampled. Attach additional pages if necessary.

No sampling was performed. Individuals whose net income was within 25 percentage points of the FPL of the current income standards subject to MAGI conversion were identified. Where the current income standard is a flat dollar amount for the 1931 category, the eligibility standard was first converted to a percentage of the FPL for each family size. The 25% marginal band would have been applied separately for family size to this category. However, since it was determined all current eligibility standards convert to less than 25% of FPL; the marginal band for each family size contains all records. High level reasonable compatibility checks were performed on the data and the information below shows the population and number/percentage of records used.

<u>Category of Eligibility</u>	<u>Population</u>	<u>Records Used</u>	<u>% Used</u>
Families and Children (1931)	1,609,305	1,607,684	100%
Children Up to Age 6 (133% FPL)	173,123	165,400	96%
Children up to Age 1/ Pregnant Women (185% FPL)	224,114	222,242	99%
Children Up to Age 19 (100% FPL)	2,777,329	2,711,263	98%
CHIP (200% FPL)	861,241	831,311	97%

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Net income standard- Please fill in the net standard that was converted for each eligibility group. This should reflect the bolded standard from the eligibility template that you developed with CMS. For conversions that were based on fixed dollar thresholds, please specify the net standard for each family size. You may use fewer or more family sizes than indicated in Table 1.

For 1115 demonstrations, please enter a row for each MAGI-included 1115 demonstration group, specifying whether it is Medicaid or S-CHIP.

Income band used in conversion-This column should reflect the net standard minus 25 percentage points of FPL. For example, if the net standard was 120% FPL, the income band used in conversion would be 95% FPL to 120% FPL. For standards at or below 25% FPL, the income band will include all records—e.g., for a net standard of 18% FPL, the income band used in conversion should be 0-18% FPL. For conversions of fixed dollar thresholds, please specify the income band (expressed as a percentage of FPL) for each family size.³ For states using an alternative method, this column should only be filled out if it is applicable (e.g., if the marginal approach was used).

Converted standard for applicants-Please fill in the converted standard for applicants. Fixed dollar standards should be given in dollars for each family size.

Converted standard for beneficiaries (if relevant)- If your state applies different disregards based on whether someone is applying or being renewed for coverage, and you are doing a separate conversion for beneficiaries, please provide. Fixed dollar standards should be given in dollars for each family size.

Special note for premium payment groups: if your state charges premiums for any eligibility group, you will need to attach a separate sheet showing the MAGI Conversion Plan information requested for each income level used to determine premium payments.

Premiums payments are not applicable to Mississippi.

³ See page 15 of *How States Can Implement the Standardized Modified Adjusted Gross Income (MAGI) Conversion Methodology from State Medicaid and CHIP Data* for more information on converting fixed dollar standards to FPL.

<http://aspe.hhs.gov/health/reports/2013/MAGIHowTo/rb.cfm>.

Table 1

Coverage Category	SIPP Results used (Yes/No)	Time Period	Sampling (yes/no)	Net Income Standard	Income band used in conversion (Alternative Method states to fill out only if applicable)	Converted Standard for Applicants	Converted Standard for Beneficiaries (if relevant)
Parents and other caretaker relatives (mandatory under Section 1931)	NO	CY 2012	No	% FPL _____ or Fixed dollar standards Family size 1 218 2 293 3 368 4 443 5 518 6 593 7 668 8 743 Add-on for additional family members if relevant \$75	% FPL or % FPL by Family size (for groups with fixed dollar standards) 1 23.4% 2 23.2% 3 23.1% 4 23.1% 5 23.0% 6 23.0% 7 22.9% 8 22.9% Add-on for additional family members if relevant _____	% FPL _____ or Fixed dollar standards Family size 1 227 2 306 3 384 4 462 5 541 6 619 7 697 8 775 Add-on for additional family members if relevant \$78	% FPL _____ or Fixed dollar standards Family size 1 _____ 2 _____ 3 _____ 4 _____ 5 _____ 6 _____ 7 _____ Add-on for additional family members if relevant _____

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Coverage Category	SIPP Results used (Yes/No)	Time Period	Sampling (yes/no)	Net Income Standard	Income band used in conversion (Alternative Method states to fill out only if applicable)	Converted Standard for Applicants	Converted Standard for Beneficiaries (if relevant)
Parents and other caretaker relatives (optional under 1902(a)(10)(A)(ii)(I)) <u>NA</u>				% FPL _____ or Fixed dollar standards Family size 1 _____ 2 _____ 3 _____ 4 _____ 5 _____ 6 _____ 7 _____ Add-on for additional family members if relevant _____	% FPL _____ or % FPL <u>by Family size</u> (for groups with fixed dollar standards) 1 _____ 2 _____ 3 _____ 4 _____ 5 _____ 6 _____ 7 _____ Add-on for additional family members if relevant _____	% FPL _____ or Fixed dollar standards Family size 1 _____ 2 _____ 3 _____ 4 _____ 5 _____ 6 _____ 7 _____ Add-on for additional family members if relevant _____	% FPL _____ or Fixed dollar standards Family size 1 _____ 2 _____ 3 _____ 4 _____ 5 _____ 6 _____ 7 _____ Add-on for additional family members if relevant _____
Pregnant women, full benefits <u>NA</u>							
Pregnant women, pregnancy only coverage	No	CY 2012	No	185%	160%	194%	
Children under age 1	No	CY 2012	No	185%	160%	194%	
Children ages 1 to 5	No	CY 2012	No	133%	108%	143%	
Children ages 6 to 18	No	CY 2012	No	100%	75%	107%	

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Coverage Category	SIPP Results used (Yes/No)	Time Period	Sampling (yes/no)	Net Income Standard	Income band used in conversion (Alternative Method states to fill out only if applicable)	Converted Standard for Applicants	Converted Standard for Beneficiaries (if relevant)
M-CHIP optional targeted low-income children <u>NA</u>							
Optional reasonable classifications of individuals under age 21 <u>NA</u>							
State adoption assistance <u>NA</u>							
Independent foster care adolescents <u>NA</u>							
Family planning services <u>NA</u>							
Individuals needing TB-related services <u>NA</u>							
Other Medicaid section 1115 demonstration (e.g., childless adults) Insert more rows if needed. <u>NA</u>							
Separate CHIP • Children	No	CY 2012	No	200%	175%	209%	
Separate CHIP • Pregnant Women <u>NA</u>							
Separate CHIP • Unborn child option <u>NA</u>							

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Coverage Category	SIPP Results used (Yes/No)	Time Period	Sampling (yes/no)	Net Income Standard	Income band used in conversion (Alternative Method states to fill out only if applicable)	Converted Standard for Applicants	Converted Standard for Beneficiaries (if relevant)
AFDC payment standard 5/1/1988 <u>NA</u>				Fixed dollar standards Family size 1 _____ 2 _____ 3 _____ 4 _____ 5 _____ 6 _____ 7 _____ Add-on for additional family members if relevant _____	% FPL by family size 1 _____ 2 _____ 3 _____ 4 _____ 5 _____ 6 _____ 7 _____ Add-on for additional family members if relevant _____	Fixed dollar standards Family size 1 _____ 2 _____ 3 _____ 4 _____ 5 _____ 6 _____ 7 _____ Add-on for additional family members if relevant _____	Fixed dollar standards Family size 1 _____ 2 _____ 3 _____ 4 _____ 5 _____ 6 _____ 7 _____ Add-on for additional family members if relevant _____

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Coverage Category	SIPP Results used (Yes/No)	Time Period	Sampling (yes/no)	Net Income Standard	Income band used in conversion (Alternative Method states to fill out only if applicable)	Converted Standard for Applicants	Converted Standard for Beneficiaries (if relevant)
AFDC payment standard 7/16/1996 <u>NA</u>				Fixed dollar standards Family size 1 _____ 2 _____ 3 _____ 4 _____ 5 _____ 6 _____ 7 _____ Add-on for additional family members if relevant _____	% FPL by family size 1 _____ 2 _____ 3 _____ 4 _____ 5 _____ 6 _____ 7 _____ Add-on for additional family members if relevant _____	Fixed dollar standards Family size 1 _____ 2 _____ 3 _____ 4 _____ 5 _____ 6 _____ 7 _____ Add-on for additional family members if relevant _____	Fixed dollar standards Family size 1 _____ 2 _____ 3 _____ 4 _____ 5 _____ 6 _____ 7 _____ Add-on for additional family members if relevant _____
Premium payment determination <u>NA</u>	PLEASE ATTACH A SEPARATE SHEET SHOWING REQUESTED INFORMATION FOR EACH RELEVANT INCOME LEVEL USED TO DETERMINE PREMIUM PAYMENTS						
Pre-CHIP Medicaid as of 3/31/97 <u>NA</u>				< age 1 _____ 1-5 _____ 6-13 _____ 14-18 _____	< age 1 _____ 1-5 _____ 6-13 _____ 14-18 _____	< age 1 _____ 1-5 _____ 6-13 _____ 14-18 _____	< age 1 _____ 1-5 _____ 6-13 _____ 14-18 _____

PART 1: ELIGIBILITY CONVERSIONS

Alternative Method, additional information

Please provide a summary of the alternative method and data source or sources used for income conversion, including how the method differs from the Standardized MAGI Conversion Methodology specified in the December 28, 2012 State Health Officials’ Letter on Modified Adjusted Gross Income (MAGI) Income Conversion. Please include equations showing how the method is applied mathematically and a description of how fixed dollar standards were converted, if relevant. Attach additional pages if necessary.

Please provide a description below of how your method meets the criteria specified in the December 28, 2012 State Health Officials’ Letter on Modified Adjusted Gross Income (MAGI) Conversion: unbiased, accuracy, precision, and data quality. Attach additional pages if necessary. More detailed information about these criteria is available in the ASPE issue brief *Modified Adjusted Gross Income (MAGI) Income Conversion Methodologies*.⁴

Unbiased: Across all eligibility categories, the method does not systematically increase or decrease the number of eligible individuals within a given eligibility group or systematically increase or decrease the costs to states.

⁴ See [http://www.shadac.org/files/2.%20ASPE%20Brief%20-%20MAGI%20Income%20Conversion%20Methodologies%20\(March%202013\).pdf](http://www.shadac.org/files/2.%20ASPE%20Brief%20-%20MAGI%20Income%20Conversion%20Methodologies%20(March%202013).pdf).

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Accuracy: To the extent possible, the method minimizes changes in eligibility status by minimizing losses and gains in eligibility for a given category of coverage.

Precision: The converted standard must be stable and repeatable. In other words, if the methodology to arrive at the converted standard were repeated, it would arrive at the same result. For example, if a sampling methodology is used, the sample size must be large enough to ensure that the conversion method, if calculated on another sample, would in general yield the same converted standard.

Data quality: The data used are representative of the income and disregards of the population so as not to bias the converted standard due to poor data quality. _____

PART 2: FMAP CONVERSIONS – DUE AUGUST 1, 2013

For States Using
Standardized Methodology with State Data
Or
Alternative Method

Please fill out Table 2 below to provide CMS with information about how state data were used for FMAP related conversions. If your state did not cover a certain eligibility group on December 1, 2009, all cells in that row should be marked “N/A.” **All states** must fill out relevant conversions under “MAGI groups relevant for FMAP” and “optional ABD groups.” **209(b) states** must also fill out information for the relevant mandatory groups listed at the end of the table (i.e., if the state applied a disregard on December 1, 2009 that varied from the standard SSI-related methodology disregards).

Instructions for Table 2: This template assumes that the information about sampling and time period selection you provided for eligibility conversions in Part 1 of this plan also apply to the FMAP conversions in part 2. If not, please attach a separate explanation of how and why they differ.

SIPP results used: Your state may have used SIPP results for converting some groups. For conversions based on SIPP, please mark yes in the first column of Table 1 and provide the converted standard from those results.⁵ Please list the group below (e.g., TWWIIA basic group) and an explanation of why the SIPP results are being used for this eligibility group (e.g., state data unavailable). Attach additional pages if necessary. **Note that for groups that need to be converted both for eligibility and FMAP purposes (e.g., childless adults) the same income conversion method/data source (i.e., SIPP or state data) must be used.**

⁵ If SIPP results include conversions for applicants and beneficiaries, both should be included.

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Effective income standard: For **MAGI groups relevant to FMAP claiming**, in most cases this will be the effective income standard your state provided in Part 1. However, if the effective income standard was different on 12/1/2009, that standard should be listed here. For **ABD groups**, this standard will be the bolded effective income standard from the ABD template you completed with CMS. Please provide this information in % of FBR or in fixed dollar state supplement payments as relevant, and for different family sizes as applicable.

Converted standard for applicants-Please fill in the converted standard for applicants.

Converted standard for beneficiaries (if relevant)- If your state applies different disregards based on whether someone is applying or being renewed for coverage, and you are doing a separate conversion for beneficiaries, please provide. Fixed dollar standards should be given in dollars for each family size.

Table 2

Eligibility Group	SIPP Results used (Yes/No)	Time Period (e.g., June 2011-May 2012)	Effective Income Standard	Converted Standard for Applicants	Converted Standard for Beneficiaries (if relevant)
MAGI groups relevant for FMAP claiming					
Parents and other caretaker relatives					
Other Medicaid section 1115 demonstration (e.g., childless adults) Insert more rows if needed.					
Optional reasonable classifications of individuals under age 21					
Optional ABD Groups					
Aged, blind and disabled individuals financially eligible for SSI cash assistance					

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Eligibility Group	SIPP Results used (Yes/No)	Time Period (e.g., June 2011-May 2012)	Effective Income Standard	Converted Standard for Applicants	Converted Standard for Beneficiaries (if relevant)
<p>Aged, blind or disabled individuals receiving only optional state supplements in 1634 or certain SSI criteria states</p> <p>Aged, blind, or disabled individuals who would be financially eligible for SSI cash assistance if they were institutionalized</p>					
<p>Institutionalized individuals eligible under a special income level</p>					
<p>HCBS waiver enrollees eligible under institutional rules</p>					
<p>HCBS waiver enrollees eligible under institutional rules</p>					

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Eligibility Group	SIPP Results used (Yes/No)	Time Period (e.g., June 2011-May 2012)	Effective Income Standard	Converted Standard for Applicants	Converted Standard for Beneficiaries (if relevant)
Individuals receiving hospice care					
Aged, blind, or disabled poverty level group					
Aged, blind, or disabled individuals receiving only optional state supplements in 209(b) or certain SSI criteria states					
Work Incentives Eligibility Group (BBA group)					
TWWIIA Basic Group					
TWWIIA Medical Improvement group					
Family Opportunity Act group					
Katie Beckett Group (TEFRA children)					

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Eligibility Group	SIPP Results used (Yes/No)	Time Period (e.g., June 2011-May 2012)	Effective Income Standard	Converted Standard for Applicants	Converted Standard for Beneficiaries (if relevant)
PACE group					
Medically Needy					
Mandatory Groups (209(b) states only)					
Aged, blind and disabled individuals in 209(b) states					
Disabled Adult children					
Early widows and widowers					
Pickle group					