

## Modified Adjusted Gross Income (MAGI) Conversion Plan

This MAGI Conversion Plan is being submitted to CMS by DELAWARE (insert state name) 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.<sup>1</sup> 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 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 1a** – Standardized Methodology with SIPP data, **no** state data adjustments for time-limited disregards

**The State has opted to follow the CMS-run consolidated conversion results that weight the time-limited disregards (or disregards for beneficiaries) at 10%.**

Attach Excel spreadsheet with finalized SIPP results of eligibility and FMAP conversions to this cover page and submit to [incomeconversion@cms.hhs.gov](mailto:incomeconversion@cms.hhs.gov).

**Option 1b** – Standardized Methodology with SIPP data, **with** state data adjustments for time-limited disregards.

Please follow instructions below and submit to [incomeconversion@cms.hhs.gov](mailto:incomeconversion@cms.hhs.gov)

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

- Option 2** – Standardized Methodology with State data  
Please follow the instructions below and submit this plan to [incomeconversion@cms.hhs.gov](mailto:incomeconversion@cms.hhs.gov).
  
- Option 3** – State proposed Alternative Method  
Please follow the instructions below and submit this plan to [incomeconversion@cms.hhs.gov](mailto:incomeconversion@cms.hhs.gov).

	Part 1 – Conversions for Eligibility		Part 2 – Conversions for FMAP Claiming and TB Group	
	Pages to Complete	Due Date	Pages to Complete	Due Date
Option 1a: Standardized Methodology, no adjustments	Page 1	May 31, 2013	Page 1	Fall 2013
Option 1b Standardized Methodology, state adjustments for time limited disregards	Pages 1 and 3	May 31, 2013	Pages 1 and 14	Fall 2013
Standardized Methodology with State Data	Page 4-11	April 30, 2013*	Pages 15-18	Fall 2013
Alternative Methodology	Page 4-13	April 30, 2013*	Pages 15-18	Fall 2013

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