

2013 AUG -5 A 9: 58



Children and Adults Health Programs Group

Vincent D. Gordon
Deputy Secretary for Medical Assistance Programs
Commonwealth of Pennsylvania, Department of Public Welfare
Commonwealth Avenue & Forster Street, PO Box 2675
Harrisburg, PA 17105

Dear Mr. Gordon:

Thank you for submitting Part 1 of your state's Modified Adjusted Gross Income (MAGI) Conversion Plan for eligibility in 2014. Your state selected option 1- Survey of Income and Program Participation (SIPP) data conversion plan. This letter is to notify you that the Centers for Medicaid & Medicare Services (CMS) is formally approving Part 1 (conversions for eligibility) of your plan.

As a next step, your state will need to submit a state plan amendment (SPA) to:

- 1) Identify the minimum and maximum MAGI-equivalent standards for relevant eligibility groups; these will go into the State Plan to memorialize the minimum and maximums that will be relevant for any future eligibility changes the state might make.
- 2) Select the MAGI-based income standard that will apply beginning January 1, 2014 for each MAGI eligibility group.
 - a. For adults the state may select any income standard between the minimum and the maximum converted levels.
 - b. For children, because of Maintenance of Effort (MOE), the eligibility income standard will be at least the standard under the state plan on March 23, 2010 as converted (until at least October 1, 2019 when the MOE provision for children expires).

The specific MAGI-Based Eligibility Group state plan amendment documents (.pdf formatted) are enclosed with this letter. We strongly encourage states to submit all of their MAGI-Based Eligibility Group .pdf documents at the same time to facilitate a coordinated and expedited review process.

Medicaid and CHIP eligibility State Plan Amendment pages can be accessed through the Medicaid Model Data Lab (MMDL), available at: <http://157.199.113.99/MMDL/faces/portal.jsp>. The MMDL system has automatically generated emails from "Form Support" which have been emailed to you with your user name and password over the last several weeks. Please contact your SOTA representative if you have any questions about using the SPA process to document the results of your state's MAGI conversion plan.

CMS will be providing more information about completing Part 2 (conversions related to FMAP claiming) of the Conversion Plan in the coming weeks.

Sincerely,

A handwritten signature in black ink that reads "Jennifer Ryan". The signature is fluid and cursive, with the first name being more prominent.

Jennifer Ryan
Deputy Director

Enclosure

ENCLOSURE

MAGI-BASED ELIGIBILITY GROUP STATE PLAN AMENDMENT DOCUMENTS

Medicaid MAGI-Based Eligibility Groups – Mandatory

- S25 Parents and Other Caretaker Relatives
- S28 Pregnant Women
- S30 Infants and Children under Age 19
- S32 Adult Group; Individuals Below 133% of the FPL
- S33 Former Foster Care Children up to age 26
- S14 AFDC Income Standard

Optional (only those that apply in state):

- S50 Individuals above 133% of the FPL
- S51 Optional Parents and Caretaker Relatives
- S52 Reasonable Classifications of Children
- S53 Non IV-E Adoption Assistance
- S54 Optional Targeted Low Income Children
- S55 Tuberculosis
- S57 Foster Care Adolescents-Chafee
- S59 Family Planning

CHIP MAGI Eligibility and Methods (only those that apply in state)

- CS3 Title XXI Medicaid Expansion
- CS7 Targeted Low-Income Children
- CS8 Targeted Low-Income Pregnant Women
- CS9 Conception to birth
- CS10 Children with access to public employee coverage
- CS11 Pregnant women with access to public employee coverage
- CS12 Dental only coverage

Modified Adjusted Gross Income (MAGI) Conversion Plan

This MAGI Conversion Plan is being submitted to CMS by Pennsylvania 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 standards¹. 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
Attach Excel spreadsheet with finalized SIPP results of eligibility and FMAP conversions to this cover page and submit to 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
- Option 2** – Standardized Methodology with State data
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>

Option 3 – State proposed Alternative Method

Please follow the instructions below and submit this plan to

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.

PA: converted thresholds
 Date: July 1, 2013

Population/Type	Citation	Unit Size	Original Standard	Converted Standard
Family 1988, Thresh A	AFDC 5/1/1988	1	\$205	\$243
		2	\$315	\$366
		3	\$402	\$467
		4	\$490	\$568
		5	\$579	\$670
		6	\$655	\$759
		addon	\$79	\$93
Family 1988, Thresh B	AFDC 5/1/1988	1	\$195	\$224
		2	\$301	\$340
		3	\$384	\$433
		4	\$474	\$533
		5	\$562	\$631
		6	\$638	\$717
		addon	\$79	\$89
Family 1988, Thresh C	AFDC 5/1/1988	1	\$186	\$209
		2	\$290	\$321
		3	\$375	\$414
		4	\$456	\$503
		5	\$542	\$596
		6	\$617	\$679
		addon	\$79	\$87
Family 1988, Thresh D	AFDC 5/1/1988	1	\$165	\$186
		2	\$266	\$295
		3	\$348	\$384
		4	\$433	\$477
		5	\$517	\$568
		6	\$585	\$643
		addon	\$79	\$87
Family 1996, Thresh	AFDC 7/16/1996	1	\$215	\$274
		2	\$330	\$410
		3	\$421	\$521
		4	\$514	\$635
		5	\$607	\$748
		6	\$687	\$849
		addon	\$83	\$104
Family 1996, Thresh B	AFDC 7/16/1996	1	\$205	\$264
		2	\$316	\$395
		3	\$403	\$502
		4	\$497	\$617
		5	\$589	\$729
		6	\$670	\$830
		addon	\$83	\$104
Family 1996, Thresh C	AFDC 7/16/1996	1	\$195	\$253
		2	\$305	\$383
		3	\$393	\$490
		4	\$479	\$596
		5	\$569	\$706
		6	\$647	\$804
		addon	\$83	\$103
Family 1996	AFDC 7/16/1996	1	\$174	\$209
		2	\$279	\$326

		3	\$365	\$424
		4	\$454	\$525
		5	\$543	\$626
		6	\$614	\$708
		addon	\$83	\$95
Pregnant women & children <1	1902(a)(10)(A)(ii)(IX)		185% FPL	215% FPL
Children 1-5	1902(a)(10)(A)(i)(VI)		133% FPL	157% FPL
Children 6-18	1902(a)(10)(A)(i)(VII)		100% FPL	119% -133% FPL
Child uninsured <19	S-CHIP state plan children		300% FPL	314% FPL
Family planning	1115		185% FPL	214% FPL
Free S-CHIP, 186-199% FPL	Lower bound, infants <1		186% FPL	216% FPL
Free S-CHIP, 134-199% FPL	Lower bound, children 1-5		134% FPL	158% FPL
Free S-CHIP, 101-199% FPL	Lower bound, children 6-18		101% FPL	120% -134% FPL
Free S-CHIP, -199% FPL	Upper bound, children <19		199% FPL	208% FPL
S-CHIP premium, 200-250% FPL	Lower bound, children <19		200% FPL	209% FPL
S-CHIP premium, 200-250% FPL	Upper bound, children <19		250% FPL	262% FPL
S-CHIP premium, 251-275% FPL	Lower bound, children <19		251% FPL	263% FPL
S-CHIP premium, 251-275% FPL	Upper bound, children <19		275% FPL	288% FPL
S-CHIP premium, 276-300% FPL	Lower bound, children <19		276% FPL	289% FPL
S-CHIP premium, 276-300% FPL	Upper bound, children <19		300% FPL	314% FPL