

Application to Use Burden/Hours from Generic PRA Clearance:
Medicaid and CHIP State Plan, Waiver, and Program Submissions
(CMS-10398, OMB 0938-1148)

Information Collection #27 MAGI Conversion Plan Part 2

November 2017

Center for Medicaid and CHIP Services (CMCS)
Centers for Medicare & Medicaid Services (CMS)

A. Background

The Centers for Medicare & Medicaid Services (CMS) work in partnership with States to implement Medicaid and the Children's Health Insurance Program (CHIP). Together these programs provide health coverage to millions of Americans. Medicaid and CHIP are based in Federal statute, associated regulations and policy guidance, and the approved State plan documents that serve as a contract between CMS and States about how Medicaid and CHIP will be operated in that State. CMS works collaboratively with States in the ongoing management of programs and policies, and CMS continues to develop implementing guidance and templates for States to use to elect new options available as a result of the Affordable Care Act or to comply with new statutory provisions. CMS also continues to work with States through other methods to further the goals of health reform, including program waivers and demonstrations, and other technical assistance initiatives. States and the Centers for Medicare & Medicaid Services (CMS) share responsibility for operating Medicaid programs consistent with title XIX of the Social Security Act and its implementing regulations. Together, the federal and state governments share accountability for the integrity of the total investment of dollars in the Medicaid program and the extent to which that investment produces value for beneficiaries and taxpayers

B. Description of Information Collection

Under the provisions of the Patient Protection and Affordable Care Act of 2010 and the Health Care and Education and Reconciliation Act of 2010 (collectively referred to as the Affordable Care Act) states can provide eligibility for certain adult populations in their Medicaid programs for which federal funding at increased federal medical assistance percentage (FMAP) rates is available effective beginning January 1, 2014. The final regulations implementing the requirements and describing the methodology for determining the availability of increased FMAP rates for the new adult eligibility group were published in the Federal Register on April 2, 2013 (78 FR 19918, link: <http://www.gpo.gov/fdsys/pkg/FR-2013-04-02/pdf/2013-07599.pdf>). Pursuant to those regulations, the state must make an individual income-based determination for individuals in the adult group by comparing individuals' incomes to the relevant converted income eligibility standards in effect on December 1, 2009. Through the MAGI Conversion Plan (Part 2) document, states will submit for approval the relevant converted income eligibility standards. 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 to MAGI equivalent standards. The purpose of the MAGI Conversion Plan (Part II) is to provide CMS with information about each state's MAGI conversion methodology, as well as the data used and results of conversion for FMAP claiming purposes. Under the "threshold methodology", the expenditures of individuals with incomes below the relevant converted income standards for the applicable subgroup will be provisionally considered as those for which the newly eligible FMAP is not available.

C. Deviations from Generic Request

No deviations are requested.

D. Burden Hour Deduction

Wage Estimate

To derive average costs, we used data from the U.S. Bureau of Labor Statistics' May 2016 National Occupational Employment and Wage Estimates for all salary estimates (http://www.bls.gov/oes/current/oes_nat.htm). In this regard, the following table presents the mean hourly wage, the cost of fringe benefits (calculated at 100 percent of salary), and the adjusted hourly wage.

Occupation Title	Occupation Code	Mean Hourly Wage (\$/hr)	Fringe Benefit (\$/hr)	Adjusted Hourly Wage (\$/hr)
Business Operations Specialist	13-1199	35.99	35.99	71.98

As indicated, we are adjusting our employee hourly wage estimates by a factor of 100 percent. This is necessarily a rough adjustment, both because fringe benefits and overhead costs vary significantly from employer to employer, and because methods of estimating these costs vary widely from study to study. Nonetheless, there is no practical alternative and we believe that doubling the hourly wage to estimate total cost is a reasonably accurate estimation method.

Burden Estimates

CMS estimates that each State will complete the collection of data and submission to CMS within 20 hours. There is a potential universe of 56 respondents, so the total burden deducted from the total for this request is 1,120 hours (56 responses x 20 hours) at a cost of \$80,617.60 (2,800 hrs x \$71.98/hr).

Attachments

The following attachments are provided for this information collection:

- Part 2 of Modified Adjusted Gross Income (MAGI) Conversion Plan

E. Timeline

n/a