



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of
Health and Social Services

DIVISION OF HEALTH CARE SERVICES
Director's Office

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September 9, 2013

Dear Tribal Health Leader,

On behalf of the Department of Health and Social Services (DHSS), I am writing to inform you of a proposed future Medicaid state plan amendment (SPA) in keeping with DHSS's responsibility to conduct tribal consultation.

Modified Adjusted Gross Income ("MAGI") Related SPA Groups – Proposed SPA's are due to provisions in Affordable Care Act for converting current net income eligibility thresholds to equivalent modified adjusted gross income ("MAGI") thresholds in the Medicaid program and the Children's Health Insurance program ("CHIP"). Modified adjusted gross income (MAGI) is a methodology for how income is counted and also how household composition is determined. MAGI is based on federal tax rules for determining adjusted gross income. It eliminates asset tests and special deductions or disregards. Nationally, states' methodologies for determining Medicaid and CHIP eligibility vary widely, primarily due to differences in applications of income disregards. After applying the disregards the resulting net income is then compared to an income eligibility threshold to determine the individual's eligibility. **NO ASSET TEST REQUIRED** - Assets are not considered in determining eligibility for MAGI related groups. Assets include cash, any other personal property and real property.

Individuals on Denali Kidcare and Family Medicaid will be evaluated for eligibility based on MAGI rules. The MAGI rules are aligned with the income rules that will be used for determination of eligibility for premium tax credits and cost-sharing reductions through exchanges. The MAGI methodology will be used and become effective for Medicaid eligibility cases on and after January 1, 2014. Effective October 1, 2013 persons will be able to apply for health insurance and Medicaid using the MAGI methodology for coverage on or after January 1, 2014. MAGI methodology for determining household size and income based on MAGI will be applied to both Medicaid and CHIP enrollees. No enrollee will lose eligibility during the overlapping timeframe (October 2013 – March 2014) due to the change. States are

developing their own MAGI-based income eligibility standards for the applicable eligibility groups. MAGI methodologies exclude SSI-related categories (Aged, Blind, or Disabled eligibility categories), and will not apply to eligibility for elderly or disabled enrollees. MAGI methodologies will not apply to groups whose eligibility does not directly involve an income test, such as the coverage for women being treated for breast or cervical cancer, or former foster care children. Eligibility groups have been organized into SPA templates by CMS, some of the groups are mandatory, some are optional, and there are some options for states within some of the mandatory groups.

A streamlined universal application has been developed to apply for the health insurance affordability programs, Medicaid and CHIP. The health insurance marketplace (Federally Facilitated Marketplace, or “Exchange”) application is available electronically, or by paper, or in person. The application is a single point of entry to purchase private insurance through the health insurance marketplace, and assess eligibility for assistance including, Medicaid, and CHIP, and make the determination for the Advanced Payment of Tax Credits (APTC). MAGI rules engine determines the eligibility and forwards the eligible or ineligible decision. People can apply on line via the marketplace or the State of Alaska Division of Public Assistance.

Verification system – if client information is within 10% of criteria it will be verified electronically such as the HUB (federally data base), or accept attestation. If client information is not within 10% verification will be by phone or writing. Department of Labor data will be used to verify income.

The seven categories of Medicaid MAGI-related eligibility SPA’s are:

1. MAGI-Based Eligibility Groups (Alaska not expanding to all eligibility groups at this time)
 - 1.1. Parents and Other Caretakers “S25”
 - 1.2. Pregnant Women “S28”
 - 1.3. Infants and Children Under Age 19 “S30”

- 1.4. Individuals Below 133% of the FPL (Alaska not expanding to this eligibility group at this time) "S32"
- 1.5. Former Foster Care Children up to age 26 "S33"
- 1.6. Individuals Above 133% of the FPL "S50"
- 1.7. Optional Parents and Care Takers "S51"
- 1.8. Reasonable Classifications of Individuals "S52"
- 1.9. Non IV-E Adoption Assistance "S53"
- 1.10. Optional Targeted Low Income Children "S54"
- 1.11. Tuberculosis "S55"
- 1.12. Foster Care Adolescents "S57"
- 1.13. Family Planning "S59"
2. Eligibility Process "S94"
3. MAGI Income Methodology "S10"
4. Single State Agency/Administration "A1, A2 & A3"
5. Residency "S88"
6. Citizenship & Immigration Status "S89"
7. Presumptive Eligibility "S21"

At this time Alaska is not expanding to MAGI Optional groups outside of current State of Alaska Medicaid eligibility rules.

- Expanded definitions of Parent and Other Caretaker Relatives - Alaska's definition of caretaker relative is found in 7 AAC 100.990, and expansion determinations beyond that definition would require statutory authority at this time.
- Individuals below 133% of FPL – this group represents non-pregnant individuals age 19 through 64 not otherwise mandatorily eligible with income at or below 133% of FPL. We are not proposing to expand at this time and will conduct separate consultation if we do.
- Former Foster Care Children from Out of State - Expansion determinations of that definition would require statutory authority at this time; this optional group would be in addition to the new mandatory group of Former Foster Care Children in the State of Alaska.
- Tuberculosis – This group represents people infected with tuberculosis with state determined income guidelines. Expansion determinations of that definition would require statutory authority at this time.

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- Individuals above 133% of FPL - Expansion determinations of that definition would require statutory authority at this time.
- Family Planning – This group represents individuals who are not pregnant, income determined by state, coverage limited to family planning and related services. Expansion determinations of that definition would require statutory authority at this time.

The State of Alaska has submitted its MAGI conversion methodology to CMS. The next step is for the state to submit Medicaid MAGI-eligibility related SPA's on CMS pre-printed electronic templates. Those pre-printed templates can be located at <http://medicaid.gov/State-Resource-Center/Medicaid-and-CHIP-Program-Portal/Medicaid-and-CHIP-Program-Portal.html>

Please provide any written comments or questions regarding this State Plan Amendment within 30 days of the date of this letter to Gennifer Moreau, Alaska Department of Health and Social Services, 4501 Business Park Blvd., Suite 24, Bldg L, Anchorage, AK 99503-7167 or gennifer.moreau@alaska.gov. Please also feel free to call if you would like to arrange a meeting or discuss this upcoming State Plan Amendment.

Sincerely,



Gennifer Moreau
Medicaid State Plan Coordinator

Cc:

William Streur, Commissioner Department of Health and Social Services
Dr. Craig Christenson, Deputy Commissioner for Medicaid and Health Care Policy
Margaret Brodie, Director of Health Care Services
Ron Kreher, Director Public Assistance
Renee Gayhart, Tribal Health