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Changes have been made in Chapters 2 and 17 to include references to periodic cost-of-living increases in federal benefits. Specific instructions for accomplishing the updates for the 1996 increases are contained in a new Appendix to Chapter 2 which will be updated when increases occur.

Questions should be directed to the IM Policy Unit in the Office of Family Support.

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recording must be made on the ES-5 to indicate that the case was automatically closed.

- Monthly Food Stamp Payrolls, WES142P1

The county office receives 2 listings each month which provides the following information: case number, case name and address, Food Stamp income, number in Food Stamp benefit group, CA and SUA indicator. The listings contain the names of all cases active in the data system as of the first day of each month. In addition, all cases that are approved after the deadline date for the appropriate Program appear during the month of approval on a WEA930AP1 pick-up listing. This listing is run on a daily basis and sent to the county office.

The information on these printouts provides the Worker with a reference to all active cases and the pertinent information about the case.

B. REPORTING REQUIREMENTS

1. QR

QR benefit groups are not required to report changes outside the QR process.

2. Non-QR

Changes must be reported within 10 days of the date the change occurs. Form ES-FS-2 is one means by which this may be done. See item A,1.

EXCEPTION: The benefit group is not required to report any mass changes in federal benefits, such as the yearly increase in RSDI or SSI benefits. RSDI/SSI increases are handled by the Department in accordance with instructions in Appendix B of this Chapter. All other federal benefit cost-of-living increases are treated as any other change, except that the client is not penalized for failure to report these mass changes.

NOTE: This does not apply to an individual change affecting the level of a client's benefits, only to mass changes.

EXCEPTION: Non-QR benefit groups with earned income must only report income when the following change:

The notification must state that the benefit group continues to be eligible for Food Stamps. See Chapter 6.

7. Selling Food Stamps

Complaints are referred to the USDA field office in Charleston.

8. Food Stamps Returned To The County Office By The Client

NOTE: The following procedures are not intended to circumvent client notification procedures found in Chapter 6.

When Food Stamps are returned to the county office, the Worker determines if the amount is a full or a partial month's allotment. Unused Food Stamps may not be redeemed for cash.

Returned Food Stamps are forwarded to the Financial Clerk who disposes of them as follows.

- When a full month's allotment is returned, Form ES-FS-11 is completed and the Food Stamps returned to the State Office within 30 days.
- When a partial month's allotment is returned to repay an overissuance, a claim must be established. See Chapter 20.
- When a partial month's allotment is returned for some reason other than an overissuance, Form FNP-135 is completed and submitted to the Food Stamp Issuance Unit in OFS, along with the Food Stamps which were cancelled by the Financial Clerk.

9. Cost-Of-Living Increases In Federal Benefits

Recipients of federal benefits such as RSDI, SSI, Black Lung or VA Benefits may receive periodic cost-of-living increases (COLA's). RSDI/SSI increases are handled in accordance with instructions in Appendix B of this Chapter. All other federal benefit cost-of-living increases are treated as any other change, except that the client is not required to report the change.

- When the client requests restoration of lost benefits, but fails to provide documentation to verify the loss.

Benefits are not restored under any circumstances for periods of time in excess of those described in item 3 below.

3. Time Limits For Restoring Benefits

Benefits are not restored for more than twelve months prior to whichever of the following occurred first:

submits the form to the Financial Clerk for payment. Expenses are usually paid as the order the client requests.

Money remaining in the client's account after his requested payments, is issued to the client or spouse. Either may sign the DF-38.

When the client has been on vendor payments for two consecutive months and has requested no payments from the account, it is assumed that the client is no longer in need. The Worker sends an ES-NL-C for case closure. The ES-NL-C must address that the client has not requested expenditures of the AFDC/U check for two months, and is, therefore, presumed to have an alternative means of support. If the client explains the situation satisfactorily to the Worker, the case is not closed.

(ii) Data System Action

- The name of the Financial Clerk followed by the symbol @ is entered in Block 3.
- The county office address is entered in Blocks 4, 5 and 6.
- The client's name is entered in Block 9.
- A V is coded in Block 41 when the case is placed on vendor payments.

8. Cost-Of-Living Increases In Federal Benefits

Recipients of federal benefits such as RSDI, SSI, Black Lung or VA Benefits may receive periodic cost-of-living increases (COLA's). RSDI/SSI increases are handled in accordance with instructions in Appendix B of this

- TM coverage expires
- Medically Needy non-spenddown cases that are not redetermined in the sixth month of the POC, and
- Medically Needy spenddown cases are closed at the end of the POC, regardless of whether spenddown was met or not.

In no instance is Medicaid Coverage under one coverage group stopped without consideration of Medicaid eligibility under other coverage groups. This is done before the client is notified that his Medicaid eligibility will end. Eligibility is determined based on case record information. The client may be required to visit the office only for completion of a Social Summary for a MRT referral.

6. Cost-Of-Living Increases In Federal Benefits

Recipients of federal benefits such as RSDI, SSI, Black Lung or VA Benefits may receive periodic cost-of-living increases (COLA's). RSDI/SSI increases are handled in accordance with instructions in Appendix B of this Chapter. All other federal benefit cost-of-living increases are treated as any other change.

E. CORRECTIVE PROCEDURES

1. Reimbursement For Out-of-Pocket Expenses

When determining if the client is eligible to receive direct reimbursement for out-of-pocket medical expenses which would have otherwise been paid by Medicaid, but for the error or delay of the Department, it is the responsibility of the Department to act on each application or case action correctly within a reasonable period of time, unless the delay is due to factors beyond the control of the Department. A reasonable period of time must be interpreted on a case-by-case basis. In addition, it is the responsibility of the Department to complete the spenddown transaction which reduces the spenddown amount to zero for all cases that are required to spenddown within a reasonable period of time, unless the delay is due to factors beyond the control of the Department. Refer to guidelines in Chapter 1 for guidance in determining the definition of a reasonable period of time as it relates to the spenddown process.

only, and is approved after the August deadline. Other Medicaid cards may not be held under any circumstances.

3. Procedures Relating to Incorrect Or Returned Medicaid Cards

Upon receipt of these cards, the State Office mails them to the appropriate county office. Medicaid cards for AFDC/U recipients on the monthly payroll are part of the envelope with AFDC/U check and are returned to

APPENDIX B

RSDI/SSI INCREASES 1996

In January 1996, SSI and RSDI recipients received a cost-of-living increase of 2.6%. The new maximum payment levels for SSI are:

Single - \$470

Couple - \$705

The Medicare premium amount is \$42.50.

The Social Security Administration (SSA) has taken steps to ensure that the SSI amount does not increase in January and decrease in March for those persons who receive both SSI and RSDI. SSA is using the new RSDI amount for January to determine the new January SSI amount, instead of the RSDI amount from the appropriate budget month.

A. A, B, D, C, U, F CASES - EITHER RSDI OR SSI - AUTOMATIC AND MANUAL UPDATE

The computer will automatically update the income of all A, B, D, C, U, F, cases which are active in the data system as of 5:00 p.m. on the deadline date in February and which have SSI or RSDI income, but not both, coded in Block 63 or Block 64 and which will not become ineligible because of the increase. When the first two digits of Block 63 are coded 13 or the first two digits of Block 64 are coded 00, the computer will calculate 2.6% of the amount in the block, add that amount to Block 76 and also add that amount to the original entry in Block 63 or 64 for A, B, D, C, U and F cases.

For C and U cases, the computer will calculate 2.6% of the amount in the block, add that amount to Block 48 and also add that amount to the original entry in Block 63 or 64. AFDC/U cases with FS will have Block 63 or 64 updated only once, but Blocks 48 and 76 will both be updated. Refer to item D below for AFDC/U case situations which will not be automatically updated.

1. Printout Of Cases Automatically Updated

Each county will receive a printout of the cases updated by the computer. It will be titled "RSDI/SSI/COLA Automatic Updates" and will show:

When the automatic updates are completed, the CA or check amount will go to \$0. This will prevent receipt of March's benefits. The Worker must then take data system action to close the case or remove the benefits.

Cases becoming ineligible for AFDC/U, but remaining eligible for Food Stamps, are treated according to Section 2.3,D,5,a. AFDC/U cases becoming ineligible for a check must have eligibility for Medicaid automatically determined without requiring a new ES-2.

3. Applications

The Worker must enter the new amount of RSDI and SSI for all cases entered in the data system after the deadline date in February. Cases approved for February, before the February deadline, must have the new amounts of RSDI and SSI entered if the case will not be automatically updated.

If, for any reason, automatic updating of the amounts entered in Block 63 or 64 is not desired, simply omit the codes from these blocks. To ensure automatic updates for next year, the Worker must set a control to code these blocks after the automatic updates are completed.

4. Cases Which the Computer Cannot Identify as Containing RSDI/SSI

The computer can identify RSDI and SSI income for these updates only from Blocks 63 or 64. Therefore, if these blocks are not coded or not coded correctly, the automatic updates cannot be completed. As the Worker becomes aware of these cases, data system action must be taken to update the RSDI/SSI income as soon as possible.

In no instance must any case be closed because the Worker failed to code the case properly to allow identification of the benefit promptly or failed to initiate contact to obtain the information.

5. Notification and Verification Process

At the time a manual update is completed, the Worker must notify the recipient in writing that the new amount(s) of RSDI/SSI/VA/RR/BL must be verified within 30 days or it will be necessary to terminate the benefit. The ES-6 may be used to request this

These letters are to be returned by February 2, 1996. A printout titled "RSDI/SSI/VA/RR/BL COLA's for Manual Update - 3/96" will be sent to each county.

When the forms are received by the Worker, the Worker will take action to update the Food Stamps based on the information provided by the client. Thirteen (13) days advance notice is required in making these changes.

Because non-QR clients cannot, according to Food Stamp federal regulations, be required to report mass changes, it is not possible to stop the non-QR client's Food Stamps for failure to return the letter. Those cases which do not return the form, but which are due for a redetermination in February, will have the update completed at the time of redetermination. Those clients who do not return the form and are not due for a redetermination by the deadline date in February, must be contacted by the Worker to obtain the new benefit amounts.

QR cases are only required to report changes on the QR form and cannot be penalized for not returning the letter. See Section 2.2,B,1 for QR reporting requirements.

As many of these contacts as possible should be made by telephone. If the client cannot be reached by telephone, an ES-6 is mailed requesting that the client call or write to report the new amount of the benefits. The change must be made no later than the deadline date in February, effective March.

Repayment of overissuances resulting from failure to make the change, effective March, as always, depends upon the date requested, the advance notice period and deadline dates.

This letter is sent to identify the following:

- AFDC/U or Food Stamp benefit group members who have RSDI, RR, VA or BL; and
- Food Stamp benefit group members who have SSI.

When the RSDI income of the AFDC/U benefit group members is automatically updated for the check, it is also updated for the FS portion of the case and must not be

E. LONG TERM CARE CASES - MANUAL UPDATES

All Long Term Care cases must be manually updated by the Worker. The updates are effective March 1996 and must be transmitted after the January 1996 deadline date. Work on the updates, such as requesting information, performing calculations and completing notification letters may begin as soon as printouts are received, but changes must not be transmitted until after the January deadline, effective March 1996. Updated items may include RSDI, the Medicare premium portion of the non-reimbursable medical expense and the CSMA and/or FMA, when the spouse and/or other family members receive RSDI and/or other benefits which also change. The printouts outlined below will be produced to enable the Worker to accomplish the updates.

1. Printouts For Long Term Care Case Updates

a. LTC Cases for Update - 1/96 RSDI Increase

This printout will be sent to the counties early in January for updates effective March 1996. Cases which are due for redetermination in January or February are not included on the printout. The printout contains the following information:

- Case Number
- Case Name
- City, State and Zip
- Blocks 7, 31, 32, 54, 47, 45, 46, 49, 50, 67, 69, 70, 71 and 79.

b. Long Term Care Cases With VC, VP, BL or RR Income

This printout identifies cases with income other than RSDI which may require an update of these benefits and/or post-eligibility deductions. The printout contains the following information:

- Case Number
- Case Name
- City, State and Zip
- Blocks 48, 49, 50 and 54.

ends on or before February 29, 1996 as these cases will be updated at redetermination or when the client reapplies. The printout contains all cases, except Nursing Care and ICF/MR cases, which have RSDI, BL, RR, VC or VP income indicated by coding in Blocks 45, 46, 49 and 50. The following information is contained on the printout:

- Case Name
- Case Number
- Blocks 7, 45, 46, 49, 50, 31, 54, 57, 58 and 80.

b. M-219 Non-Long Term Care Cases - Block 45 and/or 49 Incorrect Coding

This printout will be sent to each county, in conjunction with the updates, to insure that cases which may require update are not missed due to incorrect coding. The Worker must correct the coding and update the case, if appropriate. The printout contains the following information:

- Case Name
- Case Number
- Blocks 31, 54, 45, 46, 49, 50, 57, 58 and 80.

2. Determining the New Amount of Income

Calculate the new amount of RSDI by multiplying the old RSDI amount by 1.026. It will be necessary to verify the new amounts of Black Lung, Railroad Retirement, Veteran's Compensation and Pension benefits.

If the Medicaid client is also a Food Stamp recipient who has returned the letter described in item C by the time the Worker is making the change in the Medicaid case, the Worker may use the amount reported on the letter, instead of calculating the new amount. See Chapter 10 to determine average monthly amounts for the POC. See Section 2.16,A for changes in income for AFDC/U-Related and SSI-Related Medicaid cases. See Section 16.6,C and D for special instructions for QMB and SLIMB cases which receive an RSDI COLA.

February 23, 1996

Dear Recipient,

Because of the January increase in Social Security and SSI benefits, the Department of Health and Human Resources has determined that you are no longer eligible to receive an assistance check due to excessive income. You will not receive a check in March or any month after that unless you reapply and are found eligible.

This action is being taken according to Section 205.10 (a)(4)(ii)(J)(iii) of the Federal Register.

If you have questions about this change, want to request a Fair Hearing or want information about free legal services for eligible individuals, please contact your local Health and Human Resources Office. If you request a Fair Hearing, benefits will be continued at the previous level until a final Hearing decision is made. You may also call our toll-free number 1-800-642-8589.

February 23, 1996

Dear Recipient,

Because of the January increase in Social Security and SSI benefits, the Department of Health and Human Resources has determined that you are no longer eligible to receive Food Stamps due to excessive income. You will not receive Food Stamps in March or any month after that unless you reapply and are found eligible.

This action is being taken according to Sections 273.12 (e)(3) and 273.13(b)(1) of the Federal Register.

If you have questions about this change, want to request a Fair Hearing or want information about free legal services for eligible individuals, please contact your local Health and Human Resources Office. If you request a Fair Hearing, benefits will be continued at the previous level until a final hearing decision is made. You may also call our toll-free number 1-800-642-8589.

NURSING CARE SERVICES

- The Worker who receives the ES-23 completes the interview with the representative and obtains required verification. He must explore all financial aspects of the case. See Sections 17.9 and 17.10.
- When the ES-2 is completed, the Worker in the county in which the representative lives records all pertinent information and returns the form to the originating county.
- The Worker in the originating county completes the redetermination. If the client is no longer eligible for Medicaid, the case is closed. If the client remains eligible for nursing care services, the data system is changed to reflect current circumstances and appropriate notification is sent.

2. Desk Redetermination

Form IM-LTC-3, LTC Desk Redetermination, is used to complete and transmit the redetermination.

The IM-LTC-3 is a checklist of items which are considered in completing the redetermination. Using information from the case record, the Worker reviews each item and determines if action is required. If so, he checks yes in Action Required column and completes the action prior to completion of the redetermination. The form is self-explanatory.

Space for additional narrative recording and for preparing the case for terminal transmission is provided.

Identifying information is entered at the top of the first page. When the redetermination is completed, the Worker signs and dates the form.

NURSING CARE SERVICES

Step 2: Multiply the number of days the client was in Facility #1 by the per diem rate for the facility. The result is the clients cost of care for this facility for the month.

Step 3: Compare Step 1 to Step 2.

If Step 1 is less than or equal to Step 2, the client's entire contribution toward his cost of care is paid to Facility #1.

If Step 1 is greater than Step 2, the Step 2 amount is paid to Facility #1 and the difference between Step 1 and Step 2 is paid to Facility #2.

E. EXAMPLES

EXAMPLE: A Pass-Through Medicaid recipient in the C-219 system enters a nursing home and wants Medicaid to pay toward his cost of care. He has \$1,500/month unearned income. He is a single individual with OLE.

Medicaid eligibility is already established. Even though his income exceeds 300% of the SSI payment level, he is eligible without a spenddown as a Categorically Needy Medicaid recipient. Therefore, only post-eligibility calculations must be performed. To accomplish this, the C-219 system case is closed, and an M-219 system case is opened. The Worker records that the client was a Deemed SSI Recipient prior to nursing care eligibility so that eligibility may be restored if he no longer requires nursing care. Post-eligibility calculations are as follows:

\$1,500	Client's gross monthly non-excluded income
<u> 30</u>	Personal Needs Allowance
\$1,470	Remainder
<u> 175</u>	OLE
\$1,295	Client's resource amount which is also his total contribution toward his cost of care.

NURSING CARE SERVICES

EXAMPLE: Same as above except the client has no OLE. The client's spenddown amount is the same as determined above.

<u>Post-Eligibility</u>	
\$1,500	Income
<u>- 30</u>	Personal Needs Allowance
\$1,470	Remainder
<u>- 43</u>	Medicare premium (non-reimbursable medical expense)
\$1,427	Remainder
<u>-1,280</u>	Spenddown (non-reimbursable medical expense)
\$ 147	Resource Amount

The client's total contribution toward his cost of care is:

\$1,280	Spenddown
<u>+ 147</u>	Resource Amount
\$1,427	Total Contribution

EXAMPLE: Mr. Holley has the following income:

\$960	RSDI
<u>+745</u>	Retirement
\$1,705	Total Income

He has a community spouse who has \$275/month RSDI income and \$365/month earned income, for a total of \$640. His child receives \$275/month RSDI.

<u>Eligibility</u>	
\$1,705	Income
<u>- 20</u>	SSI Disregard
\$1,685	Remainder
<u>- 200</u>	MNIL
\$1,485	Monthly Spenddown