MANUAL MATERIAL TRANSMITTED					
MANUAL: INCOME MAINTENANCE			**CHANGE NUMBER:** 19		
DELETE			**INSERT OR CHANGE**		
PAGES	**CHAPTER**	**DATED**	**PAGES**	**CHAPTER**	**DATED**
i - ii	16	8/95	i - ii	16	3/96
17 - 20	16	8/95	17	16	8/95
23 - 24	16	8/95	18 - 19	16	3/96
			20	16	8/95
			23 - 24 a	16	3/96
DATE: January, 1996			**TO:** All Income Maintenance Manual Holders		

This change is being made to clarify the length of the TM eligibility period when the client loses AFDC/U eligibility after having been dually eligible for TM and AFDC/U Medicaid. New item 16.5,C,3 was added for this purpose.

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

16.1 INTRODUCTION 1

16.2 RELATIONSHIP WITH THE OFFICE OF HANDICAPPED CHILDREN 2

A. NON-OHC RECIPIENTS WHO ARE APPLICANTS FOR OIM PROGRAMS . 2

B. OHC RECIPIENTS WHO ARE APPLICANTS FOR AFDC/U OR MEDICAID 2

16.3 MEDICAID ELIGIBILITY BETWEEN COVERAGE GROUPS 3

A. CONSIDERATION FOR ALL MEDICAID GROUPS 3

B. WHO RECEIVES LIMITED COVERAGE 3

C. BACKDATING MEDICAID COVERAGE 3

D. CASE TRANSFERS FROM ONE COVERAGE GROUP TO ANOTHER 4

16.4 RELATIONSHIP BETWEEN COVERAGE GROUPS 5

A. CATEGORICALLY NEEDY MEDICAID (Chart) 7

B. MEDICALLY NEEDY (Chart) 8

C. GENERAL ASSISTANCE FOR DISABLED ADULTS (GA for DA) . . . 8

16.5 CATEGORICALLY NEEDY, MANDATORY-FOR FAMILIES AND/OR CHILDREN . 9

A. AFDC/U RECIPIENTS 9

B. DEEMED AFDC/U RECIPIENTS 9
   1. Check Amount Under $10 9
   2. Extended Medicaid and Brinkley Procedures 9
   3. Children Covered Under Title IV-E Adoption Assistance 13
   4. Children Covered Under Title IV-E Foster Care . . . 13

C. TRANSITIONAL MEDICAID (TM) 14
   1. Phase I Coverage 14
   2. Phase II Coverage 20
   3. Return to AFDC/U, Phases I and II 23

compliance with this requirement. The client must be allowed 30 days to prove he has taken the steps necessary to comply.

NOTE: There is no provision to discontinue Phase I coverage for failure of the parent to continue working.

NOTE: Failure, without good cause, to return a complete ES-CG-TM-1 by the due date results in ineligibility to participate in Phase II of Transitional Medicaid, but has no effect on Phase I coverage.

c. Eligible Situations

Provided the benefit group meets all of the eligibility requirements in item a above, it is eligible for Phase I TM in the following situations:

- The benefit group's gross income is above 185% or 100% of the AFDC/U Standard of Need or the countable income is above the AFDC/U payment level and the beginning of employment or increase in hours or payment rate had an effect on AFDC/U ineligibility.

- The earned income of an individual who received AFDC/U in three (3) of the last six (6) months and who is added to the benefit group has an effect on the benefit group's AFDC/U ineligibility.

- When the earned income disregards and deductions are not applied due to failure to provide verification of earnings for QR purposes or to provide a complete QR form on time and this has an effect on AFDC/U ineligibility.

- The case becomes ineligible for AFDC/U due to failure to report or provide verification of new earnings, provided that fraud is not indicated.

- The case becomes ineligible for one (1) month only due to a temporary increase in hours worked or rate of pay.

f. Client's Reporting Requirements

The client is required to report his gross earnings and day care costs for the first three (3) months of Phase I coverage by the 21st of the fourth month. He is also required to report the earnings and day care costs of any person in the home whose income is used to determine the AFDC/U payment level. In addition, he must report his gross earnings and day care costs for the last three (3) months of Phase I coverage by the 21st of the first month of Phase II Coverage.

A computer-generated letter (ES-CG-TM-2) is mailed to the client on the first day of the fourth and sixth months based on the coding in Block 49 or 55.

If the client returns both completed ES-CG-TM-1 forms, he has met one of the eligibility requirements of Phase II coverage.

Failure to return a completed form, without good cause, by the 21st of the fourth month will, after proper notice, automatically render the family ineligible to participate in Phase II. The client must be notified, by use of the ES-NL-C, of the consequences of his actions when the form is not

When the case is closed for any other reason a CLOSE transaction and manually-completed client notification are required.

e. Transition From Phase I to Phase II Coverage

During the sixth month of Phase I eligibility, the Monthly Case Action Report shows the message "End of I" as a reminder to the Worker to change the coding in Block 49 or 55 to indicate that Phase II coverage has begun.

The ES-CG-TM-1 is not due until the 21st of the first month of Phase II coverage, but the change in coding is made effective the month after Phase I coverage ends i.e., the first month of Phase II coverage.

3. Return to AFDC/U, Phases I and II

If a benefit group returns to AFDC/U during Phase I or Phase II, but otherwise meets the requirements for TM, the benefit group is dually eligible for Medicaid as AFDC/U recipients and as TM recipients. If the benefit group again becomes ineligible for AFDC/U, Worker action depends upon the case circumstances at the time of the subsequent case closure as follows.

a. Otherwise Eligible for TM

If the benefit group meets all of the eligibility requirements found in item 1,a above, the family is eligible for a new TM period, beginning with Phase I for 6 months and continuing through Phase II, if the Phase II requirements are met.

b. Not Otherwise Eligible for TM

When either of the two following conditions are met at the time of the subsequent case closure, the family is eligible only for the remainder of the original TM period and the case must be coded appropriately. See Chapter 23.

- The benefit group loses eligibility for a reason not related to employment; or
- The benefit group loses eligibility for a reason related to employment, but does not

income from one sibling to another. These procedures are described in Chapter 10.

NOTE: The Worker must determine financial eligibility prior to entry into the M-219 system. No entries are accepted in the income blocks of cases containing a QC.

QC's are not required to have an AFDC/U deprivation factor or to live with a specified relative. There is no asset test for such children.

The maximum allowable age for children under this coverage group increases each year due to the requirement that these children be born on or after 10-1-83. The maximum ages and dates they become effective are as follows:

Year	Maximum Age
10/95	12
10/96	13
10/97	14
10/98	15
10/99	16
10/00	17
10/01	18
10/02	19 - Eligibility ends at age 19

When a QC becomes pregnant, refer to item E,3 below for more information.

E. POVERTY-LEVEL PREGNANT WOMEN (M-219, C-219 SYSTEMS)

A pregnant woman is eligible for Medicaid coverage as a Poverty-Level Pregnant Woman or as a Deemed Poverty-Level Pregnant Woman as follows.

1. Categorically Needy, Deemed Poverty-Level Pregnant Woman

Income: N/A **Assets: N/A**

Any woman who is pregnant when she is an eligible Categorically Needy, Medicaid recipient, remains eligible for Medicaid throughout her pregnancy and through a 60-day postpartum period when both of the following conditions are met:

- The woman receives Medicaid under any mandatory or optional Categorically Needy coverage group. See