



Policy Memo	
KDHE-DHCF POLICY NO: 2018-07-01	From: Jeanine Schieferecke, Senior Manager
Date: July 27, 2018, Revised 08/01/18	Medical KEESM Reference: 1322.4, 2124.1, 5722, 6220, 6410, 9310 KFMAM Reference: 1330.02, 1333.04, 2411, 7330
RE: August Changes	Program(s): All Medical Programs

This memo implements changes to the Medical Assistance programs as indicated below. Except where noted, all changes are effective with the KEES Release on July 22, 2018. Revisions to the Medical KEESM and KFMAM manuals will be effective August 1, 2018. Additional information related to the implementation of these changes is available through training material released to eligibility staff.

Applicable to all Medical Programs:

- Third Party Liability Changes
- Review Changes – Verification of Income
- Unemployment Insurance Income Records and Verification Changes
- TALX Income Records and Verification Changes

Applicable to Elderly and Disabled Medical Programs only:

- Exempt Child Support Income for Non-Institutional Care
- KEES Changes Involving the Community Spouse Resource Allowance
- PMDT Referral Process
- Spousal Elective Share
- Life Expectancy and Life Estate Valuation Table Updates

I. Changes Impacting All Medical Programs

The following changes are applicable to all medical programs.

A. Third Party Liability Changes

1. Background

Federal rules require KDHE to consider other health insurance for applicants/recipients through the entire eligibility process. Eligibility staff are responsible for identifying any

potential health insurance coverage reported at the time of application. The information, considered a lead at this point, is then passed along to the fiscal agent, where DXC staff are responsible for verifying the information. Once verified, the information is recorded in the MMIS and is used for claims processing and other benefit delivery processes. Eligibility staff are also responsible for providing information regarding any changes and terminations they become aware of to DXC.

The process to communicate information to DXC is driven by data entry onto the KEES Other Health Insurance page. The information entered onto the page is then sent to the MMIS via a nightly file. However, there were gaps in the interface between the two systems that required a separate, off-system process for some changes that couldn't be communicated, such as a policy end date. The implementation of a technical change to the interface and the addition of a new field on the Other Health Insurance page will correct these deficiencies.

2. KEES Changes

Two critical changes have been made to the KEES system to support the TPL function.

- a. The addition of a policy end date that will allow staff to record a policy end date.
- b. The expansion of the record size that will no longer limit the amount of information that can be captured on these pages.

3. Process Changes

With this change, all TPL information necessary to send to the MMIS can now be captured and communicated via the KEES-MMIS interface. Therefore, the manual e-mail process where staff were required to notify DXC via e-mail, has been retired. Instead, staff shall use the OHI page to communicate all necessary information.

Keep in mind, that information coming from KEES is still considered a 'lead', so it is important that eligibility staff continue to send all information to DXC, even if it is incomplete or unverified.

a. New Applications – Any health insurance reported for a new applicant shall be reported to DXC. Create a separate record for each individual.

b. Changes – Report any changes to existing coverage. To do this, create a new record. It is important to send any changes even if they are not verified. DXC will verify.

c. Terminations – Any time an individual reports health insurance has been terminated, record the information using the new field. Use the date reported by the individual. If the date is unknown or unreported, enter a date of 01-01-1900. This will alert DXC staff that the date is unknown.

4. Kancare-CHIP Members with Insurance

Recent federal guidance has clarified the state is required to consider non-comprehensive health insurance as a third-party liability for CHIP cases. Staff must

ensure to include all policies on the OHI page, including those covering CHIP children.

Staff are still required to verify health insurance information in the MMIS prior to approving CHIP coverage. Current processes shall continue to be followed to ensure information is correctly captured for CHIP individuals who have other health insurance.

Staff will continue to receive tasks through the MMIS interface. Both the 'MMIS Health Insurance Ended' and 'MMIS Add TPL' tasks will continue to be generated. The KEES User Manual will be updated to provide additional information regarding the use of this page.

B. Unemployment Income Changes

Effective with the KEES release scheduled July 22, 2018, Unemployment income records will be automatically created using information obtained from the Kansas Department of Labor interface (KDOL-UI). These records will be created for all MAGI and Non-MAGI programs. Records will be created for both requests made through the Request Verification process as well as through the review batch. These records will be used for any resulting EDBC, including fully automated EDBC's executed as part of the review batch.

Running verification for income will send a request to KDOL-UI and potentially create a record. The existence of an earnings record in KEES plays no bearing on the verification request or record creation

These records only reflect Unemployment Income from Kansas. Unemployment received through another state will not be impacted by these changes.

1. The Unemployment Income Record

KEES will automatically create an Unemployment income record when an active UI record is found in the interface record. The amount and duration of the record will be determined by the information from the KDOL-UI file. Prior to establishing the income record, both the KDOL file and the status of any existing KEES income records will be checked.

- **KDOL File:** Information on the KDOL file will be evaluated to determine if there is active UI indicated on the file. Active UI is any payment for a week that is within 6 weeks of the current date (the date of the RV request or the date of the RC batch related to reviews). For example, the RV request is made on 07-03-18 and the KDOL-UI record indicates the last unemployment payment was made 02-05-17. Since this is not within 6 weeks, a record will not be created.

- **KEES Income Records:** If there is current KDOL-UI income found, the resulting income record is impacted by the presence of an active or end-dated UI record in KEES. The various results are described below. The amount of income found on the file or included on the KEES record is not a factor in the logic used to establish a KEES record. There is no comparison of income amounts completed. This means an income record will not be created due to a difference in amounts only.

a. Effective Date and End Date

The type of income record created by the interface is dependent upon the existence, or non-existence, of a current KEES Unemployment record. If active UI is found on the KDOL file as described above, an income record will be created if no other active KEES records exist within 6 weeks of the date verification is requested. The new record will be created with both a begin date and an end date. The beginning date of the KEES record is the 'Begin date' from the KDOL-UI file – this is the date the current UI benefit actually began, not the first of the month. The KEES Unemployment record will be established with an end date of the last day of the 6th month following the month the payment began. This means the income record will be active for a total of 7 months. This is consistent with KDOL payment rules.

For example, verification is requested on 06-10-18 for a case with a UI record ending 11-30-17. The KDOL interface finds activity within 6 weeks – new Unemployment beginning 05-16-18 – so the case is evaluated to determine if an income record should be created. Since the last record was end dated more than 6 weeks earlier, the UI record should be created. The effective date of the record is 05-16-18. The end date is 7 months later – 11-30-18.

For cases where there is already an existing KEES record, the creation of new records will depend on the effective dates of the existing KEES Unemployment records. Only KDOL UI records that are within the past 6 weeks are considered.

b. The following rules are used to Establish the record:

- i. If the KDOL UI interface finds activity and the interface indicates the UI began prior to the effective date of the existing KEES record, a new record will be created. The new record will have an effective date consistent with the KDOL-UI effective date. The record will also be end dated. The end date will be one day prior to the day of the existing UI record in KEES. For example, an existing KEES Unemployment record is present with an effective date of 05-01-18. The interface indicates the UI actually started on 03-20-18. A new record is created with an effective date of 03-20-2018 and an end date of 04-30-2018.
- ii. If the KDOL UI interface finds activity and the interface indicates the income started after the effective date of the existing KEES record, but prior to the KEES end date, a new record will be created. The new record will have an effective date consistent with the KDOL-UI interface. In this case, the KEES record will also end-date the record with the before the effective date of the KDOL-UI.

For example, on 07-28-18 the RV process is executed. A KEES unemployment record exists with a start date of 05-01-2018. It is high dated. The KDOL UI interface indicates a payment beginning 07-15-2018. Because the start date of

the record is later than the current KEES record, a new Unemployment record will be created with an effective date of 07-15-18. The previous record will be end dated with an effective date of 07-14-18. The new record will have an end date of 01-31-19.

c. UI Amount and Verification

A Family Medical income record will be created using the weekly income amount present on the KDOL UI file. The income record will include the paid amount as well as deductions (e.g. Child Support withholding).

The record will be marked 'verified' by KDOL. Note that an additional verification step may occur if a pending UI record is found in KEES and the income amount on the record is an exact match of the income amount listed on the KDOL-UI record and the effective date of the KDOL record is after the effective date of the KEES record.

d. Monthly Determinations

It is necessary to clarify that records may be created for previous months. The record may span prior medical months, the application month or months between the application month and the current month, etc. Each scenario needs to be evaluated, but the UI record is not generally adjusted in these situations. EDBC is executed for the month and the income used from the record is used for the determination.

Example: Application received in April, but processed in June. A UI record was created beginning in May. Each month is executed with the UI income in place. The 'Point-In-Time' policy would not apply, as income is not counted for those months where it is known the income was not received.

An exception exists where a determination has already been finalized and the benefit month is 'paid'. Because records can be created for prior months, running EDBC for a paid month with the new income can have negative consequences – including an Ineligible record in KEES, problems with the MMIS interface, etc. To avoid negative consequences, staff must adjust the record when running EDBC for a paid benefit month unless it is a situation where negative action is not required.

e. Impact on Reviews

The KDOL-UI Interface will be called as part of the Reviews batch. Verified income records will be created as described previously. The amount of income from the KDOL UI record will be reported to the consumer on all review forms. This amount will also be used for any resulting EDBC.

f. Staff Responsibility

KDOL-UI is a Tier 1 interface. Therefore, income records created by KDOL-UI are considered accurate. Using KEES automation also creates efficiency. Staff

should take steps necessary to utilize this functionality whenever possible. Once fully implemented, there will be limited need to use the BARI interface.

Instructions below are being implemented to create consistency for all cases and to maximize the new functionality

Allow KDOL-UI to Create the Unemployment Income Record.

Records created through the interface are more consistent and more accurate if there are no existing unemployment records to consider. When unemployment income records are present on the case, partial records are sometimes created and staff may have to take additional steps to achieve accurate results – this is true even with pending records. To maximize efficiency, staff should always strive to have a 'clean' unemployment record prior to running the RV request process. This means there should be no pending or active Kansas unemployment record present.

For new applications, a pending unemployment record will be created from the incoming e-application. Staff should remove this record before executing the RV process. By doing so, the KDOL UI interface can create a complete record. Do not delete or remove older or end dated records. Only remove the pending record.

For new reports of UI that are part of case maintenance, staff should note the report of UI and then run the RV process described above. There is no need to create the unemployment record first.

For either situation, if a record is not created after the interface call, it is a sign additional research is needed (see below) and a pending record must be added to the income page. However, these situations should be minimal.

g. **Additional Research** - In limited situations, when the KDOL UI interface results in inconsistent results additional research is necessary. A manual check for more detail through the BARI interface is the first step. Contact with the consumer may be required in rare situations.

- **Consumer reports Unemployment, but KDOL-UI does not create an income record.** After ensuring the SSN is correct, a manual BARI check is completed. If no indication of Kansas unemployment is found, it may be an indicator the income is from another state. Verification must be requested for non-MAGI programs. For MAGI programs, client statement is used to create the income record.

- **Consumer reports a different amount of income than indicated by the interface.** For most situations, this is not an issue and the amount returned by the interface is used. However, if the different income would result in an approval or change in coverage then additional research may be needed. It may also occur if the consumer reports a change with the Pre-populated or Passive review that includes the KDOL-UI amount. When the unusual discrepancies occur, a manual check of BARI is completed. If an explanation

is discovered (such as the inclusion of a deduction - such as Child Support – into the amount of income) the KDOL UI amount is used. If not, request verification for non-MAGI programs and take client statement for MAGI programs.

• **Consumer does not report unemployment but an income record is created.** In some instances, income records may be created for persons who are not actually receiving a benefit – persons in a disqualified status for example. When a consumer provides a recent statement indicating there is no unemployment income, but an income record is created, a manual check of BARI is required.

For the situations above, if the consumer is involved in both MAGI and non-MAGI programs it may be necessary to create an E and D income record in addition to the Family Medical income record.

i. **Create the Unemployment income record with the correct State.** KEES income records should always include the State issuing the benefit. This means for Unemployment income received from a state other than Kansas, staff must diligently record the issuing state as part of the KEES record.

ii. **Set Future Dated Tasks** Although the income records created by KDOL UI will be time-limited, eligibility will not automatically adjust when the income ends. Staff must still run EDBC to redetermine eligibility when the UI record ends.

The redetermination will be completed for all cases at the end of the UI period. There is no need to verify the termination of the UI, as KDOL-UI is a Tier 1 interface. There is no need to request additional information from the consumer regarding other changes unless changes have been reported prior to acting on the UI task. Staff shall run EDBC for the month following the last month of the unemployment record.

To prompt the redetermination, a Future-Dated task is used. Future dated tasks are required in the following situations:

- All non-Family Medical Programs
- Family Medical Spenddown Cases
- CHIP Premium Cases

Task Details: For new applications, state staff are responsible for creating the future-dated task, but all tasks shall have the following details:

- Due Date: The date the come-up month become available in,
- KEES that is consistent with the end date of the UI record,
- Received Date: Today, the date you are setting the task,
- Region: KDHE Clearinghouse,
- Location: KanCare Clearinghouse,
- Queue: Eligibility or E&D Eligibility (Based on Worker ID assigned

to the program block,

- Task: Contact Info Change,
- Task Details: FD (for Future Dated) – Case contains a program block with Unemployment Income, followed by the first month of the new determination.

State Task: If the redetermination results in a situation that requires the state to receive the case (e.g. CHIP child moves to Medicaid), Maximus shall create a state task. The following details are used:

- Due Date: Today, the date Maximus is sending the task,
- Received Date: Today, the date Maximus is sending the task,
- Region: KDHE Clearinghouse,
- Location: KanCare Clearinghouse,
- Queue: State,
- Task: Change-State,
- Task Details: FD (for Future Dated) – Case contains a program block with Unemployment Income, followed by the first month of the new determination.

h. Implementation Instructions

A review of all current cases with active Unemployment records is required. A report of all cases with current unemployment income is being generated for this purpose.

All cases with current UI records over 7 months old must be reviewed and end-dated. All UI income records older than 7 months are assumed to be end dated unless there is direct information that indicates the payment is still being made. Records are to be ended effective the last day of the calendar month of process. Once the record is updated, EDBC shall be executed for the following month.

As staff encounter existing cases with UI income, verification shall be generated to determine the current status of the record. Records created as a result of the new process will have an end date. If an end-date is not established, staff are to record an end date of 7 months following the effective date of the UI record. The Future-Dated task process in item (e) above is applicable.

C. Reviews Change – Verification of Income

Beginning with reviews due September 2018 (reviews generated on or about August 15) additional verification will occur as part of the automated review batch. In addition to the change described above regarding Unemployment Insurance, additional functionality will also be completed for both Social Security and Earned Income (TALX interface).

1. Social Security Verification

Verification of Social Security income will be conducted as part of the automated review process. The batch process executed through KEES will now compare the amount of

Social Security income budgeted in KEES with the amount of Social Security present through trusted data sources. If the budgeted amount of income does not match for each member of the plan, a pre-populated review will be generated. Only cases where all individuals have verified Social Security records will be eligible for Passive or Super-Passive reviews. This match will not impact Targeted reviews. It is applicable to all medical programs, both MAGI and Non-MAGI cases.

a. Match Criteria

In order to determine if a record is verified, both the Bendex and SVES records will be checked to determine if the current budgeted SSA income amount matches the amount found in the interface. Only active SSA income records will be checked. Note a SVES record is requested for all persons included on the upcoming review match approximately 60 days prior to the review due date. If the whole dollar amount matches, the record is verified and will continue to be considered for a passive review. If the whole dollar amount does not match, the case will receive a pre-populated review. The amount of income budgeted in KEES will continue to be written to the passive and pre-populated forms. Cases with two SSA records will always receive a pre-populated review. Note this match does not include SSI incomes, only SSA income types.

b. Staff Action

Staff will not be able to distinguish a verified Social Security record from an unverified income record when processing a pre-populated review. Therefore, when processing a review, all Social Security income records should be verified as part of that process. Use the Tier process, to complete this verification.

2. TALX Income Records

Additional functionality is being added as part of the review process to utilize information available through the TALX interface. Beginning with reviews expiring September 2018 (those generated on or about August 15) income information found through the TALX interface will be used when running EDBC as part of the reviews batch in situations described below. This is applicable only to medical programs subject to MAGI budgeting. It is also important to note this functionality is expected to be expanded to staff-initiated verification requests made through the Request Verification process in a future KEES release.

a. TALX Tier 3 Income Source

The amount of earned income found as part of interface check with TALX may now be used in the EDBC budget when the following occur:

- The individual has failed all three Individual Reasonable Compatibility Tests conducted as part of the review batch
- A usable TALX record is found as part of the interface call related to the specific review batch. A usable TALX record is one that meets the criteria described in KDHE Policy Memo 2018-03-01 (section 1(B)(3)). The income found in TALX must be greater than \$0.

If both are true, the amount of earned income used for the individual in the

resulting review EDBC will be that obtained through the TALX interface. The Self-Attested income amount reflected on the Earned income page will not be used. The amount to be used in the budget is called TALX Tier 3 Income.

b. TALX Tier 3 Income Amount

The amount of the TALX Tier 3 income for the individual is determined using the criteria established in KFMAM 1330.04 and Medical KEESM 1322.4. The amount is based on the 'anchor date' found from the interface and all paycheck within 30 days prior to the date are averaged and converted according to the TALX frequency. For records with a frequency of hourly see section (e) below.

TALX Tier 3 income will not be displayed in KEES in the same manner as other earned income records. All staff using KEES must make note of the following three indicators a TALX Tier 3 income amount has been used:

- An Earned Income record will not be created in KEES with the resulting TALX Tier 3 income. When TALX income is used, any existing Earned Income Amount Detail Record will be noted with a Verification value of 'Not Applicable' and a Source of 'Tier III - TALX'.
- The amount of the TALX record and the TALX date range used will appear on the resulting Reasonable Compatibility Test Detail page. A verification source of 'Tier III - TALX' indicates the TALX Tier 3 amount was used in the resulting EDBC. Any Self Attested amount found on the income record was not.
- The actual amount of earned income can be confirmed by viewing the resulting review EDBC and reviewing the amount displayed on the 'EDBC Person Line Item Detail – Medically Needy Earned Income page.

c. Review Type

In the event a TALX Tier 3 income amount was used in the resulting EDBC, a Pre-Populated review will result. The amount of earned income displayed on the review form will be the TALX Tier 3 income amount. It will not display the amount of the former Self-Attested amount back to the consumer. Note this is only true for the specific individual with TALX income - other individuals in the household whose income passes the Individual RC test, or fails the Individual RC test but does not have a usable TALX record, will continue to have the Self Attested earned income amount show on the review form.

d. Processing a Pre-Populated Review with TALX Tier 3 income

For staff, the primary impact of the change will be realized when processing a

Pre-populated review with a TALX Tier 3 income amount used by the Review EDBC. Note that any earned income record that existed prior to the review batch with a Self-Attested amount will still be high-dated. This must be considered when determining subsequent actions. The following actions are taken as a result of the review determination.

•The Pre-populated review is received and the consumer indicates there are changes to the amount of earned income.

In this situation, the new income must be verified and the TALX record is no longer applicable. An income record with the new Self-Attested amount must be used and a new RC test conducted. The income record with Tier III - TALX source is end dated effective month prior to the month of the determination, with consideration given for timely and adequate notice. The Request Verification process is executed and staff shall follow the Tier verification processes currently in place.

• The Pre-populated review indicates there is no change in the amount of earned income.

In this situation, the amount of income obtained through TALX is now considered fully verified and there is no need to attempt to reverify. However, because the consumer has confirmed the amount is accurate, a 'regular' income record must now be created. The income record with Tier III – TALX source is end dated and a new record using the TALX amount is created, but is recorded as 'Verified' with a source of 'Consumer Statement'. There is no need to run the RV process.

•The Pre-populated review is not returned and the program is closed and a new review is received within the Reactivation period.

In this scenario, a new Self Attestation must be obtained. The income record tied to the Tier III - TALX source is end dated and a new record with the new Self-Attestation is created. The Request Verification process is executed and staff follow the Tier Process in place.

D. Verification Request Responses

Changes to the response descriptions received from several interfaces are being implemented with the KEES update. These responses are intended to be more descriptive and easier for staff to review and decipher. Note that all responses are applicable for interface records received on or after the KEES update. Response received prior to this date will still have the old descriptions. Staff will need to be mindful of the date of the response when reviewing any record and determining appropriate action.

Note: This change is only updating interface responses, new pages to view the actual interface information will be implemented at a later date.

When staff are executing verification requests through the RV button, it is not necessary to separate the income call from the non-income call (Cit/ID/SSN). Although a verified SSN is necessary for successful income verification to return, KEES is designed to automatically call the HUB if necessary to obtain a verified SSN prior to calling the income interfaces. Staff must still avoid specifically calling the HUB in the event SSN and Citizenship/ID are already verified.

1. **Response Guidelines:**

Detailed information regarding the responses will be available through the KEES user manual – including the desk aid ‘Real Time Interface Response’ and updates to the ‘Verification Job Aid’. Although additional detailed information regarding specific interfaces may be available, the following guidelines are now applicable for interface response records:

- a. **‘Verified’** Prior to this change, when a response of ‘verified’ was received from the interface, it only meant the interface functioned successfully – it didn’t mean the actual resulting information actually verified the element. With this change, a response of ‘verified’ will only be displayed when the element is truly verified and the response satisfies verification requirements.
- b. **‘Success’** A response of ‘Success’ will now mean the interface call found the individual and there is a potential of relevant information available through the interface. The actual response is followed by the phrase ‘Activity found on XXXX (interface name)’.
- c. **‘Not Found’** When the response of Not Found is received, it means the interface ran appropriately (no technical problems) but there was not a relevant match.
- d. **‘Error’** This response will indicate a problem with the interface or the information that was sent to the interface. A response of ‘Error: Request Failed’ indicates the interface failed. A HelpDesk Ticket is always created when this response is received

2. Interface Details/Staff Action When considering information from a specific interface, the following are now applicable with the change:

- a. **EVVE** This interface is not used and the activity will no longer be displayed on the KEES pages.
- b. **MEC** This interface is not used and the activity will no longer be displayed on the KEES pages
- c. **WEB-IZ** This interface is not used and the activity will no longer be displayed on the KEES pages.
- d. **KPERS** KEES will continue to call KPERS and receive response records. However, there is not currently a method for staff to review the information returned (this is planned for a later KEES release). When a KPERS response indicates ‘Activity Found’ this is an indication there may be an active KPERS payment. If the consumer has reported KPERS income, follow normal verification steps (request proof for E and D programs; client statement for Family Medical).

If the consumer has not reported KPERS income and 'Activity Found' is returned, additional information from the consumer shall be requested. Note that for Family Medical, all necessary information can be obtained from a phone call.

e. **KDOL-UI** With the change described in item B above regarding the creation of income records from this interface, the process for managing response records is changing. If an 'Activity Found' response is received and an income record created automatically for the Unemployment income, no additional action is necessary. If an 'Activity Found' response is received and no income record was created, additional research is necessary.

If a response of 'Not Found' or 'Error' is received, no action by the worker is necessary unless the consumer reports Unemployment Income. If this is case, staff shall view the BARI interface to determine if information is present. This information can be used to create an Unemployment record in KEES.

Note: Although a HelpDesk ticket is necessary if an Error response is received, this is not considered a 'Dead Stop' and manual processing shall continue.

f. **KDOL-WAGES/TALX** Because both are used to verify earned income, responses from both interfaces must be considered to determine any necessary action. Significant automation exists within KEES to use response data to support the earned income verification policy. These rules and subsequent processes are outlined in various policy documents.

If a 'Request Failed' is received and income is reported, staff should follow general trouble-shooting processes, such as ensuring the SSN is correct, etc. If verification is not available through one of these interfaces, continue to follow the Tier verification requirements. And, a Help Desk ticket is created, but it is not a 'Dead Stop'.

g. **SDX** The SDX interface provides information regarding SSI benefits and payments. Records are sent to KDHE from SSA for all SSI recipients in the state. Detailed information from SSA-SDX is currently only available by viewing the EATSS system.

When a 'Success' response is received, this is an indicator the consumer may be an SSI recipient. A manual check of EATSS is always required – regardless of client statement.

If a 'No Findings' response is received, additional action is required if there is an indication the consumer may receive SSI. This may mean client report, but can also be indicated through bank statements, prior Social Security records, etc. Verification of SSI recipient status is obtained through EATSS.

If a 'Request Failed' response is received, the same process used for a 'No Finding' response is followed. Although a HelpDesk ticket is required, it is not considered a 'Dead Stop' and case processing continues.

h. **SSA** The SSA response continues to provide potential verification of a number of elements: SSN, DOB, Citizenship/Identity and Living Arrangement (incarceration). If a response is 'Verified', the verification indicators for those applicable elements will be reset appropriately.

If the SSA was not successful, additional detail specifying the cause of the failure (usually data entry errors). Once corrected, a new request shall be executed.

If a verified record is not received, but the record is successfully matched, manual research is required to determine if verification is available in the case file. Current policy regarding Reasonable Opportunity may also apply.

If a 'Request Failed' or other technical error message is received, a Help Desk incident ticket is required, but is not considered a 'Dead Stop' and case processing continues.

Note: In general, when a usable result is not returned, staff should not routinely 're-run' a verification request unless a change is made to a key element that would change the outcome. This interface requires staff pay attention to the outcomes and adjust the KEES record so accurate demographic information is set

i. **VLP** The VLP continues to be the primary source of verification for non-citizens. Verification of non-citizen status is required for all applicants/recipients. Information from the individual's USCIS document is needed in order to complete verification. See the KEES User Manual and the 'VLP Required Fields' desk aid for specific information regarding the required fields.

A response of 'Success' is an indicator staff should check the VLP response to determine next steps. If verification has been satisfied, no additional action is necessary. However, if additional information is required, a query through the SAVE GUI might be necessary to obtain/submit additional verification. A Reasonable Opportunity Period may be applicable.

If the response on the Real Time History page indicates a data-quality error (missing information or invalid field format), the information is corrected and a new request sent.

If the response indicates a 'Request Failed' or other technical error, a KEES Help Desk must be created, but is not considered a 'Dead Stop'. Case processing may continue, including any necessary SAVE activity as

well as the potential of a Reasonable Opportunity Period.

II. Changes Impacting Elderly and Disabled Medical Programs Only

The following changes have an impact on Elderly and Disabled Medical programs only.

A. Exempt Child Support Income for Non-Institutional Care

2. Background

Current child support payments made directly to the household by non-household members are considered countable income. Support payments are considered the income of the person for whom they are intended.

3. New Policy

Effective August 1, 2018, current child support income for children under age 18 and students under age 22 is exempt for all Elderly and Disabled medical programs except Institutional Care. For individuals receiving institutional care, non-student children age 18 and older, and for students age 22 and older, current child support income is considered when determining share of cost.

To qualify as a student for the purposes of this policy, the individual must meet one of the following criteria:

- Attend college or university at least eight (8) hours a week;
- In grades 7 – 12 for at least twelve (12) hours a week;
- In a training course to prepare for employment at least twelve (12) hours a week.

Actual classroom hours, not credit hours, are used to determine whether an individual meets student criteria for the purposes of this policy.

It is not necessary to make contact with the consumer to determine whether an individual meets the student criteria outlined above prior to processing a request for assistance. Unless clearly stated by the consumer, it shall be assumed that individuals age 18 and older are not students.

4. Implementation of Policy

The new policy regarding exemption of current child support for E&D Medical programs, excluding Institutional Care, shall be implemented as follows.

a. Verification of Current Child Support

For all Elderly and Disabled Medical programs except Institutional Care, self-attestation is accepted as verification of current child support income for children under age 18 and students under age 22. Self-attestation is also accepted as verification of the type of school and the number of hours attended each week if

the consumer reports or the agency becomes aware that the consumer is a student, unless there is reason to believe otherwise.

When possible, contact with the consumer or their parent, if the student is a minor, via phone shall be attempted to obtain their self-attestation of the type of school and number of hours attended each week. If unable to reach the consumer or their parent by phone, information shall be requested through KEES allowing twelve (12) days for the consumer to provide. The following information shall be obtained as verification of the consumer's student status:

- i. Name and address of the school or institution
- ii. Information on the course(s) of study, dates of enrollment, and number of hours of attendance

Eligibility shall not be denied or discontinued if the consumer fails to provide the requested information to verify their student status. Instead, the current child support income is countable and shall be documented in KEES as such. Thorough documentation in the Journal is required.

For Institutional Care, non-student children age 18 and older, and students age 22 and older, current child support shall be verified and budgeted following existing policy. This includes situations where the consumer transitions from any MAGI or Elderly and Disabled Medical program to Institutional Care.

b. KEES Functionality

At this time, there is no logic in KEES to prevent current child support income from counting toward an individual's share of cost. Until KEES enhancements can be made, a temporary workaround will be used when appropriate to exempt current child support income and correctly calculate the individual's share of cost.

For all Elderly and Disabled medical programs, with the exception of Institutional Care, current child support shall be documented on the Income Details Page in KEES as outlined below for children under age 18 and in situations where student criteria outlined in section 2.A.2 above is met.

- Income Category: Miscellaneous
- Income Type: Other – Exempt
- Description Field: Current Child Support

The Journal must include clear documentation that a workaround was used in order to appropriately exempt the child support income.

For individuals receiving institutional care, non-student children age 18 and older, and students age 22 and older, current child support income shall be documented in KEES with an Income Category of "Child/Spousal Support" and an Income Type of "Child Support Current". This will ensure that the income is properly counted toward the consumer's share of cost.

c. Treatment For Spousal Impoverishment

Spousal impoverishment provisions allow long term care recipients to allocate income to dependent family members. Countable income received by the dependent family member is considered when determining the amount of income which may be allocated. There may be cases where dependent family members receive child support income.

When determining the amount of income which may be allocated from a Long Term Care recipient to a dependent family member, current child support income is included in the calculation for children receiving institutional care, non-student children age 18 and older, and students age 22 and older. Current child support income is not included when calculating the dependent family member allowance for a child under age 18 or a student under age 22.

Current child support income must be documented in KEES following the instruction outlined in section 2.A.3.b above in order for the dependent family member allowance to calculate appropriately.

Consider the following examples:

Example 1

An application is received for a consumer requesting Long Term Care as they have entered an institutional care facility. The consumer has one child who is 16 years old, lives with grandparents, and attends high school. The consumer receives SSDI in the amount of \$1250 each month. Current child support income in the amount of \$250 is received from the absent parent and is exempt when determining the amount of income allocated from the parent receiving LTC to the child.

Example 2

An application is received for a consumer requesting Long Term Care as they have been determined functionally eligible for HCBS on the PD waiver. The consumer has one child who is 19 years old and lives in the home. The consumer receives SSDI in the amount of \$1,250 each month. Current child support income in the amount of \$250 per month is received from the absent parent as that was the agreement made by both parents and approved by the court. In this situation, the child's current child support income is countable when determining the amount of income allocated from the parent receiving LTC to the child.

d. Clean-up of Active Cases

A report will be generated to identify cases where current child support income is included in the share of cost determination for a child age 18 or younger or a student under 22 years old. Cases where child support is being counted and causes the consumer to have a share of cost, such as a medically needy spenddown or client obligation, shall be adjusted effective with the August 2018 benefit month. Action may be taken at the next review or case maintenance change to adjust cases where current child support is being counted but does not cause the consumer to have a share of cost when combined with other sources

of countable income.

e. Cases Pending with Application Dates Prior to August 1, 2018

Applications with reported child support income received prior to August 1, 2018 but processed after that date will not be included on the report of active cases which require cleanup. These cases must be addressed at the time eligibility is determined. For months prior to August 2018 where assistance is requested, current child support payments shall be counted toward the determination through the July 2018 benefit month. Current child support income shall then be considered exempt for children under age 18 and students under age 22 and documented in KEES as described in section 2.A.3.b above effective with the August 2018 benefit month.

Consider the example below:

Example 3

Application received 7/12/2018 requesting HCBS for a child who has been assessed and determined functionally eligible for the SED waiver. The consumer's choice date to begin receiving waiver services is 7/10/2018. The child receives \$800 in current child support income each month. The application is processed on 7/26/2018 and HCBS is effective 7/10/2018. The consumer has a monthly obligation of \$53 for the month of July 2018 because the current child support income received is countable. In August 2018, the consumer's monthly obligation is reduced to \$0 as the current child support income is now exempt.

B. KEES Changes Involving the Community Spouse Resource Allowance

System enhancements have been made to align KEES functionality related to calculation of the Community Spouse Resource Allowance (CSRA) with current policy.

1. Gaps in EDBC

Prior to the KEES Release on July 22nd, CSRA amounts did not remain in place when there was a gap in EDBC of more than two months, causing the CSRA to be redetermined. This includes situations where the consumer was not resource eligible for several months following the CSRA determination and situations where staff ran EDBC without saving and accepting prior to making a final eligibility determination.

New functionality has been built into KEES that will protect the saved CSRA regardless of any gaps in EDBC. Once EDBC is run to determine the CSRA amount, saved and accepted, the CSRA amount may only be changed or redetermined when the agency has made an error in the CSRA determination or when the consumer requested a Resource Assessment Only, failed to provide proof of all resources owned in the first month of long term care, then later provided proof of the missing resources at the time of application. In those instances, the CSRA Reassessment Run Reason is used to recalculate the CSRA amount.

Consider the following examples.

Example 4

Application received 1/31/2018. Contract staff determine the CSRA and run EDBC beginning in the month of application through the come-up month before sending the case to State staff for final authorization. Prior to this KEES Release, a new CSRA amount was established when running EDBC for the third month following the month of application. There is a gap in EDBC because contract staff cannot save and accept.

Example 5

Application received 9/30/2016 for a married couple where one spouse has requested Long Term Care as they reside in a nursing facility. The long term care spouse entered the nursing facility in April 2014 and has been private paying for their care until the month of application and does not request prior medical assistance. The long term care spouse is not eligible for assistance until December 2016 due to excess resources. Prior to this KEES Release, a new CSRA amount was established when running EDBC for December 2016 because there is a gap in EDBC between the CSRA determination being completed in the month of application and the month in which the consumer is eligible for assistance.

2. Application of the Minimum and Maximum Resource Allowance

Current policy contained within Medical KEESM 8144.1(2) and 8244.1(2) specifies that the minimum and maximum resource standards in place at the time the CSRA is calculated will be used to determine eligibility. This means the CSRA is determined using the minimum and maximum resource allowance in place at the time EDBC is run, not the amounts in place during the benefit month EDBC is run for.

Consider the following example.

Example 6

Application received 11/30/2017. EDBC is run to determine the CSRA amount on 1/4/2018. Effective January 1, 2018, the maximum and minimum resource standards changed. Because EDBC was run to calculate the CSRA in 1/2018, the maximum and minimum resource allowance in place at that time is used to calculate the CSRA, not the amount that was in place at the time assistance was requested.

C. PMDT Referral Process

1. Background

The Presumptive Medical Disability Team (PMDT) completes disability determinations for the Presumptive Medicaid and MediKan programs. A referral must be made to the PMDT in order for a disability determination to be rendered. This process is completed when the consumer has applied for Medicaid while awaiting a disability determination from the Social Security Administration.

A referral to the PMDT is only appropriate for individuals under age 65, including children seeking coverage under a disability-related group. PMDT referrals are not appropriate for individuals age 65 or older as coverage may be determined based on age.

2. New KEES Processes

Effective with this KEES Release, referrals to the PMDT and notification of the outcome of the disability determination will be completed in KEES. This process will eliminate the current e-mail referral process and enable staff to utilize Task functionality in KEES.

a. Referral Process

Referrals to the PMDT shall be completed through the Contact Log in KEES for each consumer who may qualify for a Presumptive Medicaid or MediKan determination. Two separate Contact Log entries are required in situations where more than one person on a case is requesting eligibility under the Presumptive Medicaid or MediKan programs.

The following information must be included in the Contact Log entry to ensure the correct task is created in the appropriate queue with the necessary referral information.

- Contact Type: Written
- Contacted By: Agency
- Agency: KDHE
- Category: Referred to Agency Partner
- Contact Reason: PMDT Contact
- Additional Notes:
 - Applicant Name
 - Application Date
 - Referral Type: Tier 1 and Tier 2, Tier 1 Only
 - Potential Working Healthy (if applicable)
 - Pre-Release Application (if applicable)
 - Inmate Medical Application (if applicable)

A PMDT Contact task is generated in the PMDT queue upon completion of the Contact Log for referral. If a PMDT Contact task already exists in the PMDT queue for the same case number with a status of 'Assigned' and Status Reason of 'KDHE - On Hold', the existing task will be updated to reflect a Status Reason of 'KDHE – New Information'.

In addition to the creation of a task in the PMDT queue, a Journal entry is added which includes information that was previously documented in the

b. Notification of the Outcome

Once the PMDT has completed a disability determination, notification is sent to the eligibility worker that initiated the referral. Like the initial PMDT referral, this notification is created through the Contact Log.

The following information must be included in the Contact Log entry to ensure the correct task is created and includes the outcome of the disability determination.

- Contact Type: Written
- Contacted By: Agency
- Agency: KDHE
- Category: Referred to Agency Partner
- Contact Reason: PMDT Return
- Additional Notes:
 - Outcome of the disability determination
 - Effective date of the disability determination, if applicable

A PMDT Return task and a Journal entry are created upon completion of the Contact Log. If a task already exists in an Eligibility queue for the same case number with a status of 'Assigned' and Status Reason of 'KDHE – On Hold', the existing task will be updated to reflect a Status Reason of 'KDHE – New Information'. Eligibility queues include "E&D Eligibility", "LTC Eligibility", and "Eligibility", which is used by Family Medical programs. This does not include State queues or queues used by outstationed staff.

Existing tasks in State queues or queues used by outstationed staff with a status of 'Assigned' and a Status Reason of 'KDHE – On Hold' are not included in this workflow and will not update to reflect a Status Reason of 'KDHE – New Information'. Instead, a PMDT Return task will be created in the "E&D Eligibility" queue. When this occurs, the PMDT shall manually assign the PMDT Return task to the appropriate eligibility specialist upon completion of the Contact Log entry. It may be necessary for PMDT staff to research the Journal and claimed tasks to identify the appropriate eligibility specialist to whom the task will be assigned.

c. Pre-Release Referrals

PMDT referrals for disabled consumers discharging from State Correctional Institutions are completed by the Kansas Department of Corrections (KDOC) and sent to the PMDT at the time an application is filed at the KanCare Clearinghouse. This means the PMDT has already begun the disability determination process prior to the consumer's application being registered and screened by an eligibility specialist.

Upon receipt of a Pre-Release application, the eligibility specialist will send a referral to the PMDT using the Contact Log. The information outlined in section 2.C.2.a above must be included in the Contact Log to ensure the appropriate task is created in the PMDT queue. "Pre-Release Application" must also be included in the Additional Notes section. The anticipated release date must also be included in the Additional Notes section, if known. In order to differentiate these tasks from other PMDT Contact tasks in the PMDT queue, the eligibility specialist will assign a priority of Accelerated to the task that is created.

After a PMD determination has been completed, the PMDT will create a PMDT Return task for the eligibility specialist. Because Pre-Release cases are processed out of State queues by specific eligibility staff, the PMDT shall manually assign the PMDT Return task to the appropriate eligibility specialist upon completion of the Contact Log entry. It may be necessary for PMDT staff to research the Journal and claimed tasks to identify the appropriate eligibility specialist to whom the task will be assigned.

d. Inmate Medical Referrals

Upon receipt of an Inmate Medical application, the eligibility specialist will send a referral to the PMDT using the Contact Log. The information outlined in section 2.C.2.a above must be included in the Contact Log to ensure the appropriate task is created in the PMDT queue. "Inmate Medical Application" must also be included in the Additional Notes section. In order to differentiate these tasks from other PMDT Contact tasks in the PMDT queue, the eligibility specialist will assign a priority of Accelerated to the task that is created.

After a PMD determination has been completed, the PMDT will create a PMDT Return task for the eligibility specialist. Because Inmate Medical cases are processed out of State queues by specific eligibility staff, the PMDT shall manually assign the PMDT Return task to the appropriate eligibility specialist upon completion of the Contact Log entry. It may be necessary for PMDT staff to research the Journal and claimed tasks to identify the appropriate eligibility specialist to whom the task will be assigned.

e. Changes During the Disability Determination

If the eligibility specialist or Call Center representative becomes aware of information which could impact the disability determination, the individual receiving the information is responsible for notifying the PMDT of the change. Information related to a consumer's change of address, addition or change to an existing Administrative Role, or receipt of the PMD questionnaire and/or HIPAA release forms at the KanCare Clearinghouse is available in KEES and/or ImageNow and do not require contact with the PMDT.

The specific situations outlined below require communication with the PMDT.

i. Consumer Reports Not Receiving PMDT Packet

In situations where the consumer contacts the KanCare Clearinghouse to report they did not receive the PMD questionnaire and/or HIPAA release form, the customer service representative taking the call will contact the PMDT by email to request that a new PMD questionnaire and/or HIPAA release form be sent to the consumer.

ii. Changes Which Result in Ineligibility

Changes which result in ineligibility include, but are not limited to, denial for Failure to Provide, denial for excess resources, and denial due to failure to pursue potential resources. If a change occurs which results in ineligibility, the eligibility specialist processing the change is responsible for notifying the PMDT at the time action is taken to deny or discontinue eligibility. This is done by completing a Contact Log entry which includes the following information:

- Contact Type: Written
- Contacted By: Agency
- Agency: KDHE
- Category: Referred to Agency Partner
- Contact Reason: PMDT Contact
- Additional Notes:
 - Information related to the change that has resulted in ineligibility

f. Reconsideration Referrals

The PMDT will complete a Reconsideration of their initial disability determination if the consumer notifies them or the KanCare Clearinghouse that their disability has changed or become worse within sixty (60) days of the PMDT decision. The information below must be included within the Contact Log when completing a Reconsideration referral to the PMDT. As part of the Reconsideration process, the consumer must provide the PMDT with medical evidence, such as names of doctors or medical offices, from whom medical records may be obtained.

- Contact Type: Written
- Contacted By: Agency
- Agency: KDHE
- Category: Referred to Agency Partner
- Contact Reason: PMDT Contact
- Additional Notes:
 - Reconsideration Referral
 - Applicant Name
 - Application Date
 - Previous PMDT Response
 - Journal entry date of the previous PMDT Response
 - Reason for Reconsideration Referral (if known)

g. Appeals of the PMDT Determination

The PMDT shall be notified by email immediately in the event an appeal of the PMDT's disability determination is received. The email must include the Received Date and Document Type in ImageNow of any documentation related to the appeal received by the KanCare Clearinghouse.

3. Transition to the New Referral Process

Cases in which a referral to the PMDT was completed prior to this KEES Release shall follow the process described in section 2.C.2.b above once the disability determination is completed. This means the PMDT will use the Contact Log to notify the eligibility specialist of the outcome of the disability determination.

D. Spousal Elective Share

The timeframe in which to comply with Spousal Elective Share requirements is changing, as indicated below. Additional instructions regarding required verification and resulting penalties are also included. Refer to Policy Memo 2002-12-03 (Spousal Elective Share) for additional guidance concerning the original policy instruction for this requirement. Eligibility staff should fully review that document in conjunction with the policy provided in this memo.

1. Spousal Elective Share

As a condition of eligibility, a surviving spouse who is a recipient of medical assistance is required to file a claim against the probate estate of his/her deceased spouse as a potential resource. The amount an otherwise disinherited surviving spouse is entitled to receive under Kansas probate law is called the spousal elective share.

a. Filing Requirement

If the agency has evidence of spousal assets at the time of death or if the assets are unknown, the agency shall require the surviving spouse to file a probate claim. Failure to timely file may result in discontinuance of assistance and imposition of an inappropriate transfer penalty.

b. Time to File

Under Kansas law, the surviving spouse must file a spousal elective share claim within six (6) months of the date of the spouse's death. If the claim is not timely filed, the surviving spouse will lose the right to any assets in the deceased spouse's estate.

2. Penalty Effective Date

When spousal elective rights have been forfeited (waived or disclaimed), an inappropriate transfer subject to penalty has occurred. In that occurrence, the penalty start date is the date of the decedent's death.

3. Death of Spouse

Every recipient is required to report certain changes in circumstances to the agency within 10 days of the date the change becomes known. A change in household composition, including marriage, separation or divorce, must be reported. The death of a household member is not specifically listed as a change in household composition, although it clearly is a change. However, this omission has created some ambiguity concerning the requirement to report a death.

4. Application of Policy

a. Spousal Elective Share

The original guidance provided in Policy Memo 2002-12-03 remains applicable. This additional policy provides the timeframe in which the individual must verify that some positive action has been taken to pursue the spousal elective share.

i. Timeframe

The individual shall verify that he/she has taken positive action to pursue the spousal elective share within 60 days of the date of death. This gives the individual sufficient time to consult with an attorney and for the probate action to commence. Even though the claim must be filed within six (6) months from the date of death, positive action to either file or to commence the process of filing a claim must be taken and verified within 60 days for purposes of this policy.

This means that when requesting verification, eligibility staff shall give the individual until the 60th day after the date of death to provide documentation. This is an exception from the normal 12-day response requirement. However, if verification is not timely requested, the due date shall be the latter of 60 days from the date of death or 12 days from the date of request.

Consider the following examples:

Example 7

On 5/21/2018 a recipient reports the death of his/her spouse who died on 5/13/2018. On 5/21/2018, the agency requests verification that the individual has filed for his/her spousal elective share. Verification must be provided by 6/12/2018 (60 days from the date of death).

Example 8

Same example as above, except the agency request for verification was not sent until 6/6/2018. Since the 60 day period (6/12/2018) is less than 12 days from the date of request, the due date shall be 6/18/2018 (12 days from the date of request).

ii. Verification

The following is acceptable verification that the individual has taken positive action to pursue the spousal elective share:

A written statement from the individual's attorney that he/she intends to file a claim.

A copy of the actual claim filed in the probate court.

A copy of any other court document indicating an intent to file.

A statement (written or verbal) from the individual that he/she has filed or intends to file a claim is not sufficient verification.

As indicated in the original Policy Memo 2002-12-03, eligibility staff must continue to monitor the progress of the claim until fully adjudicated by the probate court. The individual must continue to pursue and fully cooperate throughout the entire process.

b. Penalty Effective Date

When an inappropriate transfer is being applied for failure to pursue the spousal elective share as a potential resource, the following penalty start date applies:

i. Forfeiture of Right

When the surviving spouse has waived or disclaimed his/her right to spousal elective share, the penalty begins the date of the decedent's death.

ii. Refusal to Pursue

When the surviving spouse refuses to pursue his/her spousal elective share, the penalty begins with the date of refusal.

iii. Failure to Pursue

When the surviving spouse fails to provide requested verification that he/she has filed or is taking positive action to file, or is fully cooperating in the process after timely filing a claim for spousal elective share, the transfer penalty begins the date verification was due but not provided.

iv. Filing Period Expires

The penalty begins the day after the 6-month spousal elective share filing deadline expires when:

v. Failure to Follow Through

The surviving spouse timely verified an intent to pursue, but does not follow through and fails to timely file a claim.

vi. Failure to Report Death

The surviving spouse failed to notify the agency of the decedent's death and the agency was unable to request verification of pursuit and notify of the consequences of not filing before the filing period expired.

Note: An inappropriate transfer penalty shall be applied for failure to timely file for spousal elective share when the agency was notified of the death by the

surviving spouse, but the agency failed to notify the surviving spouse of his/her responsibility to pursue spousal elective share in time to file a claim. This also applies where the death was reported and the agency still had sufficient time to notify the surviving spouse of his/her responsibility, but failed to do so.

E. Table Updates

The Life Estate Valuation Table (T-3) and the Life Expectancy Table (T-4) have been updated with an August 1, 2018 effective date and are included with this policy implementation. The updated tables are attached to this memo and can also be found on the KDHE Eligibility Policy website at: [KDHE Policy Appendix-Financial](#). These tables will be updated annually.

1. Life Estate Valuation Table (T-3)

The Life Estate Valuation Table (T-3) is based on the current Internal Revenue Code (IRC) interest rate and actuarial table. The new table shall be used on all applications and reviews processed on or after August 1, 2018. The table is used to determine the value of the life interest (life estate) and the remainder interest (remainderman) in property. A life estate and/or remainder interest which were previously reviewed are not subject to re-evaluation using the new table at review.

2. Life Expectancy Table (T-4)

The Life Expectancy Table (T-4) is based on the current Social Security Administration (SSA) actuarial table. The new table shall be used on all Long Term Care applications and reviews processed on or after August 1, 2018. The table is used to determine whether an applicant or recipient will receive adequate compensation within their lifetime for a promissory note, loan, mortgage, contract sale, or annuity purchased within the lookback period.

For Long Term Care reviews processed on or after August 1, 2018, newly identified promissory notes, loans, mortgage, contract sale, or annuities purchased within the transfer lookback period must be evaluated using the new Life Expectancy Table (T-4) to determine whether adequate compensation will be received. Resources which were previously reviewed as a potential transfer of property are not subject to re-evaluation using the new table at review.

Questions

For questions or concerns related to this document, please contact one of the KDHE Medical Policy Staff listed below.

Jeanine Schieferecke, Senior Manager – Jeanine.Schieferecke@ks.gov
Erin Petitjean, Elderly and Disabled Program Manager- Erin.Petitjean@ks.gov
Vacant, Family Medical Program Manager

Questions regarding any KEES issues are directed to the KEES Help Desk at KEES.HelpDesk@ks.gov