



STATE DEPARTMENT OF SOCIAL
AND REHABILITATION SERVICES
Integrated Services Delivery
Docking State Office Building
Room 681 - West
Topeka, Kansas 66612

State Commissioner=s Letter - 1027

April 21, 2000

(Code 1)

TO: Area Directors
Economic and Employment Support Chiefs
Economic and Employment Support Staff
Social Service Chiefs
Other Staff

**Re: Kansas Economic and Employment Support Manual (KEESM)
Revision No. 2**

PURPOSE OF LETTER

This letter transmits Revision No. 2 of the Kansas Economic and Employment Support Manual. This revision incorporates new poverty level guidelines effective May 1, 2000, a policy change regarding categorical eligibility for food stamps, a change in the work program exemptions for food stamps, a change to mandate SASSI testing for work program participants, a change to remove the requirement for EES staff authorization of NF reserve days, extensive updating of section 10000, Child Care Providers, the addition of Adult Protective Services material into the KEESM, other reformatting changes and numerous other policy clarifications.

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BACKGROUND AND REASON FOR CHANGE

New poverty level guidelines have been published by the Department of Health and Human Services that reflect a 1.3% increase from last year for a single individual. These guidelines affect the eligibility standards in the child care, MP, QMB, LMB, QWD and TransMed programs as well as increases the minimum community spouse income allowance and the dependent family member allowance under the spousal impoverishment provisions. The increase will not, however, be reflected in the HCBS income standard until January 1, 2001. For other programs the poverty standard increases are to be implemented effective May 1, 2000. Separate instructions will be issued to the field regarding implementation of these standards.

Residency for the medical assistance programs has been expanded to include individuals and their families who are in the state for purposes of work, including migrant workers.

The change to mandate the administration of the Substance Abuse Subtle Screening Inventory (SASSI) to all TAF and food stamp recipients who are assessed into work programs was made because data shows that comprehensive SASSI testing results in 16% -19% of work program participants being identified as in need of services, whereas short questionnaires delivered by EES workers produce much lower results (less than 5%). The SASSI results can provide additional information, e.g., indicators of depression, denial, and deception; for that reason, all SASSI test results will be referred to Regional Alcohol and Drug Assessment Center (RADAC) staff for clinical interpretation.

The change to food stamp work exemption policy, which now states that a parent or caretaker personally providing care for a child under the age of six (instead of one) is exempt from work program requirements is mandated by the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996. The State of Kansas received a three year waiver to lower the work registration exemption to age one and that waiver has now expired.

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The expansion of categorical eligibility for the Food Stamp Program is a result of a USDA initiative to better serve low income families and to better ensure adequate child nutrition by allowing working families to own a reliable car and continue to get food stamp benefits. This change will allow some families to continue to receive food stamps even if its assets (most notably a car) would otherwise disqualify it from food stamp participation.

The change to remove the requirement for EES staff approval of NF Reserve Days is a result of numerous suggestions from EES field staff to remove them from involvement in what is essentially a claims payment issue. The responsibility for assuring correct payment of NF Reserve Days will become solely a function of the fiscal agent and will be monitored through a post pay review process. Further details on this will be issued in the Implementation Memo.

Numerous modifications and clarifications in this revision are a result of policy issues that have been raised since the inception of the combined manual. Other changes are technical corrections and reformatting changes.

Finally, this revision includes a new section 12000, which incorporates Adult Protective Service manual material that was formerly contained in the Kansas Medical Services Manual. This material has been transferred due to SRS reorganization that placed Adult Protective Services as part of the Economic and Employment Support Section.

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CHANGES AND REQUIRED ACTIONS

1. **KEESM 1212.2 - Responsibility to Supply Information** - For purposes of the Food Stamp Program, this section has been modified to provide that clients have the responsibility to report all expenses and that failure to report an expense results in the loss of the household=s entitlement to the corresponding deduction. Wording has been included in the revised ES-3100 form (included in this revision) which allows the State

to implement this change in policy. (This wording was also included in the revised ES-3100.4 for January 2000.) The statement added to the application forms notifies applicants that by signing the application, they understand that failure to report or verify any household expenses means they will not receive a deduction for those expenses. By including this statement on the application form, an expense or deduction will not be allowed if it is later determined that the household failed to report or verify the expense. This includes when expenses are discovered or later verified at the time of a Quality Assurance review.

2. **KEESM 1212.3 - Responsibility to Provide Verification** - This section has been modified for the Food Stamp Program as noted in item 1. For food stamps, clients have the responsibility to verify mandatory expenses, and failure to verify those expenses results in the loss of the household=s entitlement to the corresponding deduction.
3. **KEESM 1322.2 - Mandatory Verification That Affects the Amount of Program Benefits** - The Policy Memo number noted in item (4) has been corrected.

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4. **KEESM 1411.1 - How to Apply** - This section has been modified to provide several clarifications. First, this section clarifies that Anew program requests@ include Income Eligible (IE) child care. Therefore, if IE child care is requested within the month following the month of application for another program, or in the first month of the new review period for another program, an application is not required. If IE child care is requested after the month following the month of application or after the first month of the review period an application form is required. Regarding the statement in item (1) that an interview is not required for the new program request, a clarification is included that this is assuming one has already occurred for the open program.
5. **KEESM 1414.1 - Approval** - Two modifications have been made to this section. First, this section has been clarified to indicate that for child care, if a Provider Agreement needs to be established and is not completed within the 30 day application processing time frame, financial eligibility shall be established. If eligible, the client shall be notified that plans cannot be authorized until an SRS Provider Agreement is completed. Second, for food stamps, a note has been added to clarify that if FS is approved and a member is not included for failure to comply with a TAF or FS work requirement and the member cures the failure within the 30 day application processing time frame, the person is to be added onto the FS case from the date of application. This was formerly only found in section 3522 and has been included in this section for clarification.
6. **KEESM 1432 - Adequate Notice Only** - An item (16) has been added to provide that adequate notice only is required when a premium requirement is established or increased for a HealthWave case. This item was inadvertently left out of the 10/99 KEESM.
7. **KEESM 1512.5 - Prohibition of Less Than \$10 Payments** - Item (1) of this section has been revised to clarify that it only applies to the cash assistance program. In

addition, the outdated term Agrant@ has been replaced with Abenefit@.

8. **KEESM 1724 - Social Security Disability Advocacy Project** - Technical form number corrections have been made to this section.

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9. **KEESM 2112 - Minors** - Technical numbering corrections have been made to this section.
10. **KEESM 2124- Potential Resources** - This section has been modified to clarify that medical assistance for a minor is not impacted by a caretaker failing to cooperate with the potential resource requirement. This is true even if the potential resource is that of the minor. Language has also been put back that was incorrectly eliminated in a previous revision to indicate that application for SSI is not a potential resource except as noted.
11. **KEESM 2143.6 - Verification of 40 Qualifying Quarters of Coverage** - The note at the end of this section has been deleted as it has been determined that Qualifying Quarters of Coverage information is not considered taxpayer information and thus does not have to be protected as such.
12. **KEESM 2150 - Residence** - This section has been amended to reflect a change in residency requirements for medical assistance programs which allows individuals and their families to receive Medicaid or HealthWave coverage if they are in the state for purposes of work, even if the stay is only temporary. Migrant workers are included in this population. A typographical error in this section has also been corrected.
13. **KEESM 2165 - Failure to Cooperate** - This section has been modified to indicate that documentation that the form IM-3102, Important Information About Cooperation, has been discussed with and distributed to the client provides the documented evidence that the client was informed of the consequences for failing to cooperate with Child Support Enforcement. This same change is being made in 3500 regarding work program cooperation. See item 39.

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14. **KEESM 2220 - Living With a Caretaker** - This section has been reformatted to make **Joint Custody Situations** section 2221, and **Minor Parent Not Living with Caretaker**, section 2222. This will make these policies easier to locate and allow for more precise cross referencing.
15. **KEESM 2510 - Categorically Eligible Households** - This section has been modified to expand categorical eligibility for food stamps as explained in the Background section. The section has also been reformatted for ease of use. Items (1) through (4) of this section are not new, they have just been reorganized. Items (5) and (6) are new and provide the policies that expand categorical eligibility for the Food Stamp Program. Item (5) provides policies that expand categorical eligibility to persons authorized for TAF work related support services, transportation payments or Special Services

Allowances on an as-needed basis. For ease of administering this expansion, categorical eligibility will be expanded to persons receiving TransMed per 2623, Extended Medical per 2624 and Special Services Allowances for six months per 3412. Persons in these categories retain their categorical status even if they do not actually receive any services because they are authorized to receive them if needed. Persons receiving TransMed who lost eligibility for MA CM due to increased earnings are NOT, however, categorically eligible since these individuals are not eligible for work-related support services.

Item (6) provides policies that expand categorical eligibility to a food stamp household even if some members of the food stamp household are not authorized to receive TAF or GA. This expansion is allowed as the agency has decided that even if only one member receives TAF or GA, that all food stamp household members benefit from the TAF or GA assistance. This policy would expand FS categorical eligibility to food stamp cases comprised of caretaker relative TAF cases, cases where a boyfriend or girlfriend resides with the TAF family and situations where a TAF family resides with parents. These are only examples and other situations may apply.

This section has been further modified to clarify that with this new expansion, categorical eligibility cannot be extended to persons receiving MA CM per 2622. The expansion is not allowed for these cases because households receiving MA CM are not receiving or authorized to receive TAF benefits (which includes TAF work related support services, transportation payments or Special Services Allowances).

Further instructions regarding the implementation of this policy change will be provided in the Implementation Memo.

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33. **KEESM 2512 - Eligibility Factors and Verification Deemed for Food Stamp Eligibility Purposes** - To match the changes described in item 15 above, technical wording changes have been made to this section.
34. **KEESM 2513 - Households Not to be Considered Categorically Eligible** - This section has also been modified to incorporate the changes to categorical eligibility as described in item 15 above.
35. **KEESM 2541- Alcohol and Drug Treatment and Rehabilitation Centers** - Section 2541.3 has been modified to remove references to Group I and II facilities. This was an oversight when the combined manual was issued.
36. **KEESM 2550 - Comparable Treatment for Disqualifications** - As a result of a suggestion from the field, a note has been added to this section to provide a reference that explains that failure to comply with FS work related requirements affects TAF, but not the MA CM program.
37. **KEESM 2623.2 - Other Eligibility Requirements** - This section has been modified to clarify that refugees who have received TAF but do not meet the A 3 of the last 6

months@ requirement for TransMed eligibility are eligible for extended medical assistance under the MA RM program through the 8th month of their residence in the United States.

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38. **KEESM 2644 - Continuation of Assistance** - This section has been reformatted. Item (1), **Continuous Eligibility for Pregnant Women** is now 2644.1. Item (2), **Continuous Eligibility for Children** is now 2644.2 with sub items (1) and (2). Item (3), **Continuous Eligibility for Newborns** is now 2644.3, item (4), **Inpatient Care Period for Children** is 2644.4, and (5) **Postpartum Period for Pregnant Women** is now 2644.5.
39. **KEESM 2653 - Refugee Medical (MA RM and Extended Medical)** - This section has been modified to incorporate the same policy as noted in item 20 above.
40. **KEESM 2672- Low Income Medicare Beneficiaries (LMB)** - and subsections **2671.2 - Regular LMB** and **2672.2 - Expanded LMB**- These sections have been rewritten and two new subsections have been created to further differentiate the different LMB programs. In addition, the section has been amended to indicate that the appropriate PICK code shall be put in place for LMB clients transitioning from spenddown to LMB only to ensure proper funding of the premium. It is also being clarified that an individual who is currently eligible for Expanded LMB can request Medicaid if such coverage is needed. The federal terminology associated with these programs has also been added.
41. **KEESM 2673 - Partial LMB Program (also known as the Qualifying Individual - 2 Program)** - This section has been renumbered because of changes made in section 2672. The federal title for the program has also been included in this section.
42. **KEESM 2674 - Qualified Working Disabled (QWD)** - This section has also been renumbered due to the changes made in section 2672.

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43. **KEESM 2681 - Pickle Amendment, KEESM 2682 - Qualifying Disabled Widows and Widowers, KEESM 2683 - Adult Disabled Children, and KEESM 2684 - Early or Disabled Widows or Widowers** - These sections have been modified to include information that eligibility under Section 1619 would meet the SSI criteria noted for each program. Several cross references have also been corrected.
44. **KEESM 2780 - Continuous Eligibility** - This section has been reformatted. 2781 is now **Continuous Eligibility Period**. 2782 is **New Continuous Eligibility Period**. Item (4) in 2782 has been clarified to reflect that a new continuous eligibility period will begin when an application is required to add a newborn to a current plan.

45. **KEESM 2791 - Effective Date of Coverage** - This section has been amended to allow for retroactive enrollment of certain newborns.
46. **KEESM 2793 - Newborn Coverage** - This section has been rewritten to allow only those newborns born to HealthWave recipient mothers to be added to the current HealthWave Plan. An application/review form must be submitted and a full eligibility determination completed in order to add other newborns. If the newborn is eligible for HealthWave in the month of birth, a HealthWave Change Request Form shall be submitted to add the baby retroactively.
47. **KEESM 2794 - Pregnant Women** - This section has been clarified to reflect that coverage for a HealthWave eligible child who becomes pregnant will remain HealthWave until the next scheduled review by removing conflicting language.

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48. **KEESM 2820 - Personal Need** - Clarification has been added to this section to correspond with KEESM 2835. Personal need of the client may also include child care for employed persons also attending approved education/training.
49. **KEESM 2833 - SS (Social Service) Child Care** - Clarification has been added to this section regarding time frames for re-authorizing SS child care using the Request for Social Service Child Care and/or Special Needs Provider Child Care (CC-1627). A conflicting statement has been removed regarding child care for children with disabilities being an exception for using the SS subtype rather than available for all subtypes. Additional changes to this section include:

Item (1) has been clarified that eligibility for SS FS child care may be authorized by the social service worker, an EES supervisor or a designee of the Social Service Chief in writing to EES staff using the CC-1627. An application is not required in these instances.

Item (2), the last sentence of the second paragraph has been reworded for clarification.

Item (3) has been clarified to state that if a parent is in need of child care for an SSI child along with other children in the household, child care may be available through the IE EM child care subtype through an application.

Clarification has been added to item (4) that parents of children with a physical, emotional, or mental disability may apply for child care services from either a Special Needs Provider and/or a Special Purpose Center. Special needs and/or special purpose child care is available to children in all subtypes of child care and should be based on the individual needs of the child.

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33. **KEESM 3140- Assessment** - This section has been modified to indicate that the Substance Abuse Subtle Screening Inventory (SASSI) is to be administered during the

assessment process. All SASSI test results will be referred to the Regional Alcohol and Drug Assessment Center (RADAC) staff for clinical interpretation.

34. **KEESM 3210 - All Programs Work Related Exemptions** - Item (2) of this section has been modified to clarify that items (a) and (b) only apply to the TAF program. Item (4), has been changed to **3220, TAF Only Work Related Exemption** due to the changes described in item 35 that follows.
35. **KEESM 3230 - Additional Food Stamp Work Related Exemptions** - This section has been renumbered, expanded and clarified. First, item (3) has been modified as a result of questions from the field. A contradiction of terminology was removed from the second paragraph. This was an oversight and should have been removed when the combined manual was issued. A new item (4) has been added to provide that an FS parent or other FS caretaker personally providing care for a child under the age of six is exempt from FS work requirements. Only one caretaker in a case may claim this exemption. This change for the FSP is mandated by PRWORA as described in the Background Section of this letter. A note has also been added to clarify that the comparable disqualification provisions of 2550 apply to persons who fail to comply with a TAF work-related requirement, but who are exempt from FS work-related requirements.
36. **KEESM 3310.2 - Alcohol and Other Drug Assessment and Treatment (AODAT) TAF (and FS in Designated Counties)** - This section has been modified to indicate that the SASSI is to be administered during the assessment process and that all SASSI test results will be referred to RADAC staff for clinical interpretation. Additional clarification has been added that recipients should be placed in the AOD component when being referred for RADAC services other than just clinical interpretation of the SASSI test results. Also see item 33 of this letter.

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37. **KEESM 3310.9 - Employment Assessment Process - TAF Only** - This section has been clarified to indicate that TAF applicants may be eligible for transportation, Special Service Allowances and child care during EAP if the need for services is documented.
38. **KEESM 3410 - Support Services Specific to TAF Work Program Participation** - This section has been clarified to indicate that support services are available to TAF applicants to remove barriers to work program participation. This section has been further clarified to indicate that TAF applicants may be eligible for the Special Services Allowance if employment is obtained during applicant status.
39. **KEESM 3500 - Failure to Meet Work Related Requirements** - This section has been modified to indicate that documentation that the form IM-3102, Important Information About Cooperation, has been discussed with and distributed to the client provides the documented evidence that the client was informed of the consequences for failure to cooperate with work related requirements.
40. **KEESM 4111 - TAF Included Members** - A reference to joint custody policies for TAF has been added to this section. These policies are found in the newly numbered

section 2221.

41. **KEESM 4211 - Included Members** - Item (1) of this section has been modified to provide that for food stamps, children in the Permanent Guardian Subsidy program that are under 18 years of age and under the parental control of a member of the household shall be treated as boarders unless the household requests that the permanent guardian children be included as household members. Also see items 43 and 52 of this letter.

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42. **KEESM 4212.3 - Disqualified Household Members** - This section that pertains to food stamps, has been modified to include a note at the end of the section that notifies staff that special provisions may be needed for cases with a DF household member and a benefit reduction is occurring. These provisions have been included in 11126.1 (4). See item 98 of this letter.
43. **KEESM 4220 - Boarders** - This section has been modified as indicated in item 41. Food stamp children in the Permanent Guardian Subsidy Program shall be treated as boarders if requested by the household. If treated as a boarder, Permanent Guardian Subsidy payments are excluded as income. If the household elects to include the Permanent Guardian Subsidy children as regular household members, the Subsidy payments would be considered as income to the household. Also, see item 52.
44. **KEESM 4230 - Residents of Institutions** - This section has been modified to correct a numbering error.
45. **KEESM 5200 - General Guidelines** - Item (3)(b) of this section regarding resources has been amended by including additional detail regarding bona fide effort requirements for real property.
46. **KEESM 5430 - Exempt Personal Property** - Item (3) of this section, Cash Assets, has been revised to state that only cash assets which may be traced to income exempted as income and a resource (per 6410, applicable subsections) are exempt.
47. **KEESM 5530 - Vehicle Exemptions for Food Stamps** - This section has been modified to correct a formatting error.

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48. **KEESM 6213 - Intermittent Unearned Income** - This section has been modified to correct a technical error.
49. **KEESM 6220 - Types of Countable Unearned Income** - Item (2) of this section has been amended to clarify that SSA benefits are considered the income of the person for whom they are intended. Item (3) has been modified to clarify that the consideration of SSI as countable income is only applicable to the Food Stamp Program. Item (4) has been reformatted for clarification purposes. Item (11) has been modified to clarify that monetary gifts that exceed \$50 per month are countable income. A reference to the

sections that discuss exempt interest and exempt monetary gifts is also included.

50. **KEESM 6313 - Self-Employment** - A note has been added to item (1) of this section to clarify that net countable income from rental property shall be determined using the 25% standard self-employment expense deduction or actual expenses if requested.
51. **KEESM 6314 - Intermittent Earned Income** - Technical corrections have been made to this item. An incorrect cross reference was deleted.
52. **KEESM 6410 - Income Exempt as Income Only and Income Exempt as Income and a Resource** - This section has been modified to include a new policy regarding the Permanent Guardian Subsidy Program and to include numerous clarifications as follows:
 - a. Item (1), **Adoption Support, Foster Care and Permanent Guardian Subsidy**, has been modified to include instructions for consideration of Permanent Guardian Subsidy payments for all programs. The Permanent Guardian Subsidy program began issuing payments in January 2000. These subsidy payments are considered for food stamps as described in item 43 of this letter. For all other programs, the payments are exempt. Children for whom Permanent Guardian Subsidy payments are received will receive medical assistance through the Foster Care Program. Their participation code on SEPA should be OU for AM (automatic medical) program associated with TAF and OU for the MP program.

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- b. Item (6), **Assistance Payments**, has been modified to include clearer instructions regarding the counting of cash assistance payments for food stamps. Both items in the new section (b) were formally found in KFSM 2110 but were not included in the combined manual. Based on questions received, these policies are now being incorporated into the combined manual.
- c. Item (8), **Child Care Payments**, has been modified to clarify that child care payments made to persons other than a child care provider are exempt as income for all programs.
- d. Item (17), **Educational Income (All Programs)**, has been modified to include a cross reference to 6220(6).
- e. Item (28), **Interest**, has been modified to clarify that interest income includes dividends earned on credit union accounts.
- f. Item (34), **Lump Sums**, a note has been added to provide policies for SSI lump sums that the Social Security Administration requires be placed in a separate account. If this is the case, the entire amount of the SSI lump sum shall be exempt, including any portion of the lump sum that is for the current income month.

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53. **KEESM 7132 - Self-Employment Income** - Item (4) of this section, **Termination of Self-Employment (Cash and Food Stamps Monthly Reporting)** has been modified for clarification purposes. The second paragraph was deleted as the first paragraph now covers the policy adequately.
54. **KEESM 7132.1 - Income Producing Cost Deduction** - A note has been added to this section to clarify that if use of actual income producing costs are requested and turn out to be less than the 25% standard deduction, that the 25% standard deduction shall be used.
55. **KEESM 7224 - Dependent Care** - Cross references to other sections in the manual regarding dependent care are included for clarification. A corresponding change has been made to 7227.6, **Dependent Care Expenses**.
56. **KEESM 7330 - Eligibility Periods for Medical Programs** - A new item (h) has been added to item (1) to note that a 6 month base shall be shortened when an individual requests and is eligible for expanded or partial LMB. The note in item (2) has been rewritten to reflect that prior HealthWave coverage may be given to some newborns.
57. **KEESM 7420 - Food Stamp Standards** - A sentence has been added to this section that was inadvertently deleted when the manuals were combined.

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58. **KEESM 8144.2 and 8244.2 - Spousal Impoverishment Provisions** - These sections have been updated to reflect an increase in the minimum community spouse allowance from \$1383 to \$1407 based on the new federal poverty level guidelines. In addition, the dependent family member allowance is increasing from \$461.00 to \$469.

The Income Allowance Determination Form in the Appendix Section is being modified to reflect the increased standards. Information brochures will be modified in the future to reflect the changes. Until new supplies of these materials are available existing supplies may be used if properly modified.

Separate implementation instructions will be provided to the field regarding these changes.

59. **KEESM 8172 - Eligibility for Persons in Medicaid - Approved Institutions** - Item (2) has been revised to remove references to approval or denial of reserve days as EES staff will no longer be responsible for allowance of NF reserve days. Monitoring the appropriate use of NF reserve days will become a post-pay review function of the fiscal agent.
60. **KEESM 9773 - Review Periods for Medical** - Item (3) has been clarified to indicate that a review form is necessary to add certain newborns to a current MP plan.

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