STATE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES Integrated Services

Commissioner's Letter- 1030 Delivery

Room 681 - West Docking State Office Building

Topeka, Kansas 66612 (Code 1)

December 15, 2000

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. 4

PURPOSE OF LETTER

The purpose of this letter is to transmit Revision No. 4 of the Kansas Economic and Employment Support Manual. This revision implements changes to promote job retention and job advancement for TAF families by expanding support services and removing certain requirements before clients can be assigned to Job Skills Training/Vocational Education. This revision also implements changes in the Family Medical Program to further delink Medicaid from the receipt of TAF cash assistance, changes in the spousal impoverishment income and resource standards, an increase in the HCBS income standard, an change to allow certain condominium fees as an allowable shelter expense for FS, a change in the treatment of voluntary assigned support, a change in the eligibility criteria for IE TC child care, other technical corrections and clarifications and revisions to certain forms and items in the Appendix.

BACKGROUND AND REASON FOR CHANGE

The work first approach to welfare reform, which was implemented by the Department five years ago, has been successful in reducing cash assistance caseloads by more than 10,000 families, many due to employment. The clients who remain on assistance have multiple barriers to employment and often are not successful in retaining employment and/or advancing beyond low wage jobs. In order to promote job retention, the provision of support services is being extended from 3 months for transportation and 6 months for special services allowance to 12 months for TAF clients who lose cash eligibility due to employment. In order to promote job advancement, the requirements of 90 days participation in job readiness, work experience or job search activities and

supervisory approval before assigning clients to Job Skills Training/Vocational Education are being removed.

Effective October 1, 2000, some TAF families began their final twelve months of TAF assistance. It is imperative that the agency make every effort to uncover all employment barriers and offer all appropriate services to each TAF adult to ensure that these adults have had every opportunity to become employable prior to invoking the 60-month TAF time limit. The assessment section of the manual has been modified to emphasize the need to uncover and address all employment barriers.

The changes in the Family Medical program respond to recent guidance from the Heath Care Financing Administration (HCFA). The guidance, dated April 7, 2000 required states to evaluate policies and procedures in place since the implementation of welfare reform to assure that recipients terminated from TAF cash assistance were not inappropriately terminated from Medicaid. Section 1931 of the Social Security Act "delinks' Medicaid from the receipt of TAF cash assistance, thereby requiring a separate determination for Medicaid coverage. The changes included in this revision are being made to bring Medicaid policies for this coverage group into compliance with Federal requirements. The three most significant of these changes involve extending the review for MA CM coverage from six to twelve months, eliminating the application of penalty periods when applicants fail to comply with work requirements and the automatic extension of medical assistance when a TAF case closes for no monthly report form. Several other changes and technical clarifications in the Family Medical program are also being incorporated into this revision.

Based on a 3.5% increase in the consumer price index from September 1988 to September 2000, the community spouse income and resource allowance standards under the spousal impoverishment provisions will be increased effective January 1, 2001. The minimum and maximum resource allowance will increase to $17,400 and $87,000 respectively. The minimum income allowance is unaffected by the consumer price index. The increases are required by federal law.

The HCBS income standard is increasing from $687 to $696 a month. The yearly reimbursement for individuals eligible for Partial LMB is increasing from $34.44 to $37.08. A policy has been formalized for treatment of clients applying for benefits when the nursing facility is under a Denial of Payment of New Admissions penalty. Changes are also being implemented in the process of determining SOBRA (emergency medical services for aliens) eligibility.

In addition to the above changes, a change in the treatment of voluntary (as opposed to court ordered) assigned support is being implemented. This change was requested by CSE as they are unable to recover retained support that has not been court ordered. The change to allow condominium fees for trash removal, maintenance of the structure and grounds, and other such fees as an allowable shelter expense is mandated by

USDA. This revision also incorporates other technical corrections and clarifications. Policy changes in this revision were recommended for implementation by the Policy Development Team and reviewed for implementation by the Implementation Planning Team.

CHANGES AND REQUIRED ACTIONS

1. **KEESM 1114 - Child Care -** Item number 5 regarding TC child care, has been revised to correspond with new policy requiring 20 hours per week of current employment as criteria for this subtype. Also see item 38 of this letter.

1. **KEESM 1411.2 - Application Date -** A statement has been added at the end of this section to refer to 1212.2 for information regarding a faxed or copied application form.

(There are two item 1. In Memo) 12/31/2019, CM

2. **KEESM 1414.2 - Denial -** A new item, (8), has been added to this section. This addition clarifies that the application for cash assistance may be denied if a member of the mandatory filing unit has a potential employment failure or applicant job search failure. If the individual cooperates in the 45-day processing timeframe, the application is reinstated and benefits are prorated from the date of application. A clarification has also been added that a separate medical determination is required since work program failures for persons in TAF applicant status do not impact medical eligibility. This clarification has also been added to 3522.

3. **KEESM 2164 - Assignment of Support and Effective Date of Assignment (Not Applicable to Child Care -** This section has been modified to provide that the assignment of support includes voluntary cash support (not court ordered) as well as court ordered support. A cross reference to child support income in Section 6220(4)(c) is also included. Also see item 55 of this letter for more details on this change.

4. **KEESM 2165 - Failure to Cooperate -** This section has been amended to clarify policy in applying a CSE noncooperation penalty for medical assistance. A period of ineligibility is only applied to the adult caretaker who refused to cooperate if eligible under the Family Medical program (MA CM, AM associated with TAF, TransMed or 4 month extended medical). However, eligibility under other medical programs may be provided to such a caretaker if categorical, financial and nonfinancial requirements are met. Medical assistance shall continue to be provided to all other members of the assistance plan, provided other eligibility criteria continue to be met under the MA CM program. Continuously eligible pregnant women and children are not impacted by a CSE penalty and Medicaid coverage shall continue to be provided to these individuals. Penalties do not impact subsequent eligibility determinations for medical programs other than Family Medical.

5. **KEESM 2220 - Living with Caretaker -** This section has been clarified to state that verification of relationship is not required for medical eligibility only.

6. **KEESM 2610 - General Program Information -** This section has been modified to replace all reference to TAF cash with Family Medical coverage. Several references to the former Adult and Medical Services Commission have also been replaced with Health Care Policy.

7. **KEESM 2611 - Medicaid -** Item (1) of this section has been amended to remove language linking receipt of TAF cash assistance with medical benefits. References to the Family Medical program replace references to TAF.

8. **KEESM 2620 - Medical Assistance for Families and Medical Assistance Related to the Cash Program -** This section has been reformatted and rewritten to remove references to medical assistance related to TAF cash assistance. However, eligibility for medical assistance under both the Refugee and General Assistance programs continues to be linked to the receipt of a cash payment.

Complete instructions for implementing the changes outlined in this section and subsections will be provided in a separate implementation memo.

(Item 9 is missing from Memo) 12/31/2019, CM

10. **KEESM 2621 -Family Medical Benefits (AM associated with TAF and MA CM) -** This section and subsections, have been completely rewritten to introduce the Family Medical program. The Family Medical program encompasses the MA CM, TransMed and 4 month Extended Medical programs. Guidelines for both the MA CM and the AM program associated with TAF are established in these sections. Based on Section 1931 of the Social Security Act, the receipt of Medicaid benefits is not tied to receipt of TAF cash assistance. All references to this link have been removed. Section 2622 is now marked Reserved.

11. **KEESM 2621.1 - General Eligibility Requirements-** This new section has been added to explain the general eligibility requirements for the Family Medical programs noted in 2621 above. These requirements remain the same as those previously used in the MA CM and AM programs. Clarification has been added to state that the fugitive felon and drug-related conviction provisions are not applicable to Family Medical coverage.

12. **KEESM 2621.2 - Financial Eligibility Requirements-** This new section has been added to explain financial criteria for the Family Medical programs noted in 2621 above. Financial eligibility under the Family Medical program will continue to mirror the TAF requirements. Medical benefits will be provided under the MA CM program for all

individuals who meet the criteria, including families concurrently receiving TAF cash assistance.

This section is also being amended to state that all applicants denied TAF cash shall have a separate determination for medical assistance. This determination shall be completed under the MA CM program initially followed by a determination under any other programs in which the person meets the categorical requirements. A policy change is also being implemented to expand this requirement to persons denied TAF benefits for failure to comply with work requirements. Work program failures will now only impact medical coverage of nonpregnant adult caretakers in recipient status. Federal requirements prohibit the denial of medical coverage for applicants who fail to comply with work programs requirements. Further clarification has been included to state that a denial for failure to complete a TAF interview will also require a separate determination.

All TAF cash recipients will receive Medicaid under the Family Medical coverage group and a separate medical determination is not necessary for these persons. Family Medical benefits will be provided under the MA CM program designation for TAF cash recipients.

13. **KEESM 2621.3 - Coverage Limitation-** This new section has been added to specify persons who are not eligible for coverage under the Family Medical program. This section also explains the provisions for applying penalties, both CSE and work-related, to the medical programs. It is important to note that penalties only apply to individuals eligible under the Family Medical program. Penalties are not applicable to those eligible for medical coverage under any other program designation (such as MS or MP).

Work-related penalties are only applicable for individuals in TAF recipient status. Medical eligibility under the Family Medical program shall be terminated for any nonpregnant adult caretakers who fail to meet these requirements. If a person is penalized a second time the minimum period of ineligibility, 2 months, shall be served before the individual can access medical under the MA CM program. When an adult is penalized, all pregnant women and children on the case shall continue to be covered under the MA CM program until the end of the continuous eligibility period. Cooperation is not required to regain eligibility under the MA CM program. If medical coverage is later requested, eligibility shall be determined at that time.

CSE penalties are also applicable only to nonpregnant adult caretakers. However, individuals on a CSE penalty will not be eligible until cooperation occurs. If the individual subsequently meets categorical requirements under another program (e.g., becomes disabled) a determination of medical eligibility under that program shall be completed without regard to the CSE penalty.

Other family members who are not impacted by the application of the penalty (all pregnant women, children and newborns) shall continue to be covered under the MA CM program. A participation code of 'DI' shall be used on the KAECSES SEPA screen for penalized individuals.

14. **KEESM 2621.4 - Continuation of Coverage-** This new section has been added to establish provisions for continuing coverage under the Family Medical program. It incorporates new policy for treatment of medical assistance when TAF cash benefits are terminated. Reporting requirements are also specified in this section.

Coverage under the Family Medical program shall continue through the end of the review period, for all participating members, when TAF cash assistance is closed because the family failed to complete a timely, complete Monthly Report Form or when a household has failed to comply with Quality Assurance. If the TAF cash program is being closed solely for one of these reasons, persons otherwise eligible for coverage under the Family Medical program shall continue to be covered until the end of the review period. Medical coverage will not terminate just because a timely, complete MR has not been turned in. However, other changes being reported at the same time (such as income or residency) need to be taken into consideration. For example, a TAF cash program is due to close 03-31-01 because the family has not completed a monthly report form. On 03-15-01, the mother calls to report the family has also moved out of state. In this situation, TAF may close for no MR (or for moving out of state) but medical coverage also closes since the residency requirements are no longer met.

A cash fraud conviction shall not impact receipt of medical coverage. If otherwise eligible, medical assistance shall continue when TAF cash is terminated due to the application of a disqualification period. Disqualification penalties imposed against a TAF cash benefit do not apply to medical assistance. In these instances coverage shall continue to be provided under the MA CM program for those persons who remain eligible. A disqualification period is only applicable to medical assistance if an individual is convicted of Medicaid fraud in a federal court.

This section is also being amended to reflect a change in regards to treatment of changes in circumstances. All Family Medical households are required to report changes within ten days (including MA CM households). Reported changes will be processed within ten days of the report and eligibility adjusted with the new information. This change further aligns policies for receipt of Family Medical benefits for both cash and noncash recipients.

The review period for MA CM is changing from six months to twelve months. This will align the review periods of all programs under Family Medical.

15. **KEESM 2623 - Transitional Medical Assistance (TransMed) -** This section has been amended to replace all references to TAF eligibility with Family Medical when

establishing TransMed coverage. Receipt of TransMed is not dependent upon the receipt of cash assistance, but only Family Medical (MA CM) coverage. TransMed coverage shall be established when a family loses eligibility for Family Medical coverage due solely to a recipient caretaker's increased earnings.

16. **KEESM 2623.1 - General Eligibility Requirements-** This section has been amended to clarify that only a nonpregnant adult caretaker is penalized for failure to comply with CSE. These individuals shall have eligibility determined under another program if categorical requirements are met.

17. **KEESM 2623.2 - Other Eligibility Requirements-** This section has been amended to replace references tying TransMed eligibility to the receipt of TAF cash assistance. Eligibility for TransMed is based solely on the receipt of Family Medical coverage. The example illustrated in this section has also been changed to reflect the change in the reporting requirements for TAF cash households.

18. **KEESM 2623.3 - Coverage Period -** This new section has been established to reflect policies for determining the coverage period for TransMed. Although families will still be eligible for up to twelve months of coverage, clarification is being added because of the change in the reporting requirements for families eligible for MA CM only. For families also receiving TAF cash benefits, the TransMed period shall begin with the month in which there is no eligibility for Family Medical coverage because of the termination of TAF cash due to the increased earnings. For families not receiving TAF cash, the TransMed period begins with the first month of increased earnings, or the following month depending on timely notice requirements, of increased earnings which causes ineligibility for Family Medical coverage.

19. **KEESM 2624 - Four-Month Extended Eligibility-** This section has been modified to replace all references to receipt of TAF cash eligibility as a condition of qualifying for Extended Medical coverage. Receipt of this benefit is based solely on the receipt of Family Medical coverage and shall begin when coverage under the Family Medical program terminates because of increased child support income. The Monthly Report Form requirement has also been removed.

20. **KEESM 2625 - Medical Assistance Related to the Cash Programs (AM associated with GA and RE)-** This section, formerly Continuous Eligibility for Children, has been rewritten. The information previously contained in this section has been incorporated into section 2621. The policies and procedures for providing medical coverage to these groups have not changed.

21. **KEESM 2625.1 - Medical Assistance for Recipients of General Assistance-** This new section has been added to describe MediKan coverage associated with GA.

22. **KEESM 2625.2 - Medical Coverage for Recipients of Refugee Assistance-** This new section has been added to describe Medicaid coverage associated with the receipt of Refugee Assistance.

23. **KEESM 2634 - 1619 Status -** This section is being amended to include information on releasing Medicaid payment data to SSA for purposes of determining 1619(b) status. The agreement between the agency and SSA allows for release of general information, including total payment amounts over a course of time. The agreement does not allow for release of specific medical service information, including the type of service and provider of the service.

24. **KEESM 2641 - Medicaid Poverty Level - General Eligibility Requirements-** This section is being amended to clarify that the caretaker requirements are applicable to this coverage group. The caretaker requirements contained in Section 2220 continue to be referenced in Section 2110, Act in Own Behalf.

25. **KEESM 2645.2 and KEESM 2782 - New Continuous Eligibility Period-** These sections have been modified to state that a new continuous eligibility period for children shall begin when the family becomes eligible for Family Medical benefits. References to eligibility for TAF cash have been eliminated.

26. **KEESM 2648.2 (1) and KEESM 2783.2 (1) - Adding a Child to an Existing Plan - and KEESM 2648.2 (2) and KEESM 2783.2 (2) - Adding a Child to a New Plan-** These sections have been modified to replace references to TAF cash and MA CM with Family Medical coverage. In addition, 2648.2(2) and 2783.2(2) have also been modified to allow a HealthWave Change Request Form to be submitted to provide for ongoing coverage if the benefit is authorized by the last day of the month coverage terminates for situations where a protected child is HealthWave eligible in a new household. HealthWave Change Request forms are not appropriate if benefits are authorized after this date and a gap in coverage will result.

27 .**KEESM 2650 - Medical Only Coverage Related to Children, Pregnant Women and Refugees-** This section has been modified to replace a reference to TAF with Family Medical.

28. **KEESM 2651 - MA-AF-** This section has been amended to replace references to TAF with Family Medical. In addition, the NOTE portion has been clarified to indicate continuous eligibility continues to be provided when 4 month extended medical eligibility terminates for pregnant women, children and newborns.

29. **KEESM 2652 - Pregnant Women (MA-PW)-** This section has been modified to replace a reference to TAF with Family Medical.

30. **KEESM 2653 - Refugee Medical (MA RM and Extended Medical)-** This section has been amended to replace a reference to TAF with Family Medical. Receipt of TransMed is based on receipt of Family Medical coverage and not TAF cash assistance.

31. **KEESM 2662 - (Medical Coverage) Related to Disability, Including Blindness -** This section and subsections are being modified to incorporate changes in references to DDRS with the agency's new name, Disability and Determination Services (DDS). In addition, the section is also being clarified to state that all applicants must be referred to SSA prior to making a referral to DDS as described in 2662.1. Verification of this denial is required and this can include a verbal denial from SSA. It is not necessary to obtain additional information regarding the duration or severity of the individual's disability prior to referring to DDS. For example, obtaining an IM-3151, Request for Medical Statement, to document the anticipated duration of the condition is not necessary. Information is also being incorporated into this section which reflects the potential denial of SSI due to an uncompensated transfer of property. This is based on new SSA provisions which provide for a period of ineligibility for SSI of up to 36 months if an individual transfers property for less than fair market value.

32. **KEESM 2662.1 - Referral to Disability Determination Services (DDS) -** This section is being modified to replace references to DDRS with DDS. The phone number for the agency has also been corrected to (785) 297-4440. Item (4) of this section is being modified to remove information that would seem to allow referrals to DDS prior to contact with SSA.

33. **KEESM 2673 - Partial LMB-** Effective January 1, 2001 the yearly reimbursement changes from $34.44 to $37.08. This increase is based on a federal requirement.

34. **KEESM 2690 - Emergency Service Coverage for Aliens-** This section has been revised to incorporate a new procedure for establishing if a service meets the necessary definition of emergency for eligibility under this section. Local office staff will no longer make a determination, based on information on the MS-2156, if a condition is an emergency. All alleged emergency services will be evaluated by the SOBRA program manager in Health Care Policy (HCP)/Medical Policy and the Medicaid fiscal agent, BC/BS of Kansas, to determine if the necessary criteria are met. Recent clarification from HCFA has made it necessary to centralize this process. Local office staff will continue to have responsibility for the eligibility determination based on the determination of emergency services.

The MS-2156 form is being modified to accommodate this change. It will capture basic information on the provider and the dates of the emergency service. The provider MUST also supply adequate documentation (such as the hospital discharge summary) with the MS-2156. When this information is gathered, the provider is responsible for submitting the form to BC/BS for a determination while financial eligibility is pending. All MS-2156

forms must be submitted (including those for labor and delivery). The centralized process will allow for a uniform review of all conditions as well as an evaluation of the location in which the service was provided. BC/BS will notify the EES Specialist and the provider of the decision.

The provisions for establishing financial eligibility have not changed. However, because SOBRA coverage cannot be approved until the MS-2156 form is received back from BC/BS, it is important that the form be given to the provider as quickly as possible. If it does not appear that the client will meet financial eligibility criteria, it is not necessary to send an MS-2156 to the provider.

35. **KEESM 2720 - HealthWave - General Eligibility Requirements-** This section is being amended to clarify that the caretaker requirements are applicable to this coverage group. The caretaker requirements contained in Section 2220 continue to be referenced in Section 2110, **Act in Own Behalf.**

36. **KEESM 2750 - State Employee Status -** This section has been clarified to clearly indicate that HealthWave coverage isn't available to children with access to state health insurance through any state. This is not limited to Kansas and surrounding states.

37. **KEESM 2760 - Ineligibility for Medicaid -** This section has been modified to replace references to TAF cash assistance with Family Medical coverage. A child is not eligible for HealthWave coverage if eligible under any of the Family Medical programs.

38. **KEESM 2835 - IE TC (Income Eligible/Training-Employed) Child Care-** Eligibility criteria for this subtype has changed and appears in this section. The client must be engaged in paid employment for a minimum of 20 hours per week. The criteria of employment over the past 6 months of at least 25 hours per week has been removed.

The cross references to work program education/training activities have been removed. Education/training should be skill specific and/or create greater earning potential upon completion. Plans may be authorized if the client is within one semester of completing a bachelor's degree. The reference to 2 parent households has been made a NOTE.

39. **KEESM 3100 - Work Related Requirements-** This section has been modified to update the designated USDA Food Stamp Employment and Training Program counties. Effective October1, 2000, the designated counties are: Dickinson, Geary, Riley and Saline.

40. **KEESM 3140 - Assessment -** This section has been modified to incorporate the Assessment Protocol information formerly contained on the ES 4307.1 into the assessment section of the manual.

41.**KEESM 3230.1 - Loss of Exempt Status-** This section has been renumbered from 3240 to 3230.1 and modified to indicate that the provisions regarding loss of exempt status only apply to the food stamp program as originally intended when the manuals were combined.

42. **KEESM 3310.18 - Job Retention Case Management -**This section has been modified to indicate that this component is only available to TAF clients. It is not available to Food Stamp clients in Designated Counties.

43. **KEESM 3310.25 - Pilot Project - TAF Only-**This section has been clarified to indicate that the coding for a pilot project (PPR) is only for tracking purposes. TAF clients participating in pilot projects also need to be coded in the actual components that the pilot is testing.

44. **KEESM 3310.28 - Social Security Applicant -** This section has been modified to indicate that the number of weekly scheduled hours in this activity may be A0" hours or the actual number of hours required for the disability application process.

45. **KEESM 3310.31 - Welfare to Work –** This wording in this section has been clarified to indicate that an established 30 scheduled hours of component assignment for WWP, WWC, or WWG is to be entered on SESP rather than recording the scheduled hours for the actual component assignment made by the WtW staff. This wording clarification supports the policy change that was made in KEESM Revision #3.

46. **KEESM 3322 - Job Skills Training/Vocational Education Authorization Guidelines -** This section has been modified to remove the requirement for 90 days participation in job readiness, job search, or work experience prior to approval of Job Skills Training/Vocational Education components. This section has also been modified to remove the supervisory approval requirement for Job Skills Training/Vocational Education.

47. **KEESM 3411 - Transportation -** This section has been modified to indicate that the transportation allowance may be used to assist in employment retention by authorizing the equivalent of up to twelve months of transportation allowances to those TAF recipients who lose cash eligibility due to employment. Clarification has also been added to this section regarding the transitional period for OJT clients.

48. **KEESM 3412 - Special Services Allowance-** This section has been modified to indicate that the special services allowance may be used to assist in employment retention. It is now available during the first twelve months of cash ineligibility due to employment. KEESM 3412.3 has also been modified to indicate that the Relocation for Employment Allowance may be authorized during the first twelve months of cash ineligibility,

49. **KEESM 3500 - Failure to Meet Work Requirements-** This section has been amended to include provisions for applying penalties to medical assistance when a recipient of TAF cash fails to comply with work requirement.

50. **KEESM 3511.1 - Effect on Cash, Food Stamp and Medical Eligibility for Non-Recipients -** These sections have been amended to include references to medical assistance. This section now indicates that no work-related penalties are applied to medical assistance for persons in applicant status.

51. **KEESM 3511.2 - Effect on Cash, Food Stamp and Medical Eligibility for Recipients-** This section has been amended to include provisions for applying penalties to medical assistance. Penalties are only applicable to medical assistance received under the Family Medical program when the family is also receiving TAF cash benefits. There are no work requirements for recipients who are not receiving TAF cash benefits. Penalties are only applied to nonpregnant adult caretakers and not children or other members of the family. A penalty applied on the Food Stamp program does not carry over to the medical program unless it also carries over to a TAF program.

52. **KEESM 3522 - Re-Establishing Eligibility (for Cash and Food Stamps) -** This section is being clarified to indicate these provisions are not applicable to medical assistance. An item (3) has been added to note that cooperation is not required in order for a person to regain eligibility after a penalty period has been applied. The client need only request medical coverage again and, if the period of ineligibility associated with a second or subsequent penalty has passed, eligibility may regain.

An addition has also been made in this section to clarify that if an application for cash assistance has been denied because a member of the mandatory filing unit has a potential employment or applicant job search failure, the application is reinstated and benefits are prorated from the date of application if the individual cooperates in the 45-day processing timeframe.

53. **KEESM 4420 - Exceptions to the Child Care Assistance Planning -** The reference to "fee/share" in item (3) has been replaced with "share."

54. **KEESM 5720 - Transfers Affecting Medicaid Long Term Care Coverage -** This section has been clarified to indicate that transfer of property penalties only apply to persons who are residents of nursing facilities, state hospitals or other institutional arrangements that require a level of care to be met before payment is made. Payment for general hospital stays may be made.

This section has also been amended to reflect recent changes made by the Social Security Administration. A recent law provides for a period of ineligibility for SSI of up to 36 months for persons who transfer property for less than fair market value. Only transfers occurring on or after 12/14/99 impact SSI eligibility. These new provisions do

not impact Medicaid eligibility, as current transfer provisions in place will continue to apply to Medicaid. SSI will continue to report all transfers to SRS in the manner currently established.

55. **KEESM 6220 - Types of Countable Unearned Income-** Item (4), **Child Support**, subsection (c), **Support Retained by the Client**, has been modified as described in item 4. This section now states that EES staff will be responsible for recovering any **voluntary** assigned support which is received and retained by the client in violation of the assignment. Voluntary support is support that is not court ordered. This recovery is done by establishing an overpayment and initiating recovery. This applies to TAF cases and any corresponding FS cases. A cross reference to 11124(4), **Computing the Overpayment**, is included. Also, see item 69 of this letter.

56. **KEESM 6313 - Self-Employment-** Based on a field suggestion, item (1) of this section has been clarified to state that if the individual is not participating in the actual production of income or management of the property at least 20 hours a week the income will be considered as unearned income. For either earned or unearned self-employment income, the amount of countable income is determined using the 25% standard deduction, or actual expenses if requested.

57. **KEESM 6410 - Income Exempt as Income Only and Income Exempt as Income and a Resource -** Based on questions received from the field regarding this policy and the interest exemption policy, item (22) **Gifts**, has been modified to clarify that the first $50 (per case/per month) of irregular, occasional or unpredictable monetary gifts are exempt as income in the month received. The amount in excess of $50 must be counted. The gift income exemption and the interest income exemption are not the same. If interest income exceeds $50, the entire interest amount is countable.

58. **KEESM 7226.1 - Rent or Mortgage-** This section has been amended to provide that condominium fees including, but not limited to trash removal, maintenance of the structure and maintenance of the grounds are allowable as shelter costs for food stamps.

59. **KEESM 7600 - The Child Care Plan-** The sentence stating that the provider cannot be the classroom teacher for his/her child has been removed to reflect a change in policy.