



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

FINAL - May 1, 2003

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

**Re: Summary of Changes for Kansas Economic and Employment Support Manual (KEESM)
Revision No. 14 effective May 1, 2003.**

PURPOSE, BACKGROUND and REASON FOR CHANGE

The purpose of this document is to transmit Revision No. 14 of the Kansas Economic and Employment and Support Manual effective May 1, 2003.

Federal legislation and annual changes in federal poverty levels have created some changes. In other situations, fiscal limitations have caused some changes to be made. An example of this is the cancellation of the Social Security Disability Advocacy Project with Kansas Legal Services. Other changes are being made at the request of central office and field staff. All of these changes have been recommended by the EES Policy Development Team, which is comprised of the Central Office EES Program Administrators and a representation of EES Chiefs.

In addition, Health Care Policy-Medical Policy has issued its Kansas Family Medical Assistance Manual (KFAMM) on the Internet. All policy relating to HealthWave and Family Medical is transferred to that manual since HCP - Medical Policy is responsible for those programs. The same material is being removed from the KEESM with this revision.

• ALL PROGRAMS

• Changes

- 1. Dependent Care** - Effective with this revision, the treatment of allowable dependent care expenses is changing for food stamps and TAF. Instead of requiring that dependent care expenses be paid and verified as paid before they are allowable, dependent care expenses need only be incurred before they are allowable. Verification of the obligation to pay dependent care is still required before the expense can be allowed. For food stamp consumers receiving Child Care Subsidy, the fact that a family share has been determined is adequate verification of the obligation.

This change is being made to simplify the allowance of dependent care expenses, for consumers and staff, especially in light of the elimination of monthly reporting for the majority of food stamp cases and the move to prospective budgeting. Now, only verification of the obligation is required, and for FS/CC cases, knowledge that a family share has been determined is adequate verification to allow the obligation.

To maintain consistency between programs, this change is also being adopted for the TAF program, however, it will rarely be used since very few TAF consumers have an obligation to pay for child care.

The following sections of the KEESM have been modified to incorporate this change: 1322.2(4); 7211(3); 7224 and 7227.6.

In addition, Policy Memo 99-10-11, Dependent Care Deduction Verification Requirements, is being obsoleted with this change. Further information regarding the implementation of this change will be provided in the Revision 14 Implementation Memo.

- **Expunged Benefits** - This manual revision incorporates the expunged benefits and claims procedures formerly implemented via a memo to the EES Chiefs dated 10/1/02 and revised and reissued 1/3/03. This new section provides the policies and procedures for reducing cash and FS claim balances with expunged benefits. Expunged benefits are those EBT benefits not used within 12 months from the date issued. Most of this activity is managed by the Central Office EBT Unit. In addition to this new section, a correlating change was made to 11126.1(4)(b). For food stamps, these procedures are required by federal Food Stamp Regulations issued July 6, 2000. They were also adopted for the cash programs for consistency purposes. These procedures are contained in new KEESM section 11130.

- **Clarifications**

1. **Appeal Summary** - Clarification is being made regarding the completion of an Appeal Summary. The agency furnishes the appellant and the Office of Administrative Hearings with a Summary. Two copies are sent to the Office of Administrative Hearings. Administrative Hearings then forwards a copy to the appellant.

KEESM sections 1614.3 and 10513.3 are being modified to support this change. Appendix Item # 107, Appeal Summary template has been added for this purpose.

2. **Computing an Overpayment** - A clarification is being added to this section to provide that for cash and food stamps, when calculating an overpayment for persons with prospectively budgeted or averaged income, the overpayment shall be determined using actual unreported income received in the calendar month of the benefit. If some income was reported in the calendar month and some was not, that income that was reported shall continue to be budgeted with conversion factors as appropriate when calculating the amount of the overpayment. This affects KEESM section 11124.
3. **Income Producing Property** - Clarification regarding treatment of income-producing property not related to a trade or business is being added. Income producing property includes the actual property as well as certain resources

included in the property. For example, the value of inventory of a business, the value of livestock kept in a pasture or feedlot or the value of grain in storage recently harvested. In these situations, not only is the actual real property producing the income exempt, but the resources included in the property and generated from the property are also exempt.

Although exempt for a period of time, if resources such as grain and livestock are not sold on a regular or routine basis, they are not regarded as meeting the requirement that the property be producing income consistent with the market value and may be considered countable resources. Generally, these resources are kept for a year. However, market cycles can also be used a guide in making this decision.

KEESM section 5430 (12) has been modified.

4. **Poverty Level Changes** - New federal poverty level guidelines have been published by the Department of Health and Human Services that reflect approximately a 1.6% increase from last year. These guidelines affect the eligibility standards in the Child Care, Medicaid Poverty Level, HealthWave, QMB, LMB, and QWD programs as well as increases the minimum community spouse's income allowance under the spousal impoverishment provisions. The increases will take effect May 1, 2003 and separate instructions will be issued to the field regarding implementation of these standards.
5. **Verification Requirements** - Several clarifications were made to better state current policy and practice regarding verification of resources and medical expenses, primarily in the cash and medical programs.

A new item (9) is being added to KEESM 1322.1 and 1322.2 (4) is slightly modified to support the resource clarification. 1322.2 (2) is being modified for the clarification regarding medical expenses. In addition, 1322.1 (2) is being updated to replace 'alien' with the term 'non-citizen'.

- **ADULT PROTECTIVE SERVICES**

- **Changes** - None

- **Clarifications**

Minor modifications for clarity are being made in section 12000.

- **CASH PROGRAMS**

- **Changes**

1. **Elimination of the Social Security Advocacy Project** - Due to fiscal restrictions, the Social Security Advocacy Project Contract with Kansas Legal Services is being terminated effective 01-31-03. This affects applicants and recipients for General Assistance who will no longer be referred to or required to cooperate with KLS in this process. However, these individuals are still required to cooperate with the SSA eligibility determination process and need to be reminded to automatically appeal the first denial of disability status. This change is reflected in KEESM sections 1724 and 2315. In addition, the ES-3122, Disability Consultation/Representation Referral is

being removed from the FORMS section.

- **Clarifications** - None

- **CHILD CARE PROGRAM**

- **Changes**

1. **Income Guidelines** - Due to new 2003 federal poverty level guidelines, the Family Income and Share Schedule for child care services is being updated effective May 1, 2003. To be eligible, the total countable gross income must not exceed 150% of the current federal poverty guidelines based on the household size. Appendix item # 48 is being updated due to this change.
2. **Child Care Plan Termination** - Effective with this revision, child care eligibility (plan termination with case closure) will always end the last day of a month. This includes child care plan termination related to eligibility. If a child care plan needs to be terminated due to loss of child care eligibility, that plan and case will close the last of the month allowing for timely and adequate notice. This policy better aligns with the monthly benefit administration and processing guidelines for other programs. E.G., If a TAF benefit is authorized for March (3/1) and the client loses TAF eligibility on 3/10 which results in TAF ineligibility for April, then the TAF case is closed 3/31. There is no overpayment for March and the client is not expected to pay any portion of the March TAF grant back.

A child care plan may still end any day during the month if needed in instances such as Provider Enrollment termination or changing providers during the month. In these types of situations, the client is still eligible, however, payment for services will be made to a different provider. This change has been adopted to further align the child care program with other benefit programs and to prepare for Child Care Subsidy benefits on EBT. If child care benefits are provided via EBT in the future, they will be monthly benefits similar to cash and food stamps.

This change in policy also allows for better service to the parent, child and provider. It also reduces the amount of staff time needed to monitor child care cases.

- Better service to the parent can be illustrated by the following example: parent loses employment (personal need) and hence child care eligibility on 4/26/03. Since timely notice cannot be given to end benefits 4/30/03, termination will occur 5/31/03. The child care plan should remain authorized as is until 5/31/03. This case processing procedure aligns with cash/FS and also allows to parent limited opportunity to search for other employment (continued personal need) before authorization ends on 5/31/03. Since child care is authorized until 5/31/03, if the child attends child care, it should not be considered an overpayment. This results in a new and different program approach for staff.
- Better service to the child can be illustrated as follows: given the scenario above, the child would be allowed to remain in routine care (continuity of care) while the parent searches for new employment. The parent is more likely to find new employment if use of child care services is allowed. If the parent does find new employment, then the child's care (routine) has not been disrupted. If the parent does not find new employment, child care authorization will end 5/31/03, and the parent will either need to remove the child from care or pay privately.

- Better service to the provider can be illustrated as follows: given the scenario above, the provider will be allowed to continue to provide care for this child for a longer period of time with SRS authorization. Most providers enroll children by "slot," not by the hour or by the day. A slot is filled whether or not the child attends on a regular basis. The potential of the child losing the slot due to SRS termination is diminished. If new employment is obtained by the parent, then the child/provider schedule is not disrupted. If new employment is not obtained by the parent, this policy allows for smoother transition for the provider to either fill the slot with another child or move the child into private pay status. This policy supports child care providers as a business, rather than a "babysitting" service.

The following manual sections have been changed to reflect the new child care plan termination (and overpayment) policy: 1424, 1432, 7340, 7610, 7640, and 10610.

3. **Non-cooperation with CSE** - Policy is being changed regarding child care case closure/reinstatement for non-cooperation with Child Support Enforcement. In the past, if the caretaker failed to cooperate with CSE for a child receiving child care subsidy, eligibility for child care would end for the entire family and the case would be closed. Cooperation would need to be established before the case could be reopened, whether or not assistance was being requested for the child in non-cooperation status, as long as the child was still on the assistance plan. Effective May 1, 2003, non-cooperation issues will be taken down to the child care plan level rather than case level. If a caretaker fails to cooperate with CSE for a child receiving child care subsidy (child with a CC Plan), then the child care plan will be ended for that child only. Timely notice requirements and plan termination procedures related to eligibility would apply (see #2 above). If there are other children on the case with child care plans for whom non-cooperation is not an issue, those plans will continue uninterrupted. Section 2165.2 has been updated to reflect this change.
4. **Income Eligible Training-Employed (IE TC) Child Care** - Income Eligible (non-Work Programs) child care for education and training is being revised to allow better support to persons in short term education/training. The employment criteria of 20 hours per week shall be waived if the education/training will be completed within 6 months and completion will result in greater earning potential. Central Office has gotten requests from the field for policy to allow this. This policy change is also a philosophical shift in the Child Care Program. Allowing short term support for certain education/training situations may allow the client to achieve greater self-sufficiency in the long term, and dependency on government assistance will be reduced. Section 2835 is being updated to reflect this change. Given this general policy, coupled with the philosophical shift, local flexibility continues with IE TC child care. Staff are allowed discretion to do what is in the best interest of the client and the agency.
5. **Incorrect Benefits** - Section 11000 is being revised to clarify the difference between child care client and child care provider incorrect benefits. Cross-references to section 10000 are being added. Information is also being added regarding proper KsCares system coding for different situations. Client overpayments should not be recouped from providers. Certain codes on the system need to be used in order to prevent this from happening.

- **Clarifications**

1. **Child Care Grant Funding** - Due to budget limitations, child care grant funding has been reduced dramatically. Only limited family home provider grants, administered through the Kansas Association of Child Care Resource and Referral Agencies, are available at this time. Manual section 1727 has been updated.
2. **Quality Assurance** - Quality Assurance has not been reading child care only cases for some time due to increased workloads. If a food stamp case is pulled, and non-cooperation follows, the non-cooperation should not impact child care eligibility. Section 2123 is being updated to reflect this.
3. **Proration** - Policy is being clarified regarding proration. Child care policy mirrors TAF, in that proration is not applicable to persons who reapply in the month following closure when there has been no break in assistance. Section 7401 is being updated.
4. **Multiple-Site CC Provider Enrollment** - Clarification is being added to the manual regarding enrollment of child care providers with multiple sites. The CC-1602 may be used if a provider is needing to enroll multiple sites under one Agreement for Purchase of SRS Child Care. Sections 10032 and 10033 are being updated.
5. **Unannounced Registered Provider Visits** - References to unannounced visits to Registered SRS providers by KDHE are being removed. This project was implemented for one year but is not occurring at this time. Section 10000 is being updated to reflect this.

• FOOD STAMP PROGRAM

A. Changes

1. **Non-Citizen Eligibility** - The Farm Security and Rural Investment Act of 2002 (Public Law 107-171) commonly referred to as the Farm Bill, restores food stamp eligibility to many legal immigrants who lost eligibility under the 1996 welfare reform legislation (PRWORA). The changes in the Farm Bill incrementally reinstate eligibility for three groups of non-citizens who meet the program's other requirements. The first group, persons receiving disability, regardless of when they entered the country, was implemented October 1, 2002. The second group, restoring eligibility to certain legal immigrants who have lived in the country in certain specified statutes for 5 years is effective April 1, 2003. The third group, restoring eligibility to children under the age of 18 regardless of date of entry into the country, is effective October 1, 2003. This revision implements the restoration of eligibility for the second group noted above.

The primary group of non-citizens affected by this restoration are legal permanent residents who formerly could only qualify for food stamps when they had worked 40 qualifying quarters of coverage (or by being credited with such qualifying quarters) as defined under Title II of the Social Security Act. 40 qualifying quarters equate to approximately 10 years of work. For all practical purposes, therefore, effective April 1, 2003, lawful permanent residents are eligible after they have lived in the United States for five years or longer regardless of work history. (This provision basically matches the provision that has been in effect for TANF and Medicaid.) In addition to the effect on lawful permanent residents, this change also affects non-citizens who were formerly only eligible for 7-years after date of entry into the country as specified in KEESM 2143.1. Since these non-citizens are eligible effective April 1, 2003 after they have lived in the country for 5 years, the 7 year eligibility limit is moot. These groups of non-citizens are eligible when they enter the country and are eligible indefinitely as long as other program requirements are met. In addition to the above,

persons paroled into the U.S. under Section 212(d)(5) of the INA and persons granted conditional entry under Section 203(a)(7) of the INA in effect before 4/1/80 also regain eligibility for food stamps April 1 after residing in the U.S. for five years. Those are specified in KEESM 2143.2, along with a clarification that persons with a Violence Against Women Act case are eligible for food stamps after residing in the country for five years. Manual sections modified to implement these changes are KEESM Sections 2143, 2143.1, 2143.2, and 2143.3.

In addition to the changes noted above, Policy Memo 01-07-04, Trafficking Victims, is being incorporated into the manual. This new section applies to all programs, not just food stamps. KEESM 2144 now contains these provisions. Former section 2144 has been renumbered 2145, and 2145 becomes 2146. A cross reference to 2144 is included in 2140. Effective with this revision, this Policy Memo is obsolete.

Section 2141, Citizenship, is also being modified to include provisions regarding the Child Citizenship Act of 2000 which were formerly provided via a Policy Sharing message to the EES Chiefs. This Act provides automatic citizenship to children born abroad who are under 18, admitted to the U.S. as a lawful permanent resident and are in the legal and physical custody of a citizen parent. Additional changes are being made to Section 2145, Documentation of Citizenship, to incorporate these changes.

Please note that the effective date of the immigrant restoration for food stamps is **April 1, 2003**. Policy Memo 03-02-01 was issued on February 25, 2003 with further instructions on requirements for ongoing cases and new applications. This change should result in an increase in food stamp applications from newly eligible immigrants.

2. **Comparable Treatment for Disqualifications** - KEESM 2550 is being modified to remove the food stamp comparable disqualification for failure of a TAF/FS client to cooperate with child support enforcement. Comparable disqualifications will now only apply to failures to cooperate with TAF work requirements. This change is being made to simplify the comparable disqualification policy and to make it less cumbersome for staff and consumers. In addition, cooperation with CSE is not a requirement for food stamp only cases.

The following KEESM sections are being modified to incorporate this change: 2165.1, 2550, 2551 and 2552. Additional information on the implementation of this change will be provided in the Revision 14 Implementation Memo. A new section 2560 is being added to provide special instructions for budgeting the TAF benefit after a first time CSE penalty to prevent an unwarranted increase in food stamp benefits.

• Clarifications

1. **Residency** - KEESM 1322.1(4) is being modified to clarify that the household's residency within the State (as opposed to the county) must be verified. In addition, the definition of Project Area in the Appendix is modified to indicate that for purposes of the Food Stamp Program, the entire State is the project area. These changes correspond with the change made to KEESM 2150 in January 2003, which removed the food stamp requirement that households must be living in the county in which they apply for benefits.
2. **Definition of Household** - A clarification is also being included to KEESM 2521(3)(b). The term "household" has been replaced with the term "home" to indicate that a person living in a home where any person is under the age of 18 is exempt from the ABAWD provisions. The use of the term "household" was confusing since that term

usually refers to a food stamp household.

3. **ABAWD Status** - Section 2521(3) is being modified to clarify that caretaker relatives who continue to receive TAF while the child(ren) is temporarily out of the home per 2223 shall not be considered an ABAWD.
4. **Standard Deduction** - A clarification is being made that when determining the household size for purposes of the standard deduction, excluded and disqualified members are not included. Sections 4212.2, 4212.3 and 7222 reflect this change.
5. **Shelter Costs** - A couple of clarifications are being included regarding what are allowable shelter expenses. KEESM 7226.1 is being modified to clarify that mandatory cable TV fees, included in some condominium or apartment fees, are not an allowable shelter expense. KEESM 7226.3(2) is being modified to clarify that cell phones do entitle the household to the standard telephone allowance if the cell phone is the household's only phone. In addition, a clarification is added that the telephone standard is not prorated when households share the telephone expense.
6. **Medical Expenses** - A cross reference is being included in KEESM 7227.5(2), Third Party Reimbursements and to 7532.2, Expenses Paid by a Third Party regarding medical expenses paid for by a public program funded by the State (or a county) other than Medicaid. For purposes of the Food Stamp Program, only amounts the individual is actually billed for and expected to pay are allowable for food stamps. This clarification to policy was originally included in 7532.2 in May 2001.

A second clarification is included to 7227.5. Item (4) is being modified to clarify that for households on a spenddown, reported medical expenses that will be used to meet the spenddown are allowable for food stamps IF the expense is otherwise allowable. This would primarily apply to due and owing medical expenses (7532.1) that are allowable toward a spenddown and may or may not be allowable as a food stamp medical expense.

7. **Changing Claim type to Fraud** - Clarifications are being added to KEESM 11250.12 and 11260 to clarify that it is very important that the claim type for food stamp claims be changed from client error to fraud once the client is found guilty of fraud. When collection begins on a claim, the State agency retains 35% of payments made on fraud claims and only 20% of payments made on client error claims.
8. **Benefit Reduction** - A correction is being made to Sections 11126.1(4). Part of the NOTE under sub-item (a) is being moved to be under sub-item (b) where it should have been placed originally.

• MEDICAL PROGRAMS

• Changes

1. **Bona Fide Effort - Liquid Resources** - When establishing eligibility, liquid assets are to be considered fully available. This policy is being modified to incorporate a bona fide effort provision, which reduces or eliminates the countable value of certain liquid resources when action is taken to ultimately convert the resource to an exempt burial plan. Primarily at issue is the number of months it may take for the necessary conversion action to be fully accomplished. Under the new policy, the resource is considered exempt beginning in the month the conversion is initially requested provided the time lines specified are met. The applicant/recipient must provide

verification within 15 days that the process has been initiated and provide verification within 90 days of the date of the application that the disposition/conversion has been completed, as well as verification of the burial plan the resource was used to fund.

For applicants, if the above time frames are met, eligibility can be retroactively approved beginning with the month the disposition transaction was initiated. Assistance CANNOT be approved while the action is pending and can only be approved once it has been determined that the conversion action has been fully completed. Only the resource at issue is considered exempt during this time. If other non-exempt resources are available to the family group, they must be considered.

For recipients, eligibility is to be suspended until the transaction is complete and retroactively reinstated if the criteria have been met, provided the transfer and conversion is completed within 90 days of the date the agency became aware of the resource.

The new policy is applicable for benefit months beginning 05-01-03. It is applicable to any liquid resources, such as life insurance, stocks or bonds.

Situations involving delayed conversion of resources other than those involving burial plans may be approved on a case by case basis pending approval from EES Policy staff in consultation with legal staff.

KEESM 5200 (5) has been modified with this change. Additional instructions will be issued in the Revision 14 Implementation memo.

2. **Kansas Family Medical Assistance Manual** - Because eligibility policy for several Medicaid family categories is now available through the new Kansas Family Medical Assistance Manual (KFMAM) developed by Health Care Policy/Medical Policy, information previously found in the KEESM regarding these categories is being removed. Medical assistance eligibility policy will now be provided in two separate manuals. Information regarding coverage of medical services shall still be found in the Medical Services Manual or the appropriate provider manual available through the Medicaid fiscal agent, EDS.

Policies for the following programs can now be found in the KFMAM:

- MA CM (with or without TAF), TransMed and Extended Medical
- MA (spenddown) for Pregnant Women and Children
- MP (for newborns, children and pregnant women)
- HealthWave

Policies for the following groups will continue to be found in KEESM:

- SSI recipients (including state supplement and 1619B)
- Protected Groups (Pickle, Adult Disabled Children, Early and Qualifying Disabled Widow/ers)
- QMB, LMB and QWD
- Working Healthy
- Breast and Cervical Cancer
- Tuberculosis
- MS (independent living and long term care)
- Children in an Institution
- Long term care policies (NF, HCBS, PACE and Spousal Impoverishment)
- SOBRA

Both Clearinghouse and SRS staff need to consult the appropriate manual for policy related to the specific medical assistance determination. For some families, this may require reviewing information in both manuals. It is important to note the current ES-3100 is a valid application for medical assistance, and staff must continue to review potential coverage under any Medicaid program when a request for coverage is received through that application. For persons impacted by the ex parte review requirements, coverage under all Medicaid groups must be evaluated at the time cash assistance is lost.

KEESM Sections 1322.1, 2600 and subsections are being modified as a result of this change. Current sections 2620 through 2624 are being removed and the existing 2625 is being renumbered as 2620. Section 2700 has been eliminated.

3. **NF Level of Care** - KEESM is being expanded to include information regarding NF level of care information. Exceptions for level of care are now included in the manual. Exceptions to the CARE assessment requirements are now found by referencing the Kansas Department on Aging (KDOA) Field Services Manual. This information was previously released to staff on 01-15-03. The KDOA Field Services Manual can be located on the Internet at: <http://www.aging.state.ks.us/kdoainfopg.html>. Then click on "Field Services Manual."

KEESM section 8114 is being modified to reflect this change by creating two new subsections, 8114.1, CARE Exceptions and 8114.2, Level of Care Threshold. The ES-3164, Request for Level of Care Information/Level of Care Score is also being modified.

4. **Poverty Level Changes** - New federal poverty level guidelines have been published by the Department of Health and Human Services. These guidelines affect the eligibility standards for several Medicaid groups:

Income standards for the Medicaid poverty level and HealthWave programs;
Income standard for QMB, LMB, Expanded LMB and QWD programs; and
Income standards and premiums for Working Healthy

For spousal impoverishment, the minimum community spouse income allowance increases from \$1,493 to \$1,515, the excess shelter deduction changes from \$233 to \$240, and the dependent family member allowance increases from \$498 to \$505.

The following KEESM sections, forms and appendix are being updated because of this change: 8144.2; 8244.2; the ES-3104.5, Determination of Need; the ES-3163, Income Allowance Determination Form; the ES-3165, Working Healthy and Premium Information; Appendix Item #55, Medicaid and HealthWave Standards. Separate implementation instructions will be issued to staff.

5. **Resource Value - Outstanding Checks** - The value of checking or savings accounts is established by reducing the lowest account balance of the month by income deposited in that month. This has been accomplished by looking only at what the current balance as indicated by the bank statement or other transaction history from the bank. This policy is changing to account for certain checks or other obligations, which have not yet cleared the bank, to establish the resource value of the account. Outstanding checks are considered legally obligated funds and therefore are encumbrances against the countable value of the account.

For benefit months beginning 05-01-03, the value of a checking or savings account is to be reduced by the value of documented outstanding checks which have been

committed against the account. Only those checks which have been verified to have been written and paid for the month are used for the purpose. Documentation regarding the obligation of the expense must accompany proof of payment. This is generally in the form of a receipt for the service which reflects the date of payment, the service/item provided and the form of payment used. Copies of the written checks may also be used to substantiate commitment of the funds, but cannot be used as sole verification.

For example, on 06-25-03 an NF applicant writes a check to the facility for the June bill in the amount of \$4000.00. Because of the business policies of the facility and the bank, the check isn't posted until 07-03-03. The bank documents further verify the lowest balance in the account for the month of June is \$5500.00 after reducing the balance by the income. The applicant provides a receipt from the NF documenting the expenditure and commitment of the \$4000.00. The balance for the month of June can then be further reduced by the \$4000.00 check leaving a countable balance of \$1500.00.

KEESM sections 5200(7) and (13) are being updated with this change.

6. **Temporary Care (Planned Brief Stay)** - The temporary stay provisions are being expanded with this revision for cases which spousal impoverishment provisions are not applicable. This change applies to HCBS and Working Healthy as well as independent living medical cases. For cases in which spousal impoverishment is more beneficial, long term care budgeting continues to begin the month of entrance and such cases are not impacted by this change.

This change is being made because it brings the medical assistance temporary care policies in line with those of cash and SSI, although the procedural rules for those programs differ from those for medical assistance. For persons entering an institutional arrangement from HCBS, the intended length of stay is generally initially obtained from the NF, but is to be substantiated and reviewed with the case manager prior to taking any action.

If the intended length of stay exceeds the month of entrance and following two months, LTC budgeting begins the month following the month of entrance. Cases initially processed as temporary stays which ultimately exceed the established time period are to be switched to LTC budgeting no later than the third month following the month of entrance.

To code the KAECSES LOTC screen, the TC living arrangement code, in combination with an HCBS level of care or an NF level of care shall continue to be used as previously instructed. For HCBS cases which are processed as meeting the temporary stay provisions that remain on HCBS, the TC is used with the appropriate waiver designation (e.g., TC-FE or TC-PD). This will allow all HCBS services currently on the plan of care to be paid in addition to the NF costs. For the FE waiver, individuals coded TC-FE will continue to hold their slot on the waiver for the month of entrance and the following two months. For non-HCBS cases, the TC code used in combination with an institutional level of care (e.g., TC-SN or TC-MH) will allow payment of NF costs only but will also allow the individual to be reported on temporary care reports.

KEESM section 8113 is being modified to support this change.

7. **Transfer of Property** - This change in transfer of property rules is being made to tighten eligibility standards for the long term care programs. Under rules in effect prior

to 05-01-03, the transfer of any exempt property (real or personal) other than the home is not evaluated for a possible penalty under the transfer of property rules. The new policy removes the TOP exemption for all transfers of exempt, income-producing property not associated with a trade or business with a value of \$6000 or more in which the applicant/recipient or spouse is actively participating, occurring on or after 05-01-03. When income producing property valued at \$6000 is transferred on or after 05-01-03, a period of ineligibility shall be determined for persons requesting or receiving long term care coverage (NF, HCBS or PACE). Transfers of other exempt assets (such as a personal use vehicle) continue to be excluded transfers of property not subject to a penalty.

For example, an NF recipient owns non-home real property currently valued at \$50,000. The property is currently rented at a level determined to be consistent with the value and is, therefore, exempt for purposes of determining eligibility. However, the recipient is not actually involved in managing the property so it is not a trade or business property for her. The recipient adds her son to the deed of the property establishing joint tenancy, resulting in a transfer of property. If the transfer occurred prior to 05-01-03, there is no penalty for such a transfer of exempt, non-home property is not subject to a penalty. However, if the transfer occurs on or after 05-01-03, the transfer may be subject to a penalty due to this change. In this situation, the transfer results in a loss of half the value of the property, or \$25,000.

In addition, multiple transfers of income producing property occurring within a month shall be considered a single transfer for purposes of establishing the \$6000 limit. This is primarily at issue when several items associated with a single income source are transferred. For example, the value of farm implements or livestock transferred with farm ground, the value of crops currently planted on farm ground and the value of equipment included with a rental property are considered a single transfer.

In any of the above examples however, if the total transfer is less than \$6000 the transfer would not be subject to penalty.

KEESM section 5720 is being updated to reflect this change.

8. **Working Healthy Prior Medical Premiums** - For cases eligible for prior medical coverage under Working Healthy with a premium, a referral to the Benefits Specialist is now required prior to authorizing coverage. The referral is necessary to ensure the consumer has a clear understanding of their premium responsibility. The billing cycle may obligate an individual for 4 or more months of premium charges at the initial billing. In some instances, the recipient has taken exception to the premium obligation, and has asked for eligibility to be revoked. Once the eligibility record is sent to the MMIS, it is not possible to void eligibility. To avoid such problems in the future, it is important that each consumer fully understands and agrees to the premium liability up front. Upon receiving the referral, the Benefits Specialist will contact the consumer and ensure the premium obligation is explained. The benefits of prior medical coverage will also be discussed.

It is further recommended that a signed statement may be obtained in situations where the consumer appears to be indecisive. The ES-3165 is being modified to include a feature to allow the consumer to agree to the premium obligation, through his/her signature. Use of the ES-3165 for this purpose is not mandatory in all instances, but is recommended. The form is further being modified to better capture the consumer's desire regarding premium obligation and space has been denoted to provide contact information for the Benefits Specialist.

KEESM Section 2664.5 is being amended to reflect this change.

9. **Impairment Related Work Expenses and Blind Work Expenses (IRWE/BWE)** - For determining allowable prescription drug expenses, clarification is being added to state that certain lifestyle and cosmetic medications are not allowable expenses. These include, but are not limited to, medications for weight loss, smoking cessation and infertility. Further clarification is being added to state that co-payments for allowable medications and other expenses are also considered IRWE/BWE.

KEESM sections 7240 (1), items (a) and (b), 8250 (1), items (a) and (b) are being updated to reflect this change. A new section, 8151, Deductions From Earned Income is being added and item (1), items (a) and (b) are being updated.

10. **Program of All-Inclusive Care for the Elderly (PACE)** - Clarification is being added to this section that states a spousal impoverishment resource assessment may be completed for persons who have been screened, found in need and chosen PACE. KEESM 8320 is being updated with this change.

- **Clarifications**

1. **LTC Budgeting** - An item allowing the standard \$20.00 disregard was incorrectly included in a prior revision and has been removed. The only deductions from income for LTC budgeted cases are those earned-income related disregards noted. KEESM 8151 is being added with this clarification.

- **Work Programs**

- **Changes**

1. **Component Review Process** - Policy is being modified to promote flexibility in determining local work program component progress review procedures and acknowledge the need for consideration of priority assignment to components that address life skills. KEESM section 3300 is being revised to reflect these changes. The description of a Progress Review is being redefined. Appendix Item # 78, Definitions of Common Terms, is being modified to support this change.
2. **EBT Payments** - Policies have been reviewed and are being modified to support the implementation of work program EBT payments. Work program payments made directly to clients will be considered unconditional and unrestricted and will not be considered overpayments even if used by the client for purposes other than those intended. KEESM sections 1432, 1512.3 and 11000 are being revised to reflect this change.
3. **Educational Assistance** - House Bill 2872 was passed by the 2002 Kansas Legislature and developed two post-secondary education programs that may be available to EES work program clients. The Kansas Board of Regents (KBOR) Waiver Program provides college and training for former foster children who aged out of foster care. The KBOR Loan Program will provide training for former TAF clients within 3 years of leaving TAF cash assistance. In addition to these two new KBOR programs, staff are noting an increase in the number of clients who are also working with Workforce Investment Act (WIA) partners. The manual is being modified to recognize the KBOR Waiver Program, KBOR Loan Program and participation with WIA as approved EES work program activities. Applicants for assistance who are working with these partners in approved plans at the time of application will not be

required to interrupt their plan to meet EES job search requirements. WIA is being added in the manual as a work component and is considered a primary component assignment for TANF federal reporting purposes. More flexibility is also being added to support correspondence courses. The 9 month limit on GED participation for work program clients over the age of 20 is being eliminated. KEESM sections 3310.2, 3310.5, 3310.7(4), and 3322 are being revised to reflect these changes.

4. **Family Violence Option** - Policies are being clarified to emphasize the need for staff to notify all potential TAF applicants of their rights under the Family Violence Option and screen all applicants to determine whether current or former domestic violence/sexual assault issues are involved in the individual's current need for assistance. Domestic violence information in the 3000 section is being consolidated into the Orientation, Assessment, Referral, Safety (OAR) component section. KEESM sections 1412.3, 2244, 3114 (section deleted), and 3310.4 (11) are being revised to reflect this change.
5. **Work Experience** - Policy has been expanded to allow for work experience placements in the private sector and to allow a work experience reimbursement allowance to offset expenses associated with the work experience assignment. This reimbursement would be paid from the area work program allocation. KEESM section 3310.3(2) is being revised to reflect these changes. Appendix Item #106, Work Experience Procedure/Best Practice is being added.
6. **Self Sufficiency Activities** - A major portion of KEESM 3000 (3000 through 3150) is being re-written and re-formatted. This section has been re-titled Self Sufficiency Activities. This re-write sets the tone for working with people and focuses on building rapport, establishing trust, listening, motivation, balancing power, recognizing client strengths and solution focused interviewing techniques. Areas will have flexibility to develop the work program assessment tool to gather assessment information as long as the tool identifies: skills, prior work experience, employability, and motivation. The time frame to complete the work program assessment is being extended from 60 days to 90 days.
 - **Alcohol and Other Drug Assessment and Treatment (AOD)** - Solutions Intensive Case Management Services are services provided by RADAC or Regional Prevention Center (RPC) staff in certain offices. These services are part of the Job Readiness component. KEESM Section 3310.4 (1) is being modified to reflect this change. A new "Solutions Screening Instrument" (ES-4316) is also being added to implement this change.

- **Clarifications** - None

FORMS SECTION (Not previously identified)

- **All Programs**

1. The **ES-3820**, Notice of Eligibility Review is being modified to include the Child Care Program. The form has is also being updated, reformatted and slightly rewritten.

- **Child Care**

The Child Care Forms Explanations document is being updated to reflect descriptions and form numbers to be used when ordering child care provider enrollment packets from the SRS warehouse.

- **Work Programs**

1. The ES-4307 Assessment Guide and the ES 4307.1 Assessment Protocol have been removed from the Forms Section of the KEESM.
2. The **ES-4316**, Screening/Referral Form is being added to the incorporate the Solutions Strengths for Success model. This form is to be sent to the RADAC with the AODAT Turnaround Form.

MISCELLANEOUS FORMS SECTION (Not Previously Identified)

- **All Programs**

The Administrative Hearings Office has moved effective January 1, 2003. Forms dealing with fair hearings and administrative disqualifications hearings have been updated by that office and are included in this revision.

APPENDIX (Not previously identified)

- **All Programs**

Appendix **Item #108, Appointment of Authorized Agent**, A new form has been established to allow an applicant/recipient to designate an authorized agent. Appointment of an authorized agent basically acts as a release, as information may be shared with the agent regarding the selected programs. In addition, the agent may be added to the KAECSES ADDO screen to receive copies of all KAECSES notices. The agent may not apply for benefits for the applicant/recipient or act on behalf of the individual in any manner, other than as designated.

HCBS case managers may be named agents, as well as PACE providers. In situations such as these where the person holding the position may change, the individual may appoint a specific position within a given agency or organization as the agent. For example, rather than name Mary Smith the agent, the individual may designate 'My current case manager' with the 'XYZ CDDO' as the agent.

- **Food Stamp Program**

Several items in the Appendix are being modified to incorporate the changes in Food Stamp Non-Citizen Eligibility rules noted above. Appendix **Item #1, the Non-Citizen Qualification Chart**, is being modified to include the new categories of eligible non-citizens. In addition, for ease of reference, it is being reformatted to include eligibility requirements for non-citizens who entered before 8/22/96 and those who entered after 8/22/96 on the same page. KEESM references are also being added, and the term "non-citizen" replaces "alien". Appendix **Item #2, Guidance on Non-Citizen Verification - Food Stamp Program** is being expanded to include additional documentation information for several categories of non-citizens. A new Appendix **Item #8A, Guidance on the Five Year Residency Requirement - Food Stamp Program**, is being included to provide answers to some commonly asked questions about this new provision.

- **Child Care Program**

Appendix **Item # 25, Maximum Hourly Child Care Provider Rate Schedule**, has been modified slightly. Information has been added to the existing February 2002 rate schedule. County by county information is now available as well as the front/back rate schedule. This information is not new. It is simply now displayed in two ways. When SRS implemented the

rate adjustment in February 2002, it was a very dramatic change. We had to describe/display the new county groupings which were used to determine maximum reimbursement rates. Now that this system has been in place for a year and existing providers are familiar with the chart, it might be useful for new providers to display actual rates paid in each county (including hold harmless). Thus, if a new provider calls SRS, an R&R, or looks on the Internet, they can obtain the rate information according to their county.

- **Work Programs** (Not Previously Identified)

1. Appendix **Item # 58, Components to Meet Work Requirements/Participation**, is being updated to add the WIA component and to remove the 9-month limit on GED participation.
2. Appendix **Item # 96, Adding TANF Months From Other State to KAECSES**, is being deleted. This form is no longer needed because a new screen to modify the number of TANF and GA months of assistance has been added to KAECSES.
3. Appendix **Item # 102, OARS Domestic Violence/Sexual Assault Screening Questions for TAF Applicants**, is being added.
4. Appendix **Item # 103, Self Assessment Form**, is being added.
5. Appendix **Item # 104, Case Management Summary Form**, is being added.
6. Appendix **Item # 105, Self Sufficiency Agreement Format**, is being added.
7. Appendix **Item #106, Work Experience Procedure/Best Practice**, is being added.

EFFECTIVE DATE

The termination of the Social Security Advocacy Project with KLS was effective January 31, 2003.

The changes in the Non-Citizen Eligibility rules outlined in the Food Stamp Changes section are effective April 1, 2003.

All other policies in this revision are effective May 1, 2003 and shall be applied to all applications or reviews processed on after that date.

MATERIALS OBSOLETE BY THIS REVISION

Policy Memo 99-10-11, Dependent Care Deduction Verification Requirements, issued October 1, 1999.

Policy Memo 01-07-04, Trafficking Victims, issued July 12, 2001.

EFFECT ON LOCAL STAFF

It is expected that the changes in this revision will free staff from nonessential work and allow staff to focus efforts on other more critical areas. Clarifications are intended to provide greater understanding of program expectations in order to allow faster and easier administration at the local level. Efforts continue to be made to allow area discretion and flexibility in order to make prudent decisions given basic guidelines. The work program changes allow management areas more flexibility.

COORDINATION EFFORTS

The material in this letter and manual revision have been coordinated with staff in the Economic and Employment Support Section, Child Support Enforcement, Children and Family Policy, Health Care Policy, the Welfare to Work (WtW) Policy Committee, the Child Care Summit, the EES Chiefs, the Policy Development Team, the Implementation Planning Team, and other EES field staff. The work program changes were also coordinated with the Kansas Department of Human Resources and the Kansas Department on Aging.

Sincerely,

Bobbi Mariani, Director
Economic and Employment Support

BM:MSW:jmm

[Back to Top](#) | [KEESM Home](#) | [Table of Contents](#) | [Index](#) | [EES Home](#) |

Page Last Updated: 9/9/04 9:50 AM