

STATE DEPARTMENT OF SOCIAL**October 1, 2003****REHABILITATION SERVICES
Integrated Services Delivery
Docking State Office Building
Room 681 - West
Topeka, Kansas 66612**

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. 16 effective October, 2003.

PURPOSE, BACKGROUND and REASON FOR CHANGE

All Programs - The KEESM is being modified due to the implementation of the on-line (internet) application. Using the on-line application, an applicant may apply for cash assistance, food assistance, medical assistance, child care assistance, child support services, vocational rehabilitation services, and energy assistance.

This revision also incorporates additional guidelines and information for staff on the prospective budgeting of earned income. These provisions are included primarily due to the high food stamp error rate, however, they apply to any instance of determining prospectively budgeted earned income.

The EBT System Guide has been extensively revised due to the State's new EBT contract. Most of the information in the guide has been previously issued to staff in various memos and the training for the new EBT system. This guide is found in the Appendix.

Additionally, a new income exemption for disregarding VA payments is being added for all programs. This is pursuant to Section 401 of Public Law 106-419.

Also effective with this revision, the minimum threshold required to initiate an Administrative Fraud Disqualification is being increased from \$101 to \$501. This change is being made at the request of the field.

Cash Assistance - The 2003 Kansas Legislature restored a Kansas Legal Services advocacy project to assist TAF and GA consumers in pursuit of Social Security Disability claims is being restored.

Due to the elimination of retrospective budgeting, the "SU" code may no longer be used to suspend cash assistance cases. This revision sets out an alternative method for withholding payment authorization.

Child Care - This revision implements several items in preparation for adding child care benefits to EBT. On July 10, 2003 the agency decided to pursue issuance of child care benefits on EBT. It will look similar to the Food Stamp Program. Consumers will be issued a monthly child care benefit on the first of the month. These benefits may be used to purchase child care services from authorized child care providers. The benefit cannot be cashed out. Implementation of EBT-CC is currently targeted for June 2005. Given this approach, SRS would no longer be purchasing services from child care providers. SRS would provide a benefit to the consumer. The consumer would then purchase child care services from authorized providers. The consumer and provider determine the frequency and amount of payment for services. SRS time sheets would no longer be necessary. As encompassed in its name, EBT provides payments electronically. Therefore, to prepare child care providers for EBT, this revision will require direct deposit of child care payments to providers. The child care provider enrollment packets and Handbooks (Appendix Items [21](#), [22](#), [97](#), [98](#), [99](#), and [100](#)) are being revised to reflect this, along with various other changes. This policy change not only allows providers to become accustomed to electronic deposit in preparation for EBT, but also supports the agency goal of reducing the number of paper checks issued. This policy change was approved by the Policy Development Team as a general policy change even if the state chose not to issue benefits via EBT.

To support less SRS involvement, and more consumer/provider interaction, the policy stating that non-payment of the family share may affect general eligibility is being removed. The family share will continue to be assigned and an obligation for the family, however, the provider will be responsible for collection. Family share non-payment situations will be addressed between the client and provider.

Lastly, in order to promote options for care for children with disabilities, special purpose rates (\$7.37 and \$7.05) may be authorized to any provider chosen by the parent and able to meet the child's special needs.

Food Assistance - This revision incorporates the annual adjustments to the Food Stamp Program that are effective October 1 of each year. Increasing are the standard deduction amounts, the excess shelter deduction, the gross and net income limits, the maximum allotment amounts and the standard utility allowance. These changes were processed with rollover in August effective for October 1, 2003. Further information about these changes was provided prior to rollover in August.

This revision also includes several other changes applicable to the Food Stamp Program. The most substantive, are new verification requirements applicable to the Food Stamp Program. These verification requirements are being implemented due to the excessively high food stamp payment error rate. The recent reinvestment activity identified that inconsistencies exist between Areas and within Areas regarding the application of food stamp policy and procedure. In addition, documentation and verifications often were inadequate to support the determination of food stamp benefits.

The case review process identified that incomplete applications and verifications were accepted and discrepancies were not resolved. To improve the accuracy of case actions and benefit computations, new verification requirements applicable to the Food Stamp Program are being implemented. Effective with this revision, a Purchase and Prepare form must be completed in all instances of a claim of separate household status; new earned income verification rules are applicable; and all shelter costs must now be verified.

Effective October 1, 2003, 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 lawful immigrant children under the age of 18. Policies to implement this change are included in this manual material.

Medical Assistance - Health Care Policy is in the process of implementing, through its contracted carrier, EDS, an entirely new, web-based Medicaid Management Information System known as "interchange MMIS". Due to this change, a large number of procedures and policies are being changed in EES so that SRS's actions will coincide and work with the new system. Changes in the KEESM are also being made as a result of moving all Family Medical information to the Kansas Family Medical Assistance Manual (KFMAM).

Successful Families - The comprehensive package of TANF-funded services which is provided to TAF families has been named the Successful Families Program. The reason for this is that the caseload composition has changed from the 1996 caseload, when welfare reform was passed in PRWORA legislation. The caseload now contains a greater concentration of TAF clients having trouble obtaining or retaining employment due to more severe and multiple problems and barriers.

Instead of immediately requiring the adults to work, most current efforts to assist TAF clients and their families are services designed to identify and resolve barriers, such as substance abuse, mental or physical disabilities, domestic violence, low IQ, and learning disabilities. Until these barriers are identified and resolved employment will not be retained and the family will continue to experience problems.

The new name, Successful Families, removes the implication that the TAF program is limited to employment efforts. It also brings program efforts more closely in alignment with TANF reauthorizing proposals which contain new initiatives and goals for improving family well being and strengthening healthy relationships.

Successful Families includes three types of assistance funded by the federal TANF block grant:

- TAF cash assistance
- Work Program services designed to strengthen families and remove barriers to employment
- Work Program Support Services as well as training and education

Successful Families terminology is being incorporated into KEESM [1111](#).

I. ALL PROGRAMS

A. CHANGES

1. **On-Line Application** - As of September 2, 2003, a combined on-line application is available at www.srskansas.org to apply for cash assistance, food assistance, medical assistance, child care assistance, child support services, vocational rehabilitation services, and energy assistance.

For the on-line application, the date an application is submitted on-line shall be considered the application date for establishing initial eligibility and proration if the signed signature page is received in the local SRS office within 10 calendar days following the date the on-line application is submitted. The local SRS office will be responsible for mailing a summary and signature page to any applicant who indicates an inability to print from the on-line application. The on-line application shall be registered in KAECSES/KsCares when received prior to receipt of the signature page. In determining expedited eligibility, the expedited processing time frame for an on-line application begins with the date the agency receives the signed signature page if the page is returned within 10 calendar days.

If the signature page of an on-line application is not returned within 10 calendar days, the application is to be denied. If it is later returned with 30 days of the date the application was originally submitted, the previously submitted application shall be reinstated and a new application is not required. If it is returned outside of this time period, a new application would need to be completed and submitted.

The following sections are being modified to support these changes: [1411](#), [1413](#), [1414.2](#), [1415.1](#), [1415.1](#) (3), [7330](#), [7401](#), [12310](#) and [13220](#).

2. **VA Payments** - A new income exemption is added for all programs. Payments made to children of women Vietnam veterans born with certain birth defects pursuant to Section 401 of Public Law 106-419 are exempt as income and resources beginning the month of receipt.

KEESM [6400](#), item (60) is being updated with a new sub-item (e) to reflect this change. In addition, item (11) regarding payments to children of veterans born with spina bifida is being moved to a new item (d), as these payments are made through the VA.
3. **Older Americans Act** - KEESM [6410](#)(38) is being modified to reflect recent changes in the funding of Kansas programs under the Older Americans Act via Senior Community Services Employment Program (SCSEP). What used to include the Green Thumb and Project Ayuda is now covered under this new heading. Services are provided by the National Indian Council on Aging, the SER Corporation and the American Red Cross, depending on location.
4. **Administrative Disqualification Hearing Threshold** - Effective with this revision, the minimum amount of alleged fraudulent overpayment (cash, food stamps or a combination) required to initiate an Administrative Disqualification Hearing (ADH) is being increased from \$101 to \$501. Overpayments under the \$501 threshold will still be established and collected as client error overpayments. This change is being made at the request of the EES Chiefs due to staffing and resource issues. A PDT

suggestion was submitted and approved to affect this change. Time previously spent referring and preparing for an ADH under \$500 can now be spent doing other job duties. Section [11230](#) is being modified to reflect this change.

B. CLARIFICATIONS

1. **Act in Own Behalf** - Due to the increased placement of youth into independent living by CFS and the number of transitional living programs being established in Kansas, primarily in Wyandotte, Johnson, and Sedgwick Counties, section [2112](#)(2) is being revised to clarify that youth participating in these programs are able to act in their own behalf.

2. **Applications** - As part of the service redesign initiative, clarifications have been added that include:
 - the availability of applications from SRS access sites;
 - the ability of SRS staff to complete on-line applications over the telephone and then send them to applicants for signature to attest to their accuracy; and
 - that giving a signed application to an SRS worker at an off-site interview establishes the application date

These changes are reflected in [1411.1](#), [1411.2](#) and [1411.5](#).

3. **Prospective Budgeting** - Due to the excessively high food stamp payment error rate, more detailed procedures are being included in the manual on the prospective budgeting of earned income. Although this material was inspired by the food stamp error rate, this material is applicable to all instances of prospectively determining earned income. Basically all earned income information must be evaluated to accurately prospect income. Past verification must be analyzed to determine if it represents the future. Paychecks provided must be evaluated to determine if any are not reflective of future earnings, such as a high check due to one-time overtime or a bonus, a low check due to illness or missed work, or a first partial check. If overtime, bonuses, or commissions are on the pay stub, these must be evaluated to determine whether this income is recurring. If the person is employed where tips are paid, it must be determined if tips are actual or allocated. Pay information provided should also be evaluated to determine if there was a recent pay raise that will impact future earnings. Pay stubs must be evaluated to determine if there are any discrepancies in the year-to-date amounts. If so, the missing information must be obtained.

If the recent past 30 days is reflective of the future, that information should be used and the case file documented to support the determination. If the past 30 days are not reflective of future earnings due to fluctuating income, more pay stubs will need to be obtained to project future income. When using pay stubs, the most recent should be used, and they should be consecutive. If one or more checks are not reflective (high due to a one-

time bonus, or low due to illness, for example) they should not be used in the calculation. Documentation must be in the case file why any pay stubs are not used in the computation. When income is from a new source, the pay rate has increased (or decreased) or when the numbers of hours to be worked has increased or decreased, the income should be projected from the best information available. Weekly and biweekly income must be converted to a monthly amount. A cross reference to the new food stamp verification requirements is also included.

This section has also been modified to clarify that irregular and intermittent income received on a monthly basis in differing amounts or deductions billed in differing amounts shall be averaged. This would apply to, for example, SSI monthly benefits that fluctuate due to earnings of the SSI recipient or the SSI recipient's spouse.

Sections [7110](#) and [9121.1](#) are being modified to reflect these clarifications.

4. **References to Monthly Reporting/Retrospective Budgeting** - A few references to monthly reporting and retrospective budgeting that were missed in the July 2003 revision were eliminated in this revision. Section [1421](#) is being revised to reflect this change.
5. **Transfer of Assistance** - With the implementation of Universal Access effective July 1, 2003 EES consumers may choose to work with an alternate office for a variety of valid reasons. When an applicant or recipient chooses to work with an alternate office, the Intercounty Transfer process would be utilized. Section 9200 has been modified to acknowledge that a case may not always transfer when a client moves and also that a case may transfer when a client has not moved but wishes to receive services from an alternate office. The following sections are being modified: [9200](#), [9210](#), [9221.1](#), [9221.2](#), [9222](#) and [9230](#). The ICT Checklist, Appendix Item [101](#), is also being updated to reflect recent policy changes and incorporate field suggestions.
6. **Non Citizen Eligibility** - For cash assistance and medical only, clarification is included that veterans or active duty military personnel, and their dependent children and spouses, who have attained lawful permanent resident status, are not subject to the 5 year eligibility bar.

KEESM [2142.1](#) (6) is being updated with this change.

II. ADULT PROTECTIVE SERVICES

A. CHANGES

1. **Statute Revisions** - Two sections should have been changed in the July 2003 revision of the KEESM as a result of legislative action in 2003. References to H.B. 2254 New Section 1 (a) in several parts of section

[12110](#) are being listed. In addition, several items in section [12150](#) are being revised to add statute references.

2. **Contact with The Involved Adult** - A reference to the recently enacted requirement to provide a Notice of Privacy Practice (NOPP) is being removed from section [12311](#). When the information regarding the NOPP was placed in the manual in July, it was thought to be a correct interpretation of the law. It has since been learned that the NOPP does not need to be given under these circumstances. In addition, section [12313](#) is being changed to add that any request for a fair hearing must be signed by the parent/guardian/conservator if the alleged perpetrator is a minor.

B. CLARIFICATIONS

1. **Statute Citations** - A number of clarifications/corrections of statute citations are being made with this revision. Sections [12124](#), [12340](#), [12410](#) and [12430](#) reflect these changes.
2. **Coordination of Investigations by County or District Attorney** - A clarification is being added to section [12340](#) that APS must document in the case log the reason for the dispute with the county/district attorney.
3. **Unconfirmed or Unconfirmed** - Potential Risk Findings and Case Decisions - Instructions for submission of the ES-1004 are being clarified in item 1 of section [12420](#). Item 3 this section is being changed to clarify that the ES-1008 is sent to the alleged perpetrator within 3 working days. The heading for item 4 of this section regarding the ES-1016 is also being clarified.

III. CASH ASSISTANCE

A. CHANGES

1. **Kansas Legal Service Advocacy Project** - Section [1724](#) is being added back into the manual to re-establish the Kansas Legal Services (KLS) Advocacy project. This is to assist TAF and GA recipients in pursuit of Social Security Disability claims. The material includes guidance for the process whereby the Area Office must approve KLS's decision to terminate services to a referred consumer or one that is being non-cooperative.
2. **"SU" Code Obsolete for Cash Assistance** - The "SU" code can no longer be used for cash assistance. The "SU" code has always been limited to retrospective screens for cash assistance; KAECSES will not accept the "SU" code on a prospective screen for cash assistance. With the elimination of retrospective budgeting, it has become obsolete for cash assistance purposes. The obsolescence of the "SU" code also solves a

problem which was occurring on suspended cases with child support being retained by CSE. KAECSES/CSE did not recognize the "SU" code as a closed case and retained the child support in these cases. This was causing a hardship for clients and CSE.

Cash assistance cases which are anticipated to be prospectively ineligible for only one month will have to be closed. They can be reopened without requiring a new application; however, an application will have to be simulated on APMA using the same review period to reopen the case. The "SU" code continues to function for food stamp and medical cases.

Sections [1420](#) and [1421](#) have been modified to reflect these changes.

B. CLARIFICATIONS

For TAF, several areas have requested clarification on the requirement for a CASAS diagnostic when the CASAS appraisal score is below 235. Based on the individual client plan and assignment to work program activities, a vocational assessment may provide more useful information than a CASAS Diagnostic. Flexibility on the requirement for the CASAS Diagnostic is being incorporated into both the protocol prior to terminating TAF cash and also the work program assessment process. KEESM sections changed include: [2241](#) and [3130.2](#).

IV. CHILD CARE

A. CHANGES

1. **Family Share** - The policy of SRS enforcing payment of the family share by making it an eligibility factor is being eliminated with this revision. Parents still have the responsibility to pay their family share to the provider. The provider will be responsible for the collection of the amount owed. SRS will no longer mediate disputes regarding payment of the family share and will no longer close cases for non-payment of the family share. Providers are encouraged to apply bill collecting practices used with private pay parents to SRS family share obligation situations. The following KEESM sections are being updated/added to reflect new policy: [1212.11](#), [7541](#), [7640](#), and [10034](#).
2. **Direct Deposit** - Electronic deposit (direct deposit) is currently an optional mechanism for receiving payment from SRS. Many providers already take advantage of this option. This revision will require electronic deposit for all provider payments unless good cause can be given. This change is being implemented in preparation for child care benefits on EBT and in keeping with agency trends regarding check issuance, which both require electronic deposit.

Direct deposit will continue to be optional for In-Home child care payments as those payments are issued to the client not provider. The rationale for continuing optional direct deposit for In-Home cases is that when EBT-CC

is implemented, payments will not go to clients for In-Home care as they do now. In-Home EBT payments will be set up like other situations, by enrolling the provider to receive payment from the client electronically. KEESM section [10200](#) is being changed to reflect this new policy relating to direct deposit.

3. **Special Purpose Rates** - The policy of limiting special purpose payment rates to child care centers is being changed with this revision. Special purpose payment rates (\$7.37 and \$7.05) will now be available for any care setting. The following KEESM sections are being changed to reflect this policy change - [7600](#), [10021.1](#) and [10260](#).

B. CLARIFICATIONS

1. **Enrollment Fee Assistance** - KEESM sections [7600](#) and [10260](#) are being clarified to indicate that the \$25 ceiling on enrollment fee assistance applies whether the provider charges a family fee or per child fee.
2. **CSE Non-cooperation** - KEESM section [2165](#) is being clarified in accordance with policy as of May 1, 2003. This section was not updated with the May 2003 revision in error. Staff should continue to refer to KEESM [2165.2](#) for child care non-cooperation.

Out-of-Home Relative Provider Enrollment - A note stating "Out of Home Relative provider enrollments should be maintained by the Area in which the provider resides. Notice should be sent to the enrolling Area when a client's case is closed. " has been removed from KEESM [10033](#). This is to further support the concept of Universal Access which was included in the July 2003 revision. Areas will need to provide for adequate and timely service if enrolling relative providers located in different management areas than the client. Areas will need to develop communication procedures on topics such as abuse/neglect reports and investigations, and client case closures.

V. FOOD ASSISTANCE

A. CHANGES

1. **Changes in Food Stamp Verification Requirements** - Several major changes have been incorporated into this manual revision due to the State's excessively high food stamp payment error rate. These changes are as follows:
 - a. **Claim of Separate Household Status** - Effective with this revision, every claim of separate food stamp household status from others in the home must be documented by use of the statewide FP-1013 form, Purchase and Prepare Statement. The form must be completed at the time of application, at the time of an address change when

separate household status is being claimed, and at the time of review if household composition or purchase and prepare arrangements have changed since the last time the form was completed. These changes are in [1322.3\(1\)](#) and [9333](#).

- b. **Verification of Earned Income** - Another major change is the verification of earned income. Effective with this revision, for food stamps only, more prescriptive verification of earned income requirements are in effect. Procedures are outlined for new employment, ongoing employment and terminated employment. These changes are outlined in section [1322.1\(1\)](#). The important thing to note here is that these changes are intended to prevent food stamp payment errors. They are not intended to be punitive to or harass clients. Staff should work with clients and assist them in obtaining the necessary verification. Assistance shall be denied only if the client refuses to provide the necessary information. If the client indicates that they are attempting to provide the information, but cannot, and the employer will not provide the necessary information, the agency shall not deny assistance. Rather the application/review/change shall be processed using all information that is available to project income. The case file must be documented to support all actions taken.
 - c. **Shelter Costs** - Another area that causes many food stamp payment errors is around the shelter component. With this revision, verification of shelter expenses is changing from only verified if questionable, to a mandatory verification item statewide at the time of initial approval, review and a change that increases benefits. A new item (5) has been added to [1322.2](#) - Mandatory Verification That Affects the Amount of Program Benefits. Since verification of utility costs are already mandatory if used, shelter costs in this section refer to rent, mortgage payments, lot rent, taxes and insurance not included in mortgage payment, etc. It is important to note that failure to provide this verification does NOT result in denial of assistance. Rather assistance is approved without allowing the shelter expense that was not verified. As noted above, the case file must be documented to support all actions taken.
2. **Annual Adjustments to the Food Stamp Program Standards** - Effective October 1, 2003 the following changes are being implemented to incorporate the annual federal adjustments to the FSP that increase the standard deduction, excess shelter deduction and gross and net income limits. Also see item 49 in the Appendix.
- a. **KEESM [7222](#) - Standard Deduction** - This section is being modified to increase the standard deduction amounts. The new amounts effective 10/1/03 are \$ 134 for household sizes of 1-4, \$149 for households of 5 and \$ 171 for household sizes of 6 or more.

- b. **KEESM [7226](#) - Shelter Costs** - This section is being modified to increase the excess shelter deduction amount to \$378 and the Standard Utility Allowance (SUA) to \$262.

These amounts were entered into the KAECSES system prior to rollover in August 2003, and were processed automatically when rollover was processed. Further information about the implementation of the annual adjustments has been provided separately.

A clarification has also been included in this section that monthly amounts paid toward a cooperative housing membership are allowable shelter costs.

3. **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 two groups have already been implemented. The third group, restoring eligibility to lawful immigrant children under the age of 18 is effective October 1, 2003.

With this revision, persons lawfully residing in the country and under the age of 18, regardless of date of entry into the country, are now eligible effective October 1, 2003. Once the person turns 18, they must qualify under another non-citizen eligibility criteria to continue to receive food stamps. KEESM [2143.2](#), [2143.3](#) and Appendix Item 1 are being modified to reflect this change. Additional implementation information will be provided in the Implementation Memo.

4. **Simplified Reporting** - Due to issues raised at the Food Stamp Training Events, section [9122.6](#) is being revised to include a definition of a complete interim report form. The provisions are modeled after the provisions used for the monthly report form. An interim report is considered complete if: 1) it is signed and dated by the head of the household; 2) all yes/no questions are answered; 3) all other questions are answered as appropriate; and 4) it is accompanied by verification of all earned income, if any. Correlating changes are being made to the remainder of the section to use the term "complete interim report".

In section [9122.8](#), Processing Changes That Are Required to be Reported, the requirement to complete the first part of the ES-1510.1 when the household's income exceeds the 130% threshold has been deleted. It was determined this additional step is not necessary.

In addition, the title to section [9122.5](#) and Item 1 under section [9122.8](#) has been changed from "130% of Poverty" to "130% Income Reporting Threshold". In that same item, number 1, b., "Categorically Eligible Household" is being reworded slightly for clarity.

A cross reference and link to the 130% Income Reporting Threshold Chart is also being included in section [9122.5](#). This chart is now in the Appendix at Item [112](#).

B. CLARIFICATIONS

1. **Utility Expenses** - Section [1322.2](#) is being modified to clarify that if the household has verified only a portion of actual utility costs (and has chosen to use actuals), the actual verified amounts shall be used. If the household subsequently provides the missing verification during the review period, the benefit level shall be redetermined for the month following the month the missing verification is received.
2. **ABAWD 6 Month Review Periods** - Section [2525](#) is being modified to clarify that maximum six month review periods applies to ABAWDs as defined in [2527](#)(1). These are: 1) persons meeting the ABAWD work requirement; 2) persons receiving their three months of benefits (or one-time three month extension); or 3) persons who are disqualified because he or she has received the maximum three months of benefits. Persons who are exempt from the ABAWD criteria per [2521](#) are not limited to the 6 month review period. A correlating change is also being included in [9122.4](#).
3. **Shared Living Contribution Clarification** - Sections [6410](#)(51) and [7227.1](#) are being modified to clarify that in shared living arrangements, the portion of shelter expenses paid by one family to the other toward the total cost of shelter is not an allowable shelter expense for the family receiving the payment, since the payment is not counted as income. In addition, an example is being included in the manual to clarify how shelter costs are budgeted in shared living situations. Cross references to each section are also being included. This section is also being clarified to state that an expense covered by an in-kind benefit is not deductible.
4. **Anticipating Expenses** - Section [7227.4](#) is being revised to clarify that provisions for anticipating medical expenses are found in section [7227.5](#), Billed Medical Expenses. Under [7227.5](#), Item (4) is being revised to coincide with the implementation of the new MMIS interChange. The term "non-covered service" is being replaced with "non-provider payment potential service".
5. **Reporting Clarifications** - Several cross references to the reporting changes sections of [9121](#) and [9122](#) are being corrected. In addition, a clarification is being included in section [11124](#)(2)(b) regarding calculating overpayments when the household was subject to monthly reporting.

6. **Expunged Benefits** - A new section, [11126.6](#) is being added to explain that expunged food stamp and cash benefits are used to reduce the amount of any active claims that the client has. Expunged benefits cannot be used as a payment on a claim, however. These procedures were implemented previously and are now contained in the revised EBT System Guide in Appendix Item [79](#).

VI. LIEAP

A. CHANGES

Section [13362](#) is being updated to reflect revised Federal Poverty Level guidelines for LIEAP 2004 Regular season benefits.

B. CLARIFICATIONS

None

VII. MEDICAL ASSISTANCE

A. CHANGES

1. **MMIS-Related Changes** - The following policy changes are being made as a direct result of the implementation of the new MMIS or in association with the new MMIS. Additional implementation material have been provided regarding the medically needy/spenddown changes, most long term care and HCBS related changes as well as the new special medical indicators. Material addressing other changes related to the new MMIS will be released at a later date.

- a. **QMB and LMB** - New processing rules for designating QMB and LMB eligibility are included. Although there are no changes in the actual eligibility criteria, rules for using special medical indicators (PICK codes) and medical program subtypes are included in this revision.

KEESM [2671.4](#) is being retitled "Eligibility Determination" with this change and [2671.5](#) "Benefits" is being added to reflect this change. Sections [2672.1](#) and [2672.2](#) are also being updated with this change.

- b. **QWD** - Persons choosing QWD can no longer attempt to gain full Medicaid eligibility. Persons must now choose between QWD and other forms of Medicaid.

KEESM [2674](#) is being updated with this change.

- c. **Medically Needy Program/Spenddown** - Major modifications are being implemented to the spenddown process for persons eligible for the medically needy program. Staff will no longer have responsibility for input of all medically necessary expenses onto KAECSES. Some

of this responsibility will now be placed upon the fiscal agent. Beneficiaries approved for coverage will be issued a medical card to be presented to providers at the time of the allowable service. The provider should then bill the Medicaid program for the expense. If there is an unmet spenddown, the expense will be applied to the spenddown until the spenddown is satisfied. Eligibility staff will continue to be responsible for input of some claims onto the KAECSSES system as well as the new beneficiary billed claim process. Beneficiary Billed claims are those which the beneficiary has submitted to staff directly.

KEESM [7430](#), [7532](#) and subsections and [1322.2\(2\)](#) are being update with this change. A new form, the ES-3170, Beneficiary Billed Claims, is also being added.

- d. **Patient Liability Assignment** - Specific rules will be put in place when a recipient receives services from two or more long term care providers in a given month. The patient liability will be assigned in full to the first provider/arrangement of service in a month when a living arrangement change is involved. For example, a person moves from NF to HCBS on the 10th of the month. The liability would be reduced based on the change in living arrangement, but the reduced amount will be assigned in full to the NF provider.

When a person changes facilities as well as level of care, the liability will be assigned in full to the first facility. For example, a person moves from an NF to an NF MH, the liability will be assigned to the NF.

However, for persons changing facilities with the same level of care, the patient liability is attributable to the first provider billing in the month, regardless of the dates of actual residency.

KEESM [8173](#) and subsections and [8272](#) and subsections are being updated with this change.

- e. **Long Term Care Insurance** - All long term care insurance will need to be reflected on the TPL file regardless of whether any paid benefits are actually assigned to the facility. Including the income from such a policy in the eligibility budget will no long be an option. Editing will occur in the MMIS which will reduce the amount of payment to the LTC facility by the amount of payment from insurance.

KEESM [8182](#) is being updated with this change.

- f. **Medical Necessity** - The list of items and services allowable against medical and food stamps has been changed. The document now provides a more comprehensive list of medically necessary items and services as well as a definition of medical necessity. Several changes and clarifications are being included.

KEESM Appendix Item [84](#) is updated with this change.

- g. **HCBS Effective Date** - The effective date of HCBS is being changed for the FE, MR/DD and HI waivers. When a person chooses HCBS and services are available and will start no later than the month following the month of choice, HCBS budgeting will begin the month of choice. As long as the estimated cost of care exceeds any client obligation as included in the ongoing plan of care, the cost of care will be considered met in the month of choice. However, if services are not expected to begin until after the month following the month of choice, the HCBS start date is the date services actually begin.

There is no change in the effective date for the PD, SED and TA waivers and HCBS begins the month services actually begin. Because the assessment/screening are HCBS services for these waivers, HCBS budgeting begins the month of assessment. Again, this is dependent upon the person choosing HCBS and the availability of services. Clarification is also added that indicates the CMHC has responsibility for determining if community based services have been provided for youth age 18 and over.

KEESM [8270](#) is being updated with this change. In addition, new sections [8200.2](#) and [8200.3](#) are being added to further clarify both the start date and the plan of care.

- h. **HCBS Financial Eligibility** - HCBS eligibility is being eliminated for persons whose monthly cost of care is less than the determined HCBS client obligation. Prior to this change, HCBS budgeting is maintained for persons whose monthly HCBS does not exceed the HCBS client obligation. These persons are currently permitted to spenddown to full Medicaid eligibility.

Beginning 10-01-03, cases in which the HCBS client obligation exceeds the monthly cost of care will not be eligible for HCBS. HCBS budgeting will no longer be applicable in these instances. However, coverage under other medical groups (e.g. medically needy, QMB, MA CM, etc.) shall be considered prior to terminating medical assistance. For this purpose, the ongoing HCBS client obligation is reduced only by allowable health insurance premiums. In some instances, a large due an owing expenses may also be used to reduce the obligation below the cost of care to cost for several months. It is not appropriate to approve coverage when the due and owing bill will reduce the obligation below the cost of care for a period of less than 6 months.

For example, an ES-3160 is received for client Bill on 11-15. Bill was screened for the PD waiver on 11-03, has chosen HCBS and services are scheduled to begin 11-25. The total plan of care is \$1305.00.

However, the IL Counselor reduces this amount by the acute care cost of \$505 before reporting it to the eligibility worker therefore reducing the cost of care to \$800.00. Bill has monthly income of \$1636 and pays for private health insurance of \$200/month. In computing the client obligation, the income is reduced by the AABD allowance (\$20.00), the health insurance premium of \$200.00 and the protected income level (\$716), for a total obligation of \$700. Since this is less than the cost of care, Bill is eligible. If Bill did not have private health insurance to allow, the client obligation would be \$900.00 and he would not be eligible.

KEESM [8270.2](#) (2) is being updated to reflect this change.

- i. **Independent Living to HCBS** - For persons moving to HCBS from Medically Needy (independent living) the 6 month base is shortened to end the month prior to the HCBS start date. One month bases begin the month HCBS begins regardless of the status of the spenddown at the time.

KEESM [8231](#) is being updated with this change.

- j. **Medically Needy to Working Healthy** - For persons moving from medically needy (independent living) to Working Healthy, the 6 month base is shortened to end the month prior to the month WH eligibility begins, regardless of the status of the spenddown. Cases moving to WH with a met spenddown will now be moved to WH beginning the first month, rather than leaving the 6 month base intact until the end of the base period.

KEESM Section [2664.4](#) is being updated with this change.

- k. **Facility Payment Information** - Due to the planned elimination of the Kansas Medical Services Manual, material is being moved from the KMSM to the KEESM. Instructions for the MS-2126, payments for private rooms, actions due to decertification of a nursing facility and additional charges are now included in the KEESM.

KEESM [8184](#) and subsections are being created to add this material.

- l. **Retroactive Patient Liability** - Because retroactive changes to patient liabilities, HCBS obligations and PACE participant obligations will now be partially automated in the new MMIS, the ES-3125, EES Request for Retroactive Liability/Obligation Adjustment is being eliminated. When a patient liability change is the result of a living arrangement change (e.g., NF to HCBS), the resulting patient liability will process without further intervention by staff. Adjustments made as a result of other appropriate changes, will be processed with supervisory approval. This process will be automated. Information regarding situations when retroactive adjustments are not appropriate are also being incorporated.

KEESM sections [8172.3](#), [8270.3](#) and [8340](#) are being updated with this change.

- m. **Medical Changes** - Changes are no longer effective the month of change for cases with base periods exceeding 1 month. Changes are effective the month following the month the change becomes known to the household, given timely and adequate notice requirements. For spenddown cases, although the change is not made until a later month, any resulting change in the spenddown is effective immediately. Changes in spenddown status are made effective given timely and adequate notice.

For example, an increase in income is timely reported on 02-20 for a base period of January through June. The change is made effective April, given timely and adequate notice requirements, and results in the spenddown increasing from \$500 to \$600. If the spenddown is unmet, the new spenddown amount of \$600 is effective immediately. If the spenddown is met, coverage cannot be changed without timely and adequate notice and will continue to be considered met for dates of service through March 31. The new spenddown is effective April.

KEESM [9121.1](#) (5) is being added and [8172](#), [8270](#) and [8340](#) are being revised to support this change.

- n. **Buy-In** - Due to the planned elimination of the KMSM, information regarding Medicare buy-in is being moved to the KEESM. No major changes have been made to the content of the material, although it has been reorganized and updated. Information regarding transaction codes will now be available online through the MMIS and through the fiscal agent's business practice manuals.

KEESM [2911](#) is being updated, and several new subsections have been added, to include this additional material.

Information regarding the impact of changes to medical assistance are being added to a new item, [9121.1\(5\)](#).

2. **AIDS Drug Assistance Program (ADAP)** - Information on this program is included in this revision because the program has been transferred to SRS from KDHE. Although EES do not have responsibility for the eligibility determination, assistance can be provided under both the Medicaid and ADAP programs. Eligibility information will also be captured on the KAECSES system and transmitted to the MMIS for claims payment.

KEESM [2694](#) has been added with this material.

3. **Kansas Family Medical Assistance Manual** - Because of the implementation of the KFMAM in May, 2003, the remaining reference to Family Medical assistance are being removed with this revision. References to these programs are, however, being retained in the long

term care programs and in the general material regarding Kansas Medical Assistance Programs. KEESM Sections [1113.1](#), [1113.2](#), [1114](#), [1213.6](#), [1224.1](#), [1225](#), [1411](#), [1413\(3\)](#), [1415](#), [2140](#), [2142](#), [2160](#), [2163](#), [2164](#), [2165](#), [2168](#), [4311](#), [4312](#), [5130](#), [6410\(1\)](#), [6410\(56\)](#), [7330](#), [7430](#), [7530](#), [8131](#), [8321](#) and [9000\(3\)](#) are being updated with this change.

B. CLARIFICATIONS

BWE/IRWE Allowance - Clarification is included for independent living assistance plans which allows all qualifying persons participating in the plan to receive an IRWE or BWE deduction. In other words, if both members of a married couple meet disability criteria and have earned income, each member receives a separate deduction. For example, a couple has total earned income of \$1000.00, \$200 of which is earned by the wife (blind, with allowable BWE) and the remaining \$800 for husband (has a disability, with allowable IRWE). In this situation, two deductions are applicable, but the maximum deduction for the wife is \$200 and her husband would have a \$100.00 deduction.

KEESM [7240](#) is being updated with this change.

VIII. WORK PROGRAMS

A. CHANGES

1. **Food Stamp E & T** - Marshall and Nemaha counties are being removed as FS E & T counties. Pottawatomie county is being added. These changes are being made in KEESM [3100\(3\)](#).
2. **Community Service** - The definition of this component is being expanded to include other volunteer work in the community as an acceptable work program activity and countable for federal work participation reporting. This change is being made in KEESM [3310.3](#).
3. **Job Readiness Components** - KEESM section [3310.4\(1\)](#), Alcohol and Other Drug Assessment and Treatment and KEESM section [3310.4\(11\)](#), Orientation, Assessment, Referral, Safety are being modified to indicate that these components are only available to TAF clients. USDA has not approved these components for FS E & T clients.

In addition, the information regarding Solutions Case Management in [3310.4\(1\)](#) has been expanded to indicate that EES workers may directly refer TAF clients to Solutions for further screening and assessment if substance abuse issues are indicated. This modification is being made to encourage referrals.

4. **Head Start and Early Head Start** - KEESM [3310.4\(5\)](#), Employment Related Workshops currently indicates that participation in Head Start (HS) and Early Head Start (EHS) counts toward the TAF work participation

requirement. Policy Memo 03-05-02 (issued May 12, 2003) removed Head Start and Early Head Start participation from the Employment Related Workshops component and established two separate components - Head Start (HST) and Early Head Start (EHS). This change is now being incorporated into the KEESM. Section 3310.4(5) is being modified to reflect this change. Section 3310.4(12) is being added. The Turn-Around Communication/Referral Form Between EES and Head Start/Early Head Start is being added as Appendix Item 109. The Components to Meet Work Requirements/Participation (Appendix Item 58) is being updated to include these two new components.

In summary, the following KEESM sections related to Job Readiness components are being modified: [3310.4](#) (1), 3310.4 (11), 3310.4 (5), and Appendix Item #[58](#). The following are being added: 3310.4 (12) and Appendix Item #[109](#).

B. CLARIFICATIONS

1. **Disposition of Obsolete Case Record Material** - A note is being added to this section [1711](#)(5) that allows for destruction of work program case files that have overpayment claims caused by agency or client error when the KsCares work program case has been closed for 36 months or longer.
2. **Work Transition Allowance** - This section is being clarified to allow WTA to be utilized in situations where the TAF client is already employed and becomes cash ineligible due to an increase in earned income. The example is also being modified to emphasize the conversation between the EES case manager and the client. Appendix Item 95, TAF 60 Month Limit Questions, is being modified to include WTA payments.
3. **Education/Job Skills Training/Vocational Education Component Costs** - A reference in section [3412](#) to the nine month time limit on GED participation is being removed. The nine month time limit was removed in a previous revision.

FORMS SECTION (Not previously discussed in this Summary)

A. CASH ASSISTANCE

1. [IS-3122](#), Disability Consultations/Representation Referral to Kansas Legal Services is being added as a new form.

B. CHILD CARE

1. Child Care Forms Explanations is being revised to reflect forms which are now obsolete. A description of the [ES-1656](#), The Parent-Provider Partnership, is being added.

2. The [ES-1627a](#), Request for Special Purpose/Special Needs Provider Child Care, is being revised. Descriptions of the two enhanced rates and instructions are being added to the form.

C. FOOD ASSISTANCE

1. [ES-3142](#), EBT Benefit Repayment Agreement - is being included in the manual. This form was implemented earlier this year with the new EBT system.

D. MEDICAL ASSISTANCE

1. ES-3125 - EES Request for Retroactive Liability/Obligation Adjustment - This form is being eliminated because it is no longer needed with the modifications to the MMIS
2. [ES-3170](#) - Beneficiary Billed Claim Form - This form is being added with this revision. It is used when persons need to submit bills for application towards the spenddown when the provider cannot submit a claim.

MISCELLANEOUS FORMS SECTION (Not Previously discussed in this Summary)

1. [DA-130 rev. 1-97](#) - Authorization for Electronic Deposit of Vendor Payment is being replaced with the current form revised 5-99. The cover letter for this form is also being revised to specifically target child care providers.

APPENDIX (Not previously discussed in this Summary)

1. Appendix Item [15](#)- CCR&R Core Services, is being replaced and renamed. This item will now be named KACCRRRA Network.
2. Appendix Item [23](#) - The Parent-Provider Partnership - is being updated.
3. Appendix Item [25](#) - Maximum Hourly Child Care Providers Rates Chart - is being revised to reflect the change in availability if special purpose rates to any care setting.
4. With the annual adjustments to the Food Stamp Program's standard deduction, excess shelter deduction, gross and net income limits, the maximum allotments, and the Standard Utility Allowance, Appendix Item [49](#) - Food Stamp Program Standards Chart and Appendix Item [50](#) - Food Stamp Program Benefit Tables Chart are being revised effective October 1, 2003. These adjustments were implemented to ongoing FS cases via a mass change with rollover in August 2003 effective for October 1, 2003. All affected households were notified via a mass change notice.

5. Appendix Item [65](#) -Financial Eligibility Determination Worksheet For Nursing Facility Cases - This form is being updated to include references to BWE/IRWE allowances.
6. Appendix Item [79](#) - The EBT System Guide is being revised to incorporate changes in the EBT system with the new contract for EBT services that was effective March of 2003. As a result of the revised system guide, several sections in 1000 have been modified to prevent information from being in two places. Material in these sections is being removed or revised and a reference to the EBT System Guide included. These sections are [1513.4](#), Moving Out of State, and [1524.1](#), Alternate Payees.
7. Appendix Item [111](#) - Education/Training Assistance Desk Aid is being added. This desk aid was originally sent out with the May 2003 Implementation Memo.
8. Appendix Item [112](#) - 130% Income Reporting Chart for Simplified Reporters - The 130% threshold chart effective 10-01-03 is being added to the Appendix.

EFFECTIVE DATE

All policies in this revision are effective October 1, 2003. All new applications and reviews processed on or after October 1, 2003 shall be completed using these revised policies. All open cases should be updated using the new policies when the case is being worked on to process other changes.

MATERIALS OBSOLETE BY THIS REVISION

- A. Policy Memo 03-05-02, Addition of Head Start (HST) and Early Head Start (EHS) Work Components, issued May 12, 2003.
- B. Policy Memo 99-10-13, Special Purpose Child Care, originally issued October 1, 1999.
- C. The following child care forms are obsolete with this revision as they are contained within the provider enrollment packets. References to these forms have been removed from Section 10000 and subsections:
 1. CC-1628, In-Home Provider Release of Information for Child Abuse/Neglect Registry Check
 2. CC-1629, Out of Home Relative Provider Release of Information Child Abuse/Neglect Registry Check
 3. CC-1631, Out of Home Relative and In Home Child Care Health and Safety Standards Checklist
 4. ES-1642, Agreement for Purchase of SRS Child Care
 5. ES-1642.1, Agreement for Purchase of SRS Child Care

EFFECT ON LOCAL STAFF

The child care changes around direct deposit of child care payments to providers may create more work for field staff while implementing the change. However, this will allow staff to prepare themselves and providers for when payments will be issued via EBT. Making the change now, will allow a smoother transition later. The child care changes around special purpose rate availability may cause more work for staff when setting up child care plans initially. However, in the long run, having the option to authorize these payments/plans will allow parents to secure child care for their disabled child, which will allow them to work. The revisions to the child care provider enrollment packets will allow staff and providers to more quickly complete the necessary paperwork for SRS enrollment.

The changes in Medical Assistance and the MMIS system will have a significant impact on staff. The largest impact will be seen with the new spenddown process. Because the new process completely changes the method of processing cases approved for the Medically Needy Medicaid program, extensive training of staff, providers and consumers primarily during the transition/conversion phase will occur. Other notable changes, including long term care processing, will also require additional education. Other policy changes incorporated into this revision are not significant by themselves, but when associated with the new process and systems changes which accompany the changes, the impact is increased.

Additional verification requirements in this manual material for the Food Stamp Program will affect staff and will result in more effort to gather verification. This effort is necessary to insure correct food stamp benefits are issued to consumers. This will benefit the state by increasing the food stamp payment accuracy rate and benefit consumers by providing the correct amount of benefits which translates to better customer service.

COORDINATION EFFORTS

Within SRS, the material in this letter and manual revision have been coordinated with staff in the Economic and Employment Support Section, Health Care Policy - Medical Policy, HCP - Community Supports and Services, the EES Chiefs, the Policy Development Team, the Implementation Planning Team, the Spenddown/MMIS Implementation Planning Team, EES Program Training Unit, and other EES field staff. In addition, special thanks to the following field staff who have been involved in EBT Child Care discussions: Judi Hartman, Angel Gray, Doug Stout, Carol Mosier, Sandra Kimmons, Penny Schau, Ivan Katzenmeier, Rodd Glavin, Kathy Gummert, Marian Bogner-Cantu, Joyce Resnick, Regina Falcetto, Debra Mattingly, Mary Ann Culbertson and Gay Rozell.

Changes were also coordinated with the Kansas Department on Aging and the Kansas Department of Health and Environment.

Sincerely,

Bobbi Mariani, Director
Economic and Employment Support

BM:MSW:jmm

Attachment - [Comments](#)

Table of Contents

<p><u>1000</u> ADMINISTRATIVE INFORMATION</p>	<p><u>2000</u> GENERAL ELIGIBILITY REQUIREMENTS</p>	<p><u>3000</u> EMPLOYMENT FOCUSED ACTIVITIES</p>	<p><u>4000</u> ASSISTANCE PLANNING WITH INDIVIDUAL APPLICANTS/ RECIPIENTS</p>	<p><u>5000</u> RESOURCES (NOT APPLICABLE TO MEDICAID POVERTY LEVEL, HEALTHWAVE, AND CHILD CARE PROGRAMS)</p>	<p><u>6000</u> INCOME</p>	<p><u>7000</u> BUDGETING OF INCOME AND DETERMINATION OF FINANCIAL ELIGIBILITY</p>
<p><u>8000</u> INSTITUTIONAL AND HOME AND COMMUNITY BASED SERVICES LIVING ARRANGEMENTS</p>	<p><u>9000</u> REPORTING CHANGES, TRANSFER OF ASSISTANCE AND REVIEWS</p>	<p><u>10000</u> CHILD CARE PROVIDERS</p>	<p><u>11000</u> INCORRECT BENEFITS AND FRAUD DETERMINATIONS</p>	<p><u>12000</u> ADULT PROTECTIVE SERVICES</p>	<p><u>13000</u> LIEAP</p>	<p>*</p>