

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

Final - July 1, 2004

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. 19 effective July 1, 2004

PURPOSE, BACKGROUND, and REASON FOR CHANGE

The purpose of this document is to transmit Revision No. 19 of the Kansas Economic and Employment Support Manual effective July 1, 2004.

This revision implements a major change in the treatment of able bodied adults without dependents (ABAWDs). Effective with this revision, **residents** of specific counties will be exempt from the ABAWD provisions because the county has been designated a Labor Surplus Area (LSA) by the Department of Labor, or the county has had for a 24 month period, an unemployment rate 20 percent above the national average. A labor surplus area is defined as an area where there are not a sufficient number of jobs to provide employment for all individuals. This is the first year the State of Kansas has requested approval from the United States Department of Agriculture to exempt certain counties due to their status as a labor surplus area or a county with an unemployment rate greater than 20 percent of the national average. (In FY 2002, 44 states had ABAWD waivers, while only 6 states in the nation did not.) These waivers are allowed under the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996.

Effective July 1, 2004 through April 30, 2005 **residents** of the counties listed in item **IV.A.** below **will not** be subject to the ABAWD provisions of 2520. Persons who would otherwise be considered an ABAWD, if not for the waiver, can participate in the food stamp program with no time limit.

The State is implementing this change due to the economy and the challenges that low-skilled workers may face in finding and keeping permanent employment, especially in the cited counties where there are more job seekers than vacant jobs and unemployment is high. Food stamps are a crucial part of the safety net for low income persons. In addition, since food stamp benefits are federally funded, they bring outside funds into the state economy at a time when they are most needed.

A new Medicare Prescription program is being implemented due to the creation of this program by an act of Congress. In addition, changes in burial trusts are being made as a result of legislation passed by the Kansas Legislature earlier this year.

Effective July 1, 2004, hardship criteria will be implemented in the General Assistance program to provide for continuation of cash and medical benefits beyond the 24 month time limit for certain individuals.

I. ALL PROGRAMS

A. CHANGES

Systematic Alien Verification for Entitlements (SAVE) - Changes to the SAVE system were implemented in April, 2004. Section [2146.4](#) is being updated to reflect the changes in the SAVE system (going from a telephone/hard copy system to a web browser system) which were previously transmitted to the field on April 26, 2004. That memo and the web instructions can be found on the EESNet under "[Miscellaneous Memos](#)". In addition, [Appendix Item #9, Systematic Alien Verification for Entitlements \(SAVE\) User Manual](#) is also being updated.

B. CLARIFICATIONS

1. **Right to Examine Case File** - Incorrect wording (from section 1211.3) was accidentally inserted into this section in 2003. The correct wording is being reinstated with this revision in section [1211.13](#).
2. **Who May File** - A cross reference in section [1411.3\(4\)](#) is being corrected from section 2315 to section 2314. This error has been in the manual for some time and was just recently discovered.
3. **Self-Employment** - Section [6313](#) is being modified to correct a numbering problem in the first paragraph.
4. **Contract Labor** - Clarification is being added to [6320](#) regarding Out of Home Relative child care providers (situations where the child is being cared for in the relative's home, and SRS is paying the provider for services). Out of Home Relative child care providers are considered contract labor. However, In-Home child care providers are not considered contract labor. Clarification is being added to explain that with In-Home child care arrangements, the SRS parent is considered the employer of the child care provider coming into the child's own home to give care. See [10022](#) (1) for further information on In-Home child care.

II. CASH ASSISTANCE

A. CHANGES

Hardship Criteria for General Assistance - Sections [2318](#) and [2319](#) are being added to provide for hardship criteria in the GA program which allows for participation beyond the 24 month lifetime limit in certain circumstances. The criteria includes continuation of assistance for persons with pending social security applications, for person 60 and over, for persons overcoming the effects of domestic abuse, for persons who have participated in GARN and those found to have functional limitations. It also includes provisions for terminating assistance beyond 24 months in the event a person no longer meets one of the hardship criteria. Further instructions will be issued in the Implementation Memo regarding application of the hardship criteria to both new and existing cases.

B. CLARIFICATIONS

None

III. CHILD CARE ASSISTANCE

A. CHANGES

Kansas Early Head Start (KEHS) - This revision allows for implementation, as needed, of KEHS grantees to utilize Child Care Subsidy in certain situations. General language is being added to sections [1728](#) and [10021.1\(8\)](#). Since KEHS programs are only available in certain communities and not statewide, any policy changes will be implemented through a Policy Memo and the specific location of the KEHS grantee will be made clear.

B. CLARIFICATIONS

1. Clarification is being added to [2835 IE ET \(Income Eligible Education and Training\) Child Care](#) to provide a cross-reference to 4420. This provides clarification that when a minor teen parent needs child care to finish high school or obtain their GED, the minor's caretaker is designated the PI for the case and only the PI, minor teen parent and the teen's children are included. Only the non-exempt income of the minor mother and child is considered. Clarification has also been added reminding staff that IE ET child care is used for non-TAF teen parents.
2. A link in Section [10000](#) regarding Child Care Provider licensing requirements is being updated.

IV. FOOD ASSISTANCE

A. CHANGES

Able Bodied Adults Without Dependents - As stated in the Background of this letter, effective July 1, 2004 residents in the following counties are not subject to the ABAWD provisions of [2520](#). Residents of these counties who would normally be allowed to participate for only three months out of a 36 month period, can

participate without time limits. Basically, section 2520 does not apply in the following counties in Kansas.

Allen	Jefferson
Anderson	Kearney
Atchison	Labette
Bourbon	Leavenworth
Brown	Linn
Cherokee	Montgomery
Coffey	Neosho
Doniphan	Shawnee
Finney	Sumner
Geary	Woodson
Jackson	Wyandotte

Section [2520](#) is being modified to indicate that the policies contained therein do not apply in the counties listed above. Implementation issues and other operational and procedural issues with this policy change will be addressed in the Implementation Memo.

B. CLARIFICATIONS

Two cross-references are being corrected in Section [3230](#).

I. MEDICAL ASSISTANCE

A. CHANGES

- Increase in Allowable Irrevocable Burial Plan Limit** - As per House Bill 2718, which amended K.S.A. 16-303, the allowable limit for the service portion of an irrevocable burial plans is increasing from \$3500 to \$5000. The new limit is applicable to any irrevocable agreements established on or after 07-01-04. For existing agreements, additional monies may be added to the agreement as to bring the total base amount deposited into the account up to \$5000.00. Any accumulated interest would not be considered toward the maximum limit. All plans must continue to clearly delineate the items and services purchased as part of the total plan.

For example, in 1999 an individual established an irrevocable funeral plan for \$3500. The plan has since accumulated interest of \$250 and is now valued at \$3750. The family of the individual wants to add additional money to bring it up to the full limit. Because interest is not considered, an additional \$1500 may be deposited.

A further change involved burial spaces held in an irrevocable plan. Plans for burial spaces no longer have to be broken into a separate plan to be

considered exempt. Allowable burial spaces (e.g., casket, vault, headstone, urn, grave marker) may be included in the same plan as the basic irrevocable portion for services. The value of such spaces would not be included in determination toward the \$5000 limit. These items and their value must be clearly identifiable.

KEESM [5430](#), items (1) and (8) are being updated with this information.

- 2. HealthWave XXI Children Entering a State Hospital** - Children currently receiving coverage under HealthWave XXI (21) will no longer be immediately closed upon entrance into state mental health hospital. The HealthWave 21 mental health contractor is responsible to provide continuing care through the month of entrance into hospital through the end of the following month. However, HealthWave 21 coverage cannot be provided beyond this date and Medicaid coverage must be determined.

It is not necessary to update the KAECSES LOTC screen for days during this time period, as the contractor is responsible for payment. However, for children remaining in the state mental health hospital past the month of entrance and the following month, LOTC must be completed before Medicaid payments can be made. This is true regardless of the length of stay in the facility.

KEESM [8112.4](#) item (1) and [8113](#) are being updated with this information.

- 3. Medicare Approved Drug Discount Card** - As authorized under the Medicare Modernization Act of 2003, a new benefit for Medicare beneficiaries is available beginning June 1, 2004. The Medicare-Approved Drug Discount Card is available to persons receiving either Parts A or B of Medicare. Under the Act, beneficiaries have a choice from several approved drug cards, which offer a price reduction on specified drugs. An annual enrollment fee is required. Persons receiving prescription drug coverage through Medicaid are not eligible for the card. Complete information about the card is available through Medicare and the Centers for Medicare and Medicaid Services. Implementation instructions outlining the impact of the new program with Medicaid will be issued separately.

KEESM [2911](#) is being updated with this information.

- 4. Discretionary Trusts** - Based on action taken by the 2004 Kansas Legislature through Senate Bill 272, K.S.A. 39-709(e)(3) has been added to deem certain discretionary trusts available to the Medicaid beneficiary. Prior to the new law, Kansas case law established that an irrevocable trust established for an individual with assets of someone other than the individual, was not considered an available asset if the trustee could exercise discretion in the distribution of the trusts assets. The new law requires assets in such a trust to be considered available to the Medicaid applicant/recipient. The entire value of the trust is a countable resource to the beneficiary.

Staff must continue to submit all trusts to EES Central Office for review. The availability of the trust will be determined from this review. Trusts which are countable shall continue to be listed on KAECES with a code of 'TF', exempt trusts shall be listed with a code of 'TE' on the LIRE screen.

Additional instructions will be issued in a separate Implementation Memo including a review of certain existing exempted trusts to determine if the trusts are now countable under the new law.

Sections [5600](#) and [5620](#)(4) are being amended due to this change.

B. CLARIFICATIONS

Medicaid Fraud Disqualification Period - Clarification is being made in regards to disqualification periods for findings of Medicaid fraud. Only convictions made under the specific federal statute noted carry a disqualification period. Convictions under any other state or federal statute do not result in a period of ineligibility. However, repayment agreements may be entered. Because this is a federal statute, this finding will generally be made in federal court.

KEESM [11221](#) item (4) is being updated with this information.

FORMS (Not previously discussed in this Summary)

None

MISCELLANEOUS FORMS (Not previously discussed in this Summary)

None

APPENDIX (Not previously discussed in this Summary)

[Appendix](#) Item #79, Electronic Benefit Transfer System Guide - Two PCA codes were inadvertently left out of the May revision on page 11 of this Item in the May, 2004 revision. Those PCA codes (for WP-JO and WP-MO) are being placed into this Item with this revision.

EFFECTIVE DATE

All policies in this revision are effective July 1, 2004. All new applications and reviews processed on or after July 1, 2004 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. As stated above, special instructions will be issued in an Implementation Memo for the implementation of the ABAWD and General Assistance changes on existing cases.

MATERIALS OBSOLETE BY THIS REVISION

Policy Memo 02-12-04 is being obsoleted with this revision. The pilot project covered by this Policy Memo has been completed and will not be implemented state-wide, so there is no longer a need for these exceptions to regular policy.

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 food assistance policy changes contained in this revision will require all staff in the state to be cognizant of the counties in the state that are waived from the ABAWD provisions. This will be important for inter-county transfers and universal access. In the counties waived, implementation of the food assistance program will be simplified as staff will not have to determine if individuals are subject to the ABAWD provisions, set alerts and subsequently close cases when the time limit has been reached.

The General Assistance hardship criteria will require staff to review several hundred ongoing cases which are beyond the 24 month time limit over several months. The criteria will increase case work associated with the application of the 24 month time limit.

COORDINATION EFFORTS

Within SRS, the material in this letter and manual revision have been coordinated with staff in the Economic and Employment Support, the EES Chiefs and other Area Management Staff, the Implementation Planning Team, EES Program Training Unit, and other EES field staff.

Sincerely,

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Economic and Employment Support

BM:MSW:jmm

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