

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

**April 4, 2006**

To: Regional Directors  
Assistant Regional Directors  
Economic and Employment Support Program Administrators  
Economic and Employment Support Staff  
Other Staff

Re: Summary of Changes for Kansas Economic and Employment Support Manual  
(KEESM) Revision No. 27, Effective May 1, 2006

### **PURPOSE, BACKGROUND, and REASON FOR CHANGE**

The purpose of this document is to transmit Revision No. 27 of the Kansas Economic and Employment Support Manual effective May 1, 2006.

**Child Care** - New poverty level guidelines have been published by the Department of Health and Human Services. These guidelines affect the eligibility standards in the Child Care Program - KEESM Appendix [Item F-1](#).

With the implementation in 2005 of child care benefits through the Vision Card directly to consumers, the need for benefit reduction to reconcile overpayments was clear. The KsCares system is being modified to allow recovery of child care overpayments for clients by reducing the child care benefit on open child care cases.

Other policies, identified below, are being clarified with this revision.

**Food Assistance** - The state adopted the ABAWD Labor Surplus Area provisions in 2004. This revision updates the counties that are exempt from the ABAWD provisions based on FY 2006 information from the US Department of Labor. The US Department of Labor designates counties to be either a Labor Surplus Area (LSA), or one where 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.)

For the first time this year, areas can be waived for a two year period under certain conditions as established by USDA. The following county and one city meet these conditions and are therefore exempt from the ABAWD provisions from May 1, 2006 through April 30, 2008: Sumner and the city of Wichita. The remainder of the counties and one city

are exempt from the ABAWD criteria for one year, from May 1, 2006 through April 30, 2007. These are: Anderson, Atchison, Cherokee, Coffey, Doniphan, Douglas, Geary, Greenwood, Jefferson, Labette, Leavenworth, Linn, Montgomery, Osage, Shawnee, Wabaunsee, Wilson, Woodson, Wyandotte and the city of Hutchinson (does not include the city of South Hutchinson). Residents of the specified counties and two cities, who would otherwise be considered an ABAWD if not for the waiver, can participate in the food stamp program with no time limits. Only two counties are not eligible for 2006 - 2007 that were eligible last year. Those counties are Cowley and Sedgwick (not including the city of Wichita).

This revision also includes several other technical corrections and clarifications applicable to multiple programs and to the Food Stamp Program.

**Medical Assistance** - An additional change in procedures for Medical Assistance is being made as a result of the 2005 creation of the Division of Health Policy and Finance (DHPF). Changes are required as a result of updates in the federal poverty levels.

## I. MULTIPLE PROGRAMS

### A. CHANGES

None

### B. CLARIFICATIONS

1. **Mandatory Verification That Affects the Amount of Program Benefits** - Section [1322.2](#) (4). A clarification is being made that when the out-of-pocket expenses for child care exceed the family share on a Child Care subsidy case, the excess must be verified before it can be included as an expense for the FS or TAF programs.
2. **How to Apply - Applicable to All Programs** - Section [1411.1](#) is being reformatted for better clarity. What had been sub-item (5) referred to requests for additional programs in sub-item (1) and has been incorporated into sub-item (1).
3. **Continuation of Benefits** - Section [1612](#) is being modified to clarify that, when a fair hearing has been requested, benefits shall not be continued at the prior level if the review period has expired and the fair hearing is about the benefit level determined for the new review period.
4. **Resource Guidelines** - A technical correction is being made to Section [5200](#) (5) regarding the unavailability of resources for persons in shelters for battered women and children. This paragraph has been labeled "Item c", and it has been designated as applicable to all programs.
5. **Ten Year Disqualification for Duplicate Participation** - There has been some confusion regarding the application of the policies in KEESM [11221](#) (3), which describes duplicate participation and ineligibility for 10 years. Examples are being incorporated into this section to assist staff in

determining if a duplicate participation event is appropriate for referral for an administrative disqualification hearing or to Federal or State court, for a finding of ineligibility for 10 years.

6. **EES POLICY NO. [00-12-03](#)** - Certain references and hyperlinks in this Policy Memo are being updated with this revision.

## II. CASH ASSISTANCE

### A. CHANGES

None

### B. CLARIFICATIONS

1. **Types of Countable Income - Child Support** - Section [6220](#) (4)(b) is being corrected in the second and third sentences. When this section was last revised in July 2003, the phrase "If there is no budgetary deficit..." was accidentally removed and the resulting second sentence made no sense. Now, it correctly states that "If there is no budgetary deficit, there is ineligibility for a cash payment."

## III. CHILD CARE ASSISTANCE

### A. CHANGES

1. **Establishing Claims and Repayment Agreements** - Section [11125](#) is being changed to reflect that recovery of child care overpayments may be established by using a monthly benefit reduction. This new process will require staff to do preliminary preparations on cases that have an open child care plan. Changes to the KsCares system to all for benefit reduction should be in place by May 1, 2006. Specific instructions regarding case preparation will be sent under separate cover to the field. In addition, more detailed instructions for establishment of benefit reduction on cases will be provided in the implementation memo.
2. **Collecting Claims** - Section [11126](#) (3) is being modified to note that benefit reduction for recovery of child care overpayments can now be done in the KsCares system.
3. **Methods of Collecting Payments** - Section [11126.1](#) (4) is being modified to include use of benefit reduction in the child care program for recovery of client overpayments. Child care overpayments, when client or agency error, will be recouped at the greater of 10% or \$10.00. Fraud findings will be recouped at the greater of 20% or \$10.00. All three of these collection methods mirror what is currently being used for cash benefit recoupments.

If the client is receiving JO child care, a supervisor's approval will be

necessary before recoupment may be started.

4. **Expunged Benefits** - Sections [11126.6](#) and [11130](#) are being revised to include expunged child care benefits in reducing the amount of a child care overpayment claim.
5. **Terminating Claims** - Section [11127](#) is being revised to apply the guidelines regarding termination of claims to child care overpayments.

## B. CLARIFICATIONS

1. **JO (TAF) Child Care** - Section [2831](#) (1) is being reworded for clarity regarding child care in the DES component. Special procedures regarding the payment of child care by Rehabilitation Services are clarified.
2. **IE EM (Employed Income Eligible) Child Care** - Items (5) and (6) of Section [2834](#) are being updated with hyperlinks to both the [ES-1606](#), "Request for Supervisory Approval Child Care Hours Exceeding 215 per Month" and the [ES-1640](#), "Statement of Understanding Income Eligible/Training-Employed Child Care Assistance."

## IV. CHILD CARE PROVIDER ISSUES

### A. CHANGES

**In-Home Providers** - Section [10022](#) (1) is being changed to allow approval of an in-home request before the client's FEIN has been verified with a hard copy. Verbal or written confirmation of the number is now acceptable. A hard copy form verifying the number must be provided at the next review in order for the parent to continue to access subsidy for an In-Home provider.

### B. CLARIFICATIONS

1. **Out-of-Home Relative Providers** - Section [10022](#) (2) is being clarified to show that the limit of six children does include the provider's own children.
2. **SRS Rates** - Section [10240](#) is being reworded to clarify that the provider rates SRS uses to determine client benefits may not exceed the maximum SRS rate, even if the provider charges more. Also, SRS providers may not charge SRS clients more than their charge to the private sector.

## V. FOOD ASSISTANCE

### A. CHANGES

1. **Able-bodied Adults Without Dependents (ABAWD)** - Sections [2520](#) and [2521](#). Effective May 1, 2006 residents of Sumner county and the city of Wichita will be exempt from the ABAWD provisions for two years, or until April 30, 2008. The remainder of the counties and one city are exempt for

one year from May 1, 2006 through April 30, 2007.

Exempt for one year are: Anderson, Atchison, Cherokee, Coffey, Doniphan, Douglas, Geary, Greenwood, Jefferson, Labette, Leavenworth, Linn, Montgomery, Osage, Shawnee, Wabaunsee, Wilson, Woodson, Wyandotte and the city of Hutchinson (does not include the city of South Hutchinson).

Areas not exempt for this upcoming year are Cowley and the remainder of Sedgwick county.

Instructions for implementing these changes will be provided in the Implementation Memo.

2. **Standard Utility Allowance** - The February 1, 2006 increase in the Standard Utility Allowance to \$282 that was issued in an EES Messenger dated 01-19-06 is being incorporated into the manual. This change is reflected in [7226.3](#) (1) and [Appendix](#) Item F-2, Food Stamp Program Standards.

## B. CLARIFICATIONS

1. **Expedited Service** - Section [1415](#), Expedited Service for the Food Stamp Program, is being renumbered for ease of use. Instead of just one subsection 1415.1, there are now three subsections, [1415.1](#), [1415.2](#) and [1415.3](#). In addition, a cross reference to [1413](#) (2) is included in the item that discusses expedited processing standards.
2. **Categorically Eligible Households** - A typographical error is being corrected in the 3rd bullet of Section [2510](#).
3. **Vendor Payments** - Sections [6220](#) (9) regarding countable vendor payments and [6410](#) (61) regarding exempt vendor payments are being updated with cross references.
4. **Deductions for Food Stamps** - A cross reference is included in [7223](#), Excess Medical Deduction. In [7227](#), a technical correction is being included to include the child support deduction in the list of deductions discussed in that section.

## VI. MEDICAL ASSISTANCE

### A. CHANGES

1. **Fair Hearing Process** - Sections [1617](#) and [1618](#). The Division of Health Policy and Finance (DHPF) has implemented a change in the fair hearing process for medical assistance appeals. As required under state law, if either party is not satisfied with the initial order issued by an Office of Administrative Hearings (OAH) fair hearing officer, a review of the decision

may be requested. SRS uses the State Appeals Committee for this review. DHPF will not utilize the State Appeals Committee for medical assistance reviews. Instead, the Director of the Division, or his designee, will provide the review. For appeals involving both medical assistance and other programs, a team consisting of one representative from SRS and one representative from DHPF shall review the decision. Additional information on the new process will be released in a separate implementation memo.

Please note this does not change the process for requesting an initial fair hearing. These requests continue to originate with the Office of Administrative Hearings.

2. **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:
  - a. Income standards for the Medicaid poverty level and HealthWave XXI program, premium standards for the HealthWave XXI program;
  - b. Income standards for the QMB, LMB, Expanded LMB, QWD and Medicare D Subsidy programs;
  - c. Income standard for the TransMed program;
  - d. Income standards and premium standards for Working Healthy (premium levels will remain constant); and
  - e. For spousal impoverishment, the minimum community spouse income allowance increased from \$1604 to \$1650, the excess shelter deduction changes from \$220 to \$213 (due to a change in the Food Stamp SUA) and the dependent family member allowance increases from \$535 to \$550.00.

The following KEESM Sections, forms and appendix items are modified with this change:

Sections [8144.2](#) and [8244.2](#);  
[ES-3104.5](#), Determination of Need;  
[ES-3163](#), Income Allowance Determination Form;  
[ES-3165](#), Working Healthy and Premium Information; and  
Appendix Item [F-8](#), Medicaid and HealthWave Standards

Separate implementation instructions will be issued to staff for these changes.

## B. CLARIFICATIONS

**Adult Disabled Child** - Section [2683](#) is being clarified regarding eligibility requirements for this category of medical assistance. Eligibility under this category is dependent upon receipt of Adult Disabled Child benefits from Social

Security. These benefits are only paid to persons whose disability onset date is prior to age 22. In order to receive benefits under this category, the person must receive benefits based on a disability onset date prior to age 22. However, there is no requirement that the SSI payments had to be paid prior to the age of 22. Potential eligibility exists for persons who began receiving SSI payments at age 22 or later, but whose disability onset date is prior to age 22.

## VII. SUCCESSFUL FAMILIES

### A. CHANGES

None

### B. CLARIFICATIONS

1. **Work/Self-Sufficiency Requirements** - Section [3100](#) (6) is being amended to correct a typographical error and resulting confusion. The example is of a pregnancy requiring 24 hour “bed” rest, not “best” rest.
2. **Support Services/Component Costs/Contracted Employment Services for Work Programs** - Section [3400](#) reflects that prior authorization from the Department of Administration is required for purchases exceeding \$5,000. This is an increase over the previous threshold of \$2,000.

## FORMS (Not previously discussed in this Summary)

1. [ES-3102](#), **Important Information About Cooperation**, is being modified to remove the reference to food benefits in the CSE Cooperation information.
2. [ES-3820](#), **Notice of Eligibility Review** is being modified to correct a KEESM reference and to make other technical corrections. Previous versions of the form can be used until the supply is exhausted.

## MISCELLANEOUS FORMS (Not previously discussed in this Summary)

None

## APPENDIX (Not previously discussed in this Summary)

1. **Item P-1, Medical Necessity** is being revised in item D (23), home health aide or attendant. Specifically the limits noted in this section that are applicable to Medicaid are not applicable to the Food Stamp Program.
2. Appendix **Item T-1, Components to Meet TAF Work Requirements/ Participation**, is being updated to reflect the 6-month limit on the Employment Assessment Process (EAP) component.

## EFFECTIVE DATE

All policies in this revision are effective May 1, 2006. Additional information will be in the Implementation Memo.

### **MATERIALS OBSOLETE BY THIS REVISION**

None

### **EFFECT ON LOCAL STAFF**

Other clarifications in this letter will have minimal impact on staff time.

### **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 Program Administrators, the Implementation Planning Team, and Child Support Enforcement (CSE).

Sincerely,

Bobbi Mariani, Director  
Economic and Employment Support

BM:LAK:jmm

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