

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

Final April 2 , 2007

TO: Area Directors
Economic and Employment Support Chiefs
Economic and Employment Support Staff
KHPA Staff, including the HealthWave Clearinghouse
Social Service Chiefs
Other Staff

Re: Summary of Changes for Kansas Economic and Employment Support Manual (KEESM)
Revision No. 31 effective May 1, 2007.

PURPOSE, BACKGROUND, and REASON FOR CHANGE

The purpose of this document is to transmit Revision No. 31 of the Kansas Economic and Employment Support Manual effective May 1, 2007.

Child Care, Grandparents as Caregivers, and Medical Assistance - 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, Grandparents as Caregivers, and medical programs. Separate implementation instructions will be issued to staff for these changes.

Food Assistance - The state adopted the ABAWD Labor Surplus Area provisions in 2004 which exempts counties and/or cities from the ABAWD restrictions of the Food Stamp Program. This revision updates the counties that are exempt from the ABAWD provisions based on FY 2007 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.)

Since Sumner county and the city of Wichita were approved last year for two years, both sites will remain exempt from the ABAWD provisions through April 2008.

The following currently exempt counties will remain exempt for the next year : Anderson, Atchison, Cherokee, Coffey, Doniphan, Douglas, Geary, Greenwood, Jefferson, Labette, Leavenworth, Linn, Montgomery, Osage, Shawnee, Wabaunsee, Woodson, Wyandotte and the city of Hutchinson (does not include the city of South Hutchinson). New counties for the next year are: Brown, Chautauqua, Clay, Crawford, Elk, Franklin, and Jackson. Residents of the above 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 one county that was eligible last year is not eligible for 2007 - 2008, Wilson.

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

Medical Assistance -The Deficit Reduction Act of 2005 (DRA) mandates several changes to long term care programs. The effective date of these long term care changes is April 1, 2007. These changes include significant revision of the transfer of property provisions and treatment of annuities. Also included are changes to the treatment of life estates, promissory notes, loans, mortgages and contract sales.

New resource standards for Medicare Part D Subsidy are included, as required by the Medicare Modernization Act of 2003 and established by the Social Security Administration.

The Tax Relief and Health Care Act of 2006 modified the DRA to provide an exemption for persons receiving Social Security Disability benefits from citizenship and identity verification requirements.

Successful Families - As Kansas has implemented TANF Reauthorization provisions, field EES and Community Capacity Staff have identified the need for additional guidance and clarification related to work site development and utilization. This guidance is being incorporated at this time.

I. ALL PROGRAMS

A. CHANGES

1. **Safe at Home** - This change relates to all programs. Section [1723](#) is currently reserved but is being changed to include the description of the Safe at Home program. The program is administered through the office of the Secretary of State and is to protect victims of domestic violence, sexual assault, stalking and/or human trafficking.

Language is being added to section [1321.3](#) to instruct staff on how to manage the address of participants in the Safe at Home program who apply for SRS services.

2. **Annuities** - The annuity definition is being added to [5600](#). Section [5622](#) is being renumbered [5630](#) with subsections, [5631](#), [5632](#), and [5633](#). Clarification has been added that annuities will be treated the same for all programs.
3. **Senior Community Services Employment Program (SCSEP)** - Section [6410](#) (40) is being updated to reflect the current programs available in Kansas. This program was also addressed in item [51](#) and that duplicate reference is being removed.

II. MULTIPLE PROGRAMS

A. CHANGES

1. **Hardship Provision** - Section 5623 is being removed and the information related to the hardship provision for the Medical and GA Programs is being renumbered [5622](#).

B. CLARIFICATIONS

1. **Trusts** - Section [5600](#) is modified to separate specific trust information related to the cash, medical and Food Stamp programs. Subsections are being labeled to indicate which specifically relate to trusts. Section [5610](#) is being modified to clarify that ARCare Trusts meet the exempt criteria described in this section and are thus exempt for food stamps and cash (except GA) purposes.
2. **Alimony Income** - Section [7124](#), Child Support Income, is being modified to include alimony income. Effective with this revision, alimony shall be treated and budgeted the same as child support income, i.e., averaged or prospected as appropriate. This applies to the Food Stamp and Child Care programs. In addition to the changes to [7124](#), a technical correction is being made to [7110](#) (4).
3. **Fugitive Felons and Probation/Parole Violators** - The “Note” that was under sections [2182](#) and [2183](#) was inadvertently deleted last year when section 2183 was marked “Reserved.” It is being added back to the manual now, directly under 2182.

III. CHILD CARE ASSISTANCE

A. CHANGES

1. **Poverty Level Changes - Appendix Item [F-1](#), Family Income and Share Schedule for Child Care Services**, is being changed to reflect the poverty level changes.

B. CLARIFICATIONS

1. **JO (TAF) Child Care** - The first sentence of section [2831](#) has been re-worded to clarify when this subtype should be used.
2. **EM (Non-TAF) Child Care** - The first sentence of section [2835](#) has been reworded to clarify when this subtype should be used. Item (4) of this section is being modified to add language regarding child care for juveniles in the custody of the Juvenile Justice Authority (JJA). Item (5) has been modified to remove language regarding family share deductions that was erroneously placed there with the 1-1-07 revision. Item (6) is being added to this section to add language regarding child care for participants in the FS E&T work program. Also added at the end of section 2835 is language regarding assignment of family share deductions. This language was inadvertently left out of this section with the 1-1-07 revision.
3. **Child Care Standards** - Section [7440](#) is being modified to remove the “IE” from references to the EM subtype and to change the terminology from “family share” to family share deduction”.
4. **The Family Share Deduction** - Section [7541](#) is being modified to remove the “IE” from references to the EM subtype and to change the terminology from “family share” to “family share deduction”.

5. **Claims Discharged through Bankruptcy** - Section [11126.3](#) is being reworded to clarify that this provision also applies to child care claims.
6. **Exempt Income** - Item (5) of Section [13361](#) is being reworded to clarify the exemption of child care subsidy benefits for LIEAP purposes.

IV. FOOD ASSISTANCE

A. CHANGES

1. **Able-bodied Adults Without Dependents (ABAWD)** - Sections [2520](#) and [2521](#). Residents of Sumner county and the city of Wichita will remain exempt from the ABAWD provisions until April 30, 2008.

The following counties will also remain exempt from May 1, 2007 to April 30, 2008: Anderson, Atchison, Cherokee, Coffey, Doniphan, Douglas, Geary, Greenwood, Jefferson, Labette, Leavenworth, Linn, Montgomery, Osage, Shawnee, Wabaunsee, , Woodson, Wyandotte and the city of Hutchinson (does not include the city of South Hutchinson).

New counties exempt from May 1, 2007 to April 30, 2008 are: Brown, Chautauqua, Clay, Crawford, Elk, Franklin and Jackson.

The only county not exempt for this upcoming year that was exempt last year is Wilson county.

At the request of the field, a chart is being added to the Appendix that lists the exempt counties for each of the years since 2004 when exemptions due to labor surplus were implemented. The new Appendix item is [T-11](#).

This section has also been modified to provide information previously implemented in Policy Memo [06-09-03](#), **Presumptive Medical Disability Determinations**. This information is included in a note added to Section [2521](#) (2).

B. CLARIFICATIONS

1. **Length of Review Period** - This section, which stated that households containing students should be assigned review periods to correspond with the beginning and ending of school semesters, is being removed. Section [2534](#) is no longer pertinent with simplified reporting and is being removed as a result.
2. **Food Stamp Work Related Exemptions** - This section is being revised to incorporate polices from Policy Memo [06-09-03](#) as noted above, specifically that persons who self declare their disability on the ES-3900 are considered disabled until they have been determined to not meet either the Tier 1 or Tier 2 presumptive medical disability qualifications. In addition, a technical correction is being made to restore the numbering of this section which was lost in a prior revision. Section [3230](#) is being modified as a result.

3. **Boarders/Kinship Payments** - A modification is being included in the Boarders section to clarify that Kinship care payments are a form of foster care and for food stamp purposes, children receiving kinship payments shall be treated as foster children. If the relatives choose to include the children receiving kinship payments, the payments are countable. If not, the payments are exempt as described in the Exception statement in Section [4220](#).

For ease of finding information about foster care and kinship payments, both of these are being added to the list of exempt incomes in [6410](#), with a cross reference to [4220](#). These additions result in the renumbering of items in [6410](#) starting with item 22. Kinship payments is also being added to the Index.

4. **Households Required to Change Report** - This section is being modified to clarify that a person referred for a presumptive medical disability determination is considered a simplified reporter (unless the person is 60 or older). If a Tier 1 determination is made, the person is considered disabled for FS purposes and the reporting requirements will change to change reporting at the time of the next review or IR, whichever comes first. If the person is determined for Tier 2, the household shall remain a simplified reporter (unless 60 or older). This information was previously implemented in Policy Memo [06-09-03](#), Presumptive Medical Disability Determination. Section [9121](#) is being changed to capture this information.

V. GRANDPARENTS AS CAREGIVERS

A. CHANGES

1. **Poverty Level Changes** - Section [2331](#) (5) is being changed to reflect the correct poverty level guidelines for the Grandparents as Caregivers program.

B. CLARIFICATIONS

None

VI. MEDICAL ASSISTANCE

- A. **CHANGES** - Please note that separate instructions issued through face-to-face training as well as implementation material will be available for all changes.

1. **Transfer of Property (TOP)** - The DRA mandates significant changes in the transfer of property provisions. KEESM Section [5720](#) is being completely rewritten and reformatted to capture the new provisions. It is important to point out that the transfer provisions are still only applicable to LTC assistance - institutional, HCBS and PACE. Eligibility for regular medical assistance must be determined when a TOP penalty is being served. Except for specific annuity-related transfers, transfers by either the LTC applicant/recipient or the spouse of the applicant/recipient are considered.

These rules are used for all transfer of property decisions made on or after 04-01-2007.

Look-Back Period - The term look back period is introduced with this revision to describe the period of time in which a transfer of property may impact payment of LTC expenses. For transfers prior to 02-08-06, the look-back period begins with 36 months prior to the date LTC coverage is requested to begin, unless a trust is involved in which case the period begins 60 months prior.

For transfers on or after 02-08-06, the look-back period is 60 months for all transfers.

Penalty Days - For transfers prior to 02-08-06, a transfer of property penalty will continue to be applied in monthly increments, or penalty months. For transfers on or after 02-08-06, the penalty is determined in daily increments, or penalty days.

Transfer of Property Divisor - To determine the length of the penalty, the uncompensated value is divided by the average cost of facility care in the state. The amount is determined by the Kansas Health Policy Authority (KHPA) and the Kansas Department on Aging (KDOA) annually. For transfer decision made on or after 04-01-07, the divisor for transfers made prior to 02-08-06 is changing from \$3000 to \$4000 (monthly average). The divisor for transfers made on or after 02-08-06 is \$131.80 (daily average).

Effective Date of Penalty Period - The date the transfer penalty begins is also dependent upon when the transfer occurred. For transfers prior to 02-08-06, the penalty will continue to begin the month in which the transfer occurred for applicants and no later than the second month following the month of transfer for recipients. For transfers on and after 02-08-06, the penalty period will begin the later of the date in which the individual was otherwise eligible for LTC assistance, except for the transfer penalty or the first day of the month of transfer. For recipients, the penalty begins no later than the second month following the month of transfer to allow for timely notice.

Penalty Period Tools - To assist the eligibility worker with establishing the correct penalty period, the current Transfer of Property Worksheet (Appendix Item [W-9](#)) is being changed to accommodate the new transfer rules. In addition, an on-line penalty period calculator is also available. The Penalty Period Calculator is available through the KEESM website. Instructions for using the tool are being issued separately.

Misappropriation - The revision also introduces the concept of Misappropriation, which refers to an act that deprives the applicant/recipient or spouse of an asset by fraud, misrepresentation or criminal activity. When misappropriation is substantiated, no penalty period is applied but the individual is expected to pursue recovery of the asset, including legal action if determined appropriate by the SRS Program

Administrator and KHPA policy. All situations initially suspected or reported to involve misappropriation are to be reported to the local Adult Protective Services unit. Action on the case is generally not taken until APS issues an initial finding. The EES Specialist must work with APS very closely in these situations.

Examples of misappropriation may include the following:

- A son who has used his power of attorney to transfer his father's land to himself without compensating his father.
- A neighbor convincing a senior without capacity to add the neighbor's name to a bank account with the neighbor subsequently withdrawing all the funds in the account.

Hardship - For persons who have been penalized, a hardship waiver may be requested by the individual or representative. In addition, the nursing facility may also request a hardship on behalf of the individual. Any hardship request must demonstrate both a financial need and a need for medical treatment and other necessities of life such as food, clothing or shelter. The deprivation must be real, not merely probable, and must be substantiated by evidence. Hardship requests are ultimately decided by the EES PA and KHPA Policy.

The **ES- 3175, Application For Consent to Transfer Property** and the **ES- 3176, Decision Regarding Consent to Transfer Property** are being eliminated and are obsolete with this revision.

KEESM [5720](#) is being rewritten and reformatted with this revision. As indicated above, the Transfer of Property Worksheet is also being changed.

2. **Annuities** - Specific rules regarding treatment of annuities as a transferred asset were included in the DRA. In addition, the cash value of all irrevocable, assignable annuities will now be considered an available resource. All annuities owned by either the individual or the spouse must be disclosed to the agency.

Transfer of Property - Any annuity purchased, or having undergone a significant transaction, on or after 02-08-06 will be considered a transfer of property unless the State of Kansas/Kansas Medicaid is named as the remainder beneficiary. Generally, the state is the primary beneficiary, but can be named in a lower position if there is a surviving spouse, minor or disabled child.

Although all annuities must name the state as the remainder beneficiary, any annuity owned by a spouse is exempt from further scrutiny as a transfer of property. Annuities owned by the individual are also exempt from further transfer provisions if established under the specified conditions in the DRA. Consideration is given to the annuity in relation to IRS law when making these decisions. Exempt annuities for transfer of property provisions also include actuarially sound instruments.

Resource Value - Once an annuity is annuitized, the terms of the contract may not allow the owner to cash, or surrender, the annuity. In other words, the annuity would be viewed as irrevocable. However, the annuity is providing a steady income stream (by definition), which does have a market value. Although the annuity may not have a cash value through the company, the income stream of the annuity does have a market value to the general public.

The fair market value of all assignable annuities is considered a countable resource effective 04-01-2007. The fair market value is generally determined by subtracting the value of payments already made from the amount of principle, interest and other earning the annuity has achieved. The cash value is determined for all annuities, even those that are not subject to a transfer penalty.

KEESM [5722](#) (4), [5724.2](#) (4)(c) and [5630](#) are updated with this revision. In addition, two new forms have also been developed:

The [ES-3167 Annuity Information/Annuity Information Request](#) is being developed to inform the applicant/recipient of the requirements of an individual with an annuity. This form must be given to all individuals reporting an annuity as well as individuals who are not sure if they own an annuity. The second part of the form is given to the annuity carrier to complete information necessary to determine eligibility

The Annuity Evaluation Worksheet (Appendix Item [W-10](#)) is a tool for eligibility workers to document annuity decisions.

3. **Life Estates** - Clarification is being added regarding ownership interest in a life estate, including an explanation of life interest vs remainder interest, is being included with the revision.

A life estate interest purchased in a home of another will now be considered a transfer of property if the individual purchasing the life estate does not reside in the home for at least one full year from the date of purchase.

KEESM [5333](#) is being revised with additional details regarding a life estate. New transfer of property rules regarding life estates are found at [5722](#) (5), [5724.2](#) (4)(a) and [5724.2](#) (c)(3).

4. **Promissory Notes/Loans/Mortgages and Contract Sales** - Individuals who loan money in the form of a promissory note, mortgage, contract sale or similar arrangement are considered to be 'purchasing' the contracted agreement for the amount of the loan. Unless the purchase is considered actuarially sound, the agreement is considered an uncompensated transfer of property.

All agreements must be evaluated individually. If the debtor is current with payments as indicated in the agreement, the contract is considered income-producing and is exempt. However, if the debtor is not making regular payments

as indicated in the contract, it is considered a potential resource and the applicant/recipient is expected to pursue recovery.

KEESM [5430](#) (6) is being revised. New transfer of property rules are found at [5722](#) (6) and [5724.2](#) (4)(b).

5. **Substantial Home Equity** - All LTC requests on or after January 1, 2006 are subject to a limit of \$500,000 in home equity. Unless a spouse, minor or disabled child resides in the home, in which case this provision is not applicable, persons with home equity exceeding \$500,000 are not eligible for LTC payments (institutional, HCBS or PACE). This provision is applicable regardless of any intent to return home. In addition, only institutional services are impacted. This provision is not applicable to regular medical.

Example: An individual in a nursing home intends to return home. The home has an equity value of \$700,000. The individual is not eligible for NF payments, but may be eligible for regular medical.

The amount of home equity is derived by considering the fair market value less encumbrances. Encumbrances include mortgages, loans and other debts secured by the property. A reverse mortgage also reduces the home equity value.

Portions of the property considered income producing are not included in the limit either. For example, an individual owns a house sitting on a contiguous farm worth \$600,000. The home property is considered the entire farm. The farm portion is worth \$550,000 and the house is worth \$50,000. The farm is producing income consistent with its value and is exempt toward the home equity limit. Therefore, the countable value of the home is now \$50,000. As this is below \$500,000 the individual is potentially eligible for LTC payments.

KEESM [5331.1](#) is being updated with this revision. Additional changes to [5331.2](#), [5331.3](#), are also being made to support the new section, [5331.4](#). A new section, [5331.5](#) is also being included with information regarding reverse mortgages.

6. **Contracts For Care** - If an individual has made an advance payment for health care services provided by a licensed provider, the agreement must now meet specific conditions in order for the payment to be considered a countable resource. This change is required by the DRA under requirements for Continuous Care Retirement Communities (CCRC's). In order for the payment to be considered a countable resource it must be available for the individual's care, be refundable upon death and not confer ownership. A list of known facilities/communities will be released with implementation material.

KEESM [5430](#) (5) is being updated with this revision. Related transfer of property rules can be found at [5722](#) (7).

7. **HCBS Changes** - Several changes are also being implemented regarding HCBS eligibility:

Effective Date of HCBS - For the MR/DD, SED and PD waivers, the effective date of HCBS will be the Choice Date. For the FE, TBI/HI and TA waivers, the effective date is the date services begin. KEESM [8200.2](#) is updated with this information.

Communication Protocol - The [ES-3160](#) must be used to communicate initial HCBS eligibility information between the SRS eligibility worker and the appropriate HCBS entity. Changes may be communicated on either the [ES-3161](#) or by entering the name of the HCBS contact (e.g., ILC or TCM) on the KAECSES ADAD screen. A release may be necessary in these instances. In lieu of the actual forms, the KAECES notices established to mirror these forms may also be used. No other communication method is appropriate.

A new section [8200.4](#) is being added to address communication protocol between eligibility staff and HCBS staff.

Medical Necessity - Home health care expenses up to \$1000/month may be allowed for an individual serving a transfer of property penalty who has met level of care requirements. Nursing facility services received during a transfer penalty are not allowable.

Effective 04-01-2007 the PD, MR/DD and TBI waivers will begin providing enhanced dental coverage through the waivers. These services will only be available to waiver participants. To avoid allowing potentially Medicaid-covered services as a client obligation reduction, any request to allow a dental bill with a date of service on or after 04-01-07 must be approved by the appropriate Independent Living Counselor or Case Manager.

Appendix Item [P-1](#), **Medical Necessity**, is being revised to reflect these changes .

8. **Poverty Level Changes** - New federal poverty levels guidelines have been published by the Department of Health and Human Services. The guidelines affect the eligibility standards for the following medical 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 standard for the Working Healthy programs;
- e. For spousal impoverishment, the minimum community spouse income allowance increased from \$1650 to \$1712. The dependent family member allowance increases from \$550 to \$571.

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

Section [8144.2](#) and [8244.2](#);

[ES-3104.5](#), **Determination of Need**;

[ES-3163](#), **Income Allowance Determination Form**;

[ES-3165](#), **Working Healthy Premium Information**; and

Appendix Item [F-8](#), **Medicaid and HealthWave Standards**.

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

9. **Medicare Part D Subsidy Resource Standards** - The Social Security Administration has released new resource standards for the Medicare Part D, as required under federal law.

For Subsidy Level D0:

The single person standard increases from \$6000 to \$6120.

For two or more, the standard increases from \$9000 to \$9190.

For all other Subsidy Levels:

The single person standard increases from \$10,000 to \$10,210.

For two or more, the standard increases from \$20,000 to \$20,410.

KEESM [5130](#) and are being updated with these changes.

10. **Citizenship and Identity Verification** - Two changes are being made to these verification requirements:

Exemption for Social Security Disability Recipients - The Tax Relief and Health Care Act of 2006 amended the Deficit Reduction Act of 2005 by providing an additional exemption for current or former recipients of Social Security Disability income from the citizenship and identity verification requirements. Documentation of receipt of disability benefits is required and a screen print or

image from EATSS may serve this purpose. A person alert on the KAECSES PRAP screen of IE is entered for persons exempt from the requirement.

KEESM [2145.2](#) and [1322.1](#) (5) are updated with this revision.

Reasonable Opportunity Period Extension - Where action is being taken at review, the initial reasonable opportunity period provided to a recipient who has completed the review process and is otherwise eligible except for citizenship and identity verification will end the last day of the new review period. Prior to this revision, the initial period ended the last day of the second month following the month in which the review was completed. Individuals who continue to demonstrate a good faith effort to provide the information may receive an additional extension. Specific requirements will be provided in the implementation memo.

KEESM [2145.4](#) (2)(a) is updated with this revision.

11. **Releases of Information** - Two forms have been updated to include releases of information to KHPA as well as SRS.

The [ES-3101](#), **Release of Information and Liability and the Appointment of Authorized Agent**, Appendix item [X-3](#) have been updated.

B. CLARIFICATIONS

1. **Deductions from earned income for NF and HCBS** - Section [7240](#) is being modified to refer staff to Section [8151](#) for NF deductions and to [8250](#) for HCBS deductions. This modification is to clarify that there are deductions for these programs.
2. **Determining the Value of Real Property** - The fair market value of real property is established by county-appraised value. Clarification is added to this section to note that other values appropriate for tax purposes, such as the assessed value and the agricultural use value, are not appropriate to determine the fair market value.

If a county-appraised value does not exist or is under appeal, a value from a knowledgeable source may be used to determine the value. Knowledgeable sources include real estate brokers, realtors, private appraisers and mortgage companies.

KEESM [5320](#) is updated with this revision.

VII. SUCCESSFUL FAMILIES

A. CHANGES

1. **Work Experience (WXN)** - This section, [3310.4](#), is being modified to indicate that an [ES-4104](#) is needed for work sites developed by a contracted employment service provider. Reference to the Worksite Addendum [ES-4104.1](#), is also being added.

Security Clearance information in this section is being modified to indicate the site is responsible for obtaining the clearance if one is required. It can be a liability issue for the agency if we do not catch something in a security/background clearance check. Also this same guidance is contained in the best practice information for Community Services.

2. **Supervised Community Service Program (SRV) - The Community Service Worksite Agreement, [ES-4105](#)**, is being modified to be more user friendly. The agreement and the Addendum are referenced in [3310.6](#). This section is also being modified to indicate that worksites developed and/or monitored by a contracted employment service provider need to have an [ES-4105](#) established.

Community Service Best Practice material is being added in Appendix [E-17](#).

B. CLARIFICATIONS

1. **Authorization Guidelines for Job Skills Training, Education Directly Related to Employment, and Attendance at Secondary Schools** - This section is being modified to include instructions on how to utilize Kansas Job Link to determine if requested training is for employment in a Demand Occupation. In general, training should only be approved if it will prepare the customer for employment in a Demand Occupation. Section [3300.2](#) (2) is being modified to include this instruction.
2. **Alcohol and Other Drug Assessment and Treatment (AOD)** - AAPS and EES are phasing in a TAF Solutions Recovery Care Coordination system beginning in April 2007. RADAC staff will administer the SASSI under this new system. Section [3330.1](#) is being modified at this time to remove the reference to EES staff administering the SASSI and to note that this phase-in process will be in effect from April 2007 through September 2007.

VIII. TAF ASSISTANCE

A. CHANGES

None

B. CLARIFICATIONS

1. **Hardship Status** - Reference to the hardship status 7 is being removed in [2243.2](#). The hardship criteria was amended from 7 criteria to 6 in the October 2006 revision.
2. **SSI Recipient Participation Coding** - The SEPA participation coding for SSI recipients in a TAF household was changed from OU to SS in October 2006 implementation memo. Inadvertently, this change was not updated in section [4113](#) (1). This section has now been modified to reflect this change.

FORMS (Not previously discussed in this summary)

1. **ES-4322 - Community Service/Work Experience Assignment and Site Report** - This form is being modified to allow worksite flexibility in reporting hours and quality of work participation. The form also promotes discussion between the worksite supervisor and the participant.

APPENDIX (Not previously discussed in this summary)

1. **B-6 - Request for Trust/Annuity Clearance** - This item is being modified to allow designation of whether the clearance request relates to Cash/FS or to Medical assistance. The correct address for KHPA has been added. Reference to KHPA has also been included in the text as appropriate.

MATERIALS OBSOLETE BY THIS REVISION

EES Policy Memo 07-02-01

EFFECTIVE DATE

Effective immediately, staff may use the B-6, Request for Trust/Annuity Clearance, for clearance requests.

Changes effective April 1, 2007:

- Transfer of Property;
- Annuities;
- Life Estates;
- Promissory Note, Loans, Mortgages, and Contract Sales;
- Substantial Home Equity;
- Contracts for Care;
- HCBS changes;
- Medical Necessity.

Training related to the medical changes occurred during February 2007.

All other policies in this revision are effective May 1, 2007. Additional information will be in the Implementation Memo.

EFFECT ON LOCAL STAFF

The medical changes in this revision will likely result in increased effort for staff in determining whether resources are countable and in gathering documentation related to resources.

COORDINATION EFFORTS

Within EES, the material in this letter and manual revision has been coordinated with staff in Economic and Employment Support, the EES Program Administrators, the Implementation Planning Team, the Training Advisory Team. The medical material has been coordinated with KHPA.

Work program issues involved coordination with Addiction and Prevention Services (AAPS), the Work Assessment Work Group, and the Work Experience/Community Services Site Development Work Group.

Sincerely,

Bobbi Mariani, Director
Economic and Employment Support

BM:AM:jmm

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