

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

**April 17, 2008**

TO: Regional Directors  
Economic and Employment Support Program Administrators  
Economic and Employment Support Staff  
KHPA Staff, including the HealthWave Clearinghouse  
Social Service Administrators  
Other Staff

Re: Summary of Changes for Kansas Economic and Employment Support Manual (KEESM)  
Revision No. 35 effective May 1, 2008.

## **OVERVIEW OF CHANGES**

A brief overview of the major changes are described below. Other clarifications and technical corrections are also included and described in the next section.

**All Programs** - Tax rebates issued via the Economic Stimulus Act of 2008 are exempt as income and a resource in the month received and exempt as a resource in the following two months for all programs.

**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 counties considered exempt from the ABAWD provisions are being updated for May 1, 2008.

Provisions are being added for the Electronic Disqualified Recipient System (eDRS), a national repository of persons who have been found guilty of food stamp fraud and have been disqualified from the program.

Procedures for processing expedited cases with postponed verification have been simplified.

**Medical** - Changes are being included regarding processing medical applications.

All individuals eligible for TransMed are now required to provide proof of having a social security number. Removal of language exempting TransMed is necessary to reflect the new policy.

The new HCBS waiver, Psychiatric Residential Treatment Facility – Community Based Alternative (PRTF – CBA), is being implemented effective April 1, 2008.

The HCBS effective date for the Frail Elderly (FE) waiver is being changed from the date services actually begin to the date the customer chooses HCBS services.

The treatment of resources in determining the Community Spouse Resource Allowance (CSRA) has changed. The special treatment of resources contained in an available trust does not apply to the resource assessment determination – the resources will be countable or exempt as though there is no trust.

**Successful Families** - Information is being corrected to reflect the correct procedure to follow when customers report DV/SA but do not want to participate in OARS.

Solutions Recovery Care Coordination material is being added to KEESM.

KEESM is being updated to reflect that staff are no longer allowed to encourage customers to volunteer for additional hours.

**TAF Assistance** - The Work Incentive Enhancement is being implemented to increase the earnings disregard from 40% to 60% for low income families.

## DESCRIPTION, PURPOSE, AND DETAILS OF POLICY CHANGE

### I. ALL PROGRAMS

#### A. CHANGES

1. **Income Exempt as Income and as a Resource** - [6410\(59\)](#) is being revised to provide that the tax rebates issued via the Economic Stimulus Act of 2008 are exempt as income and a resource in the month received, and exempt as a resource in the following two months. These provisions are specific to this tax rebate.
2. **Disposition of Obsolete Case Record Material** - KEESM [1711\(4\)](#) removes language regarding the Welfare Enumeration Form (PA-3120.4). This form is obsolete and is no longer needed to be kept in the case file.
3. **Minimum Wage Link** - A link to U.S. Department of Labor, <http://www.dol.gov/dol/topic/wages/minimumwage.htm> is being added to several sections where the federal minimum wage is referenced. You will be able to find it in KEESM by doing a KEESM Search for ‘minimum wage.’

#### B. CLARIFICATIONS

1. **Application Date** - Section [1411.2](#) is being revised to clarify that applicants can return page one of the [ES-3100](#) or the [ES-3100.1](#) to establish the filing date (date of application) as long as page one contains the applicants name, address and signature. The application must be completed, however, to determine eligibility. This is a Food Stamp Program requirement being applied to all programs for consistency purposes.
2. **Adequate Notice Only** - Section [1432](#), item (6) is being modified by adding an important cross reference. [1432](#) (6) states that adequate notice only is needed when the customer’s whereabouts are unknown and agency mail has been returned from the post office indicating no forwarding address. The cross reference is to [9124](#), which contains procedures to follow when the whereabouts

of the recipient are unknown. These procedures require that the agency shall send an Informational Notice to the last known address which will advise the recipient to inform the agency as to his whereabouts by a given date or his case will be closed. If there is no contact by the required date, the case is to be closed and a final Notice of Action is to be sent to the last known address. **Per [1432\(6\)](#) this Notice of Action can be adequate notice only.** This cross reference is being included as there was some misunderstanding that cases could automatically be closed if agency mail returned to the SRS office. However, following the procedures of [9124](#) is very important, especially for simplified reporting food stamp cases since they are not required to report a change in address. Even though the notice sent to the last known address may also return, the agency has documentation that it followed procedures and attempted to contact the customer about their whereabouts.

## II. CHILD CARE

### A. CHANGES

1. **Determining Scheduled Hours** - KEESM section [7620](#) is being modified to allow the number of hours of child care needed for families participating in Flinthills Job Corps to be determined based on information obtained on the form [ES-1611](#) or additional specific documentation obtained from the Job Corps Center.
2. **SS (Social Services) Child Care** - For consistency with other programs, section [2831](#), item 3 and section [2835](#), item 4 are being changed to no longer waive citizenship requirements for the social service child care reason.

### B. CLARIFICATIONS

1. **SS (Social Services)** - Section [2835](#), item 4 is being modified to clarify that when all children on the case are in need of care due to the parent's crisis, no family share deduction will be assessed.
2. **Exceptions to the Child Care Assistance Planning** - Section [4420](#), item 2 is being revised to remove reference to an exception for a TAF child living with a caretaker who is not on TAF. This exception is no longer necessary since regulations were changed regarding child care subtypes to be used.

## III. FOOD ASSISTANCE

### A. CHANGES

1. **Electronic Disqualified Recipient System (eDRS)** - The following changes are being made to the manual to incorporate provisions specific to the eDRS as directed by USDA. The eDRS is a national repository of persons who have been found guilty of food stamp fraud and have been disqualified from the program. The eDRS is a new web-based system that replaces the Disqualified Recipient

Subsystem (DRS) which was accessed via a Voice Response Unit. The [ES-524](#), Food Stamp Disqualified Recipient Report Form is the form used in Kansas to get Kansas disqualifications entered into the database. The following sections of the manual are being changed:

- a. **Verification of Questionable Information** - Section [1322.3](#) is being modified to provide an additional verification item for food stamps only. Item (5) provides if a new applicant in Kansas reports previously receiving food stamp benefits from another state, and the agency has reason to believe a household member is subject to a food stamp disqualification, this is considered questionable and must be verified via the eDRS. A determination of whether or not to apply a disqualification for fraud in Kansas must be evaluated prior to a determination of eligibility.

Information regarding checking newly moved to Kansas applicants against the eDRS was previously provided in a memo to field staff some years ago. It is now being included in the manual because of implementation of the eDRS, a web-based system which is much easier to use for staff. Each Region has staff with access to the eDRS who can check the database for food stamp fraud disqualifications for the Region.

**Example:** An individual was found guilty of a second fraud in Missouri on December 15, 2007. The disqualification period is for 24 months starting January 1, 2008 through December 31, 2009. The case in Missouri closes on April 30, 2008 and the household with the disqualified person moves to and applies in Kansas in May 2008. The eDRS is checked and a match is found showing the disqualification from Missouri. After obtaining secondary verification from Missouri, the case is approved with the person disqualified in Kansas for the remainder of the 24 month **disqualification** period.

- b. **Notice of Actions Resulting from Federal Match Data** - Section [1434](#) is being revised to provide that matches identified through use of eDRS are subject to the Computer Matching and Privacy Protection Act. A new item [1434.1](#), has been added to the manual to explain these provisions. Basically, prior to any negative action being taken against an applicant based on a match in the eDRS, secondary verification from the other State agency must be obtained. Until the information in the eDRS can be verified, the individual cannot be denied benefits. The only exception to the secondary verification rule is if the household applying is entitled to expedited benefits – benefits must be provided within the 7 day expedited processing time period and secondary verification is postponed.
- c. **Disposition of Obsolete Case Record Material** – In concert with the other changes noted in this letter regarding the eDRS, Section [1711](#) is being revised to add an item 10, applicable to the Food Stamp Program only. This item provides that case file documentation which substantiates either pending fraud disqualifications or disqualifications that have been served must be retained indefinitely in the case file. This would include documents

such as, but not limited to, signed disqualification consent agreements, court determinations, signed waiver waiving the right to an administrative disqualification hearing, an ADH decision and the notice of disqualification. This includes documents for fraud claims that have been repaid in full. Maintaining these records is important for determining subsequent fraud penalties and for responding to other State's secondary requests for information.

- d. **Making the Referral** - Administrative Disqualification Hearing - Item 7 of [11250.1](#) is being expanded regarding determining the number of prior fraud disqualifications a person being referred has. If the person being referred for an administrative disqualification hearing received benefits in another State prior to receiving in Kansas, eDRS must be accessed to determine if the person has had any prior food stamp disqualifications to determine the proper disqualification period (12, 24 or permanent) for the fraud being referred. The eDRS should also be used for persons who have received in Kansas, if there is reason to suspect that there was a prior finding of fraud and there is no documentation in the current case file. Specific procedures must be followed when contacting other States for verification and these procedures are outlined in this section.
- e. **Electronic Disqualified Recipient System (eDRS)** - Section [11270](#), formerly Reporting Requirements, is being retitled and expanded to include information about the new eDRS, including the reporting requirements and the form used to report Kansas Fraud Disqualifications. The address where [ES-524](#)'s are to be mailed is being changed to the new EES Central Office address. Procedures are also included regarding the need for Secondary Verifications when a match is identified in the eDRS and the fact that other States will also be contacting Kansas for Secondary Verifications. Cross references to other pertinent Sections regarding the eDRS are also included.
- f. **Forms Section** - The [ES-524](#), Food Stamp Disqualified Recipient Report is being revised to correct a technical error. Current supplies of the form can be used until exhausted if Section 7 is corrected to reflect that box 3 is the Third Disqualification, not the Second.

Additional information about eDRS will be provided in the Implementation Memo, including a list of staff authorized to access the system and other procedural information about using the new system.

2. **Expedited Processing for the Food Stamp Program** - Section [1415.3](#), item (4) is being revised to simplify the procedures used when expediting food stamps with postponed verifications. Procedures requiring staff to use the hard pend verification code of PP (postponed verification) and a date 30 days from the date of application have been removed. Instead, when the case is approved for expedited with postponed verification, the **approval** notice to the customer will give them 10 days to provide the postponed verification. If the verifications are received, the case can be authorized for the remaining months in the review

period. If the verifications are not received within 10 days of the date of request, the case shall be closed. If the verifications are subsequently received in the month following the month of closure, eligibility is determined and if eligible, benefits are not prorated per [1423](#). This change will simplify the process for staff and will not affect customers since eligibility is reinstated with no proration when verification is provided.

3. **Able-bodied Adults Without Dependents (ABAWD)** - Sections [2520](#) and [2521](#). The U.S Department of Labor has designated the counties in Kansas that are Labor Surplus Areas (LSA). In addition, for 2008, a waiver was approved by USDA to include additional counties that have had for a 24 month period, an unemployment rate 20 percent above the national average. As a result, residents of Sumner and Douglas counties and the city of Wichita will no longer be exempt from the ABAWD provisions effective May 1, 2008 as they no longer qualify as labor surplus areas or areas where the unemployment rate was 20 percent above the national average.

The following counties **do qualify and** will remain exempt from May 1, 2008 to April 30, 2009: Anderson, Atchison, Brown, Chautauqua, Cherokee, Clay, Coffey, Crawford, Doniphan, Elk, Franklin, Geary, Greenwood, Jackson, 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 **that qualify and will be** exempt from May 1, 2008 to April 30, 2009 are: Bourbon, Lyon, and Miami.

Appendix item is [T-11](#) has been updated with these changes.

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

## B. CLARIFICATION

1. **Mandatory Verification That Affects the Amount of Program Benefits** - Item (1) of Section [1322.2](#) is being modified to clarify that if the household's only expense is a telephone, verification of that expense is only required if questionable.
2. **Reinstatement of Assistance** - A technical correction is included for section [1423](#). In item (1), the words "with earned income" have been removed. These words caused confusion when reinstating cases as both cases with earned income, and without earned income can be reinstated in the month following the month of closure when the IR is received.
3. **Student Participation Criteria** - A clarification is being included in item 5 of [2531](#) regarding responsibility for the care of a dependent child who has reached the age of 6 but is under 12 and it has been determined that adequate child care is not available. The clarification provides that others in the household such as older



siblings and grandparents are not considered available and capable of providing care -even though they may actually be providing the care- when evaluating this criteria. This clarification is from a USDA policy clarification.

4. **Comparable Treatment for Disqualifications** - Section [2552](#) is being revised to clarify the treatment of TAF income after a comparable penalty is applied and the TAF case is closed and the person who failed to cooperate is disqualified (SEPA code DI) for food stamps. The TAF income is still budgeted for the month following the month of TAF closure because many customers cooperate after a penalty and removal of the TAF income may result in an increase in benefits. A note has been added to clarify that the TAF income is still considered the income of the PI, and the income should be listed by the PI, even if the PI is the person who is being disqualified which will result in the TAF income being prorated per [4212.2](#).
5. **Potential Employment** - Special provisions for simplified reporting food stamp households are being added to Section [3540](#). These provisions apply to situations when the agency discovers that a simplified reporting household has quit a job (without good cause) that they were not required to report due to the 130% reporting threshold. A penalty can only be applied if the job quit took place in the month it is discovered/reported or the prior month. This includes job quits discovered at the time of processing the IR or review.
6. **Joint Ownership of Jointly Owned Real Property** - A new item is being added to [5200](#)(6) to provide special provisions for the Food Stamp Program. This item is titled Joint Owner Who Refuses to Comply, and it provides that a resource shall be totally inaccessible to the food stamp household if the resource cannot practically be subdivided and the household's access to the value of the resource is dependent on the agreement of a joint owner who refuses to comply. A cross reference to this new item is also included in [5200](#) (3) (a). This clarification is mandated by the federal Food Stamp Regulations.
7. **Deductible Expenses/Income Disregards** - A note is being included in [6520](#)(2) to clarify that special off-system procedures are required when the person paying for dependent care is coded DI. This is because dependent care costs are listed by the person for whom the care is paid, not the person who is paying the expense thus the system will not correctly prorate the expense. For example, a mother who is coded DI has 5 children. She pays \$375 a month dependent care for 3 of the children. The \$375 must be divided by 4 (mother and 3 children the dependent care is paid for) and \$93.75 would be allowed as dependent care expense for each of the three children.
8. **Dependent Care** - Section [7224](#) is being revised to provide for two clarifications. First, wording is added to clarify that the family share amount determined for purposes of the child care subsidy program is considered a dependent care expense. Second, the section is being modified to provide that dependent care expenses are to be allowed even if the income used to pay the expense is excluded. An example of this would be a 17 year old full time high school student with earned income who is paying child care for a child. This clarification and the

first clarification noted in the following item are from a recent USDA policy letter.

9. **Child Support Deduction** - Two clarifications are being provided in section [7225](#). First, a clarification is provided that a child support deduction is allowable even if the income used to pay the expense is excluded. An example of this would be a 17 year old full time high school student with earned income that has wages garnished for child support. A second clarification and a cross reference are also being included in [7225](#). Item (1) has been modified to state that when averaging three months of child support, anticipated changes in the legal obligation no longer need to be taken into account. A straight three month average can be used. Item (2) has then been modified to state that if a change in the legal obligation is reported, then the agency shall estimate the anticipated payments. A cross reference to [7124](#) for averaging and prospective budgeting procedures applying to child support income is included.
10. **Reinstatement of Assistance** - Section [9122.6](#) is being clarified to provide that a new application is required if the household returns the interim report form but fails to provide verification timely and the 10th day to provide the verification falls in the second month following case closure. For example, case is closed May 31 for no interim report, the interim report is returned 6/25, however, verification is needed for reinstatement. It is requested and due by July 5 and not provided. Any subsequent participation requires a new application for food stamp purposes.
11. **Frequency of Reviews** - Section [9370](#) is being modified to incorporate wording about the automatic setting of the IR due date by the system when the review end date is changed. This same information is also being included in [9372](#), where review periods of 24 months for SSI households is discussed.

A Note is **also** being added to provide procedures when a household's change in circumstances affects the length of the established review period and/or the type of reporter. Some examples of this are: an ABAWD enters the home of an SSI recipient with a 24 month review period (which also necessitates a change from change reporting to simplified reporting); SSI recipient ceases to receive SSI due to approval for SSA; simplified reporting household becomes homeless. In these situations, as in others that might arise, the originally established review period shall be maintained. Any change in reporting type should be, however, acted on at the time of the next review, IR or SSI mid-review contact, whichever comes first. Documentation in the case file is important to substantiate why the length of the review period does not match those listed in [9372](#), and why the reporting requirements are not changing until the next review, IR or mid-review is processed.

12. **Failure to Report Earned Income Timely** - Section [11124](#), item (1) is being revised to clarify that when calculating an overpayment based on failure to report earned income timely, any earnings that were timely reported shall be allowed the 20% earned income deduction when calculating the amount of the overpayment. Only earnings that were not reported timely are not allowed the 20% earned



income deduction.

#### IV. FOOD STAMP EMPLOYMENT AND TRAINING PROGRAM

##### A. CHANGES

1. **Hours of Participation** - KEESM [3110.2](#) is being revised in accordance with the directives sent out by the USDA in December of 2007. This directive limits E&T participants to no more than 120 hours per month of employment and/or work program activities. The case worker cannot require the participant to volunteer over the 120 hour limit. It emphasizes that E&T funding cannot be used to pay for any activities past the 120 hour limit.

##### B. CLARIFICATIONS

None

#### V. GRANDPARENTS AS CAREGIVERS

##### A. CHANGES

1. **Federal Poverty Level** - KEESM [2331](#) is being revised to exclude the maximum yearly and maximum monthly income levels. This information will be available on the new Appendix item [F-12](#).

##### B. CLARIFICATIONS

1. **Resource Limit** - Wording is being included in Section [5000](#) to clarify Grandparents as Caregivers are excluded from the resource test. This is not a change to existing policy.

#### VI. MEDICAL ASSISTANCE

- A. **CHANGES** - The following changes are applicable to all medical programs. Implementation instructions will be provided in a separate memo.

1. **Application Period** - KEESM [1414.2](#) is being changed to indicate that medical applications are valid for 45 days from the date of receipt. Following a denial, if the customer requests coverage again during the initial 45 days, the application shall be reactivated. A new application is not required.
2. **Applications for Minors** - KEESM [2112](#) is being changed to indicate that responsible adults not meeting the caretaker requirement must obtain authorization to apply on behalf of a minor child. The authorization must be signed by either the parent or legal guardian. A new form, [ES-3108, Appointment of Authorized Medical Agent for a Minor](#), has been developed for this authorization and must be kept in the case file when these situations occur. The purpose of the change is to provide better protection of children who are not residing with a caretaker. It allows for more parental control and assures the

agency that the parent is aware of their child's whereabouts.

3. **Social Security Numbers** - KEESM [2130](#) removes language exempting TransMed individuals from providing a social security number for each member of the family.
4. **Poverty Level Changes** - New federal poverty level 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 standards for the TransMed program;
  - d. Income standards and premium standard for the Working Healthy program;
  - e. For spousal impoverishment, the minimum community spouse income allowance increases from \$1,712 to \$1,750. The dependent family member allowance increases from \$571 to \$584. The excess shelter deduction decreases from \$232 to \$191.

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.

5. **Medicare Part D Subsidy Resource Standards** - The Social Security Administration has released new resource standards for the Medicare Part D Subsidy, as required under federal law. Subsidy Level D0: The single person standard increases from \$6,120 to \$6,290. For two or more, the standard increases from \$9,190 to \$9,440. All other Subsidy Levels (D1, D2, D3 and D4): The single person standard increases from \$10,210 to \$10,490. For two or more, the standard increases from \$20,410 to \$20,970. KEESM [5130](#) is being updated with these changes.
6. **HC/FE Start Date** - The HCBS effective date for the Frail Elderly (FE) waiver has been changed from the date services actually begin to the date the customer chooses HCBS services. This change is effective immediately. KEESM [8200.2](#) has been updated with this change.

7. **PRTF-CBA HCBS Waiver** - A section, KEESM [8218](#), has been added to implement a new HCBS waiver program effective April 1, 2008. The Psychiatric Residential Treatment Facility – Community Based Alternative (PRTF – CBA) waiver will serve functionally eligible children and adolescents under the age of 22 who would otherwise require placement in a PRTF. Generally, the children served by this waiver are those who fail to meet the more restrictive criteria under the Severe Emotional (SED) waiver.  
A separate implementation memo will be issued concerning this waiver.
8. **Treatment of Trust Assets for the CSRA Assessment** - The treatment of trust assets for the Community Spouse Resource Allowance (CSRA) assessment have been changed with the addition of a NOTE in KEESM [8144.1\(2\)](#) and [8244.1\(2\)](#). The special Treatment of resources contained in an available trust does not apply to the resource assessment determination.

What this means is that an otherwise exempt resource that is in an available trust will be counted as an exempt resource when determining the CSRS, but not when determining eligibility. For eligibility purposes, the resource will still be countable.

**Example 1:** A married couple – husband in a nursing facility and wife in the community – has \$80,000 in cash assets not in a trust and a \$100,000 home in a revocable trust. The couple requests a CSRA assessment.

The \$80,000 in cash assets is a countable resource, but the home is exempt because (if not in the trust) it is the community spouse's primary residence. The CSRA would be \$40,000 (\$80,000 cash assets divided by 2 = \$40,000).

In determining eligibility, the house would be a countable resource because it is in an available trust. The amount of resources attributed to the nursing home spouse is \$140,000 (\$80,000 cash assets + \$100,000 house = \$180,000 countable assets - \$40,000 CSRA = \$140,000 attributed to the nursing home spouse).

**Example 2:** A married couple living together – wife requesting HCBS coverage – has all of their resources in a revocable trust, consisting of \$12,000 in checking/savings accounts, a \$15,000 automobile and a \$75,000 home. The couple requests a CSRA assessment.

The \$12,000 checking/savings is a countable resource, the automobile is exempt as the primary vehicle and the home is also exempt as the primary residence. The CSRA would be \$20,880 since total countable resources are less than the current minimum community spouse resource allowance of \$20,880.

In determining eligibility, the automobile and the home are countable resources because they are in an available trust. The amount of resources attributed to the HCBS spouse is \$81,120 (\$12,000 checking/savings + \$15,000 automobile + \$75,000 home = \$102,000 total countable resources - \$20,880 = \$81,120).

## B. CLARIFICATION

1. **Income Allocation to a Minor Child** - KEESM [8143](#)(4) has been updated to clarify the process for determining the income allocation from an institutionalized individual to a minor child who is not living with a community spouse (or where a community spouse does not exist).

The allocation amount shall be based on independent living budgeting methodology. The total non-exempt income of the child and any legally responsible person with whom they live is budgeted against the Income Level (PIL) for a household of that size. If the countable income is less than the PIL, the allocation amount is the difference. There would be no allocation if the countable income exceeds the PIL.

The allocation shall be calculated by using the Determination of Need (Medical Assistance) worksheet ([ES-3104.5](#)).

**Example 1:** A 6 year old child lives with her mother in the community and her father resides in a nursing facility. Her parents are not married, which means the child is not living with a community spouse. The child has no income, but her mother has gross earnings of \$1,800/month.

The child and mother would be budgeted as a household of two because mother is legally responsible for the child. Since countable income exceeds the \$475 independent living PIL, there would be no allocation of income to the child.

**Example 2:** A 15 year old child lives with his grandmother in the community and his father resides in a nursing facility. The child receives a Social Security payment of \$325/month based on his father's disability.

The child would be budgeted as a household of one because the grandmother is not legally responsible for her grandchild. Since the child's countable income is less than the \$475 independent living PIL, he would be eligible for an income allocation of \$170/month ( $\$475 \text{ PIL} + \$20 \text{ disregard} - \$325 \text{ SSA} = \$170 \text{ income allocation}$ ).

2. **Resource Treatment of Annuities** - Clarification is being added to KEESM [5633](#) concerning the resource treatment of certain types of annuities. An irrevocable, non-assignable annuity (other than a retirement annuity) is considered a countable resource.

Even though the annuity contract itself cannot be assigned, the income stream generated from the annuity can be sold to a third party on a secondary market. The market value of that income stream is considered an available resource. The Annuity Evaluation Worksheet (Item [W-10](#) in the KEESM Appendix) shall be used to compute the resource value.

A separate implementation memo will be issued concerning the clarification.

## VII. SUCCESSFUL FAMILIES

### A. CHANGES

1. **ORIENTATION, ASSESSMENT AND REFERRAL (OARS)** - Customers who report DV/SA but do not wish to participate in OARS will no longer be placed in NAC on SESP. The Case Worker, in collaboration with the customer, will determine an appropriate component that will take into consideration safety issues. (KEESM [3100.1](#)).
2. **Solutions Recovery Care Coordination (SRCC)** - KEESM [3330.1](#) is being revised to incorporate the SRCC changes recently implemented in the fall/winter 2007 and spring 2008 roll out and training. The revision to this KEESM section is in keeping with Policy Memo 07-07-02. These revisions give guidance intensive case management for customers who struggle with drug or alcohol addiction.
3. **Behavior Incentive Allowance** -
  - a. KEESM [3411.2](#) (5) is being removed. This policy allowed case workers to encourage customers to volunteer for additional hours at work sites and then pay the customer for working those additional hours. This will no longer be allowed due to liability issues and limitations set forth by the Fair Labor Standards Act.
  - b. KEESM [3310.4](#)(3) is being revised to reflect the removal of [3411.2](#) (5).
4. **Work Employment Programs Payments** - KEESM [6410 \(65\)](#) is being revised to allow incentive payments from work program activity providers to be considered exempt income. These payments will not count against customers' cash, food stamp, medical or child care benefits.

### B. CLARIFICATIONS

1. **Orientation, Assessment and Referral (OARS) services** -
  - a. KEESM [1412.3](#)(5) is being revised to clarify that only TAF cash recipients who are engaged in work programs or job transition services for the 12 months that follow the closure of their cash cases are eligible for OARS services. Customers in applicant status, exempt from work programs (and do not wish to volunteer to participate) or who are not eligible for cash will be referred to local community SA/DV services.
  - b. Wording is being changed in KEESM [3330.8](#) (2) from "Initial screening should be completed before placement in any component;" to "Initial screening shall be completed. "
2. **Assessments**

- a. KEESM [3130](#), [3130.2](#) and [3130.3](#) is being revised to clarify that assessments are not to be repeated once they are done and documented on the WOPA screen in the KSCARES system. Links are being developed to the screenings that may be repeated at reapplication. Clarification is given as to what circumstances may constitute an assessment being repeated.

## VIII. TANF

### A. CHANGES

1. **Work Incentive Enhancement** - Section [7211](#) implements a change in the earned income disregard for all individuals in the assistance plan from the current rate of 40% to 60% for low-income families. This disregard is only applied to earnings. It will provide transitional assistance as a family gains employment in the form of a reduced benefit for the first several months of employment. It will also provide an incentive to work since families would not immediately lose access to benefits after obtaining employment. The increased earned income disregard will allow families to keep a greater share of their TAF benefits when they begin working and will phase out benefits somewhat gradually as earnings rise.

### B. CLARIFICATION

1. **Cash Excluded Members** - Section [4113](#) is being clarified regarding who is excluded from the Mandatory Filing Unit due to work program failures. Reference is being added to teen parents under 18 who fail work participation. Reference to adults who fail work requirements is being removed since the entire Mandatory Filing Unit is closed upon non-cooperation.

## FORMS (Explanation provided if not mentioned previously in this summary.)

### A. All Programs

1. **ES-3100, Application for Cash, Medical, Child Care and Food Stamp Benefits for Families and 3100.1, Application for Cash, Medical, and Food Stamp Benefits for Elderly and Disabled.** These forms have been translated into multiple languages and will be available for printing from the [KEESM Forms](#) section starting May 1, 2008.

### B. Child Care

1. **ES-6010, Becoming an SRS Child Care Provider.** This is an informational brochure for those interested in becoming an SRS child care provider. It should continue to be ordered through the warehouse but is being added to the KEESM forms section.

### C. Food Assistance

1. **ES-524, Food Stamp Disqualified Recipient Report .**

### D. Medical Assistance



1. [ES-3104.5](#), **Determination of Need.**
2. [ES-3108](#), **Appointment of Authorized Medical Agent for a Minor.**
3. [ES-3163](#), **Income Allowance Determination Form.**
4. [ES-3165](#), **Working Healthy Premium Information.**

#### E. Solutions Recovery Care Coordination

1. [ES-4412](#), **SRCC Turn- Around Form** - This form is signed by the customer to allow EES and SRCC to exchange information about assessments and placement in treatment programs.
2. [ES-4413](#), **Solutions Recovery Care Coordination (SRCC) Assessment Results and Referral Form** - This form serves as a means of communication between the RADAC assessment counselor, SSRC and DDS case worker. It documents the results of the substance abuse assessment and the referral for SRCC services.
3. [ES-4414](#), **SRS EES Case Worker Solutions Recovery Care Coordination (SRCC) Referral Form** - This form is for the EES case worker to use when referring the on-going TAF customer to SRCC services based on observed or reported behaviors that would indicate a need for further testing.
4. [ES-4322.1](#), **SRCC Community Service/Work Experience Assignment and Site Report**- This form is to be completed by the treatment center supervisor and forwarded to SRCC and EES.

**APPENDIX** (Explanation provided if not mentioned previously in this summary.)

#### A. Child Care

1. [F-1](#), **Monthly Family Income and Family Share Deduction Schedule for Child Care Services** has been updated to reflect the new federal poverty level figures.

#### B. Food Assistance

1. [T-10](#), **Food Stamp Shelter Changes Chart** - Some technical modifications are being done to the Shelter Changes Chart. In addition, an example is being provided regarding not changing the shelter amount if verification is not provided.
2. [T-11](#), **ABAWD Labor Surplus Counties by Year.**
3. [Insert 2007](#) - A document has been developed with an insert containing the correct income guidelines for ES-2007 and ES-2008, in Spanish and English. The link for the document will be listed as “**Insert 2007**” to the right of the title of these forms.

The “2007” represents the year the guidelines are updated. The document contains three identical inserts arranged vertically that will have to be separated so one insert can be included in each brochure. Warehouse staff will include the insert in brochures currently available. When the current supply is depleted, the brochures will be modified so the

income guidelines are not listed on the brochure. The inserts will continue to be used and will be updated when income guidelines change.

### C. Medical Assistance

1. **F-8, Medicaid and HealthWave Standards.**
2. **W-4, Financial Eligibility Determination Worksheet** – This form is being corrected with the correct NF PIL.
3. **W-6, MA-CM Electronic Worksheet** - This form has been converted into Excel to accommodate the transition from Word Perfect. It was not possible to put calculation formulas in the Word version, but it is possible with Excel. Appendix item W-6A, instructions for completing W-6, is being updated as needed.
4. **W-10, Annuity Evaluation Worksheet** - This worksheet has been modified to accommodate the changes concerning the treatment and valuation of annuities.
5. **W-11, TAF Change Form** - This form has been created as a result of the change in the TAF earnings disregard. The form is used to calculate MACM financial eligibility and notify the Clearinghouse of changes which occur on a TAF case.
6. **W-11A, Instructions for TAF Change Form** - Provides instructions on the use and how to complete form W-11.

### D. Successful Families

1. **E-14, Work Program Assessment Protocol** - This is a guide for placing customers with barriers with appropriate services. Placement is based on assessments and interviews
2. **E-18, Orientation to the World of Work (OWOW)** - Revised January 2008 and included in May 2008 revision.
3. **E-19, OWOW Supervisor's Handbook** - Revised January 2008 and included in May 2008 revision.

### EFFECTIVE DATE

The changes concerning the HCBS Frail Elderly (FE) start date and the treatment of irrevocable, non-assignable annuities is effective immediately. The Psychiatric Residential Treatment Facility – Community Based Alternative (PRTF-CBA) waiver is effective April, 1, 2008. All other policies in this revision are effective May 1, 2008.

### EFFECT ON LOCAL STAFF

#### Food Assistance

The change in this revision to the exempt labor surplus counties will substantially affect staff in Sedgwick, Sumner and Douglas counties, as those counties are losing their exempt status. Other changes and clarifications will have a minimal effect.

### **Medical Assistance**

The medical changes in this revision will likely result in a moderate increase in staff effort to determine the status of resources in both the assessment and eligibility process.

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

ES-3100.6, ES-3100.6-S, Welcome to the Kansas Food Assistance Program  
IM-3100.2, Application for Medical Assistance/Food Stamps (SSI Recipients)  
These application forms are being obsoleted due to the new ES-3100 and ES-3100.1.

### **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, and the Training Advisory Team. The medical material has been coordinated with KHPA. Successful Families material has been coordinated with the Work Experience/Community Service Work Site Development/Utilization Work Group, SRS Legal, KCSDV and KHPA.

Sincerely,  
Bobbi Mariani, Director  
Economic and Employment Support  
BM:AM:lf

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