

STATE DEPARTMENT OF SOCIAL
REHABILITATION SERVICES
Integrated Services Delivery
Docking State Office Building
Room 581 - West
Topeka, Kansas 66612

12-30-11

To: Regional Directors
Economic and Employment Support Program Administrators
Economic and Employment Support Staff
KDHE-HCF Staff, including the HealthWave Clearinghouse
Social Service Administrators
Other Staff

Re: Summary of Changes for Kansas Economic and Employment Support
Manual (KEESM) Revision No. 53 effective January 1, 2012.

OVERVIEW OF CHANGES

A brief overview of the major changes is described below. Other clarifications and technical corrections are also included and described in the next section. Additional technical corrections not mentioned here are being incorporated in KEESM as needed.

All Programs – Intercounty transfer policy is being revised to streamline processes in transferring case files between counties.

The cash payment received in lieu of TANF benefits under the new Diversion Payment Program Option is exempt lump sum income for all programs.

Food Assistance – This revision implements several changes and clarifications. The changes include verification that the amount of child support paid is only needed if the child support deduction will be prospectively budgeted, the averaging of student work hours in determining student eligibility criteria, and changes to the treatment of one-time expenses for persons using the standard medical deduction. Changes are also included regarding the processing of information reported on the new Interim Report Form and a clarification regarding the intent of checking BARI/BASI at review. Clarifications include non-citizens unwilling or unable to provide immigrant documentation, and re-establishing eligibility after a potential employment denial penalty.

Medical Assistance – The annual cost of living increase in the minimum and maximum community spouse resource allowance and the maximum community spouse income allowance is being transmitted with this revision. These amounts will increase effective January 1, 2012 pursuant to federal law and are based on the annual change in the federal consumer price index.

The substantial home equity limit for individuals applying for long term care assistance is increasing to \$525,000 effective January 1, 2012.

The resource standards for the Medicare Savings Programs (QMB, LMB, and Expanded LMB) are also increasing effective January 1, 2012.

Costs related to Medicare Part D and the Subsidy program are changing. The benchmark premium amount for Kansas and the amount of prescription co-payments are changing effective January 1, 2012.

References to the Subsidy only determination process are being removed from the manual since staff are no longer responsible for administering that program.

Successful Families – References to the Family Violence Option are being removed with the revision because Kansas has implemented time limits for all TANF participants.

Successful Families and Child Care – A lifetime penalty will apply to TANF and Child Care households that are found guilty of fraud, even if fraud is only committed in one program.

Successful Families, Child Care and Food Assistance – Thresholds for establishing claims and referring alleged fraud for an Administrative Disqualification Hearing or court are changing with this revision.

DESCRIPTION, PURPOSE, AND DETAILS OF POLICY CHANGE

I. All Programs

A. Changes

1. **Inter-county Transfers** – KEESM [9220](#), [9221](#) and [9222](#) are being revised to streamline processes in transferring case files between counties. Effective with this memo, case changes will be made by the county which receives information of the change. This notification can be made by the customer or by other sources.
2. **Lump Sums, Diversion Payment** – A new subsection (k) is being added to KEESM [6410 \(39\)](#) indicating that the one-time cash payment received under the new Diversion Payment Program Option is exempt lump sum income for all programs. The \$1,000 payment is exempt as income and as a resource only in the month received.

B. Clarifications

1. **Households Required to Change Report** – KEESM [9121](#) is being updated to reflect the removal of system notice V834. Staff are not required to send this notice, as appropriate reporting information is included in the approval notices.

II. Food Assistance

A. Changes

1. **Mandatory Verification That Affects the Amount of Program Benefits** – KEESM [1322.2](#), item (3) is being changed to state that the amount of the obligation for the child support deduction only has to be verified if the deduction will not be averaged. In other words, if payments are just starting and the deduction is being prospectively budgeted, verification of the amount of the obligation will be required. In addition, the manual is being changed to include the Kansas Payment Center (KPC) as an acceptable verification that there is a court order and acceptable verification of the amount of support being paid for the child support deduction. It cannot be used as verification of amount of the obligation, so if child support payments are just starting and the deduction will be prospectively budgeted, the household will be required to provide proof of the amount of the obligation. This change is a result of a BPR suggestion to streamline processing.
2. **Student Participation Criteria** – Student participation criteria number one is being changed to state that a student meets the criteria if they are employed at least 80 hours a month, or an average of at least 20 hours a week (dividing by 4, not 4.3). For self-employed students, they must also work a minimum of 80 hours a month and earnings must be at least 80 times minimum wage per month. This change is a waiver from the Federal Regulations and was implemented as a simplification of policy. KEESM [2531](#) is being changed accordingly.
3. **Excess Medical Deduction** – A change is being made to the treatment of one-time medical expenses when the household is using the Standard Medical Deduction. This change is being made to simplify the policy surrounding the Standard Medical Deduction. With this change, the policy of averaging the standard medical deduction for a one time expense between \$35.01 and \$175 is being removed. With the new policy, for a household using the standard medical deduction, the following

policies will apply:

- If the one-time expense is going to be allowed for one month instead of averaged, the one-time expense shall be added to any other verified ongoing expense(s). (Whatever expense or expenses were verified to determine entitlement to the standard medical deduction.) If the resulting amount is \$175 or less, the standard medical deduction is continued. If the one-time expense plus the verified ongoing expense(s) is greater than \$175, the household is changed from the standard deduction to actual expenses for the one month and then changed back to the standard medical deduction for the following month.
- If the one-time expense is averaged over the remainder of the review period and the one-time averaged amount plus the verified ongoing expense(s) used to determine entitlement to the standard is over \$175, the household shall be switched from the standard medical deduction to actual expenses until the time of the next review.

Sections [7227.5\(7\)](#) and [7223](#) are being revised to incorporate this change.

Training material for the excess medical deduction has also been revised and will be provided with the Implementation Memo.

4. **Interim Report** – Recent changes have created confusion regarding processing of the new interim report form. Changes are being included in [9122.6](#) regarding this processing. Clarifications are included regarding the intent of checking BARI/BASI at IR.
 - a. Regarding a complete interim report, it is being clarified that new employment (question 2a and/or 3 is answered yes), is considered a change in income, and 30 days of paystubs must be provided for a complete report.
 - b. Under Verification Required, a clarification is being included that a new source of income, (question 2a) is considered a change in income that must be verified.
 - c. Regarding processing the interim report, Item 1(c)(ii)(2) is being revised to remove the \$50 income threshold for acting on changes in income when the household answers no that their income as not changed. If the household reports no change in income, no change is made unless the

agency has contradictory information that a change in income has occurred. In that situation, verification of the most recent 30 days of pay can be required. The reason verification is required must be documented. However, for households with income verification available on The Work Number, the most recent 30 days of pay will be used to rebudget the case, even if the household has reported no change. A clarification has also been added here that corresponding income changes shall also be made to the TANF or Child Care case as applicable.

- d. The same change as described in c above is being made to item [9122.6\(1\)\(c\)\(v\)](#) regarding unearned income. The \$50 threshold to act on the change is being removed. (The \$50 threshold for verification remains.) If the household marks no change to unearned income, no change is made unless other information is known that is contradictory, thus questionable. If questionable, verification can be required and the reason verification is required must be documented. However, for child support income available on the KAECSSES system, a re-average of the last three months of child support is required (if applicable) even if the household answers no there has been no changes. It is also clarified that corresponding income changes shall also be made to the Child Care case if applicable.
- e. In item [9122.6\(d\)](#), the manual is being clarified regarding the mandatory checking of BARI/BASI at the time of processing the IR. The intent of checking BARI/BASI is to determine if there is any unreported income or unemployment compensation. If unreported employment is found, this should be evaluated to determine if the employment should have been reported (over the 130% threshold), or if it continues. Staff should use prudent person judgment to determine if a change in income reflected on BARI/BASI requires additional follow up. If the change is determined to be contradictory or questionable, verification of the most recent 30 days of pay can be required. The reason why verification was required must be documented.

B. Clarifications

1. **Non-Citizens Unable or Unwilling to Provide Immigrant Documentation** – KEESM [2143.4](#) is being revised to clarify further the meaning of “unwilling” and “unable” to provide

documentation. Persons "unable" include those who may have lost their immigrant papers and do not want to go through the process to obtain them again, as well as persons who are not in the country legally. Persons "unwilling" include non-citizens that who do not want to participate in the Food Assistance Program as well as those that fail to respond to a request for immigrant status or documentation.

2. **Re-Establishing Eligibility (For Cash and Food Assistance)**
 - Due to the recent confusion surrounding the removal of the Declaration of Cooperation and Self-Responsibility form, KEESM [3522](#) (5) has been modified to clarify that for food assistance, a potential employment violation applied to the month of application can be cured by completing 20 job contacts. If the household does not complete the 20 job contacts, the person will remain ineligible for food assistance. (Use prudent person judgment to determine if any of the job contacts need to be verified. There is no requirement to verify the job contacts as is done for TANF.) The maximum length of the denial for potential employment is 12 months. A cross reference to 3522, and how to cure a potential employment violation has also been added to [3450](#). In addition, the [ES-4307](#), Penalty Tracking Sheet has been revised to capture ongoing potential employment penalties for food assistance.

III. Medical Assistance

- A. **Changes** – The following changes are applicable to the medical programs as indicated.

1. **COLA Mass Change** – Effective January 1, 2012, the minimum community spouse resource allowance will increase from \$21,912 to \$22,728 and the maximum resource allowance will increase from \$109,560 to \$113,640. In addition, the maximum community spouse income allowance is increasing from \$2,739 to \$2,841. Neither the minimum income allowance nor the dependent family member allowance is changing.

Because the SSI income level is changing, the Presumptive Medical Disability – SI related eligibility level is also changing. For a single individual, the income level is increasing from \$674 to \$698.

KEESM sections [8144](#) and [8244](#) are being updated with this revision. The [ES-3162](#) – Resource Assessment and Allowance Determination Form, the [ES-3163](#) – Income Allowance

Determination Form, the [ES-3104.6](#) – Determination Worksheet for Pickle Eligibles and Other Protected Medical Groups, and the Appendix Item [F-8](#) – Medicaid and HealthWave Standards are also being updated with this revision.

2. **Substantial Home Equity** – The substantial home equity limit for individuals applying for long term care coverage is increasing from \$506,000 to \$525,000 effective January 1, 2012. This increase is mandated by federal law and is indexed based on the annual change in the consumer price index (CPI).

KEESM section [5331.1](#) is being updated with this revision.

3. **Medicare Savings Programs** – The resource limit for the Medicare Savings Programs (QMB, LMB, Expanded LMB) is increasing from \$6,680 to \$6,940 for a single individual and from \$10,020 to \$10,410 for a couple. This increase is mandated by federal law and is indexed based on the annual change in the consumer price index (CPI).

KEESM sections [2671](#), [2672](#), and [5130](#) are being updated with this revision.

4. **Medicare Part D Subsidy**

- a. Prescription Drug Coverage – Costs related to Medicare Part D are changing for 2012. The new amounts are being incorporated in KEESM [2675.4](#).

The co-payments for dual eligible Medicare Part D beneficiaries are changing for 2012:

- For persons eligible for QMB, LMB, or Expanded LMB, the co-payments will increase from \$2.50 to \$2.60 per generic and from \$6.30 to \$6.50 per brand name.
- For full Medicaid eligibles with income at or below 100% of FPL, the co-payment will remain \$1.10 per generic and \$3.30 per brand name.
- For full Medicaid eligibles with income above 100% of FPL, the co-payments will increase from \$2.50 to \$2.60 per generic and from \$6.30 to \$6.50 per brand name.

The benchmark Subsidy premium for Kansas is also changing from \$36.94 to \$36.67 effective January 1, 2012. This figure impacts the amount of Medicare D Subsidy a

beneficiary can receive. The Subsidy will provide coverage of the lowest premium a plan offers, up to the basic premium level for the state. A beneficiary receiving the Subsidy may elect an enhanced or higher cost plan, but he/she is responsible for the difference between the benchmark and the actual premium amount.

- b. **Subsidy Only Applications** – Staff are no longer responsible for accepting, processing, or maintaining Subsidy D only applications. All references to this process are being removed from the manual. Implementation instructions for this change were issued in KDHE- DHCF Policy Memo No. 2011-12-01.

The [ES-3100.8](#) (Application/Redetermination Medicare Savings Plans) form has also been revised to eliminate reference to the Medicare Part D Subsidy program.

KEESM section [2675.4](#) is being updated with this revision.

B. Clarifications

None

IV. Successful Families

A. Changes

1. **Orientation, Assessment, Referral, Safety (OAR)** – KEESM [1412.3](#) and [3330.9](#) are being revised to remove references to the Family Violence Option. Kansas has implemented a 48 month time limit for all TANF participants. Participants that need a time limit extension to overcome the effects of domestic violence/sexual assault may be extended to 60 months in lieu of the state's 48 month time limit.
2. **Interview** – KEESM [9332](#) is being revised to remove reference to cash assistance. Interviews for cash assistance reviews will no longer be required. Staff may continue to contact consumers to clarify information or follow up on incomplete information, but a formal interview is no longer required.

Food assistance reviews continue to require an interview.

3. **Applicant Eligibility Requirements Specific to TANF**– New section [2250](#) has been added to KEESM to address specific requirements for TANF applicants

Applicant Job Search (AJS) guidelines are found in [2251](#) and Work Readiness Screening (WRS) requirements are in [2252](#).

B. Clarifications

V. Successful Families and Child Care

A. Changes

1. **Penalties For Fraud** – KEESM [11121.3](#), [11200](#), [11221](#), and [11250.7](#) are being revised to prohibit households from receiving TANF and Child Care if a household commits fraud. This is a lifetime penalty. The penalties will apply to both programs, even if fraud is only committed in one.

Children may continue to receive TANF and Child Care if they move into a household not found guilty of fraud and disqualified for lifetime.

B. Clarifications

None

VI. Successful Families, Child Care and Food Assistance

A. Changes

1. **Thresholds for Overpayments and Fraud** – Item (4) in Section [11122](#) of the KEESM is being revised to remove the \$125 threshold for establishing a claim on a closed case. There is now no minimum amount for establishing an overpayment.

Section [11230](#) is being revised to remove the \$501 minimum amount of alleged fraudulent overpayment required to initiate a fraud determination action. With this change, alleged fraud amounts (individual program or combined) of \$0 - \$1000, including instances of attempted fraud that would have resulted in an overpayment of \$1000 or less if not discovered, will be referred for an Administrative Disqualification Hearing. Alleged fraud amounts (individual program or combined) of \$1001 and over including instances of attempted fraud that would have resulted in an overpayment of \$1001 or more if not discovered, will be referred to the fraud unit who will determine how to proceed – civil or criminal court, or an Administrative Disqualification Hearing.

Corresponding changes are also being made to [11200](#), [11231](#), [11232](#), [11240](#).

B. Clarifications

None

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

A. Food Assistance

[ES-4307](#), **Penalty Tracking Sheet**: An additional section has been added to this form to track Potential Employment penalties for ongoing Food Assistance cases.

B. Medical Assistance

1. [ES-3100.8](#), **Application/Redetermination Medicare Savings Plans**
2. [ES-3162](#), **Resource Assessment and Allowance Determination Form**
3. [ES-3163](#), **Income Allowance Determination Form**
4. [ES-3104.6](#), **Determination Worksheet for Pickle Eligibles and Other Protected Medical Groups**

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

A. Medical Assistance

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

B. Successful Families and Child Care

1. Item B-3, **TAF Disqualification Consent Agreement**, is being replaced with items B-3A and B-3B.

[B-3A](#), **TANF Disqualification Consent Agreement**, contains the same verbiage as B-3 but "TAF" is being change to "TANF" throughout.

[B-3B](#), **TANF and Child Care Disqualification Consent Agreement**, is being developed to address both TANF and Child Care programs.

2. [B-7](#), **Overpayment Checklist**: this is being updated to reflect the changes to TANF and Child Care overpayment claims material.

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

EFFECTIVE DATE

With the exception of the elimination of Medicare Part D Subsidy application processing, all polices in this revision are effective January 1, 2012.

EFFECT ON LOCAL STAFF

The changes in this revision will require some effort by field staff to learn and implement. The changes in processes are intended to simplify the complexities used to process cases.

The medical changes contained in this revision should have only minimal impact on staff.

MATERIALS OBSOLETE BY THIS REVISION

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.

Sincerely,
Kathe Decker, Director
Economic and Employment Support
KD:am

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