

STATE DEPARTMENT FOR CHILDREN
AND FAMILIES
Family Services
Docking State Office Building
Room 581 - West
Topeka, Kansas 66612

12/26/12

To: Regional Directors
Economic and Employment Services Program Administrators
Economic and Employment Services Staff
KDHE-HCF Staff, including the HealthWave Clearinghouse
Prevention and Protection Services Administrators
Other Staff

Re: Summary of Changes for Kansas Economic and Employment Services
Manual (KEESM) Revision No. 57 effective January 1, 2013.

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 – This revision implements several changes to policy mandated by USDA and being implemented for all programs for consistency purposes. With this revision, gate money (money prisoners receive when leaving prison) will be considered an exempt lump sum. In another change, for GI Bill income, the portion of the payment that is the monthly housing allowance (MHA) will no longer be exempt. This revision also clarifies that payments made by the VA to participants in the Compensated Work Therapy program are countable earned income as they are considered a training allowance.

Food Assistance – This revision contains some changes and clarifications to food assistance policy, including the new provisions regarding prisoner matching and death matching implemented via Policy Memo [12-10-02](#).

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, 2013 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 \$536,000 effective January 1, 2013.

The resource standards for the Medicare Savings Programs (QMB, LMB, and

Expanded LMB) are also increasing effective January 1, 2013.

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, 2013.

Successful Families – This revision contains changes to the Work Programs Social Security Application (SSA) component, the policy behind SSA representation and hardship as per the protocol provided in Policy Memo [12-11-3](#).

DESCRIPTION, PURPOSE, AND DETAILS OF POLICY CHANGE

I. All Programs

A. Changes

- 1. Training Allowances and Payments** – Policy is being revised to provide that VA Compensated Work Therapy payments are countable earned income as they are considered a training allowance. KEESM [6315](#) is being changed to incorporate this policy.
- 2. Lump Sum Payments** – Due to a clarification from USDA, policy is being changed regarding gate money – money prisoners receive when leaving prison. With this revision, gate money will be considered an exempt lump sum instead of countable unearned income. For consistency the policy is being applied to all programs. KEESM [6410 \(39\)](#) and [6220\(11\)](#) are being modified to incorporate this change.
- 3. GI Bill** – Another clarification from USDA has been received regarding GI Bill income, specifically the portion of the payment that is considered the Monthly Housing Allowance or MHA. This portion of the GI Bill educational payment is NOT to be exempted as educational income effective January 1, 2013. The MHA is clearly designated on VA GI Bill award letters. This change is being implemented for all programs for consistency. Additional information about implementation of this policy change will be provided in the implementation memo. A new item has been added to [6220 \(11\)\(e\)](#), Types of Countable Unearned Income and [6410\(19\)](#), Educational Income, is being revised to include this change.

B. Clarifications

None

II. Food Assistance and Cash Assistance

A. Changes

1. **Budgeting of Income** – Section [7100](#) is being clarified to state that the Income/Expense Worksheet, ES-3103, is required for all food assistance and cash benefit determinations when the household has countable earned income AND when the household has countable unearned income or has no income, but has allowable expenses.

B. Clarifications

None

III. Food Assistance

A. Changes

1. **Re-establishing Eligibility Following a Comparable Penalty or a Potential Employment Penalty** – Policy is being revised regarding re-establishing eligibility after a comparable penalty or a potential employment penalty for food assistance. With this revision, eligibility shall be re-established following the minimum penalty period without further action from the client. This will simplify policy, especially in comparable penalty situations when the person does not reapply for TANF.

Item 3 is being removed from section [2552](#) because TANF reapplication can now occur only after the minimum penalty has been served.

Section [3540](#) is being revised to indicate the tiered penalties of 3 months, 6 months, 12 months and 10 years apply to potential employment penalty situations.

2. **Prisoner Verification System** – A new section, [1435](#), Prisoner Verification System (Food Assistance Only), is being added to the KEESM. The provisions in this section were previously implemented via Policy Memo [12-10-02](#), dated October 31, 2012.
3. **Social Security Death Match** – A new section, [1436](#), Social Security Death Match (Food Assistance Only), is being added to

the KEESM. The provisions in this section were previously implemented via Policy Memo [12-10-02](#), dated October 31, 2012. In addition, a new Appendix item, [P-14](#), is being added, Where to find Death Information on EATSS Records.

B. Clarifications

1. **Purchase and Prepare Statement** – KEESM [1322.3](#)(1)(a) is being clarified to remove reference to the FP-1013 as the form has been obsolete.
2. **Households Containing Post-High School Students** – KEESM [2530](#) (1)(c) is being corrected to refer to the 7 qualifying student conditions in [2531](#) instead of 6 as previously noted.
3. **Military Retirement** – A clarification is being included in KEESM [6220\(9\)](#)(c). The second paragraph of item (c) Diverted Court-Ordered Payments, has been separated into two paragraphs to highlight the part of that paragraph that talks about military retirement benefits. The portion of a military retirement benefit that a court has ruled must go to an ex-spouse as part of a divorce decree are not considered income to the military retiree.
4. **Processing Reported Changes** – A technical correction is being made to KEESM [9122.8](#). Item (c) is being removed as it described actions needed for Able Bodied Adult Without Dependent (ABAWD) situations, and we do not currently have ABAWD policies in effect.

IV. Medical Assistance

A. Changes

1. **COLA Mass Change** – Effective January 1, 2013, the minimum community spouse resource allowance will increase from \$22,728 to \$23,184 and the maximum resource allowance will increase from \$113,640 to \$115,920. In addition, the maximum community spouse income allowance is increasing from \$2,841 to \$2,898. 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. The income level is changing from \$698 to \$710 for a single individual and from \$1,048 to \$1,066 for a couple.

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](#) – Kansas Medical Assistance 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 \$525,000 to \$536,000 effective January 1, 2013. This increase is mandated by federal law and is 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 \$6,940 to \$7,080 for a single individual and from \$10,410 to \$10,620 for a couple. This increase is mandated by federal law and is 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** – Costs related to the Medicare Part D prescription drug coverage are changing for 2013.

The following co-payments for dual eligible Medicare Part D beneficiaries are effective January 1, 2013:

- For individuals eligible for QMB, LMB, or Expanded LMB, the co-payments will increase from \$2.60 to \$2.65 per generic and from \$6.50 to \$6.60 per brand name.
- For full Medicaid eligibles with income at or below 100% of FPL, the co-payment will increase from \$1.10 to \$1.15 per generic and from \$3.30 to \$3.50 per brand name.
- For full Medicaid eligibles with income above 100% of FPL, the co-payments will increase from \$2.60 to \$2.65 per generic and from \$6.50 to \$6.60 per brand name.

The benchmark Subsidy premium for Kansas is also changing from \$36.67 to \$36.04 effective January 1, 2013. This figure impacts the amount of Medicare Part D Subsidy a beneficiary can

receive. The Subsidy will provide coverage of the lowest premium a Part D 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.

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

B. Clarifications

1. **WORK Program Account** – Clarification has been added to indicate all WORK program participants must use the Fiscal Management contractor to manage their WORK account. Participants no longer have the option of managing their own account.

KEESM section [8400.6](#) is being updated with this revision.

V. Successful Families

A. Changes

1. **Social Security Applicant (SSA)** – SSA is being removed from KEESM 3330.12. KEESM [3330.12](#) is now work program non-cooperation penalty coding instructions. SSA will no longer be used as a component in the TANF work programs. If a client reports and documents a disability which impedes their ability to participate at any level in employment focused activities they will now be placed in PHC.
2. **Gather Information** – KEESM [3130.2](#) is being revised to provide new protocol on coding clients who have verified they are not be able to work and to assessment cost responsibility changes.
3. **Mental Health Care (MHC)** – KEESM [3330.6](#) MHC has been revised to include employment focused activities when a client is in therapy addressing mental health limitations.
4. **Physical Health Care (PHC)** – KEESM [3330.10](#) PHC is being revised to accommodate the placement of clients who are determined to be unable to participate in work program activities due to physical or mental disabilities.
5. **Agency Protocol Prior to Terminating TANF Cash Case Due to the 48-Month Time Limit and Non-Cooperation with**

Child Support When in Hardship Status – KEESM [2242](#) (6) and [2243](#) (2) are being revised to address hardship determination. Disability will still be considered a hardship so long as the client is pursuing SSI/SSDI benefits. It will be the client's responsibility to file and find representation for SSI/SSDI application. DCF will no longer pay for representation. The client will have to document both the disability and their active pursuit of SSI/SSDI benefits to be considered for a DES Hardship extension. All DES hardships must be reviewed at 6 months.

B. Clarifications

1. **Cash Closed for Work Program Penalty (WPP)** – KEESM [3330.8](#) is being updated to indicate that WPP is to be used on SESP as the code for the CSS penalty only. WP1, 2 or 3 is to be used for Work program non-cooperation penalties.

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

A. All Programs

1. [ES-3100](#), **Application for Benefits for Families** and [ES-3100.1](#), **Application for Benefits for the Elderly and Persons with Disabilities** – These are being updated with information related to KanCare.

B. Food Assistance

[ES-3114](#), X843, X844, F843 and 843F – **Interim Report Form** – Due to a suggestion from the field, some minor changes are being made to this form. In item 2(a) and (b), if the person answers yes to either of these questions, a space has now been provided for the client to enter the person's name for a change in employer or a change in wage rate, salary or full or part-time status. This same change has been included for item 3, Has anyone started a job since last reported? In addition, for item 3 a statement has been added that if anyone has started a new job, to provide the most recent 30 days of pay stubs.

C. Medical Assistance

1. [ES-3162](#), **Resource Assessment and Allowance Determination Form**
2. [ES-3163](#), **Income Allowance Determination Form**
3. [ES-3104.6](#), **Determination Worksheet for Pickle Eligibles and Other Protected Medical Groups**

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

All Programs

[X-5](#), **Back of Notices of Action** is being updated with current civil rights provisions and with correct KanCare and KDHE references.

Food Assistance

[P-14](#), **Where to find Death Information on EATSS Records**

[T-11](#), **ABAWD Labor Surplus Counties by Year**, is being revised to provide that the entire state is considered in labor surplus status starting April 1, 2009 through September 30, 2013.

Medical Assistance

[F-8](#), **Kansas Medical Assistance Standards**

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

EFFECTIVE DATE

All polices in this revision are effective January 1, 2013. Additional information is being included in the Implementation Memo.

EFFECT ON LOCAL STAFF

• Food Assistance

The effect on staff as a result of these changes will be minimal.

B. Successful Families

Work Program staff will have to review all cases in SSA and reassign them to appropriate activities or programs. Staff will also have to document 6 month reviews on DES hardship extensions and PHC placements.

MATERIALS OBSOLETE BY THIS REVISION

IS-3122, **Disability Consultations/Representation Referral to Kansas Legal Services**

COORDINATION EFFORTS

Within EES, the material in this letter and manual revision has been coordinated with staff in Economic and Employment Services, the EES Program Administrators, and the Implementation Planning Team.

Sincerely,
Karen Beckerman, EES Assistant Director
Economic and Employment Services
KB:am

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