

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

**4/24/13**

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

Re: Summary of Changes for Kansas Economic and Employment Services  
Manual (KEESM) Revision No. 58 effective May 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 will assist staff in determining eligibility for tribal members who receive Indian royalty payments, such as casino profits. By using the annual income from tribal royalty payments, staff will have to average income only once during the year. Once the annual income is in place, changes will not be made until the next IR or review in the following year.

This revision removes the ND code from KAECSES effective immediately. When staff are budgeting unreported earnings use UE on the UNIN screen for food assistance overpayment computation and XF on the EAIN screen for cash assistance overpayment computation.

This revision exempts income from the Health Profession Opportunity Grants (KHPOP in Kansas) for all programs.

**Cash, Child Care, Food Assistance, and GA** – This revision implements a change in the treatment of VA Aid and Attendance for these programs. Previously this income was exempt. USDA has clarified that it is not exempt for food assistance. The change is being adopted by the other programs for consistency. However, VA aid and attendance will remain exempt for the medical programs.

**Child Care** – New poverty level guidelines have been published by the Department of Health and Human Services. These guidelines affect the eligibility standards in the Child Care program.

Non-TANF child care recipients will be required to be employed a minimum of 28 hours per week in order to qualify for child care assistance. The minimum weekly hours of employment for post-secondary students will remain at 20.

**Employment Services** – The Work Program exemption for a single parent of a child who is 6 months or younger (CU/EX) will be changed to 2 months. There will be no CU/EX exemption for a single parent who is engaged in substance use disorder activities with SRCC.

With the exception of MHC or PHC, workers will no longer be able to place TANF mandatory recipients in a 0 hour component only. All 0 hour components must be used in conjunction with a countable component.

**Medical Assistance** – The new federal poverty levels are being adopted, including an increase in the minimum community spouse income allowance, the dependent family member allowance, and the excess shelter deduction.

## **DESCRIPTION, PURPOSE, AND DETAILS OF POLICY CHANGE**

### **I. All Programs**

#### **A. Changes**

- 1. Health Profession Opportunity Grants** – The Patient Protection and Affordable Care Act (ACA) established grants to address health professions and workforce needs. In Kansas, the Kansas Health Profession Opportunity Grant Project (KHPOP) was established as a result of these grants. The law exempts any aid, services or incentives provided to an eligible participant under KHPOP from being counted as income in determining eligibility or benefits for any means tested program. Therefore, any payments KHPOP participants receive are exempt as income. A new income exemption has been added to KEESM 6410. The number is [\(27\)](#) and all subsequent items have been renumbered accordingly.
- 2. Intermittent Income and Deductions** – KEESM [7121](#) is being revised so Indian Royalty Payments are averaged from the annual payment, not from the periodic payments as currently occurs.

#### **B. Clarifications**

1. **Reinstatement of Assistance** – The manual is being clarified regarding the acceptance of a review form in the month following the end of the review period. If the review form is returned in the month following the end of the review period, it can be used to redetermine eligibility. Benefits shall not be prorated for all programs except food assistance. For food assistance, proration is applicable and expedited service must be determined when a food assistance household returns the review in the month following the end of their review period. All food assistance households who return the review in the month following the end of their review period must be screened for expedited service. These policies were originally included in the Implementation Memo for the review forms.

KEESM [1423](#) is being modified accordingly.

## II. **Cash, Child Care, Food Assistance, and GA**

### A. **Changes**

1. **VA Aid and Attendance** – A policy clarification was received from USDA regarding VA Aid and Attendance benefits. The clarification clearly states that for the Food Assistance Program, these benefits cannot be excluded as income. For consistency, this policy change is being applied to cash and child care as well. The income will remain exempt for medical assistance. This change is incorporated into KEESM [6220](#) (2) and [6410\(66](#) (Formerly 65))(a). Additional information regarding the implementation of this change will be provided in the implementation memo.

Note: For food assistance, a veteran getting aid and attendance would be considered disabled. As such, they are entitled to deduct medical expenses that exceed \$35 per month including for maintaining an attendant, homemaker, home health aide, housekeeper or adult care services due to age, infirmity or illness. This should be investigated with any veteran getting aid and attendance benefits.

### B. **Clarifications**

None

## III. **Cash, Medical, and Child Care**

## A. Changes

None

## B. Clarifications

1. **Qualified Non-Citizen Status for the Cash, Medical, and Child Care Programs** – Eligible Non-Citizens, KEESM [2142.1](#), and Non-Citizens Who Qualify After 5 Years From the Date of Entry or the Date Status Was Granted, KEESM [2142.2](#), are being highlighted in certain parts to clarify when a qualified non-citizen gains eligibility for cash, medical, and child care. Certain individuals who would not otherwise qualify for assistance, do qualify when they meet specific criteria and have lived in the United States for five years or entered the United States prior to August 22, 1996.

## IV. Child Care

### A. Changes

1. **EM (Non-TANF) Child Care** – KEESM section [2835](#) is being modified to require that all adults included in a non-TANF child care cases be employed a minimum of 28 hours per week (average). The employment requirement for post-secondary students, however, remains at 20 hours per week. All current child care cases will be reviewed in May and June, and any case with an adult who is not employed at least 28 hours per week will be closed, unless the adult is a post-secondary student who is employed at least 20 hours per week .

TANF recipients who lose eligibility for TANF due to employment are not subject to the 28-hour-per-week requirement for two months following the loss of TANF eligibility. However, if not employed at least 28 hours per week, the child care plan will only be written for those two months. If the adult is employed at least 28 hours per week at the end of those two months, they may reapply for child care assistance.

### B. Clarifications

1. **In-Home Child Care Enrollment and Monitoring Procedures** – KEESM section [10036](#) and other sections are being changed to incorporate the changes from Policy Memo 13-2-01 regarding enrollment of In-Home child care providers. In-Home providers are now enrolled and monitored in the same

way as other types of child care providers. Enrollment is now completed by the provider instead of the parent.

2. **Informed Parental Choice (Child Care)** – KEESM section [1213.9](#) is being revised to incorporate the change from Policy Memo 13-2-1 regarding EES staff responsibility to provide applicants for child care with either the link to the handbook “The Parent Provider Partnership” or a paper copy of that handbook, and to inform applicants of their responsibility to read and understand the information contained in the handbook.
3. **Responsibility to Select Appropriate Child Care** – KEESM section [1212.10](#) is being modified to incorporate the change from Policy Memo 13-2-1 which states that applicants are responsible for reading and understanding the information contained in the handbook “The Parent Provider Partnership”.
4. **AE (Vocational Rehabilitation) Child Care** – KEESM section [2836](#) is being removed and that section reserved due to the January 1, 2013 discontinuation of the use of the AE subtype as a mechanism for payment of child care for Vocational Rehabilitation. KEESM sections [1114](#) and [2831](#) are also being modified to remove reference to the AE subtype of child care.
5. **Registered Child Care Providers** – Various references to Registered Child Care Providers in KEESM sections 2800 and 10000 are being removed, as KDHE eliminated that type of regulated child provider in 2012.

## V. Employment Services

### A. Changes

1. **Child-Under Exemption (CU/EX)** – KEESM [3220](#) is being revised to lower the 6 month exemption time to 2 months for new born children to reflect a timeframe that runs closer to the general workplace guidelines. If the single parent is engaged in the AOD component with SRCC or in a treatment facility, the CU exemption cannot be used and the parent will be expected to continue recovery services during their postpartum period.

### B. Technical Change

1. **Zero Hour Components** – With the exception of Mental Health Care (MHC) and Physical Health Care (PHC), TANF mandatory

recipients may not be placed in a 0 hour activity without also being assigned to a Primary or Secondary employment focused activity that counts towards participation.

KEESM sections [3300](#) and [3330](#) are being revised to reflect this policy.

KEESM sections [3330.6](#) and [3330.10](#) are being modified with instruction for participants placed in MHC and PHC without a primary component.

## VI. Food Assistance

### A. Changes

None

### B. Clarifications

1. **Tax Refunds** – The manual is being clarified regarding the treatment of tax refunds. For food assistance, tax refunds are exempt as income and as resource for a period of 12 months after receipt.

KEESM [6410\(61\)](#)(Formerly 60)) is being modified to incorporate this change.

2. **Excess Medical Deduction** – The manual is being clarified regarding allowing the Standard Medical Deduction at review, when it was not allowed at initial application due to the household not claiming any medical expenses in excess of \$35. In this situation, if medical expenses greater than \$35 and equal to or less than \$175 are claimed at review, then the verification provisions that apply at initial certification to allow the standard medical deduction would apply. The same is true if the household claims medical expenses in excess of \$175.

KEESM [7223](#) is being modified to include this clarification.

3. **Definition of Fraud** – USDA has clarified that fraud includes the sale of, or intent to sell, food assistance benefits and/or EBT cards in public or online through web sites and social media such as Craig's List, Facebook, Twitter, eBay, etc.

KEESM [11210](#) is being modified to include this clarification.

## VII. Medical Assistance

### A. Changes

1. **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 CHIP programs, and premium standards for the CHIP program;
  - b. Income standards for the QMB, LMB, Expanded LMB, and QWD programs;
  - c. Income standards for the TransMed program;
  - d. Income and premium standards for the Working Healthy (WH) program;
  - e. For spousal impoverishment, the minimum community spouse income allowance increases from \$1,892 to \$1,939. The dependent family member allowance increases from \$631 to \$647. The excess shelter deduction increases from \$215 to \$218.

The following KEESM Sections, Forms and Appendix items are being modified with this change:

Sections [8144.2](#) and [8244.2](#)

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

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

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

Appendix Item [F-8](#), Kansas Medical Assistance Standards.

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

### B. Clarifications

None

## VIII. Successful Families

### A. Changes

None

### B. Clarifications

1. **Interview (Food Assistance and TANF Only)** – Wording regarding TANF only is being added back into KEESM section [9332](#). Interviews at reviews are not required for TANF; however, a review may be conducted at the client's request, or on the Eligibility Workers discretion.
2. **Work/Self-Sufficiency Requirements** – Clarification is being added to [3100](#) and [3100.1](#) that only mandatory TANF applicants are required to participate in AJS and WRS.
3. **Supplying Information** – Clarification is being provided in KEESM [2121](#) for the WRS to be completed for all mandatory TANF household members. Notice of time limits is not a condition of eligibility as all TANF approval notices provide information on time limits and regular notices are sent informing clients of TANF months used and TANF months remaining.

## IX. Successful Families and Child Care

### A. Changes

None

### B. Clarifications

1. **TANF and Child Care Penalties** – KEESM [11221.2](#) is being clarified so a child(ren) living in the household of a disqualified adult is not eligible for benefits, however, if the child moves into another qualified household, the child may be eligible to receive TANF and Child Care.

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

### A. Food Assistance

[ES-4306F](#), **Food Assistance Employer Contact Record**: This form has been revised to remove the requirement to attach a confirmation sheet for each online application and a transmission sheet for each fax



application since staff are not required to verify these contacts for food assistance purposes.

## B. Medical Assistance

1. [ES-3104.5](#), **Determination of Need**
2. [ES-3163](#), **Income Allowance Determination**
3. [ES-3165](#), **Working Healthy Premium Information**

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

### A. All Programs

[B-7](#) – **Overpayment Checklist:** When creating overpayments caused by client's not reporting earnings, whether fraud or non-fraud, staff are to begin using UE on UNIN for food assistance cases and using XF on EAIN for cash assistance cases. The ND code, as currently programmed in KAECSES, counts this income in the TANF budget, while not allowing the earnings disregard. Staff who are correctly following the B-7 instructions are inadvertently counting the income for TANF twice. This results in an incorrect determination of the overpayment for TANF. Therefore, use of the ND code is no longer appropriate and staff are to quit using this code immediately. The B-7 has been revised to remove ND as an optional code.

### B. Child Care

1. [C-25](#), **Child Care Checklist:** This checklist is being updated to reflect the 28 hour per week work requirement for EM child care recipients.
2. [F-1](#), **Monthly Family Income and Family Share Deduction Schedule:** This is being updated based on May 2013 poverty level amounts.
3. [C-10](#), **Child Care Provider Handbook:** This handbook has been updated for CAPP purposes.
4. [C-11](#), **The Parent-Provider Partnership:** This handbook has been updated for CAPP purposes.
5. [C-12](#), **Regulated Child Care Provider Enrollment:** This enrollment application has been updated for CAPP purposes.

6. [C-13](#), **Unregulated Child Care Provider Enrollment:** This enrollment application has been updated for CAPP purposes.
7. [C-14](#), **In-Home Child Care Provider Enrollment:** This enrollment application has been updated for CAPP purposes.
8. [C-15](#), **Out of Home Relative Provider Enrollment:** This enrollment application has been updated for CAPP purposes.

## C. Medical Assistance

1. [F-8](#), **Kansas Medical Assistance Standards**
2. [R-1](#), **Medical Subrogation Referral - Adoption** and [R-2](#), **Medical Subrogation Referral - Injury:** These have been updated with the correct contact information and linked in KEESM Appendix.

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

[DD-1106](#), **Medical Onset Date Verification:** This form was updated to reflect the correct agency name and to allow completion electronically.

## EFFECTIVE DATE

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

## EFFECT ON LOCAL STAFF

### Child Care

The change to the child care work hours requirement will require substantial effort by field staff to implement. Staff will be required to make changes to current cases within the next 60 days to ensure that the policy is fully implemented by July 1, 2013.

### Medical Assistance

The medical changes contained in this revision will likely result in a slight increase in staff effort to incorporate the new poverty level changes.

## MATERIALS OBSOLETE BY THIS REVISION

Appendix item C-22 **KsCares Procedure: Child Care EBT Payments for RS Clients**

Appendix items C-9 and C-9S, **In-Home Child Care Handbook**, English and Spanish.

### **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,  
Jaime Rogers, EES Director  
Economic and Employment Services  
JR:am

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