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 | ADMINISTRATIVE DIRECTIVE |  
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TRANSMITTAL: 91 ADM-4

TO: Commissioners of  
 Social Services

DIVISION: Medical  
 Assistance

DATE: January 28, 1991

SUBJECT: Increases in the MA-Only Income Exemption  
 Standards for 1991

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SUGGESTED DISTRIBUTION:	Medical Assistance Staff Income Maintenance Staff Fair Hearing Staff Staff Development Coordinators
CONTACT PERSON:	MA Eligibility County Representative at 1-800-342- 3715 extension 3-7581 or in New York, 212-587-4853.
ATTACHMENTS:	None

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
90 ADM-43	90 ADM-11	360-4.7(b)	101	MARG pp	GIS 90MA046
90 ADM-11		360-4.3(f)	101-a	110, 112	MBL Trans-
89 ADM-38			366	218-221,285	mittal
89 ADM-21			P.L. 92-603	450-454	90-5
87 ADM-27			P.L. 94-48		
85 ADM-35			P.L. 94-566		
85 ADM-3					

I. PURPOSE

This Administrative Directive advises districts of the increase in Medical Assistance (MA) Only Income Eligibility Standards to be used effective January 1, 1991 in determining the MA eligibility of medically needy applicants/recipients (A/Rs).

II. BACKGROUND

Section 366(2)(a)(8) of the Social Services Law (SSL) sets forth a formula for establishing the MA income eligibility standards (income standards) used in determining the MA eligibility of medically needy A/Rs in one-person and two-person households. This formula is based on payment levels under the federal Supplemental Security Income (SSI) program. Section 366(2)(a)(8) also sets forth specific income standards for households of three or more, and requires these income standards to be increased if necessary to maintain at least a \$100 differential between income standards for various household sizes.

As a result of the aforementioned statutory provisions, the MA income standards for one-person and two-person households change whenever the SSI payment levels change. The SSI payment levels increased due to a cost of living adjustment (COLA) effective January 1, 1991. Therefore, the MA income standards for one-person and two-person households must be increased in accordance with SSL Section 366(2)(a)(8). In addition, in order to maintain a \$100 differential between the income standards for two-person and three-person households, it is necessary to increase the income standard for three-person households.

III. PROGRAM IMPLICATIONS

Effective January 1, 1991, the net income standards for MA-Only (A/Rs) are as follows:

MA Income Exemption Standards

Household Size	<u>One</u>	<u>Two</u>	<u>Three</u>	<u>Four</u>	<u>Five</u>	<u>Six</u>	<u>Seven</u>	<u>Eight</u>
Annually	\$6,000	8,600	8,700	10,200	11,900	13,600	15,300	17,000
Monthly	\$ 500	717	725	850	992	1,134	1,275	1,417

For each additional person in excess of eight in the household, add \$1,700 annually or \$142 monthly.

IV. REQUIRED ACTION

- A. For all MA-Only federally participating A/Rs whose eligibility is determined or redetermined for the month of January, 1991 or after, the January 1, 1991 income standards must be used.
- B. These revised standards must also be applied in determining eligibility effective January 1, 1991 for federally non-participating A/Rs who are parents at least 21 years of age and under 65 years of age living with their children under age 21. The revised standards apply only if the A/Rs are ineligible for MA when their income and resources are compared to the Public Assistance (PA) income and resource standards. (See 89 ADM-38)
- C. All excess income cases (inpatient and outpatient) active on or after January 1, 1991 must have their spenddown liability recomputed under these revised standards. Cases in which the six-month excess income period extends into the month of January, 1991 or after must be re-evaluated according to the new standards.

V. ADDITIONAL INFORMATION

A. COLA Percentage

The social security COLA effective January 1, 1991 is 5.4 percent.

B. Notice Requirements

When rebudgeting under the new income exemption standards results in a change in MA spenddown liability, the social services district must notify the client of the change in accordance with 89 ADM-21. Districts are also reminded that in instances in which there is a decrease in the monthly spenddown liability, recipients must be notified in writing of such increase in coverage. Notices of change in coverage due to increased Social Security benefits are included in 90 ADM-43.

C. 249E and 503 Cases

As specified in 87 ADM-50, social services districts are reminded that for individuals eligible under the provisions of Section 249E of Public Law 92-603 as amended by Public Law 94-48, the amount of the October 1972 Social Security increase must be disregarded in determining eligibility for Medical Assistance. Budgeting as described in 85 ADM-3 should be followed using the new conversion figures of .288 to determine what the A/R's social security income would have been in August, 1972 and .942 to allow for the disregard of the 20 percent increase of October, 1972.

In addition, persons eligible under Section 503 of Public Law 94-566 ("Pickle" individuals) who became ineligible for SSI on or after April 1977 must have a determination of MA eligibility based on the Social Security benefit at the time they became ineligible for SSI. Budgeting procedures as described in 85 ADM-35 and 87 ADM-27 should be followed.

NOTE: The SSI resource level for one remains \$2,000 and for two remains \$3,000 on and after January 1, 1991.

D. Allocation

When income allocation is done in an SSI-related case, the new allocation amount to be used is \$217 (the difference between the new MA income standards for one-person and two-person households).

VI. SYSTEMS IMPLICATIONS

A. MBL UPSTATE

Since the weekend of November 24 and 25, 1990, MBL has supported action on the new MA income standards with an automated Mass Rebudgeting and Principal Provider Update process. MBL Transmittal 90-5 provides details related to system support.

As of November 26, 1990, MBL will calculate budgets with an "Effective From Date" of January 1, 1991 or after using the new levels.

B. MBL NYC

Since the weekend of December 8 and 9, 1990, MBL has supported action on the new MA income standards with an automated Mass Rebudgeting and Principal Provider Update process.

As of December 10, 1990, MBL will calculate budgets with an "Effective From Date" of January 1, 1991 or after using the new levels.

VII. EFFECTIVE DATE

The provisions of this Administrative Directive are effective February 1, 1991, retroactive to January 1, 1991.

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Jo-Ann A. Costantino  
Deputy Commissioner  
Division of Medical Assistance