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 | ADMINISTRATIVE DIRECTIVE |
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TRANSMITTAL: 92 ADM-1

TO: Commissioners of
 Social Services

DIVISION: Medical
 Assistance

DATE: January 10, 1992

SUBJECT: Increased Medical Assistance Income and Resource Standards
 and Federal Poverty Income Guidelines For 1992

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; New York City Representative (212) 587-4853
ATTACHMENTS:	Medical Assistance Only Income and Resource Standards and Federal Poverty Income Guidelines: Effective January 1, 1992 (available on-line)

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
91 ADM-54	91 ADM-4	360-1.4(r)	101	MARG pp	GIS 91MA048
91 ADM-53	91 ADM-26	360-3.7(d)	101-a	110, 111.1	MBL Trans-
91 ADM-50		360-4.1(b)	366	111.2, 285	mittal 91-5
91 ADM-48		360-4.3(f)	P.L. 92-603		
90 ADM-48		360-4.7(b)	P.L. 94-48		
90 ADM-42		360-4.8	P.L. 94-566		
90 ADM-9		(a)&(c)			
90 ADM-6		360-7.7			
89 ADM-38		(g)&(h)			
87 ADM-50		360-7.8(a)			
87 ADM-27					
85 ADM-35					
85 ADM-3					

I. PURPOSE

This Administrative Directive advises social services districts of:

- A. Increases in the Medical Assistance (MA) Income and Resource Standards.
- B. The annual update of the federal income official poverty line (federal poverty line).

II. BACKGROUND

A. MA INCOME AND RESOURCE STANDARDS

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 applicants/recipients (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 persons, 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 Section 366(2)(a)(8), 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 federal cost-of-living adjustment (COLA) effective January 1, 1992. Therefore, the MA income standards for one-person and two-person households must be increased in accordance with Section 366(2)(a)(8). In addition, in order to maintain a \$100 differential among household sizes, it is necessary to increase the income standard for three-person households.

The resource standards for medically needy A/Rs are equal to one-half of the appropriate MA income standard. Because the MA income standards increased for one to three-person households, the MA resource standards must be increased accordingly.

B. FEDERAL POVERTY INCOME GUIDELINES

The federal poverty line is used in determining MA eligibility for various recipient groups under the MA program. The Department has experienced difficulties in timely updating the federal poverty line. The delay primarily results from the fact that the annual poverty guidelines are not published in the Federal Register until February of each year. The federal poverty lines are effective the day that they are published unless otherwise delayed for a particular program.

It is not until late February or early March before such information is available at the State level. As a result of this delay and the time-consuming activities associated with making the necessary systems and programmatic changes required for implementation, the Department has been unable to implement the new levels until July 1 of each year.

In an attempt to resolve this problem, the Department submitted a proposal to the Health Care Financing Administration (HCFA) to allow the Department's fiscal office to estimate the new poverty line based on the amount of the COLA increase in Social Security benefits. HCFA has approved this proposal, thus the Department will be able to implement the new federal poverty line on January 1 of each year.

III. PROGRAM IMPLICATIONS

A. MA INCOME AND RESOURCE STANDARDS

As a result of the January 1, 1992 3.7 percent COLA increase in SSI benefits, the MA income standards used to determine MA eligibility for federally participating A/Rs will increase for one to three-person households. Increased income standards of assistance will result in increases in MA resource standards for one to three-person households. The new MA income and resource standards will also be applied to federally non-participating parents living with their dependent child(ren) under the age of 21, who are financially ineligible for MA under the Public Assistance (PA) income and resource standards.

The new MA standards are specified on the attached chart.

B. FEDERAL POVERTY INCOME GUIDELINES

As with the MA income and resource standard increases, the federal poverty line will be updated effective January 1, 1992. The updated federal poverty line is the basis for the MA income eligibility standards which are applied to the following groups of A/Rs:

1. Presumptive Eligibility for Pregnant Women - Presumptive eligibility for pregnant women is determined by qualified providers by comparing their household incomes to 100 percent and 185 percent of the applicable federal poverty line. (90 ADM-9)

2. Pregnant Women and Infants - MA eligibility for pregnant women and infants under age one is determined by comparing their household incomes to 100 percent or 185 percent of the applicable federal poverty line. (90 ADM-9)
3. Children born after September 30, 1983 - MA eligibility for children born after September 30, 1983 who are at least six years of age but younger than 19 years of age is determined by comparing their household incomes to 100 percent of the applicable federal poverty line. (91 ADM-50)
4. Qualified COBRA Continuation Beneficiaries (CCBs) - Eligibility for the COBRA Continuation Coverage Program for qualified CCBs is determined by comparing their household incomes to 100 percent of the federal poverty line for a one or two-person household. (91 ADM-53)
5. Qualified Medicare Beneficiaries (QMBs) - Eligibility for the Buy-In Program for QMBs is determined by comparing their household incomes to 100 percent of the federal poverty line for a one or two-person household. (89 ADM-7 and 90 ADM-6)
6. Children Ages One Through Five - MA eligibility for children who are at least one year of age but younger than six years of age is determined by comparing their household incomes to 133 percent of the applicable federal poverty line. (90 ADM-42)
7. Persons with AIDS - Financial eligibility for the Health Insurance Continuation Program (AIDS Health Insurance Program) is determined by comparing household incomes to 185 percent of the federal poverty line for a one or two-person household. (91 ADM-54)
8. Qualified Disabled and Working Individuals (QDWIs) - Eligibility for QDWIs to have the MA program pay for their Medicare Part A premiums is determined by comparing their household incomes to 200 percent of the poverty line for a one or two-person household. (90 ADM-48)

The updated federal poverty income guidelines are specified on the attached chart.

The new higher MA standards and federal poverty income guidelines will result in small increases in MA-Only caseloads and expenditures.

IV. REQUIRED ACTION

A. MA INCOME AND RESOURCE STANDARDS

1. For all MA-Only federally participating A/Rs whose eligibility is determined or redetermined for the month of January, 1992 or later, the January 1, 1992 income and resource standards must be used.
2. These revised standards must also be applied in determining eligibility effective January 1, 1992 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, but only if they are ineligible for MA when their income and resources are compared to the PA income and resource standards. (See 89 ADM-38)
3. All excess income and/or resource cases (inpatient and outpatient) active on or after January 1, 1992 must have their liability recomputed under these revised standards. Cases in which the six-month excess income period extends into the month of January, 1992 or later must be reevaluated using the new standards.

B. FEDERAL POVERTY INCOME GUIDELINES

Effective January 1, 1992, for all new applications and recertifications, social services districts must use the updated federal poverty line when determining eligibility for: pregnant women and infants; children ages one through five; children born after September 30, 1983 who are at least six years of age but under age 19; COBRA Continuation Coverage for CCBs; the Buy-In program for QMBs; the AIDS Health Insurance Program for persons with AIDS or HIV-related illness; and the MA program to pay for Medicare Part A premiums for QDWIs.

There are no resource standards for pregnant women, infants, or persons with AIDS who are applying for benefits under the AIDS Health Insurance Program. The Department has issued instructions in 90 ADM-42 and 91 ADM-50 regarding resources and MA eligibility at 133 percent of the federal poverty line for children ages one through five and MA eligibility at 100 percent of the federal poverty line for children born after September 30, 1983 who are at least six years of age.

The resource standards for QMBs, QDWIs and qualified CCBs remain at \$4,000 for a one-person household and \$6,000 for a two-person household.

V. ADDITIONAL INFORMATION

A. NOTICE REQUIREMENTS

When rebudgeting under the new income standards results in a change in MA spenddown liability, the social services district must notify the recipient of the change in accordance with 89 ADM-21. Social services districts are 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 with 91 ADM-48, "Federal Cost of Living Adjustment in Social Security and Supplemental Security Income (SSI) Benefits and Impact on Department Programs".

In accordance with 91 ADM-53, social services districts should make the "Notice to Potential Qualifying COBRA Continuation Beneficiaries" available to any individual requesting information concerning the COBRA Continuation Program, and to any individual who has health insurance coverage as the spouse or dependent child of a covered employee. Social services districts must update the federal poverty lines for one and two person households on page two of the notice to reflect the January 1, 1992 increase.

B. 249E AND 503 CASES

As specified in 87 ADM-50, social services districts are reminded that for applicants 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 COLA increase in Social Security Retirement, Survivors and Disability Insurance (RSDI) benefits must be disregarded in determining MA eligibility. Budgeting procedures as described in 85 ADM-3 should be followed using the new conversion figures of .278 to determine what the A/R's RSDI income would have been in August, 1972 and .945 to allow for the disregard of the 20 percent increase of October, 1972.

In addition, applicants 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 person remains \$2,000 and for two persons remains \$3,000 on and after January 1, 1992.

D. ALLOCATION

When income allocating in an SSI-related case, use the new allocation amount which is \$233. This is the difference between the new MA income standards for one and two-person households.

VI. SYSTEMS IMPLICATIONS

A. MBL UPSTATE

On the weekend of November 30 - December 1, 1991, MBL supported action on the new MA income and resource standards and federal poverty line with an automated Mass Rebudgeting and Principal Provider Update process. MBL Transmittal 91-5 provides details related to system support. Included with MBL Transmittal 91-5 is a listing of cases affected by this change.

As of December 2, 1991, budgets with an Effective From Date of January 1, 1992 or later are calculated using the new levels.

B. MBL NYC

On the weekend of December 7 - December 8, 1991, MBL supported action on the new MA income and resource standards and federal poverty line with an automated Mass Rebudgeting and Principal Provider Update process.

As of December 9, 1991, budgets with an Effective From Date of January 1, 1992 or later are calculated using the new levels.

VII. EFFECTIVE DATE

The provisions of this Administrative Directive are effective January 1, 1992.

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