

Division of Health Policy and Finance

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POLICY MEMO:

To: All SRS and DHPF Staff

**From: Patty Rice, Manager
Family Medical Eligibility Program Policy**

Eligibility Policy Memo No: 2005-10-01

KFMAM: KFMAM Revision #2

RE: Summary of Changes for Revision #2

Program(s): All Family Medical Programs

Purpose, Background and Reason for Change for the Kansas Family Medical Assistance Manual (KFMAM) effective October 1, 2005

The KFMAM was created in April 2003 and underwent a revision in July 2003. Since the initial revision, the KFMAM has not been updated. This revision is primarily to achieve consistency and to ensure Family Medical policy collaborates with the other medical policy found in the Kansas Economic and Employment Support Manual (KEESM).

Overview

Section 1000 has undergone complete maintenance with this revision and includes overall numbering changes, wording clarifications, and updating necessary references to the Division of Health Policy and Finance. The addition of information related to the on-line (internet) application, Universal Access, updated spenddown procedures, voter registration, and Estate Recovery are also included in this section.

Minor clarifications, numbering, and wording changes are contained in Sections 2000, 5000, 6000, 7000, & 8000 of the KFMAM. Future KFMAM revisions are planned to go through complete maintenance of each of these Sections to ensure clarity and continuity.

VA Educational Income is considered exempt income effective 10/1/2005 (See KFMAM 5527). This exemption applies to all Family Medical applications received or processed on or after October 1, 2005. For ongoing cases, children are considered continuously eligible under the Family Medical programs. No immediate action is required for ongoing MA-CM or MP cases as a result of this change. Staff should exempt VA Educational income when processing the next scheduled annual re-determination. Workers taking action on a reported change or other type of case action during an MA-CM or MP certification period will prospectively exempt any VA Educational Income as the case is processed and this type of income comes to their attention. MA-Medically Needy spenddowns are immediately impacted by this change as exempting this income could decrease a family's out-of-

pocket spenddown amount. Families receiving MA WT or MA EM may be also be positively impacted by this new exemption. A report detailing all MA families with VA income is being produced. Staff must review this report to identify MA spenddown, TransMed, and Extended Medical households receiving some type of VA income. Not all households listed on this report will be receiving VA Educational monies. A review of the case file and possible contact with the family directly may be necessary to establish what type of VA income is being received. If it is determined that the VA income is from Educational monies, immediate action must be taken to exempt this income from the 10/1/2005 effective date of the policy change.

Changes

- Sections 1401, 1402, and 1403 are updated and a new subsection, 1406.02(6), is being added. This change is a result of the combined on-line application and coincides with a 10/03 KEESM change.
- Subsection 1404.04 is being added to address Universal Access and coincides with a 7/03 KEESM change.
- Section 1406.02 (3) is modified to address the disposition of an application and provides instructions around possible spenddown eligibility when a child would otherwise be Title 21 eligible.
- Section 1421.01-1421.03 is removed because they pertain to the cash program.
- Section 1423.12 is removed from the KFMAM as this section did not pertain to the Family Medical Program area.
- Section 1502 is modified to reflect the date of an appeal request as the date it is received in office and coincides with a 1/04 KEESM change.
- Section 1503.05 is modified to state when a “timely” request for review is submitted.
- Section 1505.01 (5) is modified to correct a KEESM reference.
- Section 1508.02 is modified to remove reference to work related penalties.
- Section 1530.01(1) is modified to remove reference to required interview.
- Section 1603 is being added to include information about the National Voter Registration Act of 1995 and coincides with a 10/04 KEESM change.
- Section 1604 is being added to address the Estate Recovery Program and the impact on certain medical assistance recipients. This update coincides with a 10/04 KEESM change.
- Sections 2011.01 (3), (4), & (5) are being added to clarify policy related to a minor in SRS custody applying for their own child, a minor in a transitional living program, and minors approved for TAF benefits. This update coincides with a 10/04 KEESM change.

- Section 2043 includes appropriate KEESM Appendix references and coincides with a 10/04 KEESM change.
- Section 2044.11 is being added to coincide with a 1/05 KEESM change related to the classification that non-citizens who are certified victims of severe forms of trafficking (and some family members) and are admitted to the U.S. as refugees under section 207 of the INA are eligible non-citizens.
- Section 2047 is updated to clarify that only the applicant or recipient needs to provide documentation of legal status. This update coincides with a 5/05 KEESM change.
- Section 2047.04 is updated with information about the process of verifying the status of an Alien through SAVE. This Section also contains a name change from INS to DHS and coincides with a 7/04 KEESM change.
- Section 2063.05 is modified to explain the extension of the time frame for determining good cause for not cooperating with CSE is extended from 30 days to 60 days. This update coincides with a KEESM 5/04 change.
- Section 2100 is changed to reflect a non-relative foster parent is able to receive TAF for the dependent child of a foster care child, if the dependent child and foster care recipient live together in the same foster home and the dependent child is not in the custody of SRS. This update coincides with a 5/04 KEESM change.
- Sections 2110.01 & 2110.02 are updated to include the appropriate KAECSES Appendix reference for the relationship chart and information related to relatives that are considered caretakers. This update coincides with a 5/04 KEESM change.
- Section 2110.05 is changed to clarify situations when the mandatory filing unit regulations take precedence over caretaker relative regulations and coincides with a 1/05 KEESM change.
- Section 2140 is modified to provide more detailed information about temporary absence provisions including the length of a temporary absence. This update coincides with a 1/03 KEESM change.
- Section 2222.02 is changed to remove references to retrospective budgeting and coincides with a 7/03 KEESM update.
- Section 2241.03 contains wording changes, but no policy change.
- Sections 2272 & 2273 contain updated links.
- Sections 2352 & 2353 include wording changes, but no policy change.
- Section 2403 is added to provide information regarding Title 21 recipients who enter State Psychiatric Hospitals.
- Section 2420 contains wording changes, but no policy change.

- Section 2600 is adjusted to remove references to the Kansas Medical Service Manual and the SRS MMIS User Manual.
- Section 3111 contains updated references and links.
- Section 3121.01 is modified to remove a reference to the MA AF program.
- Section 4010 & 4030 contain corrected KEESM references.
- Section 5110.05 contains wording changes, but no change to policy.
- Section 5200 contains a corrected KFMAM reference.
- Section 5213 is updated to clarify the additional KPERS check (or the 13th check) is paid only to retirees who began receiving benefits prior to July 2, 1987.
- Section 5310 is updated to remove the reference to Veterans Educational income as Countable Unearned Income. This change did cause numbering changes starting at 5310.03-5310.06. This update coincides with a 10/05 KEESM change.
- Section 5320 is updated to include SRS relative child care providers as contract laborers and coincides with a 1/04 KEESM change.
- Section 5415 is modified to reflect state maintenance payments made by Kansas Rehabilitation Services are considered a reimbursement and are exempt as income. This update coincides with a 5/04 KEESM change.
- Section 5416 is changed to clarify that withheld wages and salary advances are wages that are due to an employee, but are not paid to the employee when normally scheduled. This update coincides with a 5/05 KEESM change.
- Section 5500 now includes Food Stamps (5529), Gift income (5531), and Trust for a VA Child (5560). These exemptions were inadvertently removed when the KFMAM was initially created. Combat Pay has been added to 5533 as it is one in the same with Hostile Fire Pay. This is being added to the manual because this exemption was extended to September 2006. These additions cause a numbering shift throughout this section of the manual. Additional KFMAM and KEESM links are updated.
- Section 5500 VA payments for children with Spina Bifida has been removed this is addressed in section 5561.02, VA payments.
- Section 5524, Disaster Income, has been updated to include Unemployment income due to a major disaster is exempt as income. This update to coincide with a 10/05 KEESM change.
- Section 5527 has been updated to include Veterans Educational income as exempt income in the month received and as a resource in the following months. This income will be treated as other educational income and exempted. The VA pays different types of educational income payments and all are being exempted. The different types of income include: GI Bill, Vocational Rehabilitation payments for service related

disabilities, and payments to children age 18-26 and spouses of veterans with a service connected death or 100% disability. This change only applies to VA income that is being paid because the recipient is attending post secondary education. This update coincides with a 10/05 KEESM change.

- Section 5559.03 is added to specify payments made to children of women Vietnam veterans born with certain birth defects are exempt. This update coincides with a 10/03 KEESM change.
- Section 6000 is updated to remove a reference to retrospective budgeting and coincides with a 7/03 KEESM update.
- Sections 6230 & 6311.01 contain a corrected KFMAM link.
- Sections 6410.01 & 6410.02 are modified to correct KEESM Appendix information.
- Section 6512.02 is adjusted to include information about the Medicare Approved Drug Discount Card price of a prescription drug as an allowable expense toward meeting a spenddown. This update coincides with a 10/04 KEESM change.
- Section 7300 is updated with changes around Universal Access in accordance with a KEESM change in 7/03.
- Section 7321 is updated to remove a reference to monthly report forms and coincides with a 7/03 KEESM change.
- Section 7411 is modified to provide a clearer explanation of verification requirements at review and is not a change in policy.
- Section 8420 is changed to clarify federal disqualifications and is not a policy change.

The changes in this revision are expected to create more continuity between the KFMAM and KEESM manuals. The clarifications and general numbering updates in this revision are intended to provide easier navigation and a greater understanding of the program guidelines. Each eligibility worker continues to have discretion and flexibility in making prudent person decisions utilizing these basic guidelines.

Conclusion

If you have questions about this memo, please send them to Patty Rice, Manager, Family Medical Eligibility Program Policy at psys@srskansas.org or Kristi Scheve, Senior Manager, Family Medical Eligibility Program Policy at kaxg@srskansas.org.