

+-----+  
| LOCAL COMMISSIONERS MEMORANDUM |  
+-----+

Transmittal No: 90 LCM-102

Date: July 17, 1990

Division: Medical Assistance

TO: Local District Commissioners

SUBJECT: Transitional Medical Assistance (TMA) Extensions and Child  
Care Benefits

ATTACHMENTS: There are no Attachments to this LCM.

I. TMA PROGRAM IMPLICATIONS

The Family Support Act of 1988 (Welfare Reform) mandates that certain Aid to Dependent Children (ADC) cases closed on or after April 1, 1990 be given TMA extensions. On April 6, 1990, the Department issued 90 LCM-47 and instructed social services districts to maintain a listing of certain ADC and Home Relief (HR) cases closed on or after April 1, 1990. The Department required districts to keep these lists because the Department did not have State statutory authority to implement Welfare Reform as of April 1, 1990, but it was anticipated that the legislation, once enacted, would be retroactive to April 1, 1990 and districts would be required to provide TMA to certain ADC and/or HR cases closed on or after April 1, 1990.

In 90 LCM-47, social services districts were requested to maintain a list of MA cases given extensions under the following circumstances:

1. ADC cases closed due to:

- increased hours or income from employment; or
- loss of the \$30 1/3 or \$30 earned income disregard.

2. HR cases closed due to:

- loss of the \$30 1/3 or \$30 earned income disregard.

In addition, the cases closed must:

1. have been eligible for public assistance (PA) for three out of six months immediately preceding the month in which the family became ineligible for PA; and
2. have a dependent child under age 21 living in the home.

Authorizing State legislation which conforms to federal law, retroactive to April 1, 1990, has now been passed by the Legislature. In addition to ADC cases, the State law mandates that HR cases be given TMA extensions. Effective immediately, all ADC and HR cases closed due to increased earnings, or loss of the \$30 1/3 or \$30 earned income disregard, and meeting the above requirements must be given a six-month MA extension using the Separate Determination Process (described in the Systems Implications section of this LCM). In the Fall, WMS will provide automated systems support.

Since the State legislation also requires TMA extensions to be given to HR cases that were closed on or after April 1, 1990 due to increased hours or income from employment of the caretaker relative, a report will be sent to districts listing HR cases closed for this reason. Each listed case must be reviewed to see if it contains a dependent child under age 21 and has been eligible for PA for three months out of the six months immediately preceding the month in which such case became ineligible for PA. If a case is eligible for a TMA extension, the TMA extension must be made available retroactive to the first month of the PA case closing.

This report may not be available for a few months. If districts have a method of identifying these cases sooner, they should retroactively open them as TMA as soon as possible.

Letters must be sent to the HR households informing them that:

1. they are potentially eligible for TMA for up to one year;
2. they are retroactively eligible for TMA since their HR case was closed; and
3. they should bring in any incurred medical bills for reimbursement at the MA rate if the bills are paid. If the bills are unpaid, providers should be advised to bill MMIS either by the individual or the district.

II. TMA INTERIM SYSTEMS INSTRUCTIONS

UPSTATE

A. MA Extension Processing - (Note: Not all extensions are TMA. See MA Opening Reason Code 090.)

1. Opening MA Extension Cases

The following are the MA Reason Codes which should be used when opening an MA-Only case (Case Type 20) for the purpose of providing a Medical Assistance extension:

- \* 088 Beginning of extension of TMA eligibility after finding of ineligibility for ADC resulting from employment (available on WMS on April 9, 1990)
- \* 089 Beginning of extension of TMA after finding of ineligibility for PA resulting from loss of \$30 & 1/3 or \$30 disregard
- 090 Beginning of four-month extension after finding of ineligibility for ADC resulting from receipt of support
- \* TMA Extension

Effective with the date of this LCM, and until further automated system support is available, the processing of 088 and 089 extension authorizations for an initial six-month period (and 090 extensions for a four-month period), must be accomplished by opening a separate MA case, just as has been done for previous extensions. As mentioned in 90 LCM-47, use of the correct MA Opening Reason Code when processing MA extensions will be especially important for TMA cases due to the "special processing" required of these cases. This special processing involves the mailing of Quarterly Reports to TMA cases opened with Reason Code 088 and 089, as specified in Section II.B. of this LCM.

When establishing a TMA extension during this interim period, the Authorization From Date should be "backdated" to the beginning of the month in which MA coverage ended on the PA case. This will ensure that there will be no gap in MA coverage between the PA case and the MA case, and that the Quarterly Mailers will be sent in the appropriate month for TMA cases. (The mailer process will count the first month of the extension as beginning on the first of the month after the Authorization From Date on the MA case.) The Authorization To Date should be set equal to the end of the initial extension period of six months for TMA openings (or four months for 090 openings).

For example, if the PA closing transaction date were 07/06/90 and MA coverage extended to 07/16/90, the Authorization Dates for the TMA opening would be 07/01/90 to 01/31/91 (one month "backdate" for July followed by a six-month extension beginning 08/01/90). The first Quarterly Mailer would be mailed on 10/20/90. If, however, the PA closing transaction date was 07/13/90 (because PA was late in closing the case), and MA coverage had already ended on 06/30/90, the Authorization Dates for the TMA opening would be 06/01/90 to 12/31/90 (one month "backdate" for June followed by a six-month extension beginning 07/01/90). The first Quarterly Mailer would be mailed on 09/20/90.

## 2. Retroactive Implications

Because the MA provisions of the Family Support Act of 1988 are retroactive to PA case closings effective April 1, 1990, districts will need to take the following action:

PA CASES CLOSED SINCE APRIL 1, 1990: Because this change in policy was anticipated, districts were advised in 90 LCM-47 to maintain a list of TMA (088/089) cases opened from PA cases closed on or after April 1, 1990. Adjust the length of the TMA extensions authorized for four months under previous policy to six months. For ADC and HR cases closed due to loss of \$30 1/3 or \$30 earned income disregard, adjust the length of the TMA extension from nine months to six months. Districts may wish to make this adjustment during the processing of the Quarterly MA Mailers.

HR, VA, AND PG-ADC CASES CLOSED SINCE APRIL 1, 1990 DUE TO INELIGIBILITY FOR PA RESULTING FROM EMPLOYMENT: Authorize retroactive six-month MA extensions in accordance with instructions contained in this LCM. Because this change in policy due to State legislation was not anticipated, districts were not previously advised to maintain lists of such cases. However, the Department will produce a special report listing such cases closed on or after April 1, 1990, with a PA Closing Reason Code 108 (HR Recipient) or 109 (Other Person). It is anticipated that this report will be sent to districts by the end of July. Upon receipt of that report, districts are advised to review the cases listed and authorize retroactive six-month TMA extensions (using Reason Code 088) for those cases meeting the eligibility criteria for TMA.

## B. MA Quarterly Reporting Mailer Processing

Starting in August 1990, districts will begin monthly processing of the Quarterly MA Reports, which the Department will send on the 20th day of the third month and sixth month of a recipient's TMA extension. The first mailing of these reports will occur on July 20.

1. Quarterly Reporting Form - DSS-4151

Form DSS-4151 consists of instructions, a return envelope and questions that must be answered by the recipient. The instructions and questions are printed in both Spanish and English. This form is called a "mailer". The recipient must provide the following information on the mailer:

- Income received during the month:
  - The name of the person receiving the income
  - The source of the income
  - The gross amount received
  - Dates received
  - If earned income, number of hours worked
  - Proof of income.
  
- Changes in the number of people in the household:
  - The names of people added or subtracted
  - The type of change
  - The date the change occurred
  - Proof of the change.
  
- Any other change in case makeup that occurred during the month (such as marriage, amount paid for child care) or any anticipated household change:
  - Proof of these changes.
  
- Child care costs and transitional child care reimbursement received:
  - The amount spent/received.
  
- Health insurance coverage:
  - The name of the insurance company
  - The policy number.

2. Data Entry and Inquiry Screens

The information the recipient sends to the agency on the mailer must be entered into WMS by accessing the "Monthly and Quarterly Reporting Menu" (selection #24) on the main WMS Menu and selecting the "MA Quarterly Reporting Menu". As with Monthly Reporting, districts are given the ability to update or inquire on either the current or previous month's Quarterly Reporting screens. Because the data entry and inquiry functions are similar for both Monthly Reporting and Quarterly Reporting, please refer to Section O of the Worker Reference Manual and the System Reference Manual for additional instructions.

C. Reauthorization of TMA Extensions

Reauthorization of TMA extensions (i.e. from the 7th month to the 10th month and from the 11th month to the 12th month) should be done using WMS Transaction Code 06 (Recertification/Reauthorization). For TMA cases opened from PA cases closed on or after April 1, 1990 and authorized for only four months, the reauthorization of the extension should include months five and six.

D. TMA Case Closings

In order to allow TMA case closings at the end of a specific month in the future, current WMS edits are being revised to permit the entry of the desired closing date for up to four months in the future. As this system change will not become effective until the Fall, it is recommended that TMA case closing transactions be delayed until notice is received that the system is operational. The impact of this delay should be minimal since August is the first "processing month" (the month following the mailer pulldown) for the first group of TMA cases (opened from PA cases closed in April 1990).

NEW YORK CITY

Detailed instructions will be provided under separate cover.

III. TRANSITIONAL CHILD CARE

The Family Support Act of 1988 created the Transitional Child Care Program which provides for up to 12 months of child care to certain individuals who have become ineligible for Aid to Families with Dependent Children (AFDC). On March 30, 1990, the Department issued 90 LCM-45 which provided information on this program.

The State enabling legislation which has now been passed also extended eligibility for transitional child care to HR families as well as AFDC families, who lost eligibility for PA due to: increased earnings, increased hours of employment or loss of the earned income disregard.

An HR (including PG-ADC upstate and HR-PG in New York City) family is eligible for Transitional Child Care for a period of 12 consecutive months provided that all of the following conditions are met:

- o The family must have become ineligible for PA on or after April 1, 1990 as a result of an increase in earned income or the loss of the \$30 and 1/3 or \$30 disregard due to expiration of the time limits;
- o The family must have received PA in at least three of the six months immediately preceding the first month of ineligibility;

- o The family includes a child under the age of 13; or physically or mentally incapable of caring for himself or herself, based on a determination of a physician or a licensed or certified psychologist; or under court supervision;
- o Child care is needed in order for a family member to accept or retain employment;
- o The family requests transitional child care benefits, provides the information necessary for determining eligibility and fees, and meets appropriate application requirements (as described in 90 LCM-45); and
- o The family income (determined according to Section 404.5 of department regulations) does not exceed 200% of the State income standard for a family unit of that size.

With the passage of the State enabling legislation, HR families meeting the above criteria, may be eligible for retroactive payments for child care going back to April 1. A listing of all HR cases closed April 1 or later will be provided in the near future. These families must receive notification of their potential eligibility for this benefit. If an applicant establishes eligibility retroactively at any time during the 12-month period, payment should be made for the prior months. Notice must be mailed to all former HR families who are potentially eligible for Transitional Child Care.

For HR cases closed on or after August 1, 1990, districts should send Notice of Potential Eligibility for Transitional Benefits, the DSS 2921 or the DSS 2921 (NYC), the How to Complete the Social Services Application Form, and the Applicant Questionnaire (Attachment B of 90 LCM-45) to families whose cases were closed due to employment reasons. The Notice of Potential Eligibility for Transitional Child Care Benefits, should be sent to HR families whose cases were closed for reasons other than employment.

All other requirements from 90 LCM-45 (such as providers, fees, payments, etc.) also pertain to the HR (PG-ADC) families.

NOTE: The above mentioned notices are found in 90 LCM 45. They will be revised to accommodate changes in the program and will be sent to you with the list of closed HR cases.

Any MA-related questions should be directed to your MA eligibility county representative at 1-800-342-4100, extension 3-7581, or in New York City (212) 587-4853. Questions regarding Transitional Child Care should be directed to the Bureau of Child Care at 1-800-342-3715 extension 4-9324 or 518-474-9324.

An Administrative Directive containing final procedures and additional details will be issued later this year.

---

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