



STATE OF NEW YORK

DEPARTMENT OF HEALTH

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ADMINISTRATIVE DIRECTIVE

TRANSMITTAL: 01 OMM/ADM-2

TO: **Commissioners of
Social Services**

DIVISION: Office of
Medicaid
Management

DATE: July 25, 2001

SUBJECT: Increased Medicaid Income and Resource Standards
and Federal Poverty Lines Effective January 1, 2001

**SUGGESTED
DISTRIBUTION:**

Medicaid Staff
Income Maintenance Staff
Fair Hearing Staff
Staff Development Coordinators

**CONTACT
PERSON:**

Upstate Local District Liaison at 518-474-9130, or
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ATTACHMENTS:

Attachment : Medicaid Only Income and Resource
Standards and Federal Poverty Line
Effective January 1, 2001

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
99 OMM/ADM-3	00OMM/ADM-5	360-1.4(r)	101		GIS 01MA009
98 ADM-28		360-3.7(d)	101-a		GIS 00MA025
93 ADM-30		360-4.1(b)	366		GIS 00MA024
93 ADM-28		360-4.3(f)	P.L. 92-603		GIS 99MA028
91 ADM-53		360-4.7(b)	P.L. 94-48		GIS 98MA010
91 ADM-50		360-4.8	P.L. 94-566		MBL Trans-
90 ADM-48		(a)&(c)			mittal-01-1
90 ADM-42		360-7.7			MBL-Trans-
90 ADM-9		(g)&(h)			mittal 00-3
90 ADM-6		360-7.8(a)			

89 ADM-38
89 ADM-21
89 ADM-7
87 ADM-50
87 ADM-27
85 ADM-35
85 ADM-3

I. PURPOSE

This Administrative Directive advises social services districts of:

- A. increases in the Medicaid Income and Resource Standards, and
- B. the annual update of the federal income official poverty line (federal poverty line) effective January 1, 2001.

II. BACKGROUND

A. MEDICAID INCOME AND RESOURCE STANDARDS

The Social Security Administration (SSA) establishes the cost-of-living-adjustment (COLA) to the Supplemental Security Income (SSI) income standard. SSA announced that effective January 1, 2001 the COLA is 3.5 percent. The medically needy income standards for one (1), two (2), three (3) and four (4) person households must be adjusted to reflect this increase and maintain a one hundred dollar (\$100) differential between household sizes.

The resource standards for medically needy applicants/recipients (A/Rs) are equal to one-half of the appropriate annual Medicaid income standards. Because the Medicaid income standards increased for one- to four-person households, the Medicaid resource standards must be increased accordingly.

B. FEDERAL POVERTY LINE

The federal Office of Management and Budget (OMB) establishes the federal poverty line. The OMB usually announces the federal poverty line in late February, but it is effective retroactively to January 1. The retroactive nature of the federal poverty line traditionally caused eligibility problems. When the COLA went into effect on January 1, the increased income caused some individuals to become ineligible for benefits only to become eligible again a few months later when the new line was implemented. Consequently the Department of Health received permission from the federal Health Care Financing Administration to estimate the federal poverty line. Now, the Department is able to implement the COLA and the estimated federal poverty line on January 1, which results in more stable eligibility periods.

The federal poverty line announced in February 2001 is \$50 higher than the estimated poverty line the Department of Health implemented on January 1, 2001. As a result the poverty line used to determine Medicaid eligibility was revised in February, 2001, retroactive to January 1, 2001.

III. PROGRAM IMPLICATIONS

A. MEDICAID INCOME AND RESOURCE STANDARDS

As a result of the January 1, 2001 3.5 percent COLA increase in SSI benefits, the Medicaid income standards used to determine Medicaid eligibility for Medically Needy A/Rs increased for one- to four-person households. Increased income standards resulted in increased Medicaid resource standards for one- to four-person households.

The Medicaid income and resource standards also apply to certain adults who are financially ineligible for Low Income Families (LIF) and who do not meet the categorical requirements of Aid to Dependent Children (ADC). Adults who do not meet the ADC definition include a step parent who does not have birth or adopted children in the household and the father of an unborn who lives with the pregnant woman and who is not the father of a child already born and living in the household. These step parents and boyfriends/husbands are categorically federally non-participating (FNP), and are not eligible if their income and/or resources exceed the medically needy standards.

The new Medicaid standards are specified on the attached chart.

B. FEDERAL POVERTY LINE

The federal poverty line was updated effective January 1, 2001. The updated federal poverty line is the basis for the Medicaid income eligibility standards which are applied to the following groups of A/Rs:

1. Presumptive Eligibility for Pregnant Women - Qualified providers determine presumptive eligibility for pregnant women by comparing their household incomes to 100 percent and 200 percent of the applicable federal poverty line (90 ADM-42 and GIS 00MA024). There is no resource test for pregnant women.
2. Pregnant Women and Infants - Medicaid eligibility for pregnant women and infants under age one, who are not otherwise eligible, is determined by comparing their household incomes to 100 percent or 200 percent* of the applicable federal poverty line (90 ADM-9 and GIS 00MA024). There is no resource test for pregnant women and infants under age one.

*Note: Prior to 11/01/00, eligibility for pregnant women and children was determined by comparing household income to 185% of the federal poverty line.

3. Children Ages One Through Five - Medicaid eligibility for children who are at least one year of age, but younger than six years of age and are not otherwise eligible for Medicaid, is determined by comparing their household incomes to 133 percent of the applicable federal poverty line (90 ADM-42). There is no resource test if eligibility is determined under the poverty based program.
4. Children under the age of 19 - Medicaid eligibility for children who are at least six years of age, but younger than 19 years of age and are not otherwise eligible for Medicaid, is determined by comparing their household incomes to 100 percent of the applicable federal poverty line (99 OMM/ADM-3). There is no resource test if eligibility is determined under the poverty based program.
5. 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). The resource limit is twice the SSI resource level.
6. Persons with AIDS or HIV-Related Illness - Financial eligibility for the Health Insurance Continuation Program (AIDS Health Insurance Program) for persons with AIDS or HIV-Related illness is determined by comparing their household incomes to 185 percent of the federal poverty line for a one- or two-person household (93 ADM-28). There is no resource test.
7. 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. QMBs are eligible for Medicaid payment of Medicare Part A and B premiums, deductibles, and co-insurance (89 ADM-7 and 90 ADM-6). The resource level is twice the SSI resource level.
8. Qualified Disabled and Working Individuals (QDWIs) - QDWI's recipients are eligible for Medicaid payment of Part A only. The recipient must be a disabled worker under age 65 who lost Part A benefits because of return to work. Eligibility for Medicaid payment of Medicare Part A premiums for QDWIs 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 resource limit is twice the SSI resource level.
9. Specified Low Income Medicare Beneficiaries (SLIMBs) Eligibility for Medicaid payment of Medicare Part B premiums

for SLIMBs is determined by comparing their household incomes to 100 and 120 percent of the federal poverty line (93 ADM-30). The resource limit is twice the SSI resource level.

10. Qualified Individuals - 1 (QI-1s) - Eligibility for Medicaid payment of Part B premiums for QI-1s is determined by comparing their household income to 120 percent and 135 percent of the federal poverty line (GIS 98MA010). The resource limit is twice the SSI level.
11. Qualified Individuals - 2 (QI-2s) - Eligibility for Medicaid payment of a portion of the Medicare Part B premium for QI-2s is determined by comparing their household income to 135 percent and 175 percent of the federal poverty line (GIS 98MA010). The resource limit is twice the SSI resource level.

The updated federal poverty line for January 1, 2001 is specified on the attached charts.

The new higher Medicaid standards and federal poverty lines resulted in small increases in Medicaid-Only case loads and expenditures.

IV. REQUIRED ACTION

A. MEDICAID INCOME AND RESOURCE STANDARDS

1. For all Medically Needy A/Rs whose eligibility is determined or redetermined for the month of January, 2001 or later, the January 1, 2001 income and resource standards must be used.
2. These revised standards also are applied in determining eligibility effective January 1, 2001 for step parents living with a spouse and that spouse's child under age 21, or fathers of unborns with no children of their own in the household who live with the pregnant woman. This standard is applied only to parents who are ineligible for Medicaid when their income and resources are compared to the LIF 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, 2001 have their liability recomputed under these revised standards. Cases in which the six-month excess income period extends into the month of January, 2001 or later must be reevaluated using the new standards.

B. FEDERAL POVERTY LINE

Effective January 1, 2001, for all new applications and recertifications, social services districts use the updated federal poverty line when determining eligibility for: children under the

age of 19 and pregnant women; COBRA Continuation Coverage for CCBs; the AIDS Health Insurance program for persons with AIDS or HIV-Related illness; the Buy-In program including QMBs, SLIMBs, QDWIs, QI-1s and QI-2s.

There is no resource standard for children under the age of 19 when their income is being compared to the federal poverty line, or for persons with AIDS or HIV-Related illness who are applying for benefits under the AIDS Health Insurance Program. There is never a resource standard for infants under the age of one or pregnant women applying for Medicaid. The resource standards for QMBs, SLIMBs, QDWIs, QI-1s, QI-2s 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 Medicaid spend down 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 spend down 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 MBL Transmittal 00-3.

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, 2001 revision.

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 Medicaid eligibility. Budgeting procedures as described in 85 ADM-3 should be followed using the new conversion figures of .221 to determine what the A/R's RSDI income would have been in August, 1972, and .956 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 Medicaid 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, 2001.

C. ALLOCATION

When allocating income to a non SSI-related child, use the new allocation amount of \$275. This is the difference between the new Medicaid income standards for two- and one-person households.

VI. SYSTEMS IMPLICATIONS

A. MBL UPSTATE

On March 19, 2001 MBL supported action on the new Medicaid income and resource standards. MBL Transmittal 01-1 provides details related to system support. The federal poverty levels were available on MBL March 19, 2001.

As of March 19, 2001, budgets with an Effective From Date of January 1, 2001 or later are calculated using the new Medicaid income, resource and estimated federal poverty levels.

B. MBL NYC

On March 19, 2001 MBL supported action on the new Medicaid income and resource standards. MBL Transmittal 01-1 provides details related to system support. The federal poverty levels were available on MBL March 19, 2001.

As of March 19, 2001, budgets with an Effective From Date of January 1, 2001 or later are calculated using the new Medicaid income, resource and estimated federal poverty levels.

VII. EFFECTIVE DATE

The provisions of this Administrative Directive are effective retroactive to January 1, 2001.

Kathryn Kuhmerker
Deputy Commissioner
Office of Medicaid Management