

NEW YORK STATE  
DEPARTMENT OF SOCIAL SERVICES  
40 NORTH PEARL STREET, ALBANY, NEW YORK 12243



BARBARA B. BLUM  
Commissioner

[An Administrative Directive is a written communication to local Social Services Districts providing directions to be followed in the administration of public assistance and care programs.]

**ADMINISTRATIVE DIRECTIVE**

TRANSMITTAL NO.: 80 ADM-19  
[Medical Assistance]

TO: Commissioners of Social Services

SUBJECT: Implementation of U.S. District Court Decision: Stenson, et al v. Blum, Bernstein and Califano DATE: April 18, 1980

SUGGESTED DISTRIBUTION: Medical Assistance Staff  
SDX Coordinators

CONTACT PERSON: Any questions regarding this Administrative Directive should be directed to your County Representative, Division of Medical Assistance by calling 800-342-3715, extension 4-9133.

**I. PURPOSE**

The purpose of this Directive is to advise local districts pursuant to the Court Order in the above captioned case, that when an SSI beneficiary loses eligibility for SSI payments, such person will remain eligible for Medicaid until an ex parte determination of eligibility is made. If it is determined that there is insufficient evidence to establish eligibility, the client will be given an opportunity to complete an application and will be advised in a timely manner of the fact that if (s)he fails to do so, assistance will be terminated. In this instance, the client will also be advised of the right to a Fair Hearing.

**II. BACKGROUND**

New York State currently has an agreement with the Secretary of Health, Education and Welfare under which the Secretary of the Social Security Administration determines Medicaid eligibility for Supplemental Security Income recipients. The Social Security Administration sends notification of these determinations to the State on the State Data Exchange (SDX) and also notifies the State of changes in the status of these individuals, including loss of eligibility for benefits. A class action law suit was brought against New York State, which alleged that the manner in which Medicaid benefits were terminated was improper. As a result of this litigation on

**FILING REFERENCES**

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Social Services Law and Other Legal References	Bulletin Chapter Reference	Miscellaneous References
74 ADM-140		18 NYSCRR	SSL -		
75 ADM-91		358.8	Section 363-b		
79 ADM-68		358.11	Section 366		
		360.18			

October 22, 1979, the U.S. District Court, Southern District of New York, issued an order requiring New York State to adopt a revised method of Medicaid eligibility determination and notification to individuals who lose benefits under Supplemental Security Income. Local agencies were advised of the provisions of this court decision by mailgram dated November 20, 1979. In addition, each district was contacted by phone between December 3rd and 5th, 1979, advising them of the procedures which would be developed to handle these cases.

### III. PROGRAM IMPLICATIONS

75 ADM-91 and 74 ADM-140 had set forth the procedures for notification and closing of Supplemental Security Income cases for Medical Assistance eligibility. The method now required by the court order is made up of the following: (See Appendix "A").

- ....upon notification on the SDX that an SSI case is closed for reasons other than death, a determination of eligibility must be made promptly based upon information supplied by SSA on the SDX.
- ....if the determination is that the person is eligible, Medicaid is continued and proper notification of eligibility is sent to the client.
- ....if no determination can be made because of inadequate information available, Medicaid is continued, and the beneficiary is notified to provide the additional information necessary within 30 days.
- ....if no contact has been made within 30 days, a 10-day discontinuance notice is sent.
- ....if no request for a Fair Hearing is made, the case is closed.
- ....if a Fair Hearing is requested, assistance is continued in the usual manner.
- ....if the individual responds to the eligibility determination inquiry, aid is continued while the determination is made. If the determination is to deny assistance, and a Fair Hearing is requested in a timely manner, aid is continued in the usual manner.

### IV. REQUIRED ACTION

Procedures for Handling On-going Cases in all districts except those on the WMS computer system.

The local Social Services district -

- 1) Upon receipt of each transaction file of the SDX, shall promptly authorize continued Medical Assistance for all persons whose SSI case is being closed.
- 2) Shall make a determination of Medicaid eligibility based on medically needy standards for all persons no longer in payment status (79 ADM-68) (See Appendix A). This determination is made solely on information from the SDX which has been transferred to an Eligibility Workbook (DSS-2989).

- 3) If the information on the SDX is insufficient to make a valid determination, shall send a recertification packet and a notice advising the client that additional information is needed to determine eligibility, and that unless (s)he contacts the agency within 30 days, the case will be closed.
- 4) Shall, if the case is determined eligible based on the SDX data, authorize Medicaid for up to one year, notify the client, and phase the case into the recertification cycle.
- 5) Shall, for those cases requiring more information, determine eligibility using MA only standards based on the completed recertification and work book. If the case is accepted, the client is notified of his continued eligibility. If denied, a 10-day notice of discontinuance is sent. After ten days, if no Fair Hearing has been requested, the case is closed and a closing notice sent. If a Fair Hearing is requested, assistance is continued until the decision is rendered. (See Appendix A for flow chart procedures).

Special Procedures for Counties Which are on the WMS Computer

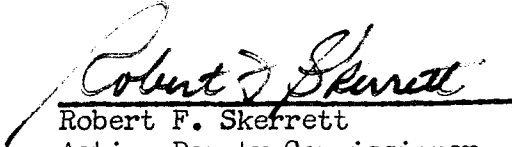
The local Social Services district -

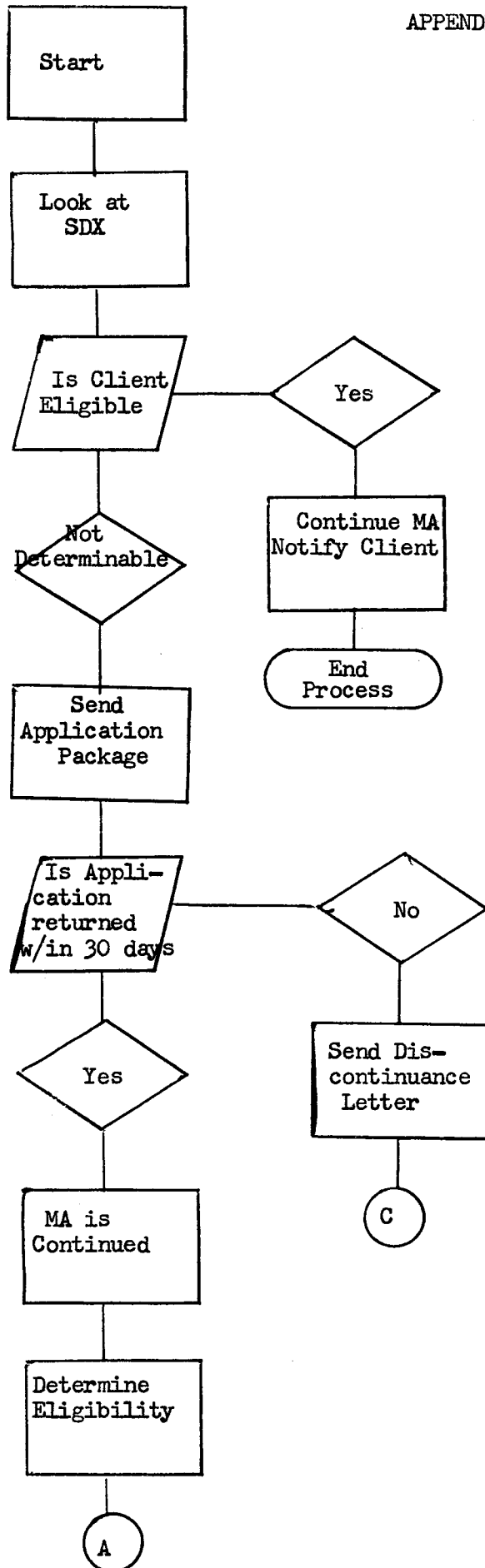
- 1) Shall complete an authorization change Form (DSS-3209) changing the case type from 22 (SSI) to 20 (MA only).
- 2) Shall follow steps 1 - 5 above.
- 3) Shall complete an Authorization Change Form (DSS-3209) as appropriate based on updated information.
- 4) Reason Code #335 should be used to change from Case Type #22 (MA-SSI) to Case Type #20 (MA) on an interim basis until such time as special instructions are issued to use Reason Code #336 (Termination of SSI for Reasons other than Title II Increase).

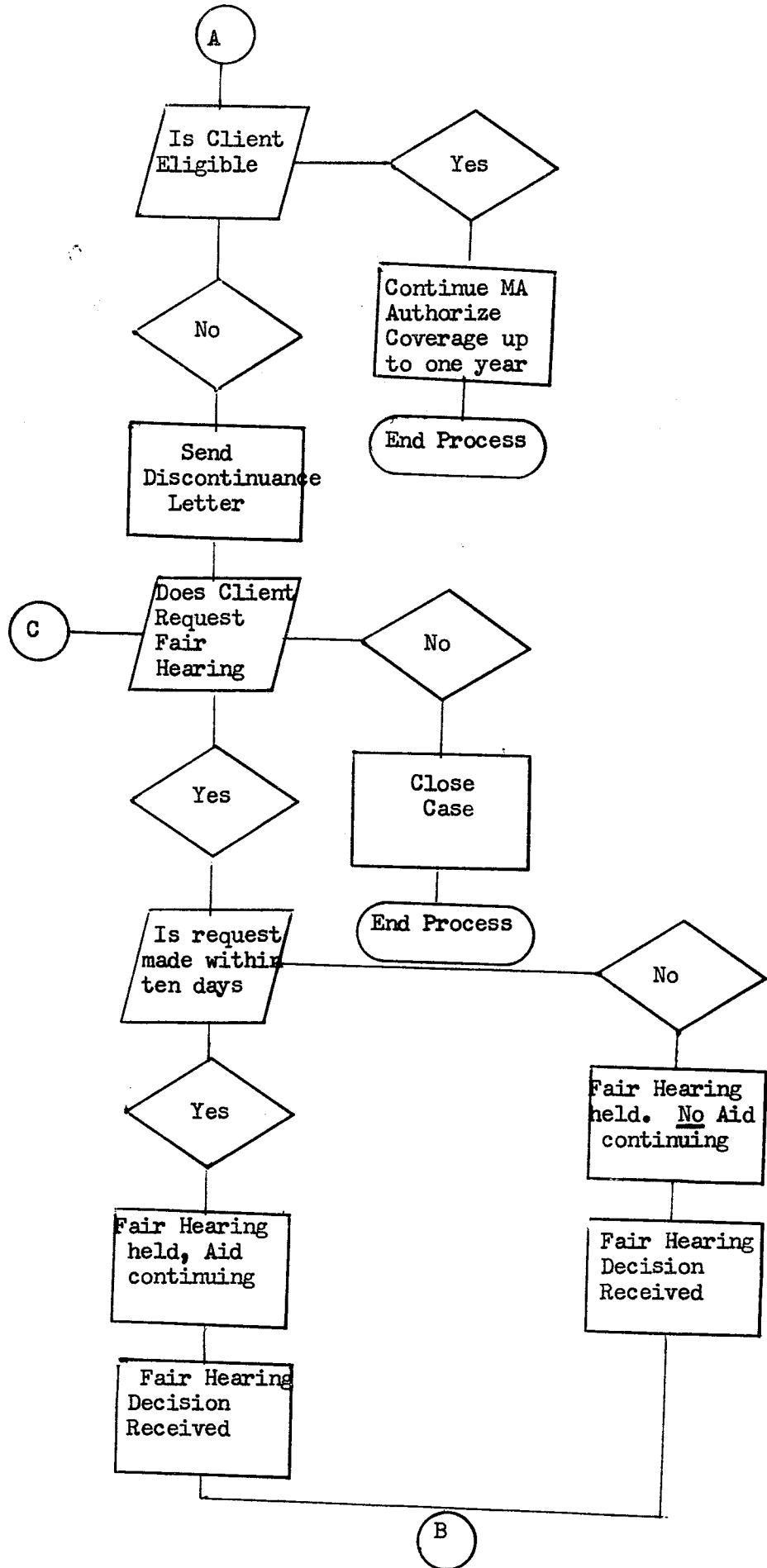
Note: You should be aware that a District Court Order also provides for retroactive relief. The Second Circuit Court of Appeals on April 16, 1980 affirmed that portion of the court order. We are currently considering seeking a Supreme Court Review and a stay of that portion of the judgement. We will keep you advised of further developments.

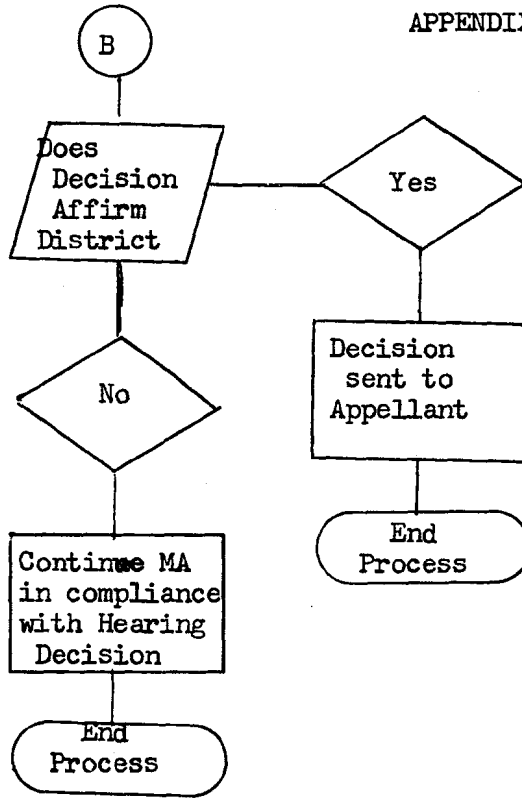
IV. OTHER

Appendix A - Flow Chart  
Appendix B - Letter Application Packet 30 days

  
Robert F. Skerrett  
Acting Deputy Commissioner  
Division of Medical Assistance







**NOTICE:**

We have been told that you no longer receive a gold SSI monthly check. We do not have enough information to decide if you are still eligible for Medicaid.

If you wish to continue to receive Medicaid, please complete the attached application form and return it within 30 days to:

If we do not hear from you within 30 days, your Medical Assistance case will be closed.