



# STATE OF NEW YORK DEPARTMENT OF HEALTH

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Richard F. Daines, M.D.  
*Commissioner*

James W. Clyne, Jr.  
*Executive Deputy Commissioner*

<b>ADMINISTRATIVE DIRECTIVE</b>
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**TRANSMITTAL:** 10 OHIP/ADM-6

**TO:** Commissioners of  
Social Services

**DIVISION:** Office of Health  
Insurance Programs

**DATE:** April 27, 2010

**SUBJECT:** Standardized Financial Maintenance Requirements for Medicaid  
Applicants/Recipients

**SUGGESTED  
DISTRIBUTION:**

Medicaid Directors  
Public Assistance Staff  
Staff Development Coordinators  
Legal Staff  
Fair Hearing Staff  
Facilitated Enrollers  
Audit Staff

**CONTACT  
PERSON:**

Local District Liaison  
Upstate: (518)474-8887      NYC: (212)417-4500

**ATTACHMENTS:**

Attachment - Financial Maintenance Form, DOH-4443

**FILING REFERENCES**

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
		360-2.2 360-2.3(c)(5)	366-a(2)(a) 366-a(4)	MRG Pages 386-387	

**I. PURPOSE**

The purpose of this Office of Health Insurance Programs Administrative Directive (OHIP/ADM) is to inform local departments of social services (LDSS) of the standards that must be used when evaluating an applicant/recipient's (A/R's) financial maintenance and what is required of certain Medicaid or Family Health Plus (FHPlus) A/R's to explain how current living expenses are being met.

**II. BACKGROUND**

Financial maintenance refers to the manner in which an A/R meets basic non-medical living expenses. Section 366-a(2)(a) of the Social Services Law specifies that an A/R must provide information necessary for the determination of initial and ongoing eligibility for Medicaid. Department Regulation, 18 NYCRR Section 360-2.3(c)(5), specifically states that the A/R must satisfactorily explain and/or document how current living expenses are being met. Although an A/R may appear to be eligible on the basis of the comparison of his/her income against the applicable income level, the financial maintenance picture may be unreasonable. Therefore, the LDSS must evaluate the completeness and consistency of the A/R's statements regarding financial maintenance.

As a guide to know when to pursue further financial maintenance information, Facilitated Enrollers (FEs) had been advised to determine if the applicant's monthly housing payment was more than 50 percent of the applicant's total monthly income. If the housing payment exceeded 50 percent of the applicant's monthly income, the FE needed to further review the monthly housing costs to ensure that the whole amount was the responsibility of the applicant and/or contact the applicant for an explanation of how he/she was meeting basic living expenses. Local departments of social services have been using county-specific guidelines to evaluate an applicant's ability to meet basic non-medical living expenses.

**III. PROGRAM IMPLICATIONS**

With the effective date of this ADM, LDSS and FEs are instructed to use standard guidelines to assess financial maintenance. These guidelines will allow the LDSS to determine if an additional explanation is needed to support an A/R's financial situation when making an eligibility determination.

When an A/R reports on the Access NY Health Care application (DOH-4220) or the Medicaid, Family Health Plus and/or Family Planning Benefit Program Renewal (Recertification) form that his/her share of monthly housing expenses is in excess of: 70% of the A/R's gross monthly income if living in Bronx, Kings, Manhattan, Nassau, Putnam, Queens, Richmond, Suffolk and Westchester counties; or 60% if living in any other county, the LDSS must pursue further information to evaluate how he/she is meeting basic living expenses. These percentages were arrived at using survey data from the U.S. Census

Bureau that reports housing expenses as a percent of income for low-income individuals.

Housing expenses include rent, mortgage and/or property taxes. The costs of utilities, if paid separately, are not included as a housing expense. When an individual is paying a portion of housing expenses, only the amount paid, not the total amount of the rent, mortgage and/or property taxes, counts towards the individual's housing expenses.

**Example 1:** An applicant is sharing an apartment with her friend, and the total monthly rent is \$800, with the applicant contributing a share of \$400 of the \$800 each month. The applicant would list \$400 for her individual housing expense on the Access NY Health Care application, as that is the portion she is paying.

**Example 2:** A recipient is receiving a housing subsidy. He lives in an apartment where the total monthly rent is \$600, and he receives a \$250 monthly housing subsidy. He would list \$350 for his monthly housing expense on the renewal form because that is the amount of the expense he is incurring.

If monthly housing expenses exceed 60/70 percent of the A/R's gross monthly income, the A/R must provide further information on specific monthly living expenses and an explanation as to how the expenses are being met. This information will be required to be provided on the State form DOH-4443, Financial Maintenance (see Attachment). No further documentation will be required to be submitted with the DOH-4220. If, however, the LDSS determines that based on information provided by an A/R, there are discrepancies in the statements made on the DOH-4443 or other evidence the LDSS has that questions the validity or reasonableness of the A/R's statement(s), further information may be required. These changes will provide policy uniformity among LDSS and reduce the time periods for which Medicaid applications/renewals are pended for failure to document.

#### IV. REQUIRED ACTION

##### A. Evaluating Financial Maintenance

Effective for Medicaid applications and renewals received on or after June 1, 2010, local departments of social services are responsible for determining what percentage of an A/R's income is being spent on housing expenses, and further investigating financial maintenance when this percentage exceeds the regionally set standards: 70% of the A/R's gross monthly income if living in Bronx, Kings, Manhattan, Nassau, Putnam, Queens, Richmond, Suffolk and Westchester counties; or 60% if living in any other county. Local departments of social services must send the Financial Maintenance form (DOH-4443) to an A/R when his/her housing expenses are in excess of the regional maintenance percentage. Failure to complete and return the form to the LDSS will result in a denial or discontinuation of benefits.

If an A/R is living with his/her spouse, the total of the couple's combined income is compared to the couple's housing expenses. The same rule applies for an unmarried couple who live together, if both incomes are counted in the household budget. Parent/parents' total gross monthly income shall be used for a child only application.

**Example 1:** An applicant, a resident of Putnam County, reports gross income of \$800/month on the Access NY Health Care application (DOH-4220), which appears to make him eligible for FHPlus. He also reports on his application that his monthly housing expenses are \$565/month. To determine the percentage of the applicant's income that is being spent on housing, the LDSS examiner should divide the housing expenses amount, \$565, by the applicant's income, \$800 ( $\$565/\$800 = .706$ , or 70.6%) Since the applicant's housing expenses exceed 70% of his gross monthly income, the LDSS examiner must ask him to complete the Financial Maintenance form (DOH-4443).

**Example 2:** A 30-year old adult child, who is living with his mother, has no housing expenses and reports no income in Section C, Question 1 of the Access NY Health Care application (DOH-4220 2/10). He explains (in Question 2 of this section) that he has no income or expenses and is living with his mother. In this situation, the LDSS must not ask the applicant to complete the Financial Maintenance form (DOH-4443) or a district-specific Declaration of No Income form. The information provided in Section C is sufficient to determine Medicaid eligibility.

Local departments of social services are reminded that effective April 1, 2008, the Medicaid standard is used to determine Medicaid eligibility for single individuals and childless couples, regardless of their living arrangement, since medical care is now considered an unmet need. Therefore, it is not necessary for LDSS to determine if there is an unmet need, and LDSS must not use district-specific forms requesting A/Rs to indicate if there are any unmet needs.

**B. Financial Maintenance Form (DOH-4443)**

The Financial Maintenance form (DOH-4443) requires the individual to explain how he/she is meeting basic non-medical living expenses. Local departments of social services must send this form to an A/R when his/her monthly housing expenses are in excess of the regional maintenance percentage. The LDSS must allow a minimum of 10 days for the A/R to return the form.

Facilitated Enrollers must ask an applicant to complete this form when they are assisting the applicant in completing the Access NY Health Care application and the applicant's monthly housing expenses exceed the regional maintenance percentage of his/her gross monthly income.

Local departments of social services and FEs will begin using the Financial Maintenance form (DOH-4443) for applications and renewals received on or after the effective date of this ADM. This form must replace any district-specific maintenance forms that were previously used.

The LDSS or FE is required to fill out the box at the top of the form, which includes the A/R's name and case number. The LDSS or FE must also fill in the A/R's housing, water and childcare expenses, if applicable, and total gross monthly income based on the information provided on the Access NY Health Care application or renewal form. This information should be entered prior to sending the Financial Maintenance form to the A/R.

The A/R must then use this form to identify his/her monthly living expenses. The monthly living expenses are: cable, phone, heat, electricity, food, transportation, credit card payments and other. The A/R must enter the monthly amount for each expense he/she has, and provide an explanation of how he/she is meeting the expense (e.g., cash on hand, monies in a checking/savings account, help from others, etc.). The A/R must then sign and date the form certifying that all information provided is true and correct.

If an FE assisted the A/R, the FE must read and sign the statement at the end of the Financial Maintenance form (DOH-4443). The statement indicates that the information reported on the form was provided solely by the A/R and that the FE did not modify the information in any way. It also certifies the FE's awareness that falsifying information may result in the loss of his/her job and prosecution under State law.

The LDSS must compare the total reported expenses on the Financial Maintenance form to the A/R's income and then determine if the A/R provided a sufficient explanation of how he/she is meeting monthly living expenses. For example, if an explanation is provided for each reported expense not covered by the A/R's monthly income and there is enough monthly income to cover the expenses being paid by the A/R's monthly income, then the explanation is sufficient. However, if an A/R indicates that his/her monthly income is used to pay all monthly expenses but monthly expenses exceed the amount of income reported, the explanation is not sufficient. In this instance, the LDSS must require the A/R to provide further information to explain the discrepancy.


The LDSS examiner must not require documentation to support an A/R's explanation of how he/she is meeting monthly living expenses. However, if an A/R cannot explain how he/she is paying for monthly expenses, which can include an explanation that bills remain unpaid, or that bills are being paid by someone else, the A/R's application/renewal may be denied/discontinued for failure to provide this required information.

V. SYSTEM IMPLICATIONS

None.

VI. EFFECTIVE DATE

The provisions of this ADM are effective for Medicaid applications and renewals received on or after June 1, 2010.

  
\_\_\_\_\_  
Donna Frescatore, Deputy Commissioner  
Office of Health Insurance Programs

Name (print) \_\_\_\_\_

App. Reg/Case Number \_\_\_\_\_

Based on the information you provided on your Medicaid application, it appears that your income does not support your monthly living expenses. Please use the space below to list your monthly living expenses and explain how you pay for these expenses. We need this information to make a decision on your application.

## Monthly Living Expenses

Please check the box in front of any item listed in the "Monthly Living Expenses" column for expenses you have and give the monthly amount spent on each item.

## Explanation of Expenses

Explain how you pay for each of the monthly living expenses (such as cash on hand, checking/savings account monies, income/wages, credit cards, help from others (list their name and relationship to you) or make a note if the expense has not been paid and how long it has not been paid).

<input type="checkbox"/>	Rent/Mortgage/Property Taxes	\$ _____	_____
<input type="checkbox"/>	Water	\$ _____	_____
<input type="checkbox"/>	Childcare	\$ _____	_____
<input type="checkbox"/>	Cable	\$ _____	_____
<input type="checkbox"/>	Phone	\$ _____	_____
<input type="checkbox"/>	Heat	\$ _____	_____
<input type="checkbox"/>	Electricity	\$ _____	_____
<input type="checkbox"/>	Food	\$ _____	_____
<input type="checkbox"/>	Transportation	\$ _____	_____
<input type="checkbox"/>	Credit Card Payments	\$ _____	_____
<input type="checkbox"/>	Other	\$ _____	_____

### To be filled out by the worker:

Total Monthly Living Expenses \$ \_\_\_\_\_

Total Gross Monthly Income \$ \_\_\_\_\_

### Applicant/Recipient must read the following and sign below:

I certify that all of the above information is true and correct. I understand that this information is to be used to determine eligibility for Public Health Insurance Programs. I also understand that if I intentionally misrepresent my situation, I may have to repay benefits received and may be subjected to prosecution under State law.

Signature of Applicant/Recipient \_\_\_\_\_ Date \_\_\_\_\_

### Facilitated Enrollers must read the following and sign below:

The information reported on this form was provided solely by the applicant/recipient. I did not modify the information in any way. I understand that if I intentionally falsified information on this form or if I assisted the applicant in falsifying any information that I may lose my job and be prosecuted under State law.

Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_