

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



CESAR A. PERALES
 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.: 84 ADM-21
 [Medical Assistance]

TO: Commissioners of Social Services

SUBJECT: Treatment of In Kind Income in the
 Medical Assistance Program

DATE: June 14, 1984

SUGGESTED DISTRIBUTION: Medical Assistance Staff
 Fair Hearing Staff

CONTACT PERSON: Any questions concerning the contents of this release should be directed to your MA County Representative at 1-800-342-3715, extension 3-7581. In New York City you may reach your MA representative at (212) 587-4853.

I. PURPOSE

The purpose of this directive is to advise local social services districts of changes in the procedures used to determine the value of income in kind received by an applicant for or recipient of medical assistance from a person residing outside of the medical assistance household.

This directive will also provide the budgeting methodology necessary to determine the net amount of this earned or unearned income in kind.

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Social Services Law and Other Legal References	Bulletin/Chapter Reference	Miscellaneous Reference
76 ADM-17		352.3	366.2		DSS-3457, Budget Worksheet
81 ADM-55		352.16			DRG, Section II-C
83 ADM-17		352.19			DRG, Section II-D.2
83 ADM-20		352.19			
		360.3(b)			
		360.4(a)			
		360.5(c)(3)			

DSS-296 (REV. 8/82)

II. BACKGROUND

Current department regulations provide that the value of in kind income is to be considered when determining eligibility for medical assistance. In kind income can be treated as earned income when received as compensation in lieu of wages for services rendered or it can be considered as unearned income when it is maintenance provided by legally responsible relatives living outside the medical assistance household. Maintenance in kind contributed by non-legally responsible relatives or friends is exempt unearned income and is to be disregarded when determining medical assistance eligibility. In addition, gifts and one-time contributions in kind are also to be disregarded regardless of the source.

Currently, the value of that in kind income which is to be considered is determined in accordance with the schedule contained in Department Regulation 360.5(c)(3). This schedule is at variance with both public assistance and SSI procedures, both of which provide that the value of the in kind income is to be based upon the current market value of the goods or maintenance received. As a result, medical assistance policy has been revised to conform to the procedures used in the cash assistance programs. Department Regulation 360.5(c) is in the process of being revised to reflect this policy of considering the current market value of the in kind income. No change is being made to the existing policy of exempting maintenance in kind contributed by non-legally responsible relatives.

III. PROGRAM IMPLICATIONS

Since the only change to existing procedures is the method of determining the value of the countable in kind income, minimal impact is expected.

IV. DEFINITIONS

The following are key terms used in this administrative directive:

A. In Kind Income

1. those goods received in lieu of wages as compensation for services rendered; or
2. maintenance in kind contributed by legally responsible relatives. Maintenance in kind contributed by non-legally responsible relatives is to be disregarded.

B. Current Market Value (CMV)

The current market value is the value that an individual would receive if the goods were sold on the open market in his/her local area.

V. REQUIRED ACTION

Local social services districts shall use the following procedures to determine medical assistance eligibility for persons who have in kind income:

A. Determine Current Market Value

1. Shelter

The CMV of housing is to be determined by comparing it to similar housing in the locality. In no event, however, is this amount to be greater than the local agency maximum shelter allowance as contained in Department Regulation 352.3.

2. Other than Shelter

The CMV for in kind income other than shelter shall be determined. This may be done by obtaining a statement from the provider of the in kind income as to the value of the goods or maintenance provided. There is no dollar maximum on this amount.

B. Budgeting Methodology: SSI-Related

1. Earned In Kind Income

All in kind income received in lieu of wages or in conjunction with other wages, unless received by an agricultural or domestic employee is to be treated as earned income. All earned income disregards applicable to the aged, blind and disabled and as specified in 83 ADM-17 are to be given.

2. Unearned In Kind Income

All maintenance in kind received from a legally responsible relative and in kind income received by an agricultural or domestic employee in lieu of or in addition to wages is to be treated as unearned income and, as such, is subject to the \$20 income disregard applicable to SSI-related persons.

C. Budgeting Methodology: ADC-Related and Under 21

1. Earned In Kind Income

All goods received as compensation for services rendered are to be treated as earned income. All earned income disregards applicable to those persons who are ADC-related or under 21, and as specified in 83 ADM-20 are to be given.

2. Unearned In Kind Income

Maintenance in kind received from a legally responsible relative is to be treated as unearned income.

NOTE: If eligibility is computed in accordance with standard of need budgeting, PA budgeting procedures shall be used.

D. Budgeting Methodology: HR-Related

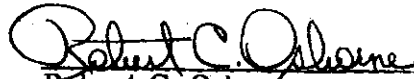
Department Regulation 360.3(b) requires that an HR-related A/R of medical assistance must be eligible for cash assistance to be eligible for Medicaid. Accordingly, those procedures used in the cash assistance programs for the treatment and budgeting of the in kind income shall likewise be used for HR-related persons.

E. WMS Budget Logic

MBL is programmed to apply disregards and exemptions appropriate to the in kind income and budget type entered.

VI. EFFECTIVE DATE

The provisions of this directive shall be effective June 1, 1984 (subject to filing of regulation).



Robert C. Osborne
Deputy Commissioner
Division of Medical Assistance