ADMINISTRATIVE DIRECTIVE	TRANSMITTAL: 90 ADM-42
	DIVISION: Medical Assistance

TO: Commissioners of Social Services

DATE: November 9, 1990

SUBJECT: Expanded Medical Assistance Eligibility for Children Ages One Through Five

SUGGESTED DISTRIBUTION:
Medical Assistance Staff
Fair Hearing Staff
Legal Staff
Staff Development Coordinators

CONTACT PERSON:
MA Eligibility County Representative 1-800-342-3715, extension 3-7581
MA New York City Representative at (212) 587-4853.

ATTACHMENTS:
There are no attachments to this ADM.

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
87 ADM-32 87 ADM-4		360-3.3(c) 360-4.1(b) 360-4.7(a) 360-4.8(a)	Ch. 651 of Laws of 1990 Sect. 6401 of OBRA 89, SSA Sect. 1902(l)(1), (2), SSL 366(4)(p)		P.L.101-239 (OBRA-89)

I. PURPOSE

The purpose of this release is to advise social services districts of the provisions of Chapter 651 of the Laws of 1990. This Chapter amended Social Services Law to extend Medical Assistance (MA) coverage to children who are at least one year of age but younger than six years of age whose family incomes do not exceed 133% of the federal income official poverty line (commonly referred to as the federal poverty line).

II. BACKGROUND

In New York, a large number of near-poor persons, particularly children, have no health care coverage. Families without health insurance are often reluctant to seek medical care because they are unable to afford the cost of such care. As a result, many children do not receive primary and preventive care in a coordinated manner. This lack of access to health care can significantly impact the future health of children in New York State.

Currently, most children access MA through the Aid to Families with Dependent Children (AFDC) program. To qualify, they must meet the AFDC income and resource standards or, if income exceeds the standards, they must "spenddown" to the medically needy income levels. Since medically needy income standards are considerably lower than the poverty-related standards, families with children must spenddown to a significantly lower percentage of poverty to qualify for Medicaid. As a result, it has become increasingly difficult for families with children to meet the financial eligibility requirements for MA.

In an attempt to reach children who need health care, Section 6401 of the Omnibus Budget Reconciliation Act of 1989 (OBRA-89) amended Section 1902 of the federal Social Security Act to provide MA coverage to children who are at least one year of age but younger than six years of age who are not otherwise eligible for MA but who have family incomes equal to or less than 133% of the applicable poverty line. The federal provisions extending this MA eligibility to such poverty-related children were effective April 1, 1990. However, since enabling State legislation was required before implementation and such legislation (Chapter 651 of the Laws of 1990) was not enacted until July 1990, these provisions are to be effective October 1, 1990 in New York State. The Department has adopted regulations on an emergency basis implementing the requirements of Chapter 651 of the Laws of 1990.

III. PROGRAM IMPLICATIONS

Previously, eligibility for MA-only children at least one year of age was determined by comparing the household's income and resources to the appropriate medically needy income and resource standards. Chapter 651 of the Laws of 1990 added a new Section 366(4)(p) to Social Services Law (SSL) which provides for MA eligibility for children at least one year of age but younger than six years of age whose incomes do not exceed 133% of the applicable poverty line. The new Section 366(4)(p) of SSL further provides that in determining eligibility for MA under this program, no resources available to such families shall be considered. This expanded eligibility will be applied to both institutionalized and non-institutionalized children at least one year of age but younger than six years of age if income is at or below 133% of the poverty line.

These new provisions will increase the number of children eligible for MA in New York State by increasing the income standard to 133% of the poverty line for children who are at least one year of age but younger than six years of age and eliminating the resource standard for such eligible children. The impact of this expansion of eligibility will be limited to those households that include children at least one year of age but younger than six years of age with incomes at or below 133% of the poverty line. A child at least one year of age but younger than six years of age whose family income exceeds 133% of the applicable poverty line cannot use medical expenses to spenddown and become eligible for MA at the 133% level. Such a child will have to spenddown to the higher of the applicable MA level or Public Assistance (PA) Standard of Need before becoming eligible for MA coverage.

IV. REQUIRED ACTION

Social services districts are instructed to implement expanded MA eligibility for children who are at least one year of age but younger than six years of age who are not otherwise eligible for MA as follows:

A. Income Standard

For all children at least one year of age but younger than six years of age, where eligibility is determined or re-determined for the month of October 1990 or later, the following income standards must be used:

133% of Federal Poverty

Household Size	Annual	Monthly
1	$ 8,352	$ 696
2	11,198	933
3	14,044	1,170
4	16,891	1,407
5	19,737	1,644
6	22,583	1,881
7	25,429	2,119
8	28,275	2,356

For each additional person in excess of eight in the household, add $2,846 annually, or $237 monthly.

B. Resources

In determining eligibility for children who are at least one year of age but younger than six years of age under the expanded income standards, there is no resource test. However, if by comparing family income to 133% of the poverty line for a family of that size, a child at least one year of age but younger than six years of age is found to be ineligible, applicable resources shall be evaluated and counted in determining MA eligibility under the medically needy standards.

C. Budgeting Procedures

1. Determine the net income of households that include children at least one year of age but younger than six years of age in accordance with the ADC-budgeting methodology, including all appropriate ADC exemptions and disregards of income.

   When determining eligibility for an SSI-related child at least one year of age but younger than six years of age, the most beneficial budgeting methodology must be used. If under the SSI budgeting process the child's income and/or resources exceed the MA exemption standard for one, determine eligibility using ADC budgeting and compare the net available family income to 133% of the appropriate poverty line. It should be noted that only ADC budgeting is used when comparing income to the 133% level.

   NOTE: In accordance with the Vailes v. Blum and Mehler v. Blum court decisions (see 82 ADM-6), the applicant has the option of including or excluding any legally dependent relative(s) and their incomes when determining MA eligibility. This policy is also applicable for expanded eligibility for children at least one year of age but younger than six years of age.

2. When net available family income is equal to or less than 133% of the poverty line for a family of that size, the child(ren) at least one year of age but younger than six years of age is fully eligible for all MA benefits.

3. If net available family income exceeds 133% of the poverty line for a family of that size, the child(ren) at least one year of age but younger than six years of age is ineligible for MA under the expanded income standards. Children with family income in excess of 133% of the appropriate poverty line must spenddown to the higher of the applicable MA level or PA Standard of Need to become eligible for MA. Additionally, resources are not to be disregarded for children at least one year of age but younger than six years of age when they are considered to be medically needy and spending down to medically needy income levels.

4. Cases containing children at least one year of age but younger than six years of age, who are in receipt of MA under the expanded income standards, must be reviewed prior to the child's sixth birthday. Eligibility shall be redetermined using the medically needy income and resource standards.

   When a child is receiving MA coverage under the expanded income standards and turns age six and rebudgeting of the case shows a reduction in benefits (i.e., full coverage to spenddown), full coverage should be continued until the end of the month of his/her birthday. When a child who is receiving expanded MA coverage for necessary inpatient care turns six years of age, but remains otherwise eligible, continue coverage until the end of the month of the inpatient stay.

5. It should be noted that all current spenddown cases containing children who are at least one year of age but younger than six years of age must have their eligibility re-computed under the increased standards. Social services districts should review these cases as soon as possible, since a recipient may no longer be subject to a spenddown based on the increased income standards.

D. Notices

When rebudgeting of a case under the provisions of this Directive results in a change in eligibility, social services districts are reminded that they must adhere to the requirements of 89 ADM-21 with respect to notifying the client of the change.

V. SYSTEMS IMPLICATIONS

A. WMS

Children who are eligible under the expanded MA provisions described in this Directive shall be identified on WMS with a Categorical Code value of 44. The definition of this code, "Expanded Coverage-Infant", is being revised to "Expanded Coverage-Child".

NOTE: Categorical Code 44 will continue to be used to identify children less than one year of age who are eligible for expanded coverage as described in 90 ADM-9.

In upstate districts, Anticipated Future Action code 102 "Individual Turning 6 Years" currently appears on WMS report WINR-4137 Undercare-Notice of Anticipated Future Action and should be used as an alert to the worker to change the Categorical Code of children with expanded MA coverage to an appropriate value, effective the month following the child's sixth birthday.

WMS will be providing a report to assist districts in identifying cases with children age 1 through 5 who may be eligible for expanded MA coverage.

B. MBL

Effective October 1, 1990 MBL will be capable of generating the appropriate budget for children 1 through 5 years of age. For further details, please refer to Transmittal 90-4.

VI. EFFECTIVE DATE

The provisions of this Administrative Directive are effective November 15, 1990, and are retroactive to October 1, 1990.

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