



STATE OF NEW YORK DEPARTMENT OF HEALTH

Coming Tower The Governor Nelson A. Rockefeller Empire State Plaza Albany, New York 12237

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TRANSMITTAL: 04 OMM/ADM-2

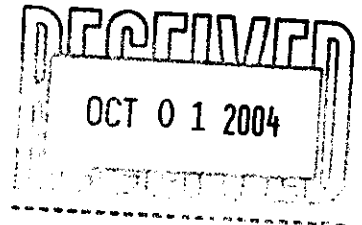
TO: Commissioners of
Social Services

DIVISION: Office Of Medicaid
Management

DATE: March 26, 2004

SUBJECT: Increased Medicaid Income and Resource Standards and Federal
Poverty Lines Effective January 1, 2002, January 1, 2003 and
January 1, 2004

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|--------------------------------|---|
| SUGGESTED DISTRIBUTION: | Medicaid Staff Income Maintenance Staff Fair Hearing Staff Legal Staff Audit Staff Staff Development Coordinators |
| CONTACT PERSON: | Bureau of Local District Support Upstate: (518) 474-8216 NYC: (212) 268-6855 |
| ATTACHMENTS: | Medicaid Only Income and Resource Standards and Federal Poverty Line Effective January 1, 2002, January 1, 2003 and January 1, 2004 |



FILING REFERENCES

| Previous ADMs/INFS | Releases Cancelled | Dept. Regs. | Soc. Serv. Law & Other Legal Ref. | Manual Ref. | Misc. Ref. |
|--------------------|--------------------|-------------|-----------------------------------|-------------|-----------------|
| 03 OMM/ADM-4 | 01 OMM/ADM-2 | 360-1.4 (r) | 101 | | GIS 03MA006 |
| 02 OMM/ADM-7 | | 360-3.7 (d) | 101-a | | GIS 02MA029 |
| 01 OMM/ADM-6 | | 360-4.1 (b) | 366 | | GIS 02MA018 |
| 99 OMM/ADM-3 | | 360-4.3 (f) | P.L. 92-603 | | GIS 02MA/010 |
| 98 ADM-28 | | 360-4.7 (b) | P.L. 94-48 | | GIS 02MA/008 |
| 93 ADM-30 | | 360-4.8 | P.L. 94-566 | | GIS 02MA003 |
| 93 ADM-28 | | (a) & (c) | | | GIS 01MA041 |
| 91 ADM-53 | | 360-7.7 | | | GIS 00MA024 |
| 91 ADM-50 | | | | | GIS 99MA028 |
| 90 ADM-48 | | | | | GIS 98MA010 |
| 90 ADM-42 | | | | | MBL Transmittal |
| 90 ADM-9 | | | | | 03-04 |
| 90 ADM-6 | | | | | MBL Transmittal |
| 89 ADM-38 | | | | | 2003.2 |
| 89 ADM-21 | | | | | MBL Transmittal |
| 89 ADM-7 | | | | | 2002.1 |
| 87 ADM-50 | | | | | MBL Transmittal |
| 85 ADM-35 | | | | | 01-05 |
| 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 updates of the federal income official poverty line (federal poverty line) effective January 1, 2002, January 1, 2003, and January 1, 2004.

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, 2002 the COLA was 2.6 percent; effective January 1, 2003 the COLA was 1.4 percent; effective January 1, 2004 the COLA is 2.1 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 Centers for Medicare and Medicaid Services, formerly the 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 2002 was \$50 lower than the estimated poverty line the Department of Health implemented on January 1, 2002. As a result, the poverty line used to determine Medicaid eligibility was revised in February 2002.

The federal poverty line announced in February 2003 was \$50 lower than the estimated poverty line the Department of Health implemented on January 1, 2003. As a result, the poverty line used to determine Medicaid eligibility was revised in February 2003.

The federal poverty line effective January 1, 2004 was released by the United States Department of Health and Human Services in February of 2004.

III. PROGRAM IMPLICATIONS

A. MEDICAID INCOME AND RESOURCE STANDARDS

As a result of the January 1, 2002 2.6 percent, January 1, 2003 1.4 percent and January 1, 2004 2.1 percent COLA increases 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 for 2002, 2003, and 2004 are specified on the attached charts.

B. FEDERAL POVERTY LINE

The federal poverty line was updated effective January 1, 2002, January 1, 2003 and January 1, 2004. 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.
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 ages 6 through 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 income to 100 percent of the applicable federal poverty line through March 31, 2002. Effective April 1, 2002, household income is compared to 133 percent of the applicable federal poverty line (99 OMM/ADM-3 and GIS 02MA/008). 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 Medicare Savings 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) - QDWIs 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). Effective April 1, 2002, there is no resource test. Prior to April 1, 2002, the resource limit was twice the SSI level.
11. Medicaid Buy-In Program for Working People with Disabilities (MBI-WPD) - Effective July 1, 2003, Medicaid coverage was extended to certain persons with disabilities who are working and have a net income that is at or below 250% of the federal poverty line. The resource level is \$10,000 (03 OMM/ADM-4).

12. Family Health Plus - Family Health Plus eligibility for parents and their 19 or 20 year old children living with them was determined by comparing their household income to 133% of the applicable poverty line. Effective October 1, 2002, household income was raised to 150% of the applicable poverty line. Eligibility for single adults and childless couples is determined by comparing their household income to 100% of the applicable poverty line. There is no resource test (01 OMM/ADM-06 and GIS 02MA018).
13. Family Planning Benefit Program (FPBP) - The FPBP was implemented on October 1, 2002. Eligibility for individuals of childbearing age is determined by comparing their household income to 200% of the applicable poverty line. There is no resource test (02 OMM/ADM-07).

The updated federal poverty line for January 1, 2002, January 1, 2003 and January 1, 2004 are 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 2002 through December 2002, the January 1, 2002 income and resource standards must be used. For all Medically Needy A/Rs whose eligibility is determined or redetermined for the month of January 2003 through December 2003, the January 1, 2003 income and resource standards must be used. For all Medically Needy A/Rs whose eligibility is determined or redetermined for the month of January 2004 or later, the January 1, 2004 income and resource standards must be used.
2. These revised standards also are applied in determining eligibility effective January 1, 2002, January 1, 2003 and January 1, 2004 for a step-parent living with a spouse and that spouse's child under age 21, or a father of an unborn with no children of his own in the household who lives 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, 2002, January 1, 2003 and/or January 1, 2004 have their liability recomputed under these revised standards. Cases in which the six-month excess income period extends into the month of January 2002, January 2003 or January 2004 must be reevaluated using the new standards.

B. FEDERAL POVERTY LINE

Effective January 1, 2002, January 1, 2003, and January 1, 2004, for all new applications and recertifications, social services districts must 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 Medicare Savings Program including QMBs, SLIMBs, QDWIs and QI-1s; the MBI-WPD program, the Family Health Plus program; and the FPBP.

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. There is never a resource test for individuals applying for Family Health Plus or the FPBP. The resource standard for the MBI-WPD program is \$10,000 for a one- or two-person household. The resource standards for QMBs, SLIMBs, QDWIs, and qualified CCBs remain at \$4,000 for a one-person household and \$6,000 for a two-person household. Effective April 1, 2002 there is no resource test for QI-1s. Prior to April 1, 2002, the resource limit was twice the SSI level for QI-1s.

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 decrease in liability. Notices of change in coverage due to increased Social Security benefits are included with MBL Transmittals 01-5, 02-1, and 03-04.

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, 2004 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 .215 to determine what the A/R's RSDI income would have been in August, 1972, and .957 to allow for the disregard of the 20 percent increase of October, 1972 effective January 1, 2002. Effective

January 1, 2003, .212 and .958 are used. Effective January 1, 2004, .208 and .958 (no change from 2003) are used.

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, 2002, January 1, 2003 and January 1, 2004.

C. ALLOCATION

When allocating income to a non SSI-related child effective January 1, 2002, use the allocation amount of \$291. When allocating income to a non SSI-related child effective January 1, 2003, use the allocation amount of \$292. When allocating income to a non SSI-related child effective January 1, 2004, use the allocation amount of \$291. This is the difference between the new Medicaid income standards for two- and one-person households.

VI. SYSTEMS IMPLICATIONS

A. MBL UPSTATE

On November 26, 2001, MBL supported action on the January 1, 2002 Medicaid income and resource standards. MBL Transmittals 01-05 and 02-1 provided details related to system support. The 2002 federal poverty levels were available on MBL February 25, 2002.

On December 2, 2002, MBL supported action on the January 1, 2003 Medicaid income and resource standards. MBL Transmittal 02-5 and 03-01 provided details related to system support. The 2003 federal poverty levels were available on MBL March 24, 2003.

On December 1, 2003, MBL supported action on the January 1, 2004 Medicaid income and resource standards. The 2004 federal poverty levels were available on MBL on December 1, 2003. MBL Transmittal 03-4 provides details of system support.

B. MBL NYC

On December 17, 2001, MBL supported action on the January 1, 2002 Medicaid income and resource standards. The 2002 federal poverty levels were available on MBL March 27, 2002. MBL Transmittal 2002.1 provides details related to system support.

On January 19, 2003, MBL supported action on the January 1, 2003 Medicaid income and resource standards. The 2003 federal poverty levels were available on MBL on March 24, 2003. MBL Transmittal 2003.2 provides details of system support.

On December 28, 2003, MBL supported action on the January 1, 2004 Medicaid income and resource standards. The 2004 federal poverty levels were available on MBL on December 29, 2003. MBL Transmittal 2003.7 provides details of system support.

VII. EFFECTIVE DATE

The provisions of this Administrative Directive are effective retroactively to January 1, 2002 and January 1, 2003, and effective January 1, 2004 as described.



Kathryn Kuhmerker, Deputy Commissioner
Office of Medicaid Management

Medical Assistance-Only, (Annual and Monthly) Income and Resource Standards
and Federal Poverty Lines Effective January 1, 2002

| Household Size | ONE | TWO | THREE | FOUR | FIVE | SIX | SEVEN | EIGHT | EACH ADD'L PERSON |
|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|
| MA INCOME | 7,600 634 | 11,100 925 | 11,200 934 | 11,300 942 | 11,900 992 | 13,600 1,134 | 15,300 1,275 | 17,000 1,417 | +1,700 +142 |
| 100% FPL | 8,860 739 | 11,940 995 | 15,020 1,252 | 18,100 1,509 | 21,180 1,765 | 24,260 2,022 | 27,340 2,279 | 30,420 2,535 | +3,080 +257 |
| 120% FPL | 10,632 886 | 14,328 1,194 | | | | | | | |
| 133% FPL | 11,784 982 | 15,881 1,324 | 19,977 1,665 | 24,073 2,007 | 28,170 2,348 | 32,266 2,689 | 36,363 3,031 | 40,459 3,372 | +4097 +342 |
| 135% FPL | 11,961 997 | 16,119 1,344 | | | | | | | |
| 150% FPL | 13,290 1,108 | 17,910 1,493 | 22,530 1,878 | 27,150 2,263 | 31,770 2,648 | 36,390 3,033 | 41,010 3,418 | 45,630 3,802 | +4,620 +385 |
| 175% FPL | 15,505 1,293 | 20,895 1,742 | | | | | | | |
| 185% FPL | 16,391 1,366 | 22,089 1,841 | 27,787 2,316 | 33,485 2,791 | 39,183 3,266 | 44,881 3,741 | 50,579 4,215 | 56,277 4,690 | +5,698 +475 |
| 200% FPL | 17,720 1,477 | 23,880 1,990 | 30,040 2,504 | 36,200 3,017 | 42,360 3,530 | 48,520 4,044 | 54,680 4,557 | 60,840 5,070 | +6,160 +514 |
| RESOURCES (ASSETS) | 3,800 | 5,550 | 5,600 | 5,650 | 5,950 | 6,800 | 7,650 | 8,500 | +850 |

Medicaid-Only, (Annual and Monthly) Income and Resource Standards
and Federal Poverty Lines Effective January 1, 2003

| HOUSEHOLD SIZE | ONE | TWO | THREE | FOUR | FIVE | SIX | SEVEN | EIGHT | EACH ADDITIONAL PERSON |
|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------------------------|
| MA INCOME | 7700 642 | 11200 934 | 11300 942 | 11400 950 | 11900 992 | 13600 1134 | 15300 1275 | 17000 1417 | +1700 +142 |
| 100% FPL | 8980 749 | 12120 1010 | 15260 1272 | 18400 1534 | 21540 1795 | 24680 2057 | 27820 2319 | 30960 2580 | +3140 +262 |
| 120% FPL | 10776 898 | 14544 1212 | | | | | | | |
| 133% FPL | 11944 996 | 16120 1344 | 20296 1692 | 24472 2040 | 28649 2388 | 32825 2736 | 37001 3084 | 41177 3432 | +4177 +349 |
| 135% FPL | 12123 1011 | 16362 1364 | | | | | | | +4239 +354 |
| 150% FPL | 13470 1123 | 18180 1515 | 22890 1908 | 27600 2300 | 32310 2693 | 37020 3085 | 41730 3478 | 46440 3870 | +4710 +393 |
| 185% FPL | 16613 1385 | 22422 1869 | 28231 2353 | 34040 2837 | 39849 3321 | 45658 3805 | 51467 4289 | 57276 4773 | +5809 +485 |
| 200% FPL | 17960 1497 | 24240 2020 | 30520 2544 | 36800 3067 | 43080 3590 | 49360 4114 | 55640 4637 | 61920 5160 | +6280 +524 |
| 250% FPL | 22450 1871 | 30300 2525 | 38150 3180 | 46000 3834 | 53850 4488 | 61700 5142 | 69550 5796 | 77400 6450 | +7850 +655 |
| RESOURCES (ASSETS) | 3850 | 5600 | 5650 | 5700 | 5950 | 6800 | 7650 | 8500 | +850 |

Medicaid-Only, (Annual and Monthly) Income and Resource Standards
and Federal Poverty Lines Effective January 2004

| HOUSEHOLD SIZE | ONE | TWO | THREE | FOUR | FIVE | SIX | SEVEN | EIGHT | EACH ADDITIONAL PERSON |
|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------------------------|
| MA INCOME | 7900 659 | 11400 950 | 11500 959 | 11600 967 | 11900 992 | 13600 1134 | 15300 1275 | 17000 1417 | 1700 142 |
| 100% FPL | 9310 776 | 12490 1041 | 15670 1306 | 18850 1571 | 22030 1836 | 25210 2101 | 28390 2366 | 31570 2631 | 3180 265 |
| 120% FPL | 11172 931 | 14988 1249 | | | | | | | 3816 318 |
| 133% FPL | 12383 1032 | 16612 1385 | 20842 1737 | 25071 2090 | 29300 2442 | 33530 2795 | 37759 3147 | 41989 3500 | 4230 353 |
| 135% FPL | 12569 1048 | 16862 1406 | | | | | | | 4293 358 |
| 150% FPL | 13965 1164 | 18735 1562 | 23505 1959 | 28275 2357 | 33045 2754 | 37815 3152 | 42585 3549 | 47355 3947 | 4770 398 |
| 185% FPL | 17224 1436 | 23107 1926 | 28990 2416 | 34873 2907 | 40756 3397 | 46639 3887 | 52522 4377 | 58405 4868 | 5883 491 |
| 200% FPL | 18620 1552 | 24980 2082 | 31340 2612 | 37700 3142 | 44060 3672 | 50420 4202 | 56780 4732 | 63140 5262 | 6360 530 |
| 250% FPL | 23275 1940 | 31225 2603 | 39175 3265 | 47125 3928 | 55075 4590 | 63025 5253 | 70975 5915 | 78925 6578 | 7950 663 |
| RESOURCES (ASSETS) | 3950 | 5700 | 5750 | 5800 | 5950 | 6800 | 7650 | 8500 | 850 |