NEW YORK
state department of
HEALTH

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Commissioner

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ADMINISTRATIVE DIRECTIVE

TRANSMITTAL: 11 OHIP/ADM-5

TO: Commissioners of
Social Services

DIVISION: Office of Health
Insurance Programs

DATE: August 29, 2011

SUBJECT: Transitional Medical Assistance (TMA) Eligibility Criteria Change

SUGGESTED DISTRIBUTION:
Medicaid Directors
Temporary Assistance Directors
Staff Development Coordinators
Fair Hearing Staff
Legal Staff

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ATTACHMENTS: None

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept.Regs.	Soc. Serv. Law & Other	Manual Ref.	Misc. Ref.
90 ADM-30			SSA 1902 SSA 1925 SSL 366(4) Chapter 58 of Laws of 2010 P.L. 111-5, Section 5004 of ARRA of 2009		GIS09 MA/023

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I. PURPOSE

The purpose of this Office of Health Insurance Programs Administrative Directive (OHIP/ADM) is to advise local departments of social services (LDSS) of a change to the eligibility criteria for Transitional Medical Assistance (TMA).

II. BACKGROUND

Transitional Medical Assistance helps low-income families with children keep their Medicaid coverage for a limited period of time, even if an increase in earnings makes them ineligible for Medicaid. Transitional Medical Assistance is authorized for twelve continuous months when all three of the following conditions are met:

1. The family is ineligible for Medicaid under the Low Income Families (LIF) category of assistance due to new or increased earned income of the parent/caretaker relative, or due to the loss of an income related disregard. These earnings may be in combination with unearned income.

2. The family was receiving Medicaid under the LIF category of assistance in at least three of the past six months immediately prior to becoming ineligible for Medicaid under LIF.

3. The family has a dependent child under age 21 living in the household. This child may or may not be a member of an active Medicaid case.

Effective July 1, 2009, New York State implemented an option made available under the American Reinvestment and Recovery Act (ARRA)of 2009, to provide twelve months of TMA to families who otherwise meet TMA requirements, without having to perform eligibility re-determinations at four and six months. GIS 09/MA023 provides more information regarding this change. Section 5004 of the ARRA also allows states the option of providing twelve months of TMA to recipients who have been LIF eligible for **fewer** than three of the last six months before losing Medicaid eligibility.

Chapter 58 of the Laws of 2010 amended Section 366(4) of the Social Services Law to allow recipients who otherwise meet the criteria for TMA to qualify for TMA if they were LIF eligible in at least **one of the past six months** immediately preceding the month the individual/family became ineligible under LIF.

III. PROGRAM IMPLICATIONS

Effective July 1, 2011, an individual or family who loses Medicaid eligibility under LIF due to new or increased earned income, or due to the loss of an income disregard (for example, the earned income disregard), and who has been LIF eligible in at least **one of the past six months** immediately preceding the month of ineligibility, will qualify for twelve continuous months of TMA if a dependent child under age 21 lives in the household. This change allows for more low-income working families to retain comprehensive Medicaid coverage while transitioning toward self-sufficiency.

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This change also applies to Temporary Assistance (TA) recipients who are receiving Medicaid and otherwise meet the criteria for TMA.

Additionally, members of a household may be eligible for TMA when the parent/caretaker relative is not in receipt of Medicaid under the LIF category of assistance, if all other eligibility requirements are met. For example, a mother receives Supplemental Security Income (SSI) and Medicaid. Her two children receive Medicaid under the LIF category of assistance. When she becomes employed, she loses eligibility for SSI, and may be added to the children's case and their eligibility re-determined. The increased income makes the family ineligible for Medicaid under LIF. However, they meet the TMA criteria and are, therefore, authorized for the 12-month TMA extension.

IV. REQUIRED ACTION

Redeterminations of Medicaid eligibility on or after **July 1, 2011,** must be considered using the revised TMA criteria. Although the LIF eligibility requirement is now **one of the past six months**, the following eligibility criteria remain the same:

1.   The family is no longer Medicaid eligible under the LIF category of assistance due to new or increased earned income from the parent/caretaker relative, or due to a loss of an income disregard. These new or increased earnings may be calculated in combination with unearned income; and

2.   The family includes a dependent child under 21 living in the household. This child may or may not be an active member of the Medicaid case.

The LDSS is reminded that TMA cases are to be processed in the usual manner. The TMA coverage period is authorized for twelve months from the first day of the month immediately following the month in which their LIF eligibility has ended for those families who meet the TMA criteria. However, if the recipients become ineligible for LIF at the end of the month and, because of the ten-day notice requirement, their case is closed during the first 10 days of the following month, the twelve-month TMA extension begins on the first day of the month in which the notice period ends.

For those recipients who meet the TMA criteria, it is not necessary to continue to further determine Medicaid eligibility under Medically Needy or Expanded Income Levels, or for Family Health Plus (FHPlus) or the Family Planning Benefit Program (FPBP). Transitional Medical Assistance provides twelve months of continuous health insurance coverage regardless of income changes during the TMA period, as long as there is a child under age 21 residing in the household and the family continues to reside in New York State.

Transitional Medical Assistance recipients are required to report changes in circumstances that may affect their eligibility in the same manner as non-TMA Medicaid recipients. Such changes include, but are not limited to: the absence of a dependent child under age 21 in the household; an address change; and the availability and/or existence of

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any third party health insurance (TPHI). Enrollment in employer-sponsored TPHI is not a requirement for TMA. However, if a TMA recipient is enrolled in an employer-sponsored health insurance plan with an employee contribution, the local district must offer to pay for the employee's contribution if it is determined to be cost-effective.

Discontinuance of TMA Cases

There are three reasons that a TMA case should be discontinued prior to the end of the full twelve months. They are listed as follows:

1. There is no longer a dependent child under the age of 21 residing in the household (WMS Reason Code H30-Timely Notice);

2. The TMA family has been found guilty of Temporary Assistance and/or Medicaid fraud by a court of law (WMS Reason Code H31–Timely Notice); or

3. All TMA family members have moved out of New York State (WMS Reason Code E63-Timely Notice).

When a TMA case is approaching the end of the twelve-month authorization period, a Medicaid renewal is sent to the household for their completion in order to determine eligibility for continued Medicaid, FHPlus or FPBP coverage.

V. SYSTEMS IMPLICATIONS

A. Upstate

Systems changes to support the new TMA eligibility criteria are already in place, with an effective date of **July 1, 2011**. System information regarding this change is contained in the WMS/CNS Coordinator Letter issued May 27, 2011.

The following Upstate Medicaid Case Reason Codes have been redefined to reflect the TMA eligibility criteria change from three of the last six months of Medicaid under LIF to one of the last six months of Medicaid under LIF:

E08 - MA to TMA

Y78 - Beginning of TMA Elig. Ext. After PA Inelig. Resulting From Employment

Y79 - Beginning of TMA Elig. Ext. After PA Inelig. Resulting From Loss of 30 1/3 Income Disregard

The following Temporary Assistance Case Reason Codes have also been revised to reflect the TMA eligibility criteria change from three of the last six months of Medicaid under LIF to one of the last six months of Medicaid under LIF:

E31 - Excess Income - Increased Earnings - TMA Eligible

M92 - Client Request - Written - Earned Income

M93 - Client Request - Verbal - Earned Income

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When codes **E31**, **M92** and **M93** are used for TA cases, TMA insert language is system-generated (Upstate: Code **764**, NYC: Code **778**).

The following edit has been modified:

0862 - Case Must Be Active for 1 Out of Last 6 Months for Reason Codes **E08, Y78 and Y79**

If Reason Codes **E08, Y78 or Y79** are used, the Medicaid case must have been active at the LIF eligibility level for at least one of the last six months to be eligible for TMA.

B.   New York City

The following New York City Medicaid Case Reason Codes have been redefined to reflect the TMA eligibility criteria change from three of the last six months of Medicaid under LIF to one of the last six months of Medicaid under LIF:

E31 - Excess Income - Increased Earnings - TMA Eligible

E33 - Excess Income - Increased Earnings - TMA Guaranteed
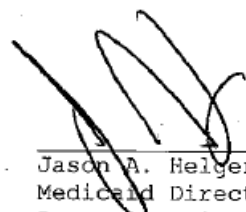
778 - (System Generated) Combined TA/MA TMA Acceptance

NYC Notice Change

CO175 - DISC EXC INC MA to TMA (NYC) - The language in the notices issued when reason codes E31 and E33 are used has been revised to read, "one of the last six months," instead of, "three of the last six months," to accurately reflect the policy change described in this ADM.

VI.   EFFECTIVE DATE

The provisions of this ADM are effective September 1, 2011, retroactive to July 1, 2011.

Jason A. Helgerson
Medicaid Director
Deputy Commissioner
Office of Health Insurance Programs