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TO: All Local District Commissioners, Medicaid Directors

FROM: Betty Rice, Director
Division of Consumer & Local District Relations

SUBJECT: Policy Clarifications Regarding Certain Documentation Requirements

EFFECTIVE DATE: Immediately

CONTACT PERSON: Local District Liaison at (518) 474-9130 or
New York City (212) 268-6855

The purpose of this GIS is to clarify the Department's policy in several areas where it appears that documentation requirements are not being consistently applied among social services districts. Clarification of the correct policy in these areas will support consistent eligibility determinations, and serve to reduce local districts' workload by eliminating excessive or duplicative documentation.

1. When is it necessary to verify that an individual under the age of 21 is a student?

Ans.: Students of high school age with earnings are not required to verify their status as students, unless the district has reason to believe that they are no longer attending school. Individuals under the age of 21 who are employed and are attending a college, university, vocational or technical school on a full-time basis must document this status with a letter from the school or current grade report if they have earnings which would make a difference in their eligibility. For a full-time student working full-time, earnings are only disregarded for a six-month period per calendar year. However, continuous coverage ensures twelve months of coverage for students up to age 19, so that even when these earnings must be budgeted, the student is entitled to continuous coverage for the remainder of the twelve months or until their 19th. birthday, whichever occurs first. The part-time wages of full-time students are disregarded in total. Summer employment is considered part-time. (See GIS 01 MA/007, dated February 23, 2001 for treatment of student earnings for SSI-related individuals.)

2. When can a tax return be used as verification of income?

Ans.: Individuals who work for salary/wages may only use a tax return until March 31 of the following year, e.g., a 1999 tax return may be used until March 31, 2000 to document current income. A self-employed individual may use a tax return for the entire year following the year of the return, e.g., a 1999 return may be used for an application received in 2000, and until March 31, 2001, provided that the applicant states that his/her 1999 earnings are representative of his/her current earnings.

For married couples, if one individual is self-employed and one individual works for a salary, and the application is taken after March 31, the salaried individual would have to present current verification of his/her income (pay stubs, letter from employer, etc.).

The Financial Status Form provided and discussed at the technical assistance training on self-employment offered by the Department through our training contractor (Center for the Development of Human Services, State College at Buffalo) is a tool to help local districts arrive at net income for self-employed persons. It is used only when other proofs of income, such as a tax return, accountant's statement, or business records, are not available, or when the self-employed person indicates that last year's tax return is not representative of current earnings. Local districts may not require facilitated enrollers to complete the Financial Status Form when an applicant presents such other proofs.

3. Must residency be re-verified upon reauthorization?

Ans.: Unless the district has reason to believe the recipient no longer resides at the address specified, residency does not need to be routinely re-verified. Mail from the local departments of social services is not supposed to be forwarded by the U.S. Postal Service, therefore receipt of the reauthorization notice by the recipient serves to confirm residency to a certain degree. Only current income, deductions such as childcare and health insurance, or the addition of a household member, must be verified at the reauthorization interview, unless the recipient indicates that something else has changed.

4. Must shelter expenses be verified upon application?

Ans.: It has been the policy not to require verification of the monthly housing expense (rent or mortgage payment) for children and pregnant women who file the Growing Up Healthy application, i.e., federally-participating (FP) applicants. In anticipation of the impending implementation of Family Health Plus, the Department has decided to no longer require verification of shelter expenses from any applicant, including singles and childless couples, regardless of the budgeting methodology used to determine their eligibility. The reason for this is that the Public Assistance shelter standard to which an applicant's shelter expense is compared when doing a Low Income Family budget or using the Public Assistance Standard of Need is so low that actual shelter costs invariably exceed it. Therefore, effective immediately, local districts are not required to verify shelter costs. For all applicants, their statement of shelter expenses and fuel type, when applicable, will suffice.