

TO: Local District Commissioners, Medicaid Directors

FROM: Ann Clemency Kohler, Deputy Commissioner, Office of Medicaid Management

SUBJECT: Revised Federal Poverty Levels and Family Member Allowance and Increased Earned Income Disregard from 42% to 45%

EFFECTIVE DATE: June 1, 1998

CONTACT PERSON: FPLs and 45% EID/Priscilla Smith 518-473-5532
Family Member Allowance/Dennis Boucher 518-473-6111

This is to inform social services districts of revised federal poverty levels effective June 1, 1998. The estimated federal poverty levels were effective January 1, 1998 pending the actual poverty levels published in the Federal Register in February. The Department implements the estimated levels to ensure more stable periods of eligibility. However, the estimated federal poverty line is \$100 annually (\$8.00 monthly) over the actual poverty line. Therefore, the actual poverty levels will be implemented for all new applications and recertifications with an effective From Date of June 1, 1998 or later. Undercare cases do not need to be rebudgeted using the new poverty levels until next recertification or next client contact. At recertification, a small number of cases with income slightly below the estimated poverty line may lose full Medicaid eligibility. Those individuals whose eligibility may be affected are:

Pregnant Women	Infants
Children ages 1-5	Children born after 9/30/83
Qualified COBRA	Persons eligible for AIDS Health Insurance Program
Continuation Beneficiaries	Qualified Disabled and Working Individuals (QDWIs)
Qualified Medicare Beneficiaries	
Specified Low Income Beneficiaries	

Also, this is to notify districts that effective June 1, 1998 the earned income disregard used to determine eligibility under Medicaid for Low Income Families (LIF) will change from 42% to 45%. Pursuant to MBL Transmittal 98-2, this change will be supported by MBL on May 4, 1998 for new applications and recertifications with an effective From Date of June 1, 1998 or later. The Department also expects to identify cases that are potentially affected by the change in the earned income disregard; a second MBL transmittal including a list of such cases and specifying necessary action will be sent to each district in June 1998.

Social services districts should revise the notice "Notice to Potential Qualifying COBRA Continuation Beneficiaries" for one and two person households to reflect the June 1, 1998 change in federal poverty levels to \$671 for an individual and \$905 for a couple. For other notices, usual procedures apply.

In addition, the federal poverty level for two is used to calculate the family member allowance for all spousal impoverishment cases involving a dependent family member. Effective June 1, 1998, the family member allowance will be calculated by subtracting the amount of the family member's otherwise available income from \$1357, dividing the result by three, and rounding up to the nearest dollar. The maximum family member allowance (when the family member's otherwise available income is zero) is:

$$\frac{\$1357}{3} = \$453$$

When applicable, the new family member allowance formula is also to be used to determine the amount of income requested as a contribution from a community spouse or a spouse living apart from an SSI-related applicant/recipient.

Social services districts should add the revised maximum family member allowance to the attachment of the "INFORMATION NOTICE TO COUPLES WITH AN INSTITUTIONALIZED SPOUSE" until a revised version is made available.

An ADM is forthcoming on the 1998 Medicaid income and resource guidelines and federal poverty levels. Please direct any questions regarding the federal poverty levels or the change in the EID code from 42% to 45% to Priscilla Smith at 518-473-5532 or Sharon Burgess at 518-473-5536. In New York City, direct questions to 212-613-4330. Please direct any questions regarding the family member allowance to Dennis Boucher at 518-473-6111.