



# STATE OF NEW YORK DEPARTMENT OF HEALTH

Coming Tower

The Governor Nelson A. Rockefeller Empire State Plaza

Albany, New York 12237

Barbara A. DeBuono, M.D., M.P.H.  
Commissioner of Health

Dennis P. Whalen  
Executive Deputy Commissioner

**ADMINISTRATIVE DIRECTIVE**

**TRANSMITTAL:** OMM/ADM-5

**TO:** Commissioners of  
Social Services

**DIVISION:** Office of  
Medicaid  
Management

**DATE:** December 31, 1997

**SUBJECT:** Increased Medical Assistance Income and Resource Standards  
and Federal Poverty Lines for 1997

**SUGGESTED  
DISTRIBUTION:**

Medical Assistance Staff  
Income Maintenance Staff  
Fair Hearing Staff  
Staff Development Coordinators

**CONTACT  
PERSON:**

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**ATTACHMENTS:**

Medical Assistance Only Income and Resource Standards  
and Federal Poverty Lines:  
Effective January 1, 1997 (available on-line)

**FILING REFERENCES**

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
91 ADM-54	96 ADM-10	360-1.4 (r)	101	<u>MARG</u> pp	GIS 96MA037
91 ADM-53		360-3.7 (d)	101-a	110, 111.1	GIS 96MA042
91 ADM-50		360-4.1 (b)	366	111.2, 285	MBL Trans
90 ADM-48		360-4.3 (f)	P.L. 92-603	8.4, 8.6,	mittal 96-1
90 ADM-42		360-4.7 (b)	P.L. 94-48	146	MBL Trans
90 ADM-9		360-4.8	P.L. 94-566		mittal 96-2
90 ADM-6		(a) & (c)			
89 ADM-38		360-7.7			
89 ADM-7		(g) & (h)			
87 ADM-50		360-7.8 (a)			
87 ADM-27					
85 ADM-35					
85 ADM-3					

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**I. PURPOSE**

This Administrative Directive advises social services districts of:

- A. Increases in the Medical Assistance (MA) Income and Resource Standards.
- B. The annual update of the federal income official poverty line (federal poverty line).

**II. BACKGROUND****A. MA 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, 1997 the COLA is 2.9 percent. The medically needy income standards for one, two, and three person households must be adjusted to reflect this increase and maintain a one hundred dollar differential between household sizes.

The resource standards for medically needy A/Rs are equal to one-half of the appropriate annual MA income standards. Because the MA income standards increased for one- to three-person households, the MA 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. The Department received permission from the federal 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.

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**III. PROGRAM IMPLICATIONS****A. MA INCOME AND RESOURCE STANDARDS**

As a result of the January 1, 1997 2.9 percent COLA increase in SSI benefits, the MA income standards used to determine MA eligibility for federally participating A/Rs will increase for one- to three-person households. Increased income standards of assistance will result in increases in MA resource standards for one- to three-person households. The new MA income and resource standards will also be applied to federally non-participating parents living with their dependent child(ren) under the age of 21, who are financially ineligible for MA under the Public Assistance (PA) income and resource standards.

The new MA standards are specified on the attached chart.

**B. FEDERAL POVERTY LINE**

As with the MA income and resource standard increases, the federal poverty line will be updated effective January 1, 1997. The updated federal poverty line is the basis for the MA 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 185 percent of the applicable federal poverty line (90 ADM-9). There is no resource test for pregnant women.
2. Pregnant Women and Infants - MA 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 185 percent of the applicable federal poverty line (90 ADM-9). There is no resource test for pregnant women and infants under age one.
3. Children Ages One Through Five - MA eligibility for children who are at least one year of age but younger than six years of age and are not otherwise eligible for MA, 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 born after September 30, 1983 - MA eligibility for children born after September 30, 1983 who are at least six years of age but younger than 19 years of age and are not otherwise eligible for MA, is determined by comparing their household incomes to 100 percent of the applicable federal poverty line (91 ADM-50). 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. Qualified Medicare Beneficiaries (QMBs) - Eligibility for the Buy-In 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 MA 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.
7. 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 (91 ADM-54). There is no resource test.
8. Qualified Disabled and Working Individuals (QDWIs) - Eligibility for MA 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 MA 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.

The updated federal poverty lines are specified on the attached chart.

The new higher MA standards and federal poverty lines will result in small increases in MA-Only caseloads and expenditures.

#### IV. REQUIRED ACTION

##### A. MA INCOME AND RESOURCE STANDARDS

1. For all MA-Only federally participating A/Rs whose eligibility is determined or redetermined for the month of January, 1997 or later, the January 1, 1997 income and resource standards must be used.

2. These revised standards must also be applied in determining eligibility effective January 1, 1997 for federally non-participating parents living with their children under age 21, but only if they are ineligible for MA when their income and resources are compared to the PA 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, 1997 must have their liability recomputed under these revised standards. Cases in which the six-month excess income period extends into the month of January, 1997 or later must be reevaluated using the new standards.

B. FEDERAL POVERTY LINE

Effective January 1, 1997, for all new applications and recertifications, social services districts must use the updated federal poverty line when determining eligibility for: children born after September 30, 1983 and pregnant women; COBRA Continuation Coverage for CCBs; the AIDS Health Insurance program for persons with AIDS or HIV-related illness; the Buy-In program including QMBs, SLIMBs, and QDWIs.

There are no resource standards for pregnant women, infants, children born after September 30, 1983, or persons with AIDS or HIV-related illness who are applying for benefits under the AIDS Health Insurance Program. The resource standards for QMBs, QDWIs and qualified CCBs remain at \$4,000 for a one-person household and \$6,000 for a two-person household.

V. ADDITIONAL INFORMATION

A. NOTICE REQUIREMENTS

When rebudgeting under the new income standards results in a change in MA spenddown 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 spenddown liability, recipients must be notified in writing of such increase in coverage. Notices of change in coverage due to increased Social Security benefits are included with 97 ADM-\_\_, "Federal Cost of Living Adjustment in Social Security and Supplemental Security Income (SSI) Benefits and Impact on Department Programs". (A copy of the notice was sent out to upstate counties with the mass rebudgeting reports.)

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, 1997 increase.

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 MA eligibility. Budgeting procedures as described in 85 ADM-3 should be followed using the new conversion figures of .952 to determine what the A/R's RSDI income would have been in August, 1972 and .242 to allow for the disregard of the 20 percent increase of October, 1972.

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 MA 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, 1997.

C. ALLOCATION

When allocating income to a non SSI-related child, use the new allocation amount of \$259. This is the difference between the new MA income standards for two- and one-person households.

VI. SYSTEMS IMPLICATIONS

A. MBL UPSTATE

On the weekend of November 30 - December 1, 1996, MBL supported action on the new MA income and resource standards with an automated mass rebudgeting and principal provider update process. MBL Transmittals 96-1 and 96-2 provide details related to system support. The federal poverty levels were available on MBL December 2, 1996.

As of December 2, 1996, budgets with an Effective From Date of January 1, 1997 or later are calculated using the new MA income, resource and federal poverty levels.

B. MBL NYC

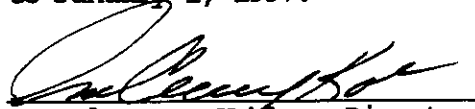
On the weekend of December 7 - December 8, 1996, MBL supported action on the new MA income and resource standards with an

automated mass rebudgeting and principal provider update process. The federal poverty levels were also available on MBL December 9, 1996.

As of December 9, 1996, budgets with an Effective From Date of January 1, 1997 or later are calculated using the new MA income, resource and federal poverty levels.

VII. EFFECTIVE DATE

The provisions of this Administrative Directive are effective immediately, retroactive to January 1, 1997.

  
Ann Clemency Kohler, Director  
Office of Medicaid Management

ATTACHMENT I

Medical Assistance Only, (Annual and **Monthly**) Income and Resource Standards  
and Federal Poverty Lines Effective January 1, 1997

Household Size	ONE	TWO	THREE	FOUR	FIVE	SIX	SEVEN	EIGHT	EACH ADD'L PERSON
MA Income	6900 575	10000 834	10100 842	10200 850	11900 992	13600 1134	15300 1275	17000 1417	+ 1,700 + 142
100% FPL	7890 658	10610 885	13330 1111	16050 1338	18770 1565	21490 1791	24210 2018	26930 2245	+2720 + 227
120% FPL	9468 789	12732 1061							
133% FPL	10494 875	14112 1176	17729 1478	21347 1779	24965 2081	28582 2382	32200 2684	35817 2985	+3618 + 302
185% FPL	14597 1217	19629 1636	24661 2056	29693 2475	34725 2894	39757 3314	44789 3733	49821 4152	+5032 + 420
200% FPL	15780 1315	21220 1769							
RESOURCES (ASSETS)	3450	5000	5050	5100	5950	6800	7650	8500	+ 850