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DIVISION: Office Medicaid Management

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TO: MA Directors; MA Disability Review Staff

FROM: Ann Clemency Kohler, Director  
Office of Medicaid Management

SUBJECT: Redeterminations of Disability for Zebley Children

EFFECTIVE DATE: July 1, 1997

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As you are aware, the Personal Responsibility and Work Reconciliation Act of 1996 impacted several areas of SSI eligibility. One of those areas is the disability criteria used for children. Because these criteria have become more stringent, some Zebley children may lose their SSI benefits. Some children have already been advised that their SSI has been terminated effective July 1, 1997. The Social Security Administration (SSA) was to have made decisions regarding the continued SSI eligibility for all of these children by August 22, 1997. However, since they are experiencing difficulty meeting this deadline, this timeframe has been extended by six months, to February, 1998.

As required by the U.S. District Court decision in Stenson, et al v. Blum, when an individual loses eligibility for SSI, the individual remains eligible for Medicaid until a separate redetermination of Medicaid eligibility is made. Whenever possible, this redetermination should be made based upon information in the child's record. If more information is needed, the family may be contacted to provide it. It is hoped that many of these children may remain eligible if the family income is under the federal poverty levels. If the child has been, or can be, added to an existing PA case, a separate Medicaid redetermination is not required.

Districts should process these Stenson redeterminations according to normal procedures with the following exception: due to the high volume of Medicaid redeterminations which states will be required to make, the Health Care Financing Administration (HCFA) is allowing states to take up to 120 days to complete each redetermination, and to claim up to 120 days of federal financial participation (FFP) for their Medicaid.

There is also a federal proposal to allow these children to retain their Medicaid eligibility. We shall advise you immediately if this proposal is approved.