OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE

INFORMATIONAL LETTER **TRANSMITTAL:** 00 INF-16

DIVISION: Temporary Assistance

TO: Commissioners of Social Services

DATE: August 3, 2000

SUBJECT: Temporary Assistance (TA), Food Stamps (FS), and Medicaid (MA) Budgeting: Out-of-State Temporary Assistance Payment

SUGGESTED DISTRIBUTION:
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Food Stamps: Eastern Region at ext.3-1469

ATTACHMENTS: None

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
99 ADM-7					

The purpose of this informational letter is to outline the treatment of TA payments (both TANF and General Assistance (state-funded TA)) made by a state other than New York State, on behalf of an individual who subsequently applies for TA, FS or MA benefits in New York State.

With the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), states were given more flexibility in the type and manner in which they provide TANF benefits. Some states now make payments to divert families from receiving assistance. Several districts have inquired as to how these benefits provided by another state on behalf of a family which subsequently applies for TA or FS benefits in New York State, must be treated.

When a new State resident applies for assistance, the district must inquire as to whether assistance payments were received in a prior state. When a New York State TA applicant has received assistance in a prior state, the district must contact the former state to verify the number of countable months for tracking time limit purposes (note: GA payments by another state never count for time limits). At the same time, the district must also verify when the last benefit was received, what period of time it covers and what it was intended to cover.

Treatment of Out-of State Payments for TA

Out-of-state TA payments that are once-only payments intended to meet a crisis or specified purpose are not counted as income in this State for purposes of determining TA eligibility or benefit, as long as they are used in the manner intended. This would include most diversion and emergency benefits provided by the former state. For example, payments for transportation, moving expenses, work expenses, security deposits, brokers fees, etc. that were used as intended, would not be counted as income when determining a family's eligibility for TA in New York State. However, out-of-state benefits that are not earmarked for any particular purpose, such as a specific emergency or need, or are intended to meet basic needs, must be counted as unearned income for the purposes of determining eligibility and benefit for TA in New York State. If the prior state informs the district that the payment covers a period longer than one month, then the payment must be prorated over the period and considered unearned income in each month of the period.

The following examples will help to illustrate:

EXAMPLE #1

West Virginia provides a TANF diversion payment of $1,000 on March 1, 2000 for moving expenses to allow a family to move to New York State. The family applies for Family Assistance in Herkimer County on March 10, 2000 and the agency verifies the payment with West Virginia. The $1,000 diversion payment would not be considered income, as long as it was used to pay moving costs.

EXAMPLE #2

New Jersey provides a family with $2,000 in TANF benefits on April 1, 2000. The family applies for Family Assistance in Erie County on May 10, 2000. At that time, the district contacts the New Jersey social services office and is informed that the $2,000 payment included a diversion payment of $500 for moving expenses and $1,500 for basic needs to cover the period from April through June 2000. New Jersey provided the family with the $2,000 grant and advised them they would not be eligible for benefits in that state again until the start of July 2000.

The family verifies that the $500 payment for moving expenses was used to cover the costs of transporting their belongings to Buffalo. The $1,500 payment for basic needs would be prorated over the three month period ($1,500 divided by 3 months = $500 per month) and counted as $500 in unearned income when determining eligibility in New York State for each month of May and June.

Treatment of Out-of-State TA Payments for Food Stamps

An out-of-state TA payment that was intended to meet basic needs must be counted as unearned income when determining a household's Food Stamp benefit amount for the month in which the TA payment was received. A once-only special assistance payment, however, is excluded for Food Stamp budgeting purposes if the payment meets one of the following criteria:

- The payment is a TANF diversion payment, which is made no more than once in a 12-month period to meet needs that do not extend beyond four months, is intended to address barriers to self-sufficiency, and the family did not receive a regular TANF payment in the current or prior month; or

- The payment is a reimbursement for past or future expenses, to the extent that it does not exceed actual expenses, is provided for a specific purpose other than normal living expenses and is used for the purpose intended; or

- The payment is a non-recurring lump sum, such as a retroactive TA payment. For Food Stamp eligibility and budgeting purposes, a lump sum is excluded as income, but counted as a resource in the month received.

Treatment of Out-of-State TA Payments for Medicaid

Budgeting of out-of-state TANF and general assistance payment for Medicaid Applicants/Recipients (A/Rs) parallels the budgeting of these payments for TA A/Rs.

Out-of-state TA payments that are one-time-only payments, intended to meet a crisis or specific purpose, are disregarded when determining Medicaid eligibility as long as the payment is used for the intended purpose. This includes most diversion and emergency benefits provided by another state. If the A/R fails to use the payment as it was intended, the payment is countable as unearned income.

When an out-of-state payment is not earmarked for a specific purpose, or is intended to meet basic needs, the payment is budgeted as unearned income. When the prior state indicates that the payment was intended to cover a period longer than one month, the payment is prorated over the period the payment was intended to cover.

This information will be included in the next updates of the PASB and FSSB.

Patricia A. Stevens
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Division of Temporary