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 | ADMINISTRATIVE DIRECTIVE |  
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TRANSMITTAL: 91 ADM-50

TO: Commissioners of  
 Social Services

DIVISION: Medical  
 Assistance

DATE: December 11, 1991

SUBJECT: Medical Assistance Coverage of Children up to 100 Percent  
 of the Federal Poverty Line

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SUGGESTED DISTRIBUTION:	Medical Assistance Staff Public Assistance Staff Fair Hearing Staff Legal Staff Staff Development Coordinators
CONTACT PERSON:	MA Eligibility County Representative 1-800-342-3715, extension 3-7581 MA New York City Representative at (212) 417-4853
ATTACHMENTS:	Attachment - Sample: DSS-3623 Notice of Intent to Discontinue/Change Medical Assistance (not available on-line)

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
90 ADM-42		360-3.3(c)	Ch. 472 of		P.L.101-508
90 ADM-9		360-4.1(b)	Laws of		(OBRA-90)
89 ADM-21		360-4.7(a)&	1991,		GIS 91MA041
82 ADM-6		(b)	Sect. 4601		MBL Trans-
		360-4.8(a)&	of OBRA-90,		mittal 91-4
		(c)	SSA Sect.		
			1902(1)(1),		
			SSL 366(4)		
			(q)		

I. PURPOSE

This Administrative Directive (ADM) advises social services districts of the provisions of Chapter 472 of the Laws of 1991. This Chapter amended Social Services Law (SSL) to extend Medical Assistance (MA) coverage to children born after September 30, 1983 who are at least six years of age but younger than 19 years of age, who are not otherwise eligible for MA, and whose household incomes do not exceed 100 percent of the applicable federal income official poverty line (federal poverty line).

II. BACKGROUND

Section 1902(1) of the Social Security Act (SSA), as amended by Section 4601 of the federal Omnibus Budget Reconciliation Act of 1990 (OBRA 1990; P.L. 101-508), requires states to phase in children up to the age of 19 as persons eligible for full MA coverage, if their household incomes do not exceed 100 percent of the applicable federal poverty line. SSA Section 1902(1) requires that in determining household income, the income exemptions and disregards used in the Aid to Dependent Children (ADC) program must be applied.

This expansion of MA coverage for children up to 100 percent of the federal poverty line was authorized for the MA Program by Chapter 472 of the Laws of 1991. This Chapter added a new SSL Section 366(4)(q) which provides for MA eligibility for children born after September 30, 1983 who are at least six years of age but younger than 19 years of age whose household incomes do not exceed 100 percent of the applicable federal poverty line. The resources of the households will not be taken into account in determining the eligibility of such children.

The phasing-in of MA coverage for children up to the age of 19 in families with incomes at or below 100 percent of poverty will increase the number of children who have access to health care under the MA program, consequently improving the health of the children of New York. This amendment to the SSL continues the efforts begun during 1990 with the expansion of MA coverage of pregnant women and infants and with the inclusion of children through age five whose household incomes do not exceed 133 percent of the applicable federal poverty line.

Although the federal provisions to phase in MA coverage of children up to 100 percent of poverty were effective April 1, 1991, State legislation was required in order to implement them. Since the

enabling legislation was not enacted until July, 1991, these provisions are effective October 1, 1991 in New York State. The Department has adopted regulations on an emergency basis implementing the requirements of Chapter 472 of the Laws of 1991.

### III. PROGRAM IMPLICATIONS

The new SSL Section 366(4)(q) expands MA coverage for children. This new category of coverage includes children born after September 30, 1983, who are at least six years of age but younger than 19 years of age and whose household incomes do not exceed 100 percent of the applicable federal poverty line. There is no resource test for these children.

As of October 1, 1991, there will be three expanded categories of MA coverage of children: 1) infants younger than one year of age with household incomes up to 185 percent of the applicable federal poverty line; 2) children ages one through five with household incomes up to 133 percent of poverty, and 3) children born after September 30, 1983 who are at least six years of age but younger than 19 years of age with household incomes up to 100 percent of the applicable federal poverty line.

The MA program will begin covering this latter group of children under a long-range, phase-in process. For example, on October 1, 1991, all children born after September 30, 1983 who are age six through age seven and up to age eight if born on October 1, 1983 will be covered if their household incomes do not exceed 100 percent of the applicable federal poverty line. By 1992, MA coverage of children at 100 percent of the federal poverty line will expand to include all children through age eight, and children who become nine years of age on or after October 1, 1992.

MA coverage for the costs of care provided to these eligible children is to be reimbursed at the regular 50 percent federal, 25 percent State and 25 percent local shares.

The impact of this expansion of MA eligibility will be limited to those households that include children born after September 30, 1983 who are at least six years of age and whose household incomes do not exceed 100 percent of the applicable federal poverty line. Under this expanded category, a child must spenddown to the higher of the MA standard or Public Assistance (PA) Standard of Need when household income exceeds 100 percent of the applicable federal poverty line. Additionally, resources are considered available for children born after September 30, 1983, who are at least six years of age, when household income exceeds 100 percent of the applicable federal poverty line.

IV. REQUIRED ACTION

Social services districts are instructed to begin phasing in MA coverage of children up to 100 percent of the federal poverty line as follows:

A. Financial Eligibility

For a child born after September 30, 1983 who is at least six years of age but younger than 19 years of age who applies for or is in receipt of MA on October 1, 1991 or after, financial eligibility is to be determined or redetermined as follows:

1. Determine the net available monthly income of the household ("household income") in accordance with the ADC budgeting methodology, including all appropriate ADC-related exemptions and disregards of income.

NOTE: In accordance with the Vailes v. Blum and Mehler v. Blum court decisions (see 82 ADM-6), the applicant has the option of including or excluding any legally dependent relative(s) and their incomes when determining MA eligibility. This policy is also applicable when determining eligibility for children at 100 percent of the federal poverty line.

2. The household income of a child is compared to the highest of the following three standards: the applicable MA standard; the applicable PA Standard of Need; or 100 percent of the applicable federal poverty line. In most cases, 100 percent of the federal poverty line will be the highest standard.
3. A child is financially eligible for all MA benefits if his or her household income does not exceed 100 percent of the applicable federal poverty line. There is no resource test so long as household income does not exceed 100 percent of the applicable federal poverty line. This includes cases where a child is eligible under the applicable MA standard or the PA Standard of Need, if the standard used is less than or equal to 100 percent of federal poverty line.
4. If the household income of a child exceeds 100 percent of the applicable federal poverty line, including instances where the applicable PA Standard of Need exceeds 100 percent of such poverty line, resources are counted.

NOTE: Resources are not counted when determining eligibility for pregnant women or infants younger than one year of age. However, for children ages one through five and children born after September 30, 1983, who are at least six years of age but younger than 19 years of age, resources do count if household income exceeds the appropriate percentage of the applicable federal poverty line.

If household income exceeds 100 percent of the applicable federal poverty line (and the higher of the applicable MA standard or PA Standard of Need), a child must spenddown to the MA standard or PA Standard of Need, whichever is higher, to become eligible for MA coverage. A child can not become eligible by spending down to 100 percent of the federal poverty line.

5. When determining eligibility for an SSI-related child, the most beneficial budgeting methodology must be used. If under the ADC budgeting methodology, the child's household income exceeds 100 percent of the applicable federal poverty line, determine eligibility using SSI budgeting and compare the child's income and resources to the MA standard for one. It is important to note that only ADC budgeting is used when comparing income to the 100 percent of poverty line.
6. Upon receipt of this ADM, all current spenddown cases containing children who are six or seven years of age must be rebudgeted under the increased income standards. In some instances, cases containing an eight-year-old child will also require review. For example, children born in the month of October, 1983 will have reached the age of eight by October 1, 1991 and may no longer be subject to a spenddown based on the increased income standards.

B. Notices

When the rebudgeting of a case under the provisions of this ADM results in a change in eligibility, social services districts are reminded that they must adhere to the requirements of 89 ADM-21 with respect to notifying the client of the change. A sample DSS-3623, "Notice of Intent to Discontinue/Change Medical Assistance", is included in this ADM (see Attachment).

V. SYSTEMS IMPLICATIONS

A. WMS

Children who are eligible under the expanded MA provisions described in this ADM must be identified on WMS with a Categorical Code value of 44, "Expanded Coverage-Child".

NOTE: Categorical Code 44 will continue to be used to identify children less than one year of age who are eligible for expanded coverage as described in 90 ADM-9, and children age one through five as described in 90 ADM-42.

WMS will be providing a report to assist districts in identifying cases with children born after September 30, 1983, who are at least age six but less than age nine, who may be eligible for expanded MA coverage.

B. MBL

Effective October 7, 1991, MBL supports the policy discussed in this ADM. Refer to MBL Transmittal 91-4 for further details.

VI. EFFECTIVE DATE

The provisions of this ADM are effective January 1, 1992, and are retroactive to October 1, 1991.

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Jo-Ann A. Costantino  
Deputy Commissioner  
Division of Medical Assistance