

+-----+
| LOCAL COMMISSIONERS MEMORANDUM |
+-----+

Transmittal No: 92 LCM-41

Date: February 28, 1992

Division: Medical Assistance

TO: Local District Commissioners
SUBJECT: Disabled Adult Children (DAC)

ATTACHMENTS: DAC Records from the 1991 Reconciliation File
(available on-line)

This Local Commissioners Memorandum (LCM) provides follow-up information regarding Medical Assistance (MA) eligibility for certain disabled individuals who lose Supplemental Security Income (SSI) eligibility as a result of becoming entitled to Title II benefits as a Disabled Adult Child (DAC) or because of an increase in such benefits. This information was originally issued in State Data Exchange (SDX) Information Sheet #356 dated June 16, 1987, and was presented at the 1991 Fall MA Regional Meetings for upstate social services districts.

Definition of a DAC

Section 6 of Public Law 99-643, the Employment Opportunities for Disabled Americans Act, amended Section 1634(c) of the Social Security Act (Act) to provide for a new group of categorically eligible individuals under Medicaid. An individual who would be eligible for Medicaid under this group is one who:

- o is at least 18 years old;
- o was eligible for SSI benefits on the basis of blindness or a disability;
- o became disabled or blind before he or she reached the age of 22; and
- o lost SSI eligibility as a result of becoming entitled to child's insurance benefits on or after July 1, 1987, under Section 202(d) of the Act, or because of an increase in those benefits effective on or after July 1, 1987.

If the preceding criteria are met, and if the individual would be eligible for SSI benefits were it not for either the increase in, or entitlement to the child's insurance benefits, the individual is "deemed eligible" for MA under Section 1634(c) of the Act.

Processing

Similar to other "deemed eligibles" (e.g., Pickle eligibles), social services districts need to determine continuing categorical eligibility for MA. If an individual lost SSI eligibility because of the entitlement to child's insurance benefits, the entire amount of such benefits are disregarded. If ineligibility for SSI was due solely to an increase in child's insurance benefits, then only the increased amount is disregarded (i.e., disregard any amount above the amount of the child's insurance benefit the individual was receiving when he or she last was entitled to SSI benefits). If the individual would be eligible for SSI were it not for the child's insurance benefits or the increase in those benefits, he or she remains eligible for MA under the DAC provision. It should be noted that in determining the amount of income available for the cost of care under chronic care budgeting, all child's insurance benefits are considered available income and must be added to all other sources of available income.

Subsequent to becoming a "deemed" Medicaid eligible individual under the DAC provision, should there be an increase in either income (other than the child's insurance benefits) or resources that would have resulted in a loss of SSI eligibility, the individual would lose the deemed status for MA and regular budgeting procedures would apply. By budgeting the child's insurance benefits, the individual may be subject to a spenddown requirement. Should the income and/or resources be reduced to the point where the individual would be entitled to SSI benefits except for the increase in, or entitlement to the child's insurance benefits, the individual would again become eligible for MA under the DAC provision. Income must be below the SSI income level, and resources must be at or below the SSI resource level.

Automated SDX WMS Interface Process (ASWI)

The Social Security Administration (SSA) notifies the State Department of Social Services (DSS) of eligible DAC cases through the State Data Exchange (SDX). In accordance with the Stenson v. Blum decision (80 ADM-19), when an SSI beneficiary loses eligibility for SSI cash payment, the individual must remain eligible for MA until a separate MA determination is made.

Upstate Districts:

When reviewing closed SSI cases, eligibility staff should review the SDX to ascertain whether the individual is a DAC eligible. The ASWI process will post DAC records with a "D" in SDX field 50, Medicaid Eligibility Code, with the literal "STATE DETERMINATION DISABLED ADULT CHILD D". The payment Status Code on SDX will be "NONPAY". On WMS, the

Case Type will be set to "20"- MA Only, and the SSI Indicator will be set to "5"- Closed SSI- Continue OASDI. The SDX should be filed in the case folder for future reference.

New York City:

Auto-SDX will process DAC cases with the Payment Status Code of "N01" or "E01", and "D" in field "Type Coverage". These cases will appear on the monthly Stenson lists, and should be processed in the same manner as those with Payment Status Code "MMM". Staff should check the SDX inquiry screen on WMS to see if these codes appear on the SDX record. In addition, when cases are converted from MSSSI to MA, a "5"- Closed SSI- Continue OASDI, should be placed in the SSI Indicator field (WMS Item #320).

Allegation of DAC Eligibility

If an individual indicates he or she is a DAC eligible individual, but the SDX does not reflect the DAC code, the client or representative should be advised to contact the local SSA office to obtain written verification documenting DAC eligibility. If your district finds a significant number of cases in which the SDX does not appropriately reflect the DAC code (when individuals provide written documentation), please contact your eligibility representative so that we can work with SSA to resolve problems.

Reconciliation/Reimbursement for DACs

Beginning in July 1987, SSA began identifying individuals who lost SSI eligibility as a consequence of becoming entitled to, or receiving an increase in DAC insurance benefits. We are aware that there have been some cases in which individuals were not properly identified as DAC eligible. As a result, there are a number of individuals who were not continued on MA in accordance with the DAC provision.

SSA and DSS have since corrected the identification problems and will send corrected SDX records to social services districts in two mailings*. The first set of records, which accompanies this LCM, pertains to DAC eligibles for 1991. (Please note that some social services districts have no DAC eligibles for 1991, see the attachment to this LCM.) A second set of SDX records will be sent for the period July 1987 through December 1990. Social services districts should evaluate these SDX records to see whether WMS should be changed to reflect DAC status by setting the SSI Indicator to "5"- Closed SSI- Continue OASDI. These records will be subject to review by the Department in the near future.

Individuals determined eligible under the DAC provision who have not received full MA coverage are entitled to reimbursement. Some individuals

* The ASWI process cannot be used for former DAC records, as the eligibility dates may be more than six months in the past, causing an exception. Please note that there may be former DACs that are now in receipt of SSI cash benefits and therefore should not be changed from Case Type 22.

may have received MA coverage with a spenddown of income rather than full coverage, because the child's insurance benefit was budgeted. In such cases, eligibility must be recomputed without the child's insurance benefit counted as income. The DSS-3868, "Notice of Medical Assistance Review" may be used to notify clients that the agency has reconsidered their liability since they have been identified as a DAC. Consult the New York State Fiscal Reference Manual for Local Departments of Social Services for procedures for reimbursing MA recipients for paid medical costs (Volume I, Chapter 7, pages 29-33; and Volume II, Chapter 5, pages 16-21).

Questions may be directed to your MA Eligibility County Representative at 1-800-342-3715, extension 3-7581 or 212-417-4853 in New York City.

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

