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Administrative Directive

Section 1

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| Transmittal: | 01 ADM 14 |
| To: | Local District Commissioners |
| Issuing Division/Office: | Temporary Assistance |
| Date: | October 24, 2001 |
| Subject: | Temporary Assistance Procedures: District Waiver Option of Quarterly Reporting Requirements (QRS) |
| Suggested Distribution: | Temporary Assistance Directors Food Stamp Directors Medical Assistance Directors Child Assistance Program Coordinators Staff Development Coordinators |
| Contact Person(s): | Temporary Assistance Policy Questions: Central Region at (518) 474-9344 Medicaid - Upstate Regional Representative at (518) 474- 9130; New York City Representative at (212) 268-6855 |
| Attachments: | Attachment I - List of Waiver Districts Attachment II - Quarterly Reporting Informational Letter |
| Attachment Available On – Line: | <input checked="" type="checkbox"/> |

Filing References

| Previous ADMs/INFs | Releases Cancelled | Dept. Regs. | Soc. Serv. Law & Other Legal Ref. | Manual Ref. | Misc. Ref. |
|---|--------------------|------------------------------------|-----------------------------------|-------------|-----------------------------|
| 93 ADM-9; 01 ADM-9; 95 INF-19; 94 INF-56 | 94 INF-56 | 351.24; 352.17(e); 352.31(c) | 131-t | | 01 TA/DC015; 01 TA/DC031 |

Section 2

I. Purpose

The purpose of this administrative directive is to inform districts (SSDs) of a change in Temporary Assistance (TA) procedures related to the provision of district specific waivers to 18 NYCRR 351.24.

II. Background

Since the elimination of monthly reporting in 1993, TA recipients with earnings have been required to report their income every three months (quarterly reporting). Recently, Food Stamps has eliminated the quarterly reporting process and established a six-month reporting process (see 01 ADM-9). Since that time, a number of districts have requested that TA policy be modified to make it more compatible with Food Stamps policy. Concerns have been expressed regarding the administrative complexity and potential confusion to TA and FS recipients from operating two separate reporting systems.

GIS TA/DC031 informed districts that they could request a waiver to the TA quarterly reporting (QR) requirements found at 18 NYCRR 351.24 for administrative ease. A number of districts have responded to this GIS, requesting to waive the regulation noted above. This directive grants these requesting districts a waiver to these requirements and outlines the TA implications of these waivers. The districts granted waivers to the requirements of 351.24 are identified in Attachment I to this ADM.

There has been no change in TA quarterly reporting requirements for those districts which choose not to request a waiver. These districts must continue to follow the TA quarterly reporting requirements found in 18 NYCRR 351.24 and detailed in 93 ADM-9.

III. Program Implications

A. WAIVER PROCESS

Waivers to the quarterly reporting system process will only be granted once per year. To receive the initial waivers addressed in this ADM, districts had to make such a request to this Office by September 30, 2001 (as instructed in GIS TA/DC031). After this, waiver requests will not be considered from districts for an effective period prior to January 1, 2003. Waivers to the QR process were not granted for Child Assistance Program (CAP) cases.

B. LAST QUARTERLY REPORTING SYSTEM (QRS) MONTH

TA recipients in those SSDs that have requested and received a waiver to quarterly reporting requirements will no longer receive quarterly reports after October of 2001. The last quarterly reports will be sent in these districts in late October 2001. These QRs will be returned and processed according to quarterly reporting rules in November of 2001. No more quarterly reports will be sent in waiver districts beginning with November of 2001 (except for those FS 6-month reporting cases certified for at least 7 full months as described in 01 ADM-9 and CAP cases).

C. INFORMATIONAL LETTER

TA clients currently subject to quarterly reporting requirements that are receiving TA benefits from a district that has been granted a waiver will receive an informational letter (attached) in early November of 2001 indicating

that they will no longer be required to report income quarterly. The letter will also explain the reporting requirements for TA recipients in those districts that have received a waiver.

D. TA REPORTING REQUIREMENTS

In districts with a quarterly reporting system waiver, TA recipients with earnings are no longer required to quarterly report their income but are still required to report significant changes in income in a timely manner. The definition of a significant change is the same as that which was described in 93 ADM-9 when prospective budgeting procedures replaced retrospective budgeting procedures. A significant change is any increase or decrease in income that is expected to last 30 or more days.

E. PROSPECTIVE BUDGETING

There has been no change in the prospective budgeting process (see 93 ADM-9, pp. 8 – 11). The only change for waiver districts is that there will be no quarterly report sent in between the two mandatory semi-annual face-to-face recertifications. Districts with a waiver to QRS requirements must now rebudget cases using prospective budgeting procedures at the time of recertification and when a significant change in income is reported.

As a reminder to districts, prospective budgeting procedures require the use of the best estimate process. The best estimate process requires that the district use one of two methods to project average monthly earnings. Districts do not have a choice as to which of the two methods must be used. The circumstances of each case determine which method must be used. The two methods are:

Method # 1: This method is to be used for all cases that have at least four weeks of pay and that have not had a significant change in pay. This method requires that the last four weeks of pay be averaged after discarding any temporarily high or low weeks. The average weekly wage is then multiplied by 4 and 1/3 weeks to arrive at an average monthly income. Note that under this method, there is no option to average more than four weeks of income even if more than four weeks are available.

Method #2: This method is to be used for all cases that do not have at least four weeks of wages or which have experienced a significant change in income. This method requires that the hourly wage rate and number of hours worked per week be verified. The wage is then multiplied by the number of hours per week to determine the average weekly wage. This average weekly wage is then multiplied by 4 and 1/3 weeks to arrive at the average monthly income to be budgeted.

The particular circumstances of each case dictates which method must be used. More information is contained in 93 ADM – 9 and 95 INF-19.

F. TRANSITION PERIOD

1. Last QR's Received in November

Waiver districts must use the income information reported on the last quarterly reports received in November to calculate budgets for each individual case from the period of December 1, 2001 until February 28, 2002. February 28, 2002 should be the end of the current certification period. At the recertification interview for the certification period ending on February 28, 2002, the TA examiner must obtain verification of the last four weeks of income, and using prospective budgeting procedures, calculate the TA grant for the upcoming 6 month certification period.

Note that only approximately 1/3 of the TA caseload in earnings will be required to furnish quarterly reports in November. The next section details how the other 2/3 of the TA caseload must be processed.

2. Extending TA Budgets and Payments for the Certification Period

Depending upon local district practice, there may or may not be necessary action to rebudget other TA cases with earnings for the transition period.

If the district normally rebudgets and authorizes TA cases with earnings at recertification for the entire 6-month authorization period, then no further action is necessary until the next recertification (unless a significant change is reported). This would mean that TA cases that recertified for October 1st and November 1st, 2001 already would have been budgeted using prospective budgeting procedures for the entire certification period. No further action is required for these cases until the next recertification or unless a significant change is reported.

However, if the district's practice is to store budgets and authorize benefits only for the three month payment quarter following recertification, these cases will need to be reviewed, TA budgets extended and benefits authorized for the last three months of the certification period. District reports are being produced for waiver districts that will identify those TA cases that normally would have returned quarterly reports in the process months of December 2001 and January 2002. If the district has calculated TA budgets for these cases for the entire certification period (i.e. October 1, 2001 through March 2002 etc.) then no further rebudgeting action is necessary until the next recertification or unless a significant change is reported. However, if the district has only calculated a TA budget for the initial three months of the certification period, then the current budget must be extended for the last three months of the certification period and the appropriate benefit amount authorized for this same time period. These lists may be used to identify TA cases that may need to have the budget and benefits extended.

G. REBUDGETING CASES AFTER THE TRANSITION PERIOD

After the initial transition period, districts with a waiver to 351.24 will only need to rebudget TA cases with earnings when a significant change occurs, or at recertification whichever occurs sooner.

H. EXAMPLES

1. Initial Earnings

A mother is receiving FA benefits for herself and her two children. The family's current authorization period is from October 1, 2001 through March 31, 2002. The mother starts a job and receives her 1st pay December 13, 2001. The initial earnings are reported to the agency in a timely fashion. Since four weeks of pay are not available, the district must use Method #2 to project average monthly earnings. The district verifies from the employer that the woman is expected to work 20 hrs. per week at \$6.15 per hour (\$123 per week). Using the prospective budgeting and the best estimate process, the district would budget (20 x \$6.15 x 4.333333 weeks) \$532.99 beginning January 1, 2002. The number of hours that will be worked for the month would also have to be entered on ABEL. No overpayment would be calculated for December since this was the initial earnings administrative process period and the initial report of income was timely. The reduced TA grant would be authorized from January 1, 2002 through March 31, 2002 after timely notice had been provided. Prior to the end of the current

authorization, the family would recertify and benefits would be reauthorized for the new 6-month certification period.

2. November Quarterly Reports

A TA family in which the mother is employed submits the household's last quarterly report in November 2001. The current authorization for the family is from September 1, 2001 through February 28, 2002. Attached to the quarterly report are the following pay stubs:

October 2 - \$121
October 9 - \$137
October 16 - \$117
October 23 - \$129
October 30 - \$131

The best estimate process used under prospective budgeting requires the district to use method #1. This is the only appropriate method since the recipient has received at least four weeks of wages and there is no discernible significant change in income. This method requires that the district average the last 4 weeks income (after discarding unusual high or low pays). There is no evident reason to discard any of the last four pays, so the district averages the four pays from October 9th through October 30th, then multiplies the average by 4 1/3 weeks to determine the amount to be rebudgeted for the remainder of the certification period (through February 28, 2002). This is done: $\$137 + \$117 + \$129 + \$131 = \$514$. $\$514$ divided by 4 weeks x 4.333333 weeks = $\$556.83$ average monthly earnings.

The amount budgeted against the TA grant for the remaining three months of the certification period would be $\$556.83$. The number of hours that will be worked for the month would also have to be entered on ABEL. No adjustment would be made until the next recertification unless a significant change in earned income was experienced.

3. Significant Change in Earnings During a Certification Period

A single SNA recipient is working part-time. His current authorization period is from January 1, 2002 through June 30, 2002. The agency verifies his expected earnings rate of 10 hours per week (only works one day per week) at \$5.50 per hour. Using the best estimate process (Method #2 is appropriate since there are not four weeks of wages), the district initially projects his earnings to be \$238.33 per month (10 hours x \$5.50 x 4.333333 weeks). The number of hours that will be worked for the month would also have to be entered on ABEL. In late January, the SNA recipient begins working full-time. On February 7th, his first pay at the full-time rate is received. He does not report this to the agency in a timely fashion but waits until March 9, 2001.

At that time, the agency verifies that he is now working fulltime (40 hours x \$5.50 x 4.333333 weeks = \$953.33) and rebudgets his case. Since there has been a significant change in income, the district does not average the last four weeks income but rather must use method #2 which requires verifying the most current information regarding hours worked and wage. Since the recipient's income exceeds his need, the agency closes his case with timely notice for April 1, 2001. An overpayment is also calculated for February and March. Since the increased income was not reported timely, the recipient does not receive the administrative processing period normally provided for increased earnings. If the income had been reported timely, there would not have been an overpayment for February (the administrative processing period).

IV. Required Action

Waiver districts must follow the procedures outlined above when the last quarterly reports are received in November of 2001.

V. Food Stamp Implications

There are separate reporting rules for the Food Stamp program. If a household has earnings and receives Food Stamps, they will receive one report mailer in the sixth month of their certification period if the authorization period is for a period of seven months or longer. It is very important that households follow the instructions on completing the form and return it to the agency. Failure to do so may result in the loss of their food stamp benefits.

VI. Systems Implications

Districts who opt out of TA Quarterly Reporting will be removed from the November 2001 and subsequent months' case selection and mailer production criteria.

Districts that opt out will still have mailers produced for their PA/FS and NPA/FS cases, if the FS Authorization period is 7 months or greater.

As stated above, an informational letter will be sent in early November to those cases that normally would have been sent mailers in any month. Lists will also be produced on BICS, identifying those cases that would have normally been sent mailers in the months of November or December, 2001.

VII. Medicaid Implications

Medicaid recipients are required to notify the local district immediately of any change in income, resources or household composition. There are no Medicaid mail-in reporting requirements, except for Transitional Medicaid (TMA). The waiver exempting quarterly reporting for TA does not apply to the TMA reporting requirements. The TMA mailer process has not been changed, nor has any other aspect of TMA.

VIII. Additional Information

None.

IX. Effective Date

This ADM is effective November 1, 2001.

Issued By

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Title: Deputy Commissioner

Division/Office: Division of Temporary Assistance