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Policy Memo

KHPA POLICY NO: 2007-05-01

To: SRS Staff KHPA Staff KDOA Staff	From: Andrew Allison, Medicaid Director
Date : May 2, 2007	KEESM Reference:
RE: State Supplemental Payment Program	Program(s): Medical Assistance

This memo implements the State Supplemental Payment Program, a state-funded cash assistance program for persons living in a Medicaid-approved institution. Specific instructions for SRS and KHPA staff are included in this memo. The State Supplemental Payment Program was implemented on May 1, 2007 and is retroactively effective July 1, 2006.

I. Authority and Background

The State Supplemental Payment Program was created by the 2006 Kansas Legislature with passage of Senate Bill 62 and subsequent enactment of K.S.A. 39-972. This legislation actually made several modifications to long term care assistance for Medicaid eligible individuals. The first of these benefits was implemented in July, 2006 with an increase in the protected income level for institutional living arrangements from \$30.00 to \$50.00 for single individuals (\$60.00 to \$100.00 for couples). For most Medicaid beneficiaries, this change resulted in a decrease in their patient liability and an extra \$20.00 per month to spend for personal needs. A second increase in the protected income level was also included in the legislation. Effective July 1, 2007 the protected amount will increase from \$50.00 to \$60.00.

Although thousands of facility residents are impacted by the increased protected level, there is a small group of very-low income beneficiaries who did see a change in their personal needs funds.

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Persons with incomes below the protected income level do not have a patient liability and therefore, didn't realize the benefits of the increased allowance. The State Supplemental Payment Program (SSPP) was created for just this purpose – to provide additional cash benefits to persons with income below the current protected income level.

II. Supplemental Security Income

Because eligibility for SSPP is based on receipt of Supplemental Security Income (SSI), it is important to make note of specific information regarding SSI eligibility criteria. SSI is a means-tested program for persons age 65 and over or who meet Social Security's disability criteria. For many individuals living in the community, SSI truly does supplement other income of the individual. However, when an SSI eligible enters an institution and Medicaid is paying at least 50% of the cost, the maximum benefit level is reduced. For many, SSI payments terminate in these instances. It is only those individuals with countable incomes less than \$50.00/month who continue to receive an SSI benefit.

Persons with no countable income receive a monthly payment of \$30.00. Persons with other income sources received an adjusted benefit, following a \$20.00 disregard of other income. For example, an individual with a \$41.00 monthly payment from oil royalties would have \$21.00 in countable income ($\$41.00 - \$20.00 = \$21.00$ countable income). With a maximum payment standard of \$30.00, this individual would receive a \$9.00 SSI benefit ($\$30.00 - \$21.00 = \9.00).

Social Security identifies persons who are receiving a reduced SSI benefit because they are living in a Medicaid institution through the EATSS interface.

III. State Supplemental Payment Program Eligibility Criteria

Eligibility for the SSPP is primarily based on receipt of reduced SSI benefits as described above. There is no application process or requirements. Persons identified as receiving both SSI and Medicaid who meet criteria will be automatically placed on the SSPP eligible list.

The following specific eligibility criteria apply:

1. Residing in a Kansas institution
2. SSI Recipient Status. Specifically, receiving a reduced SSI benefit based on residence in a Medicaid facility.
3. Receiving Kansas Medicaid (full Medicaid benefits only)
4. Be age 18 or over as of the month of payment

IV. State Supplemental Payment Program Benefits

Each individual determined eligible for SSPP will receive a \$20.00 monthly cash benefit. All eligibles will receive the same payment amount. The benefit will not be modified based on other income or resources. On an ongoing basis, the SSPP will be paid for the benefit month in that calendar month. However, the payment for April, 2007 will be made in May. Please note that direct deposit is not an option at this time and checks will be sent to the individual. The mailing address used for the medical card will be used to send SSPP checks as well.

The payments will be generated by a private contractor, Paychex, Inc. KHPA is responsible for providing a list of eligible individuals to Paychex each month who have been identified as meeting all necessary criteria for SSPP.

V. Identifying Eligible Participants

Eligible individuals will be initially identified through a search of the EATSS file, specifically the SDX. The process will involve identifying persons in current pay status with the appropriate living arrangement, as noted in item III above. Social Security records these individuals with a Federal Living Arrangement (FLA) of 'D' and a Payment Status Code of C01 (current pay status).

A list of those individuals who meet this criteria will be produced by SRS-EES Central Office staff on a monthly basis. The list will be generated at the beginning of each month based on SSI recipient status information at the beginning of the previous month. The list of possible SSPP eligibles will be sent to KHPA. KHPA will then match the list with the current MMIS beneficiary data. Only those eligible for full Medicaid in the prior month will be eligible for SSPP. Persons who have not reached their 18th birthday in the payment month will also be eliminated. The check will be sent to the same address as the beneficiary's medical card.

The list of eligibles will then be sent to the SSPP contractor, Paychex, Inc. each month. Payments will be generated on or about the 20th of each month. Paychex will provide KHPA staff with payment information for accounting and audit functions.

Except for the special one-time retroactive benefit noted below, the on-going automated process will only consider payment eligibility for the current month and not prior months.

VI. New Eligibles

Because benefits are only paid for the current month, some persons who become newly eligible for SSPP may not be identified for all possible benefits. The eligibility worker is responsible for notifying KHPA Policy staff for when these instances occur.

If the eligibility worker suspects an individual may not have received a benefit or if the worker has approved a new case where the recipient may be eligible for additional payments, an e-mail summarizing the situations, including specific eligibility information, is sent to the KHPA program manager. Following a check of the EATSS file, the MMIS and other relevant information, if the individual is eligible for new or additional benefits, KHPA will add the beneficiary onto the roster sent to Paychex. The results of the determination will be communicated back to the eligibility worker.

Example: 20-year old John enters Valley Nursing Home in 02-2007 following a car accident. His application for SSI benefits is approved on 05-02-2007, with \$30.00 monthly payments beginning in January. John is first identified on the SSPP list for May benefits. However, he is eligible for additional benefits for January - April.

The eligibility worker notifies KHPA Policy staff with John's information. KHPA staff investigate the SDX record and the MMIS. It is confirmed that John is eligible and he is added to the SSPP roster for a one-time payment of \$80.00.

VII. One Time Retroactive Benefit

Because the Supplemental Assistance program actually became effective on 07-01-2006, retroactive payments are also being generated for eligible individuals. In order to make these payments timely, persons eligible for a March , 2007 benefit are presumed eligible for payments beginning July 1, 2006. This means that all individuals receiving a March benefit will also receive a retroactive payment. The retroactive payment will be \$160.00 for each individual. This payment will be combined with the March payment into a single check of \$180.00. Beginning with the benefit for April, 2007 all payments will be issued monthly as described above.

VIII. Notices

KHPA is responsible for sending notices regarding SSPP activity to the beneficiary. An initial notice will be included with the first check explaining the benefit and reporting requirements. A copy of the notice is included with this memo. KHPA is also responsible for notifying individuals of changes in eligibility amount or status. Two additional notices, SSPP Approval and SSPP Closure, have also been developed. These will also be mailed by KHPA..

Please note that all notice activity will be done completely outside of KAECSES and the MMIS, so information regarding eligibility for SSPP will not be available on KAECSES.

IX. Reports

A register of all eligible beneficiaries will be produced each month based on the list sent to PayChex and will be sent to the EES Program Administrators each month. The roster will be sent immediately following production of the payments, on or about the 20th of each month. The list will be sent electronically.

X. Impact on Other Benefits

Supplemental Assistance payments are treated like SSI for all other assistance programs and current policy is applicable. For medical assistance (except patient liability) and cash assistance, the payment is exempt. For food stamps, the benefit is countable. The retroactive payment is a lump sum and is exempt. KHPA has confirmed with SSA that the income will be treated as exempt income for SSI program purposes too.

XI. Future Changes

Benefit levels for the Supplemental Assistance program will also change in July, 2007 when the new protected income level goes into effect. As the new level will cause additional changes to the payment methodology described in this memo, new instructions regarding SSPP will be issued prior to July, 2007.

XII. Contact

For additional information on the State Supplemental Payment Program, contact Jeanine Schieferecke in KHPA Policy (jeanine.schieferecke@khp.ks.gov ; (785) 296-8866)