

**Transmittal No:** 98 OMM LCM-002

**Date:** January 15, 1998

**Division:** Office of Medicaid  
Management

**TO:** Local District Commissioners

**SUBJECT:** Medicaid for Children who Lose SSI Due to Changes in the  
Disability Criteria

**ATTACHMENTS:** Definition of Fields to Appear on Report (Attachment I)-  
not available on-line  
District-Specific SSI Disabled Children Control List  
(Attachment II) not available on-line

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) changed the definition of childhood disability for the Supplemental Security Income Program (SSI). The PRWORA specified that a child is considered disabled if she/he exhibits a marked and severe impairment. Children whom the Social Security Administration (SSA) determined to be no longer disabled under the new criteria have lost their SSI benefits. GIS message 97 MA/013 advised districts that any child who loses SSI is entitled to a Stenson redetermination. Subsequently, the Balanced Budget Act of 1997 (BBA) was enacted. It provides for continued Medicaid eligibility for children who were receiving SSI on August 22, 1996, and whose SSI was discontinued due to the change in disability criteria. Under this provision, children must continue to meet the income and resource requirements for SSI in order to be eligible for Medicaid.

The SSA has provided New York State with a file of children who have lost or will lose their SSI benefits, as well as those children who are awaiting re-evaluation by SSA and may lose their SSI benefits due to a change in the disability criteria. This file contains the records of approximately 17,600 individuals. Attachment II of this memorandum is a district-specific paper report generated from the information forwarded by SSA. Attachment I provides definitions of many of the fields appearing on the report. In addition, each district's report will be forwarded via BICS, and New York

City will receive it via the regular file distribution process. This file may be identified on BICS by the filename "WMSBSIDC" with the qualifier "001-X-##", where ## will be the WMS district number.

Two actions must be taken using the attached district-specific report or the file provided through BICS (or, for New York City, via the file distribution process). First, these cases must be reviewed by local districts to determine the current status of the child's Medicaid eligibility. GIS message 97 MA/013 explained that many children who lost SSI eligibility are expected to remain Medicaid eligible, and some may have been added to existing Public Assistance cases. In accordance with the BBA, SSI-related budgeting methodology must also be considered when determining continued Medicaid eligibility, if this methodology is more advantageous. Therefore, the eligibility of any child determined ineligible pursuant to the Stenson redetermination must be re-evaluated using SSI-related budgeting methodology. If a child is found eligible using this methodology, the case must be opened retroactive to the date of closing, and the SSI indicator of "5" (closed SSI-continue OASDI/Disabled Adult Child) in the SSI indicator field on WMS on screen 2 upstate; (field #320 on the New York City turnaround document) entered. In addition, if applicable, reimbursement of paid medical expenses shall be made for the period of Medicaid eligibility. In accordance with Greenstein v. Dowling, reimbursement for paid medical expenses must not be limited to the Medicaid rate or fee for the particular service. Social services districts should follow the reimbursement procedures set forth in the New York State Manual for Local Social Services Districts at Volume I, Chapter 7, pages 20 through 26 (dated November 10, 1996) and Volume II, Chapter 5, pages 16 through 21 (dated November 10, 1996). If the child remains ineligible after an SSI-related budget is done, it is not necessary to input the SSI indicator of "5".

If a child has been found eligible with a spenddown pursuant to a Stenson redetermination, an SSI-related budget must be completed to determine if such budget would reduce or eliminate the spenddown, and the SSI indicator of "5" should be entered. If the child is determined fully eligible, reimbursement of paid medical expenses up to the spenddown amount shall be made for the applicable period. If the child continues to have a spenddown, after an SSI-related budget is completed, the case should be earmarked with the SSI indicator "5".

Districts should be aware that the SSI indicator cannot be entered on any case that, upon review, is still active as a Case Type 22 (MA/SSI).

Secondly, if the child has a currently active Medicaid case (Medicaid only or as a result of Public Assistance eligibility), districts are instructed to "earmark" these children's Medicaid cases by entering a "5" (closed SSI-continue OASDI/Disabled Adult Child) in the SSI indicator field on WMS (on screen 2 upstate; field #320 on the New York City turnaround document). It

is important to enter the SSI indicator of "5" in all instances as explained above because all issues regarding the continued Medicaid eligibility of these children have not yet been resolved by SSA. We anticipate providing you additional guidance regarding the continuing eligibility of these cases. Consequently, these reports must be kept for future reference.

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To determine eligibility under the SSI income and resource standards, local districts may utilize MBL BT04, inputting the income and resources of household members and using the system to perform deeming and/or allocation, as appropriate.

The child's net income (including any health insurance premiums) must then be manually compared to the appropriate SSI benefit rate. The SSI benefit rate (effective 1/1/98) for an individual living with others is \$517. Refer to 97 TA/DC028 for the benefit levels for individuals residing in Congregate Care I, II, and III facilities. The SSI resource level for one is \$2,000.

Current available information from SSA indicates that children found eligible under this provision may be considered disabled until the age of eighteen, or until they lose Medicaid eligibility for some other reason, whichever comes first. As this information is clarified, it will be shared with local districts. Further reports provided by the SSA of children who have lost their SSI due to the changes in disability criteria will be sent to districts. A GIS message will be issued alerting districts to these reports.

Any questions regarding the above procedures may be directed to Eileen Lombardo at (518) 473-5452.

PUBLIC ASSISTANCE IMPLICATIONS:

Please refer to 97 LCM-51 for an explanation of the Zebley appeal process as well as the local district responsibilities for Zebley applicants for Public Assistance.

Please note that the enclosed list is meant to serve both the Medicaid and Public Assistance staff.

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Ann Clemency Kohler, Director  
Office of Medicaid Management

Enclosure

cc: Medicaid Directors